GEORGE B. BUCK CONSULTING ACTUARIES, INC.

THE FIRST 45 YEARS

BY

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P R E F A C E

In the year preceding Mr. Buck's death, he spoke to me about the possibility of our working together on a history of the state and municipal retirement plans in the United States. Unfortunately, this was not accomplished. Since his death, it has seemed to me that the story of his career should be written particularly for those who were not privileged to know him. His career is so closely related to the history of retirement systems in this country that one cannot be separated from the other. Therefore, the pages that follow do give something of the history of pensions for state and municipal employees as well, I hope, as a picture of the man who accomplished so much for such plans.

For material I have drawn largely upon the papers that Mr. Buck gave before groups of teachers and other employees, and upon his reports, particularly the early reports on the New York City funds. Also, I have discussed the old days with old friends, and their recollections have been set down along with mine. Particularly, Mrs. Mildred Buck was most helpful in furnishing details and in assembling material.

The reader may ask why the retirement systems for public employees form so important a part in this account of Mr. Buck's career when his services were also devoted widely to bank, industrial, and other types of private funds. His pioneer days were spent in the development of sound plans for public employees, and since such plans formed to a large extent the basis which was followed by other types of plan, the early days seem the most important in his career.

It is difficult to express the quality of any individual in words. There are so many adjectives which might apply in his case: original, witty, headstrong, kindly, sensitive, dependable, opinionated. The enumeration could be continued, but especially there stands out in his career his determination to do what he thought was honest and right in spite of the many obstacles which he had to meet, particularly in his governmental work. It is my hope that the facets of his character may emerge more fully in this story of his life.

Margaret Allen Burt

Chapter I

THE EARLY YEARS

George Burton Buck was born in Baltimore, Maryland, on December 2, 1891. His father was Joseph Wallace Buck and his mother Hettie Ann Robinson Buck. His father traced his ancestry from Joseph Buck who was a general in the American Army 1789 - 1793, and from James Hooper who was also a general in the American Army. The grandparents on his father's side were George Washington and Virginia Irving Buck; on the mother's side, Burton M. and Mary Robinson. It is interesting to note that his father called him George, using the name from his side of the family; and his mother called him Burton, using the name from her side.

George was the only surviving child of his parents, a brother, Joseph Wallace, and a sister, Fanny, having died before George was born. Because of the earlier loss of these children, George's parents were very protective of the health of their young son. George's father used an old clock, which had lost its original works, as a receptacle for pills and bad tasting medicines which were drawn upon frequently in the hope of bolstering the little boy's health. The clock, restored to its original use and beauty, stood in the Larchmont home. Perhaps the remembrance of its contents was a contributing influence to Mr. Buck's prejudice in later years against all medicines.

While George was a little boy his parents moved to Kensington, Maryland, a suburb of Washington, and it was in Kensington that he grew up. His father, who had served in the army and who was a part of the group sent in an attempt to rescue Custer in the campaign against the Indians, enforced very strict discipline in the home. Each morning as he left for work he would assign certain tasks to be completed by George after school. It is reported, credibly enough, that frequently George was nowhere to be found to say "good-by" to his father. George inherited his blue eyes and fair coloring from his mother who was sweet and gentle in manner. One special maxim she impressed upon him was "Judge not lest ye be judged". This he used to quote in later years when he had strong cause to condemn someone dealing with him in business.

It is hard to say at what early age his business career started. Perhaps the first venture was when, at a very young age, he and a playmate took their carts to the woods and dug up ferns. These they peddled at 5 cents per plant, thus making quite a substantial amount, although they were chagrined to find later how short-lived their product was. George was a leader among his friends. He was ingenious in laying the plans for projects to be carried out by his compatriots.

The first real business venture was to set up in a barn on the Kensington place a workshop for repairing and upholstering furniture. His skill in work of this kind came to him naturally. His grandfather, Burton M. Robinson, had many mechanical skills and his uncle, Irving Buck, was a cabinet maker of renown who carried out contracts for work of restoration in several buildings in Washington, including the White House. From these two men came George's first collection of tools, by gift and inheritance.

George's neighbors were soon impressed by his careful work. He showed at that time a strong sense of responsibility. He delivered each job when promised, accompanied by a carefully written bill. While his friends were playing ball he was frequently contracting with their fathers and mothers for work to be done. Saturdays he was responsible for cutting the grass and other home tasks. He soon found out that he could afford to pay Joe Doaks, the neighborhood handyman, a dollar a day to accomplish such tasks while he used his time more profitably. Unfortunately, the workshop was destroyed by fire, and an end came to that venture.

His mother had hoped that with the loss of the shop he would play more and not work so hard, but that was not his nature. His next project was the cultivation of mushrooms and, after taking books from the library and studying the matter, he approached his mother for a loan to set up the necessary equipment in their cellar. She was secretly dismayed as to what it might do to her preserves but she went along with his project and his venture in this line was successful. It meant his rising very early to harvest his crop and getting an early start to deliver the mushrooms to a Washington restaurant before school.

Throughout his school years he earned his own spending money in various ways. For a time he worked at a soda fountain and in later years boasted of his ability to flip the sodas. Once, for the Christmas holidays, he worked in the toy department of a Washington store. There was an overstock of certain items that did not seem to appeal, and the manager offered a bonus on any item of that stock which was sold. So attractive did he make that stock that he collected many bonuses. Years later he was told by an officer of one of the big insurance companies that he was a superlative salesman. Perhaps he first demonstrated this in that toy department. The actual experience of earning his own money in his youth taught him the value of money, a lesson which stayed with him all his life.

George went to Technical High School of Washington. He had a liking for an argument and often was apt to hold up the progress of a lesson by arguing a point of difference. This could be most annoying to his teachers. His English teacher almost had him expelled on account of his obstinacy in an argument, but that teacher proved to be the one who had the most influence with him and was the one who advised him to study law. One story comes down regarding an incident in his physics class. One of his friends, Hugo Stahl, and he had built crystal radio sets by which they could communicate. It happened that their teacher put a diagram for a radio wiring arrangement on the board and George told him that it was not only wrong but not up-to-date, whereupon he was told, probably rather sharply, to correct it. Hugo and he corrected it and so impressed the instructor with their understanding of the problem that they were excused from further classes and examinations in that subject. In later years his mechanical ability enabled him to invent an improvement in the Hollerith Key Punch, which was patented and resulted in a small income for a number of years. In languages, he was not so successful. George himself admitted that each year he was voted the poorest German student of the class.

