



SOCIETY OF ACTUARIES

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LETTERS

Computer History

Sir:

Alfred N. Guertin (Letter, February issue) is correct in saying that William Phillips was influential with the computer developers of the 1940's. I recall bringing his 1936 paper to the attention of Samuel Alexander (Bureau of Standards), James McPherson (Census Bureau Machine Development Officer) and John Parker (in charge of developing and marketing Univac I). These three men were in the forefront of computer development in those days.

I still marvel at the foresight displayed in his paper. Not only was he "Ahead of his Time", he was also "With It". He kept abreast of developments throughout the 1950's. And he supported and encouraged those other pioneers (Kenneth Usherwood of London, Johannes Engelfriet of Holland, Arnaldo Luvini of Italy, for example), then delving into ways of effectively using the new technology.

During a visit I had with him in 1960 we spent hours debating. He argued for emphasis on simpler, more technologically advanced computers; I, for somewhat less of that and more on the fundamental changes possible in products and institutions during an electronic age. It was an enriching bull-session.

John J. Finelli

Ed. Note: This writer knows whereof he speaks. William Phillips himself wrote in 1960, "John Finelli shares with Prof. Dr. Engelfriet the distinction of belonging to that small band of people who have been constant and unshaken in believing in the potentialities of electronic computers, working in the binary scale of numeration, ever since January 1936." Phillips went on to speak highly of John Finelli's willingness to share his knowledge with others, mentioning Finelli's presentation at the Fifteenth International Congress of Actuaries (New York, 1957), and his paper presented by invitation to the Institute of Actuaries in February 1960. □

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COMPETITION NOTES

Robert W. Maull is our first guest acturostician and first winner of the album offered in February. Bob not only contributed a quotation, he did the whole puzzle except for the clues. His fine piece is this month's Acturostic.

Ralph E. Edwards has favored us with a puzzle of the type that Peter G. Moore says requires only "basic hypothesis testing and straightforward deductions." It will appear next month.

C.G.G.

Rift

Sir:

The value of the FSA designation is being diminished. Why? Because our own leadership has been steadily downgrading the Society in favor of other actuarial organizations.

This is shown by the proposal to grant FSA's to members of the Fraternal Actuarial Association, the drastic revision and complication of our education system in order to cooperate with the Joint Board, the use of AERF instead of the Society for actuarial research, and efforts, carried on to a major extent by FSA's, to get the public to believe that a qualified actuary is an MAAA rather than an FSA.

If one asks, "How can this be?", the answer is simple. Our elected leadership refuses to be accountable to the Fellows through the election process.

The Board has refused to allow reasonable audit procedures in ballot counting. It reduced the minimum number of candidates for elected Board positions from 18 to 12, to give the Committee on Elections greater control. It refuses to give the Fellows enough information about candidates so that they can vote for persons known to share their viewpoint. It has refused to open its meetings to attendance by members, or even to let them know which Board members voted on which side of key issues.

No one of these by itself creates a crucial problem. But taken together they demonstrate that the Board is not representative of the membership and refuses to change the election and management processes to allow it to become so.

Though the fault lies with the leaders, it lies also with the many Fellows who "leave it to the other guy" to bring the

Society's direction back to where I perceive the members want it, based on the FAA vote.

If the FSA designation won't get you younger FSA's a decent job 5 or 10 years from now, don't blame me—I tried. Did you?

Peter W. Plumley

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Thoughts On the Benedict Thesis

Sir:

I hope that Mr. E. R. Benedict's book, *Protecting Retirement Against Inflation*, (reported in October 1980 issue) can be published and that it will be widely read. I enjoyed reading his manuscript, and found the rationale and mechanics of the proposal well described.

It would probably be good for the country if the groups who would benefit from this proposal were to advocate it strongly. This might help Congress and federal bureaucrats realize that retired people who have paid for a lot of the inflation don't intend to continue doing so, and if they won't pay for it somebody else must. Thus, the plan's principal value lies in its possible salutatory effect on dedication to inflation-fighting. That is reason enough to advocate it—as a method for shortening the fuse on the inflation time-bomb.

Yet if it came to a final vote, mine would be against the proposal. As I see it, the only cure for inflation is to eliminate federal deficits and stabilize the money supply. All attempts to shift the inflation burden—in this case from the retired to the taxpayers—mean reducing injustice in one place by increasing it elsewhere.

Armand C. Stalnaker

Ed. Note: The writer, Chairman of the Board of the General American Life Insurance Company, is a valued subscriber to this newsletter.

Mr. Benedict responds that he deplores, every bit as strongly as does Mr. Stalnaker, the indexing of wages and salaries, and likewise ad hoc general wage increases which are just as pernicious. His plan specifically advocates stopping such indexing and bringing the increase in the general wage under control. It is as a means to this end that he recommends fair-sharing of the continuing burden.

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