



SOCIETY OF ACTUARIES

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Dear Editor (continued from page 17)

United States. It is not nearly so important to Britain and much of Western Europe, where the demographic shift in the ratio of retirees to workers will not be so pronounced.

As Christopher White observes, "Funded arrangements don't guarantee entitlement to the desired goods and services when you retire. If too many are relying on savings and too few are producing, there'll inevitably be problems — inflation, strikes, or other social/economic upheaval."

I agree. Further, whether it ever becomes stated government policy or not, the result of these pressures in the four countries will inevitably be delayed retirement for part of the population until the consumption-demand side of the equation balances

with the production-supply side. It is inevitable that after 2015, you will see as many articles about planning for later retirement in these four countries as about early retirement.

Would funding social security help? Yes, but only if all the following three criteria are satisfied:

- The result must be increased Gross National Savings.
- These savings must successfully increase worker productivity.
- A more efficient way to do this (e.g., mandatory employer-sponsored pension plans) does not exist.

In Canada and the United States, social security provides only a 40% replacement ratio for workers at the average industrial wage. Thus, it does not negate the need to save for retire-

ment. (In fact, many authors say that it helps.) So what is true for France, Spain, and Italy may be meaningless here.

Thanks for the great discussion on this topic, which has a dearth of literature in the actuarial bibliographies. Pity!

Rob Brown

It's the principle of the thing

Recently an SOA bulletin headed "PRINCIPLES" appeared in my mail and invited comment on that subject. This is a topic that deserves more attention because it is not easy to define a principle, as efforts over the years have demonstrated.

I was on the seminal Principles Committee headed by Bob Lindsay,

IN MEMORIAM

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Charles Barry H. Watson
FSA 1959, MAAA 1965, FCIA 1966,
FCA 1973, AIA 1973, EA 1976

Barry Watson, who died September 22, made his mark early in his actuarial career. He achieved his ASA in 1956 and his FSA in 1959, passing every exam on the first try with a score of 10.

He went on to serve the profession with distinction. He was the Society of Actuaries' first executive director, serving from 1968-72. He was a consultant with The Wyatt Company in Washington, D.C., until his retirement in 1992. He was on the SOA Board of Governors from 1974-77, its historian from 1975-76 and a vice president from 1980-82. For the past 30 years, he had served on many SOA education and examination, research, and principles committees and task forces. At the time of his death, he was chair of the Committee for Research on Social

Concerns. He was a frequent presenter at actuarial meetings and wrote for several actuarial publications.

He was a tireless promoter of the profession internationally, serving on the SOA Committee on International Relations and as chair of the International Section Council. He represented the United States on the International Actuarial Association Council for many years. He was also one of the organizers of the International Forum of Actuarial Associations, established in 1995.

He also was active in other actuarial organizations, serving most recently as an American Academy of Actuaries vice president, responsible for the Council on Professionalism, and as chair of its Committee on Qualifications. He had also been on its Board of directors and served as secretary in the 1970s. He served as president of the Conference of Actuaries in Public Practice (now Conference of Consulting Actuaries) in 1977-78. He also was chair of the Actuarial Education and Research Fund and served on its board for many years.

Those wishing to make donations are asked to give to the AERF (send donations to the SOA office) or So Others Might Eat, 71 "O" Street NW, Washington, D.C., 20001.