George was a member of the Warner Memorial Presbyterian Church in Kensington. The record shows that he sang in the choir and was on the Social Committee of the Junior Christian Endeavor. Among the group of young people with whom he enjoyed some social life was a dark-eyed girl by the name of Lyda Norris, also of Kensington, who was to become his wife.

When George finished high school in 1909 he decided to work during the day and study law at night. He obtained a job with the Census Bureau in Washington. It was not long before he was made chief of his section. He then made his section first in production and thereupon he was put in charge of several sections. Thus at an early age he showed his ability to analyze the steps in a problem and carry them through in the most efficient manner. In 1913 he obtained the degree of LLB from George Washington University and was admitted to the District of Columbia bar. In the meantime, however, he had begun his work in pensions.

Chapter II

THE YEARS IN WASHINGTON

George Buck's earliest experience with pensions began in 1911 with his employment by President Taft's Commission on Economy and Efficiency, in the preparation of a report on the retirement of superannuated employees from the classified civil service. He worked with Mr. Herbert D. Brown.

It is difficult to realize today that at the time this report was being written there was no retirement system for public employees operating in the United States which met the standards of actuarial soundness that are now generally recognized. It is true that there were formal pension plans covering police, firemen, and teachers, but in none of these plans was there any recognition of the extent of the probable future pension obligations of the government. To the layman it seemed a very simple and reasonable procedure to pay an old or incapacitated employee half salary for life and save the taxpayers the balance of his salary. If any income for benefit payments was set up, it was usually indirect income, such as fines, absence deductions and license fees. When this income proved insufficient to meet the current benefit payments, then contributions might be required of employees, but these were arbitrarily set without any attempt to determine the proportion of cost they covered. Such contributions were not held for the benefits of the employees who had made the contributions but were used to bolster the ever increasing benefit payroll. Direct appropriations by the government. if made at all, were also on an arbitrary basis.

At that time, however, there were glimmerings of interest in what might constitute the sound financing of a retirement system. The State Board of Education of Massachusetts was looking into the matter of a proper statewide retirement system for its teachers. The New York Bureau of

Municipal Research was making an investigation of New York City's police fund. As a basis for the Report of the Commission on Economy and Efficiency, Mr. Herbert D. Brown went to England to investigate the civil service retirement systems of Great Britain, New Zealand and New South Wales. The British had had long experience in the operation of retirement systems. While these investigations were in progress, no policy of sound pension fund financing had been formulated in this country as a guide for the preparation of a retirement plan for Federal employees. This then was a virgin field into which George Buck entered at the age of twenty, when he was employed by the Commission on Economy and Efficiency.

Although the retirement plan recommended by the Commission on Economy and Efficiency was not adopted, the report of the Commission is interesting on two counts. It shows the viewpoint at that time with respect to pensions for public employees, and also gives some insight into the background which the young actuary had when he continued his career in New York.

Under the recommended plan for the retirement of civil employees, pensions of one-half salary, with a maximum limit on pensions of $600 per annum, were to be provided beginning at age 70. In the case of new employees, the pensions were to be paid for entirely by their own contributions. There was to be a maximum limit of 8 per cent on employees' contributions and, in the cases of any present employee, whose contributions at the maximum rate would not provide the specified annuity, the government would meet the cost of the balance. The government would pay for the entire pension for those in service who were age 70 and over. It was argued that many of the older employees were actually earning only part of their salaries and that the saving in unearned salaries to be effected by their retirement would reimburse the government for its expenditures. The statistics in the report show that, in from 10 to 20 years, the plan would be supported wholly by employees' contributions. Incidentally, at that time, the oldest employee in Federal service was 95 and it was reported that some employees had to come in wheelchairs to collect their salaries.

In recommending the plan to the Congress, President Taft commented as follows*:

> "A retirement plan is only a means to an end and that end is an increase of efficiency in the public service. The Government is not required to take charge of an employee's finances, nor is it justified in doing so except so far as it is necessary to protect the Government against the inefficiency of the employee due to superannuation. It is my opinion, therefore, that a plan of retirement should be so adjusted as to make the least possible demand upon the Government, and at the same time draw from his personal control as little of an employee's money as possible. The proposed plan meets these requirements. While the maximum annuity of $600 is not sufficient to provide the luxuries of life, it is enough to insure an employee against want, even if he has been so unfortunate as to have made no other provision for his declining years. It is sufficient also to render ineffectual the appeals so often made to the sympathy of administrative officers when they attempt to remove from office an employee who has become inefficient through old age. At the same time the amount withheld from an employee's salary in order to provide his annuity is not sufficient to justify the thrifty in complaining that they are being deprived of an excessive portion of their income which they could invest more profitably."

Rugged individualism was in accord with the spirit of the time. In fact, George Buck never lost his belief in it. At that time a "straight pension", that is, a pension provided wholly by the employer, was looked upon with abhorrence. It was argued that it would become "an enormous, continuous and increasing tax on the public exchequer". It would make difficult the dismissal of the incompetent and would result in the payment of lower salaries in anticipation of pensions. This in turn would operate unfairly to those who left service before retirement. The ideal arrangement would be to make

*See letter of transmittal in Report of President's Commission on Ecomomy and Efficiency, May 6, 1912.

salaries adequate to permit an employee to save for his own old age as he saw fit but, in view of the improvidence of so many employees, a plan of compulsory savings whereby each employee would meet the cost of his own pension was favored. Thus the independence of the employee would be fostered.

We do, however, find in the plan then proposed for Federal employees the beginnings of certain theories which have been carried forward and introduced in the retirement systems later established. The treatment of employees' contributions as individual savings to which interest should be added was advocated. It was held that the entire amount of an employee's accumulated savings should be used for his benefit alone, and be returnable to him in case of withdrawal from service or to his heirs in case of death prior to retirement. The employee's contribution rate was based on age at entry into service, in this way taking into account the fact that the young employee did not need to pay as large a contribution as the older employee to provide the same pension. The concept of the accrued liability, or the liability for services rendered before the establishment of a system, was recognized.

Mr. Brown prepared an exhaustive historical study of the various British retirement acts and similarly collected data on systems in New Zealand and New South Wales. It is interesting to note that Mr. Brown's study showed that from an early date the opinion was held in Great Britain that the Government was under moral obligation to make provision for its civil employees in case of retirement from office by reason of age or infirmity. While the first retirement act was enacted in 1810*, as early as 1786 a commission was appointed to inquire into the matter of retirement and reported as follows:

*See pages 16 and 17 of Appendix B of Report of Commission on Economy and Efficiency.

> "... we think that an establishment may, and ought in wisdom, to be found, ... by which every public officer should be paid for his services not under false pretenses and in uncertain measure, but openly, and in proportion to the service he performs; an establishment which should entitle him to a provision on retirement not dependent upon caprice or accident, or arising from the perpetuation of abuses, but known and certain, free from the competition of individuals, or the animadversion of the public."

