



SOCIETY OF ACTUARIES

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## International Congress

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rather formal and slow moving. Advance planning is essential, so there is little opportunity for surprise or for spontaneous repartee. Speakers, after giving advance notice of their desire to speak, must come to the microphone and speak fairly slowly since simultaneous translation is provided, the official languages being Japanese, English, French and German. All this takes time and it also takes time to get 1400 actuaries into and out of the meeting for a coffee break.

In spite of this inevitable formality, the Congress is very interesting and well worthwhile. Here are presented national reports on matters of actuarial concern from 25 countries. Here are presented comments on 128 well prepared papers on the four official subjects of the Congress, that is, Standards for Premium Rating, Mortality Rates, Private Pension Schemes, and Mathematical Researches on Insurance Company Management. Here is a unique opportunity to learn from other countries on matters of insurance practices, social security, and professional organization. World wide, actuaries are concerned about the effects of inflation, government intervention and consumerism on their business.

For many actuaries the greatest value of the Congress is in making contacts outside the official meetings, that is in renewing old acquaintances from foreign countries, making new ones, exchanging information and discussing problems of common concern.

It is hard and perhaps unfair to select one item for mention from so many excellent papers. However, I was especially interested in "A Historical Review of the Longevity of the Human Beings" presented by Mr. Hishinuma, President of the Institute of Actuaries of Japan. He quotes statistics bearing on human mortality in the Stone Age, the Roman Era and on through the Medieval Ages to modern times. He attempts to estimate the ultimate life span of the human race, and suggests a possible life expectancy of 77 for a male and 82 for a female.

Japan is smaller than California and has a population five times as large. Four-fifths of the area is mountainous. Since the rest is densely populated, the Japanese have developed a remarkable

discipline, cleanliness, and social cohesion. While everyday dress is western style, the kimono and sandals are often seen and women's lib has a long way to go to reach even the supposedly unsatisfactory western standards.

Prices of food in Japan are high. In the big hotels a cup of coffee or tea costs 200 to 400 Yen (60¢ to \$1.20); cocktails \$3; and a good meal \$10 to \$20 before the wine. However, the complete absence of tipping whether for taxis, meals or other services is most refreshing. At the various receptions and dinners we tried our skill with chopsticks and sampled many Japanese delicacies. Sukiyaki and Tempura were popular, but Sushi was not to everyone's taste.

Thursday was free for various excursions by bus: to Nikko the famous shrine center; to Kamakura and Hakone, a volcano caldera; or to Fuji, the sacred mountain. The goddess of Mount Fuji was shy on the day of our visit and shrouded herself in cloud. In fact we ran into a snowstorm on the way up the mountains requiring the buses to put on chains in order to return on the icy roads. However, on most days we could get a distant but clear view of Fuji from the 17th floor of the Imperial Hotel.

A visit to the Kabukiza Theatre was particularly memorable. Kabuki is a traditional dramatic performance in which female characters are always played by men. It features gorgeous costumes, elaborate makeup, singing, acting, and dancing to illustrate straightforward stories that are easy for westerners to appreciate and enjoy.

Another memorable event was a reception with varied entertainments at the Chinzanso gardens, where sake was drunk from little wooden boxes which many guests took home as souvenirs. We also remember the performance of the opera "Yuzuru", a tender story with very beautiful scenery.

We were amazed that many Japanese actuaries had been studying English for many months past in order to be able to converse with us for the one week of the Congress. This is an illustration of the great pains that were taken throughout to ensure that the Congress was a success. There was always someone ready with a smile and a bow to help solve any problem, reservations were always in order, and transportation was always waiting to take us to any function out-

## PENSIONS AND THE PUBLIC

William C. Greenough and Francis P. King, *Pension Plans and Public Policy*, pp. 311. Columbia University Press, 1976, \$15.

by Stephen L. Brown

Messrs. Greenough and King bring a wealth of experience from their years at TIAA-CREF to this most lucid discussion of the relationships between public policy, social security, and private and public pension plans.

The book divides neatly into three main sections. The first five chapters are descriptive in nature, dealing with the history and current characteristics of public and private pension plans in the U.S. The second section focuses on three important areas requiring public policy decisions — vesting, financing, and income objectives. It is in these chapters that elements of controversy arise and in which the authors make some specific recommendations for the future. Finally, the book finishes with a interesting overview of pension systems in a number of foreign countries.

The chapter which is perhaps the most striking in this excellent book deals with the financing (or, more accurately, the lack of financing) of public pension plans. While many have become aware of the social security financing problems, only recently has the extent of state and municipal financing problems become evident. Even less well known are the huge and growing liabilities being developed by the civil service retirement system and the armed services pension system. When all these elements of the public pension scene are viewed together, it becomes clear that the combination of excessively generous plan provisions and insufficient or no funding is not a viable situation in the long run.

Books like "Pension Plans and Public Policy" represent one of the best methods of making large segments of society aware of the knotty problems and social policy questions inherent in the current U.S. pension structure.

*Note: A more detailed review of this book will appear in the Transactions* □

side the hotel. Everything was under perfect control (except the weather).

Our grateful thanks are due to the Committee of the Congress and in particular to our Japanese hosts for a delightful and memorable experience. □