The history of the early funds, with such detail as the testimony of actuaries and in some cases the results of actuarial valuations, is given in appendices B and C of the Commission's report. The nucleus of Mr. Buck's pension library was formed at that time, with such reports as:

(1) Report, 1910 - Departmental Committee on Railway Superannuation Funds (British)

(2) Report, 1912, on the Establishment of a Superannuation Fund for the Whole of the Government Services, including the Municipal and Shire Services (New South Wales)

(3) Report(s) on New Zealand Teachers', Public Service and Railway Pension Funds, 1912-13.

These reports George Buck had bound personally, and they carry interlineations in his writing, showing his interest and study. At this time he became acquainted with the methods used by the English actuaries, particularly Mr. Henry W. Manly and Mr. George King. He always had great respect for these actuaries, and their papers on pension fund calculations became his guide. Later he collected their technical papers and the papers of other English actuaries, which originally appeared in the British Journal of the Institute of Actuaries, and he had these papers bound in one volume for ready reference. The methods used by his office were developed from these papers.

Much of the detailed work on the proposed retirement plan for superannuated Federal employees was performed under Mr. Buck's supervision while Mr. Brown was concentrating on his investigations in England. Mr. Buck's work with the Census Bureau had given him valuable experience in handling and tabulating statistical data, but the actuarial aspects of pension fund operation covering the construction of basic tables and valuation methods were new to him. As we look back, it seems extraordinary that so young a man at the beginning of his career could accomplish so much, particularly since at that time he was studying at night towards his law degree.

Following the completion of the Report of the Commission on Economy and Efficiency in 1912, Mr. Buck entered into partnership with Mr. Brown and the office of Brown & Buck, Consulting Actuaries, was established. This was the first office to be organized for the purpose of specializing in the establishment and valuation of employee benefit funds. During the partnership's brief life, the office made the preliminary calculations on which the Pension Fund of the Protestant Episcopal Church was established in 1917. The office also made actuarial valuations for the existing unsound retirement systems of the City of Boston. The partnership came to an end in 1913 in connection with a report on the New York City Police Pension Fund published by the Bureau of Municipal Research of the City of New York. The actuarial section of the report was written in the office of Brown & Buck and was supposedly to be submitted by that office. Mr. Brown, however, refused to have his name on the report because the Bureau had insisted on its submission within a limited period of time and he had not followed the development of the work. The actuarial section of the report was therefore submitted under the name of George B. Buck.

While continuing as friends the two partners decided to sever their business association. It is interesting to note that while Mr. Buck's own office was developed much along the same lines as a partnership, he was never again willing to enter into a partnership agreement but preferred to continue the legal concept of a sole proprietorship.

To our knowledge the actuarial report on the Police Pension Fund of the City of New York, prepared as of February 1, 1913, was the first actuarial report to be submitted under the name of George B. Buck. It is a report which today any actuary young or old, would feel proud to have prepared. The actuarial experience of the membership was collected and tabulated and used as a basis for the development of probable future rates of separation from service. A distribution of the probable future pension and salary payments year by year for an eighty-three year period was made to demonstrate the requirements of the Fund if it should be continued without providing in advance for the obligations of the city. An actuarial balance sheet was submitted as a basis for determining the payments to be made by the city if the Fund should be financed on a reserve basis. The report on the Police Pension Fund brought recognition to Mr. Buck in his own right and led to his employment by the New York City Pension Commission.

Chapter III

WORK FOR THE NEW YORK CITY PENSION COMMISSION

The New York City Pension Commission was appointed by Mayor William Jay Gaynor in the summer of 1913 and the work was carried on under his successor, Mayor John Purroy Mitchel. The nine pension funds of the city were in chaotic condition at that time. Pension legislation had been developed largely on the initiative of employees; those groups of employees with the strongest political backing had the most liberal benefits. The original law providing accident benefits for police was passed in 1857; that for firemen in 1866; and these early laws formed the nucleus for later pension legislation. The teachers were the next strongest group and secured pension legislation in 1894. Then other groups followed so that in 1914 there were nine separate funds with varying types of benefits, varying conditions of eligibility for benefits, and no uniform sources of income. As was the custom in passing pension legislation in the early years, no measure of the long-time future obligation of the city was made. Several of the funds, notably that of the teachers, were fast reaching the time when all reserves would be exhausted and there would be no funds to meet the pension roll. The need for action was imperative.

The Commission was asked to make a study of the existing funds to determine their cost if continued, and to recommend a plan of reorganization. Mr. George W. Perkins, then president of the International Harvester Company, was chairman; Mr. Henry Bruere, formerly director of the Bureau of Municipal Research, and then president of the Bowery Savings Bank, was vice-chairman and secretary. A staff was organized in 1914 to carry on the necessary statistical and actuarial work. George B. Buck was appointed actuary through the recognition he received as a result of his work for the New York City Police Fund. Mr. Robert von Reutlinger was in charge of the general staff of the Commission, and Mr. Buck in charge of the actuarial staff.

The work for the Commission offered a wonderful opportunity to Mr. Buck. It called into play his ability for organization, his ingenuity and imagination. Every type of pension formula was required to complete the valuations. There were no basic tables for the valuations except those which he himself had developed for policemen, and certain tables developed for teachers by Mr. John S. Thompson who later became president of the Mutual Benefit Insurance Company. Here again, for methods he referred to his "authority", the collected papers of Messrs. Manley and King and other English actuaries. Also, he had the advice and counsel of a committee of actuaries appointed by the Actuarial Society of America to act as an advisory committee to the Commission in its work. The committee consisted of Mr. William A. Hutcheson, Actuary of the Mutual Life Insurance Company; Mr. Robert B. Henderson, Actuary of the Equitable Life Assurance Society; and Mr. Henry Moir, Actuary of the Home Life Insurance Company. As the work progressed, his procedures were reviewed by that committee and the work as a whole was approved by the committee. Mr. Bruere kept a sharp eye on the work, demanding frequent progress reports. It goes without saying that the work went according to schedule; all the energy and enthusiasm of the actuary was in action towards this end.

When the writer arrived on the scene in 1915, the valuations were in progress and the work was booming. It was a good time to be in New York. The tenor of life was easier than it is today. Income taxes were negligible, the war in Europe seemed far away, and we little dreamed of the destructive forces which would ultimately be unleashed by two World Wars and the coming of the atom bomb. No one was concerned with going to the moon. Only a few people had automobiles, and horse-drawn trolley cars ran along Chambers Street.

Two important events occurred in 1914 - one happy, the other sad. On April 25, 1914 Mr. Buck was married in his home town of Kensington, Maryland, to Lyda Norris and came to New York with a new wife as well as a new job. On November 30, 1914 his father died. As actuary of the Pension Commission Mr. Buck's salary was $3,600. On that salary he supported a wife, assumed payment of certain debts left by his father, and began saving towards the establishment of his own office.

Part I of the report of the Pension Commission, prepared by Mr. von Reutlinger, gives a full account of the findings of the Commission with respect to the general history and operation of the existing pension funds of the City in 1914. Part II gives the results of Mr. Buck's work for the Commission and shows the magnitude of the undertaking. There were two developments in the work which Mr. Buck felt particularly noteworthy and on which he commented in a paper read before the Casualty Actuarial and Statistical Society in May 1916. The first was the development of an active service table reflecting select withdrawal rates in such a form as to permit the construction of commutation columns using only one column for each of the other decrements. The second was the elimination of the retirement decrement from the active service table and the use of a separate retirement table to be related to the active service table at the age of first eligibility for retirement. The experience tables and valuation methods described in Part II of the Commission's report proved of invaluable help in the work of Mr. Buck's private office. Perhaps no subsequent report gives such a complete and extensive study of municipal pensions.

As to be expected from a reading of the pension laws existing in 1914, the work of the Commission as set forth in Parts I and II of its report showed the need for radical reorganization of the City Pension plans. Upon completion of Part I and II of its report, the next step of the Commission was to formulate certain basic principles which it believed should be observed in reorganizing any existing unsound retirement system or setting up any new system. These principles show the changes in the philosophy of pensions for public employees which had taken place since the issue of the report of the President's Commission on Economy and Efficiency.

The first principle was that any municipal retirement plan should be jointly contributory. The city should make regular contributions to the system because of the many advantages to the city in having a systematic and sound means of providing for the retirement of its superannuated or disabled employees. In this viewpoint the Commission departed from the position held by the Federal Commission which felt that the ultimate responsibility for provision for old age should rest with the employee, and that the ideal retirement plan should be, in Mr. Herbert D. Brown's words, "no plan at all but consist solely of the individual's savings". The Pension Commission felt that the cost of retirement should be divided about equally between employee and city, except for some provision by the city for the extra cost of pensions based on the past service of present employees. The Commission recommended that individual savings accounts for accumulating employees' contributions be maintained and that the employee's money so accumulated be used for his individual benefit in case of separation from service before retirement and in determining his annuity in case of retirement. In this way it could be demonstrated that the employee's contributions were always used for his own benefit. Furthermore, in case of argument that the employee was providing a greater part of the cost than the employer, a comparison of the employee's part of the retirement allowance (the annuity) with the city's portion (the pension) could be made.

The second principle adopted was that the city's contributions should be made during the active service of employees at a rate actuarially computed to produce, with accumulated interest, reserves sufficient to provide the expected pension at retirement. This was a real step forward in the development of the theory of sound pension fund financing. The holding of employees' contributions in reserve had been advocated and actually adopted in Massachusetts, but the establishment of reserves from employer's contributions to the extent necessary to provide his share of the cost had not been applied in any governmental plan in the United States. This concept of the full reserve basis of financing was to have lasting effect on governmental retirement systems in this country. Mr. Buck often commented on what he considered one of the chief advantages of this method of financing, namely, the prevention of overliberalization of benefits. Under a non-reserve pension system, pensions can be increased without the full cost of the pension being realized until many years after the increase is granted. On the other hand, under a reserve system, when more liberal pension benefits are adopted, the budget following such action must include an increase in the contributions to the pension plan. The knowledge that a substantial increase in pension contributions by the public will result gives the members of the legislature reason to pause in adopting liberalizing legislation. In this way the reserve method of financing acts as a natural brake on unreasonably liberal pension legislation.

As its third principle the City Pension Commission advocated that retirement benefits be uniform throughout the city. The city firemen claimed that they were in the most hazardous service, that they worked twenty-four hours a day since they were always on call, and that therefore they should be required to put in only a third as long a period of service for retirement as other employees. The police were next in line. The studies of the Commission indicated that the most hazardous of the groups considered was the street-cleaning department where street cleaners were being killed in the performance of duty at a much higher rate than the other services and where the number of disability cases was greater. The City Pension Commission argued that in order to put all the services on an equal basis they should have liberal pensions payable on accidental death and on accidental disability for all groups and that the city should pay the entire cost of these benefits. By doing this the city compensated for the difference in hazard to the extent that uniform compensation for accidental death or disability would be paid through each of the respective retirement systems.

Part III of the report of the Pension Commission gives its proposed plan of reorganization and the costs. The first reserve system to be established was the Teachers' Retirement System. Since Mr. Buck was instrumental in the establishment of this system, which set a pattern for other teachers' systems, the following chapter deals with his work in this field.

Chapter IV

ESTABLISHMENT OF THE FIRST RESERVE SYSTEM

The Teachers' Retirement System of the City of New York, which began operation August 1, 1917 and superseded the former insolvent Teachers' Retirement Fund, was the first retirement system to be established as the result of the work of the New York City Pension Commission. The establishment of this system represents a landmark in the history of municipal pensions since it was the first system to be established in this country for any group of governmental employees, which provided the reserve basis for both the members' and the city's contributions.

When Mr. Buck came to the city, the Teachers' Retirement Fund was facing bankruptcy. Members were paying 1 per cent of salary. No direct contributions were being made by the City; indirect contributions were made equal to 5 per cent excise monies, disciplinary and absence deductions from employees, and donations. The income of the Fund was being used to meet the pension roll and, since the pension roll was growing at a more rapid rate than the income, the funds accumulated in the early years of operation were being depleted. On June 30, 1914, there was a balance in the Fund of about eight hundred eighty-two thousand dollars, and the current pension payroll was slightly under twelve hundred thousand. Beginning February 1, 1915 the Board of Retirement ceased to grant any new retirements. Members eligible for retirement either stayed on in service or were granted by the city leaves of absence on half pay.

The Pension Commission had hoped to approach the reorganization of the city pension plans in an orderly manner so that a uniform pension policy for all city employees would result with differentiation between groups only with respect to the special service hazards of the various groups. But the need for action with respect to teachers was so pressing that a plan for them had to be evolved without waiting to develop an overall plan for all City employees.

In January 1916, the Pension Commission issued a report recommending a plan of reorganization, which would eliminate existing provisions for service retirement after 30 years and require a minimum service retirement age of 65. The cost was to be divided between teachers and city, both for past and future service, except a maximum limit of 8 per cent was placed on teachers' contributions. Provision was proposed whereby the existing pension roll would be assumed by the city. The teachers saw no advantages in this proposal and a counter-proposal was made by the Federation of Teachers' Associations, without benefit of actuarial advice. The latter plan was popular with the teachers, providing as it did 30-year retirement upon demand with no minimum retirement age, a half salary pension and low contributions by teachers. In order to reach some common ground with the teachers, numerous conferences were held by the Pension Commission and the Federation. A compromise plan was finally developed, which would permit retirement after 35 years of service or after the attainment of age 65 regardless of service. The benefit rate of 1/80 of average final salary first proposed by the Commission was increased to 1/70. This plan was submitted to the legislature in 1916 but was defeated by four votes. Thereupon the Pension Commission and the Federation prepared a new bill which followed essentially the 1916 plan. After a heated contest the bill passed the legislature and, in spite of great pressure for a veto, the bill was signed by the Governor, May 1, 1917.

Dr. Paul Studensky, in his book Teachers' Pension Systems in the United States, published in 1920 (see pages 243-264), describes in detail the struggle between the various factions attempting a solution for the bankrupt Fund. On page 251, he states:

"The history of the spirited control which was waged around the reorganization bill will repay the close study of one interested in the human and psychological factors which may so complicate the attempt to reorganize a pension system on a scientific basis. Behind the proposed bill stood the city administration, represented by the pension commission, and, as already seen, the Federation of Teachers' Associations. Opposed to it were large groups of teachers, actuated by varying interests in and objections to the plan, who had organized a Teachers Pension Association to defeat the bill. The conflict between these two organization, each claiming to represent the prevailing sentiment of the teachers, injected an element of bitterness into the contest and made easy the introduction of irrelevant and confusing issues."

This period was a turbulent one for the Pension Commission, the city administration, the teachers, and particularly for the actuary. It was a very important time in Mr. Buck's career, not only because of the actuarial problems which he successfully solved but also because of the human elements with which he had to contend in his effort to secure for the city the first scientifically planned sound retirement system. Even the Comptroller, who was instrumental in Mr. Buck's appointment as actuary for the Commission, asked him what kind of an actuary he was to recommend a retirement fund increasing the city's contributions nearly six fold when he had been employed to straighten out the city's pension problem. He pointed out to the Comptroller that the payment of a pension of half salary after 35 years of service was less costly than the payment of the same pension after 30 years of service, and that with less costly pensions to pay and with teachers paying at least three times what they had been paying, surely the city's obligations had been reduced. The secretary of the Fund did not help any by publishing a statement that retired teachers lived on an average of less than three years after retirement. He had based his statement on a tabulation of the deaths during his term of office, not realizing that he had counted only the short-lived teachers and had ignored the long-lived teachers. On the basis of his figures the teachers endeavored to prove that their proposed contributions were excessive.

Mr. Buck showed in this period his ability to deal with people. Mr. Leslie R. Rounds, former First Vice-President of the Federal Reserve Bank of New York, who had much to do with the successful operation of the Federal Reserve retirement system, afterwards expressed it as "his ability in finding sound solutions to difficult problems, particularly when widely differing opinions existed within a group". His persuasive powers were not a matter of words or oratory but were derived from his sincere and firm belief in the rightness of the course that he was advocating. He was always exhilarated by a good fight. He would plan his strategy carefully. Very often he would let his opponents wear themselves out with their arguments, while he smoked his pipe, and then he would calmly and logically present his side of the argument so simply and well that his recommendations would be adopted. His arguments were based on common sense and homely analogies which appealed to the layman. He had great success later in working with legislative committees and groups of employees, which came not only from his logical reasoning but also from his firm conviction in the value of a sound reserve retirement system to both the employees and employer.

The provisions of the new Teachers' Retirement System generally incorporated the principles developed by the New York City Pension Commission. It provided for saving by both the employer and teachers during active service on an approximate 50-50 basis, as far as benefits based on future service were concerned. In addition the city was to meet the accrued liability on account of past service under a definite and regular plan of contribution over a period of years. The city's contributions were to be checked from time to time by periodic actuarial valuations to determine whether they were proving sufficient to meet the costs to be assumed by the city under the plan as set forth in the law. Members' rates of contribution also were subject to modification if, on the basis of past experience, they were not meeting the expected share of the cost. The plan for the safekeeping both of the individual's savings and the savings of the employer was written into the law by providing for the investment of reserves under the same conditions as governed the investment of the funds of life insurance companies and by providing for similar supervision of the system by the State Insurance Department.

During a meeting with the teachers before their retirement law was passed, the question was asked whether it was not true that any law passed by the State legislature could be changed by a succeeding legislature. If so, could not the retirement law later be changed to reduce benefits or increase contributions? Suppose that the city discontinued its specified payments or cut its payments, would the teachers have any more security under the new system than they had in the past? What guarantee would the teachers have that their benefits would not be reduced under the new plan?

Mr. Buck worked with the Corporation Counsel's office on the problem and conceived the idea of having the legislature establish the retirement system with the powers and privileges of a corporation with the right to sue and to be sued and with the retirement board acting as trustee holding the money in a manner similar to that of an insurance company or a trust company. Thus, the title to monies paid by and on account of teachers would pass to the retirement system, a separate corporation, which would receive the legal title to the monies; and the beneficial interest in the funds would pass to the teachers.

On this basis, if the city refused to make its appropriation, the benefits for which funds had been accumulated would be paid. If, for example, the accrued liability contribution should be omitted, only the part of the pension based on prior service for which funds had already been contributed could be paid; and the contributions held for active members could not be drawn upon to provide the whole prior service pension of those already retired. While, as a result of this provision, there was no guarantee that teachers would be paid their total expected pension, there was a guarantee that the benefits for which monies were held in trust would be paid. This concept was followed in state and municipal retirement systems for public employees to be established later, and proved its value during the depression when there was difficulty in securing full appropriations. Mr. Buck said in one of his talks to the Southern Conference of Teachers' Retirement Systems that he looked upon such provisions as a fire extinguisher which he hoped would never be used, but the existence of which he felt was of some comfort.

In the law governing the new New York City Teachers' Retirement System, separate accounts were set up for the transactions relating to teachers' contributions and the city's contributions. This demarcation was important to teachers who had seen their contributions to the old system dissipated in the payment of current pensions. Monies contributed by the city toward the accrued liability went into one account while monies for pensions based on current service went into another account. This was to safeguard the benefits for which full reserves were being accumulated. While the system of accounts seems complicated today, it was worked out by Mr. Buck so that the teachers and the city alike would know how their contributions were used and be assured that there was no loophole in the operation of the retirement system for abuse. His purpose was to have the system operate with the precision of an insurance company or savings bank. His efforts were rewarded. Upon his death forty-four years later, the basic financial provisions of the system were operating substantially in the original form.

The establishment of the new Teachers' Retirement System was followed by the establishment of the New York City Employees' Retirement System as of October 1, 1920. The underlying basis for this system was similar to that of the teachers' system, but, since it covered a number of diverse groups of city employees, its benefit and contribution provisions were somewhat more complicated. In the meantime interest in sound retirement provisions had been aroused among state teachers in New York and other states. In 1915, the National Council of the YMCA was considering the establishment of a retirement system for employed officers and Mr. Buck was asked by the secretary, Mr. Raymond P. Kaighn, to assist in the development of a retirement plan. In May 1916, Mr. Buck was asked to make a valuation of the Pension Plan of the Western Union Telegraph Co. Shortly thereafter, to handle this work, it seemed necessary to establish a private office.

Chapter V

THE BEGINNING OF THE PRIVATE OFFICE

On August 1, 1916, the private office of George B. Buck, Consulting Actuary, was established. Miss Burt (the author) left the city office to spend full time in the private office. Two assistants were hired - one a punch clerk and the other a computing clerk.

Records are available showing the initial budget which is interesting not only because it shows the prices at that time, but also how closely the budget had to be figured to fit in with the expected annual income:

Rent		$ 600
Supplies:		90
Letterhead paper	$ 20	
Pads, pencils, ink, etc.	20	
Miscellaneous	50	
Salaries:		3,120
Miss Burt	$ 1,800	
Computing clerk	720	
Punch clerk	600	
Miscellaneous Expenses:		384
Telephone	$ 60	
Janitor	12	
Towels	12	
Postage	200	
Traveling	100	
Cost of Machines:		1,175
1 Madaz computer	$ 350	
1 Adding machine	675	
1 Keypunch & verifier	150	
Furniture		602
Total		$ 5,971

It may be noted that the actuary himself was not budgeting anything for his own time, hoping for some leeway for income over expenses. There was no typewriter included initially and the typing was done outside the office. When the cards had been punched, they were tabulated in the city office after hours or on Saturdays, Sundays and holidays.

In November 1916, the clients increased in number by 50 per cent with the employment of the office by a committee of teachers in Pennsylvania to develop a retirement plan. Never since has there been such excitement over the acquisition of new jobs as there was in the first few years following the establishment of the office. Whenever an estimate was outstanding, the morning mail was watched anxiously. It was also watched anxiously just before pay day when checks were outstanding. And the new jobs did come in gradually: New Jersey Teachers, New York State Employees, New York State Teachers and the Y.W.C.A. were among the early clients.

An estimate in those days was not a matter of a letter of a page or two. A memorandum was prepared, giving first in some detail the results to be expected for the work, then a detailed analysis of the cost step by step, and winding up with a summary. Hours were spent by Mr. Buck and Miss Burt in its preparation, and the results stapled in tan covers and duly submitted with a letter of transmittal.

Mr. Buck was, of course, spending his regular working day in the City office. He would pop into the private office at noontime for a few minutes, but his regular time for the private office was Tuesday and Thursday nights and Saturday afternoons. In those days the regular work week included Saturday morning until 12 o'clock, so that he could not leave the City office earlier.

One difficulty at the first office, 256 Broadway, was that the lights in all offices were turned off at nine o'clock. A dim light was kept in the hallways and sometimes it was necessary to sit on the stairs in the hall under that light to finish proof-reading an estimate or letter.

Across City Hall Park, on Park Row, was the City Hall Tea Garden, a Chinese restaurant, which stayed open late. This was a convenient place for finishing the reading of a report. Perhaps sometimes a report may have borne a slight scent of chow mein! Such were some of the hardships of pioneering in the field of a consulting actuary.

The purchase of a typewriter and hiring a stenographer was a great step forward, but more space was needed. The cry, "more space", was to become a very familiar one down through the years. A third room was rented which was shared by another actuary, Mr. William H. Gould.

One day early in October 1917, Mr. Buck seemed unusually happy and he turned to Mr. Gould and said that he was taking a new man into the office. Mr. Gould asked if it was anyone he knew, and Mr. Buck replied that it was his son, George B. Buck, Jr., who was born the day before!

As the need for expansion grew, it became difficult to secure space. The space in the Home Life Building was inadequate and unsatisfactory. As an aftermath of World War I, regular office space was at a premium, and the limited budget of the office did not permit paying the high rents of the time. Mr. Buck, with his usual ingenuity, solved the problem by renting a small loft building at 25 Frankfort Street and fixing it up as a working space for his growing staff. One room at 256 Broadway was kept as a conference room and used for interviewing prospective employees. Only after the employee was hired was he introduced to the rigors of 25 Frankfort Street. There were really two buildings at 25 Frankfort, the front building and the back building which was reached by going up one flight of stairs and crossing over a small passageway connecting the buildings. At first the office had only the back building and Mr. Buck made a small attractive reception room of the passageway.

The office consisted of three little floors. The first floor hummed with the sound of punch clerks (maybe three) and one assorter and one tabulator. The second floor was the executive suite, with just about room for Mr. Buck's and Miss Burt's desks and book cases and with a tiny room for two stenographers. The third floor resounded with sound as the heavy carriages of the Madaz and Millionaire computing machines were moved back and forth by the diligent hands of the computers. Every morning it was the special duty of the computing department to open the trap door on the third floor so that in case of fire the staff could all climb out on the roof and escape by way of the next building. On the first floor was a little room in back for use as a lunchroom, and Mr. Buck made benches around the walls and he himself upholstered them. There was a small window looking out on a lunchroom on William Street and Mr. Buck rigged up a pulley so that he could send a bucket over to the lunchroom with an order which they would fill with coffee and sandwiches and return. It was much more interesting and required much more skill than going around the corner and getting the lunch!

From the beginning the golden oak tradition, which lasted through the years, was followed. No office furniture was ever bought of any other wood; nor was anything ever bought brand new. The actuary himself went around to the second-hand furniture stores and chose good pieces to be refinished. Sometimes he happened on some startling bargain. Such was a dental field cabinet used in the first World War and purchased for the stenographers. The cubby-holes and narrow drawers were ideal for stationery, carbon paper, stamps. There was another item, a wooden chest upholstered in prickly black horse-hair, familiarly known as "the coffin", used for storage and as a rather cheerless resting place for anyone temporarily ill, and later as a seat for office smokers. The staff consisted probably of less than ten employees when the office moved to Frankfort Street, but the business was growing and the staff increasing.

Mr. Buck soon decided to give up the conference room at 256 Broadway and to rent the second floor of the front building. He made one room an attractive conference room and gave the staff the back room as a lunchroom. There was a woodburning fireplace in each of these rooms and in season a cheerful fire greeted clients. Great preparations were necessary before any impending conference. Not only did the usual material have to be collected but the fire started and the cat put out of sight. The cat was rather a sad looking dirty grey cat, but important to the staff because of the prevalence of small animals described by one city-bred employee as "squirrels with skinny tails".

The lunches were a cooperative enterprise. Mock oysters (dried codfish, escalloped with breadcrumbs) represented the most economical menu; twelve cents a person. Sometimes there was a crisis such as the time when the melted cheese on toast congealed into a sticky hard mass and as luck would have it just at that time Mr. Buck asked that lunch be served to him and his client! Once in a while there was a financial crisis and it was important that the morning mail bring in a check or two before the payroll could be made up.

There was great enthusiasm in the office. Everyone was absorbed in getting the job in hand done as well as possible. The actuary set high standards which all tried to live up to. No one questioned staying after hours to put something through. One New Year's Day everyone came in because The Equitable Trust Company of New York was establishing a retirement plan and wanted the office to write the names of the initial membership in a register and assign the rates of contribution. Little matter that a man was found on the office stairs recuperating after a long night of celebrating; nothing daunted, one by one the staff walked around him and reached the office, and

The Equitable Trust had its work on time. So well was the task accomplished that later that week Mr. Buck sent the entire staff to a matinee. He was always appreciative of work well done. That, and his outstanding sense of fairness, among other qualities, won for him the great loyalty felt by his staff.

There were good times as well as hard work at 25 Frankfort Street; a camaraderie only a small office can have. The whole staff including the actuary was young in age and spirit. The tenant on the third floor said our organization seemed more like a girls' school than an office. The first Christmas parties were at Frankfort Street where the janitor and his wife, nicknamed Mr. and Mrs. Cleansus, serenaded the staff. Later parties were held in Alice Foote MacDougal's beamed-ceiling dining room where the staff made its own entertainment or went en masse to the theatre.

The time came when Mr. Buck was asked to buy the building. That he did not want to do and decision was made to move to 25 Spruce Street in August 1925. There was more space and more conventional space than at 25 Frankfort Street. The slumming days were over; Mr. Kaighn wrote Mr. Buck that the new quarters were "G-r-a-n-d". No longer could Mr. Buck surprise his stenographer by ending his dictation, as he sometimes did, "Very truly yours, the only Actuary of any note on Frankfort Street".

At 25 Spruce Street the pinnacle was reached where an actuary could be employed to assist Mr. Buck. Mr. John Cameron joined our staff. He later left to go to The Guardian Life and eventually became president of that company. He was followed by Mr. Robert A. Wishart, who became a bulwark of strength to the office through thick and thin in subsequent years. And so the office grew until in May 1931 it again became necessary to move, and our long years at 150 Nassau Street began.

Chapter VI

THE GROWTH OF SOUND RETIREMENT SYSTEMS

Following the establishment of the New York City Teachers' Retirement System in 1917 on a full reserve basis there was a rapid growth of sound retirement systems for public employees. The basic principles of sound financing of retirement plans which were developed in New York City were accepted in the retirement systems adopted later.

Among these early systems were:

The Public School Employees' Retirement System (Pennsylvania), July 1, 1919
The New Jersey Teachers' Pension and Annuity Fund, September 1, 1919
The New York City Employees' Retirement System, October 1, 1920
The New York State Employees' Retirement System, January 1, 1921
The New York State Teachers' Retirement System, August 1, 1921
The State Employees' Retirement System of New Jersey, January 1, 1922

In the main, these systems were set up:

(a) as trust funds under management of a retirement board (Comptroller in New York State Employees' system);

(b) as jointly contributory, with regular contributions by members made through salary deductions and regular appropriations by employer during active service of the members;

(c) with cost of service retirement benefit based on future service divided about equally between members and public, but cost of benefits on account of service rendered prior to establishment of system met by public, with provision for liquidation of accrued liability over period of years;

(d) with contributions of members and public subject to actuarial checks and adjustment in accordance with annual valuations by actuary;

(e) with maintenance of individual savings accounts for members, and return of member's contributions with interest in case of withdrawal or death before retirement;

(f) with compulsory participation of new employees and optional participation of present employees.

Today there are so many retirement systems based on these principles it is difficult to think of them as being novel and as the result of pioneer thinking in the field of pensions. They were adopted as "The Fundamental Principles of a Teacher Retirement System" by the National Education Association (see bulletin published in May 1924). They are exemplified not only in the public retirement systems developed by Mr. Buck but also in systems subsequently developed by other actuaries. They may also be found in somewhat modified form in sound bank and industrial plans.

When the State of New York adopted its reserve system for state employees, many of the cities of the State were operating unsound retirement programs. Other cities were without means of retiring their employees. With Mr. Buck's help amendments were made to the retirement law governing state employees, making it possible for political subdivisions of the state to cover their employees in the membership of the state system. This was a new development in state pensions. Provisions for liquidation of existing unsound systems were included. This work was accomplished under the aegis of the New York State Pension Commission and the early reports of the Commission show the magnitude of the saving to the taxpayers of the state which resulted from this legislation. New Jersey, Pennsylvania, Maryland, among other states, subsequently gave a like privilege to their political subdivisions, either by amendment of the existing law for state employees or by including the provision in the original law. This provision has proved of inestimable value particularly to smaller towns and cities, many of which would have continued under unsound legislation or had no retirement program.

For many years New York State had the assistance of a strong pension commission of which Mr. Buck was actuary. This Commission passed on all proposed pension legislation and was able to block the passage of almost all unsound legislation. Mr. Buck credited much of the success of the Commission in this respect to the activity of Mr. Franklin B. Holmes who was its secretary and of Mr. Edgar G. Lantman, first secretary of the New York State Teachers' Retirement System. Mr. Buck felt that they both preached the same gospel as he did; namely, that a retirement system on a reserve basis could continue indefinitely if it were not abused by its members so that benefits became so high that the cost of the system became unreasonable to the public. The Commission held that no retirement system which was unreasonable either to employee or employer could long continue.

As one looks back at the rapid growth of sound retirement systems for public employees in the 1920's and 1930's it may appear that one system followed the other in effortless succession. The hours spent before legislative committees and employee groups before legislation could be secured are not evident. These conferences and hearings were not easy. There was always ignorance of fundamental principles to be combatted. To the official mind the magnitude of the annual appropriation for a sound retirement system seemed fantastic. Explanatory memoranda or briefs had to be prepared. Always someone wanted better benefits for less cost and various cost statements had to be submitted. The burden of this work fell upon the shoulders of the actuary who at the same time was carrying a full-time job with the City of New York. The out-of-town conferences absorbed much of the time Mr. Buck would ordinarily have for vacation.

In the City of Baltimore, there was a strong fight put up by a large life insurance company against the proposed municipal system developed by Mr. Buck for the City Pension Commission. Representatives of the company appeared with Mr. Buck before the Commission to argue the relative merits of their proposals with the result that the Commission voted full confidence in the "Buck plan". In a battle of wits, Mr. Buck was never vituperative. He always felt that if the plan he proposed was the right plan for the service to be covered, then it would be approved; otherwise, he did not want it to be approved. He did not argue for personal gain and this fact gave strength to his arguments.

One of the earliest battles which Mr. Buck had to wage was with the Carnegie Foundation for the Advancement of Teaching. The Foundation had been making various pension studies and they held that no pension benefit should be based on the average salary of the last five or ten years of service, but that the employee and employer should each contribute at a flat percentage of the employee's salary during his period of service and at retirement the total amount jointly contributed should be used to provide an annuity. This is the plan of financing often referred to as the "money-doubled" plan. The Carnegie Foundation attacked the early reserve plans because of the use of the average final salary as a basis for pensions. The insurance companies joined with them in this attack. Ironically enough, the Carnegie Foundation was running out of money in its own fund for college professors at this time.

Mr. Buck did not disapprove of the money-doubled type of plan. In fact, he felt that it had many advantages which should be weighed with those of the type of plan using the average final salary as a basis for the pension. It was, however, very disturbing to him to have the members of the Foundation, who were considered experts in pension matters, so scathing in their criticism of the early reserve system such as the New York City Teachers' system and the Pennsylvania Teachers' system, which based pensions on the average salary of the last ten years. He felt called upon to defend this type of system and to prove that with the actuarial checks and adjustments based on periodic valuations, this type of system could be maintained on as sound a basis as the money-doubled type of plan. The influence of the Foundation was generally felt. In 1918 the City of New Orleans had the problem of revising its retirement system for teachers; and its secretary, who had read the reports of the Carnegie Foundation, was convinced that the money-doubled system would be the only system that would endure and with the help of Mr. Buck a revised system on that basis was established. Thus, a new pattern* for determining retirement benefits under the sound systems was developed which was next adopted by Louisiana in its system for teachers and subsequently followed by a number of Southern States including North Carolina, South Carolina, Georgia and Alabama. Boston was the major city to follow this type of plan. Its municipal system adopted in 1923 was on this basis and a number of smaller Massachusetts cities and towns followed Boston in adopting the money-doubled plan.

The arguments as to the relative advantages and disadvantages of the final average salary plan and the money-doubled plan have continued to this day. The experience of the systems established with Mr. Buck as actuary shows that the plans based on the average salary of the last five or ten years, with rates of contribution subject to adjustment, produced more nearly the expected benefits and were less subject to the need for future adjustment, particularly in times of inflationary trends, than the money-doubled plans.

*Massachusetts had followed this formula in its 1913 system for teachers but had made no provision for the accumulation of reserves from the employer's contributions.

As the number of self-operated sound retirement systems grew, the insurance companies were watching them with a worried and jealous eye. The counsel of one of the larger insurance companies raised the question with the State Superintendent of Insurance whether it was legal for an employer to operate a pension plan because pensions were in effect annuities and only an insurance company could sell annuities. While the Superintendent of Insurance, who was also chairman of the New York State Pension Commission, held the opinion that it was not contrary to any law that an employer pay a pension to his employees, to give added weight to his opinion, it seemed to him advisable to clear up any controversy in this respect. Hence, a new section was added to the insurance law as of April 29, 1926 which became Article 6B of the insurance law. Mr. Buck described the new law, as follows:

> "The new law affords any employer who desires to operate a sound fund at a minimum of expense a way in which he can secure a corporate status for the fund, can provide for its continued operation with the same careful supervision that insurance companies have, and at the same time have the fund a part of his organization and as close to the general operation of the business as the weekly or monthly payroll ...".

The retirement system for Secretaries of the Y.W.C.A. was set up under this section of the insurance law. The Y.M.C.A. Retirement Fund for Secretarial Employees which was established earlier (July 1, 1922) secured a charter by special act of the legislature, which gave the Fund similar privileges to those set forth in Section 6B. Later the Savings Banks Association of New York and the New York State Bankers Association were each to set up retirement systems under this provision. The Equitable Trust Company (later absorbed by the Chase Bank) also set up its plan under this provision. While the provision was not used extensively, Mr. Buck felt that it was a valuable provision to have on the books to forestall any controversy as to the right of an employer to set up his own self-operated retirement system.

Perhaps the hardest fight for the early reserve systems came not when they were established but during the depression years in the 1930's. During these years attempts were made by certain of the state legislatures to reduce or entirely eliminate their appropriations to the retirement systems. It was felt that since times were hard and tax receipts had fallen off no contributions by the state to the retirement system were necessary since the accumulated reserves were sufficient to pay the benefits for many years to come.

Mr. Buck challenged the right of the retirement system to dissipate reserves by continuing to pay full benefits when appropriations were reduced or omitted. He invoked the argument which he had used when the New York City Teachers' System was established; namely, that if money should be placed in trust for investment and payment to the beneficiary at a future time, and then the trustee could divert either the earnings of the trust or the principal without consent of the beneficiary, then the whole principle on which the retirement system was set up failed. The member had been told that if he contributed he would be assured of his retirement allowance because the money to provide the pension would be deposited for him by the employer as he made his contributions and no matter if an unfavorable legislature or other conditions arose that would prevent further contributions to the system, he would be guaranteed his benefits for which money had been contributed. To say that a legislature had the power to impair the beneficial right of the members in the existing contract was to give the legislature a very dangerous power.

Mr. Buck undertook to show what proportion of full benefits could be paid when appropriations were cut or omitted. In most cases for present pensioners the proportion was small since it depended on the proportion of accrued liability that had been liquidated. When faced with the prospect of cutting the pensions of present pensioners, the members of the legislature finally made the full appropriation. This happened in Pennsylvania, New Jersey and New York. In Maryland special bonds were issued to cover as much of the appropriation as could not be met by direct appropriation. The Territory of Hawaii went so far as to rescind the reserve basis of its retirement system, but in the spring of 1935 Mr. Buck made a trip to Hawaii, where his efforts were successful and the reserve basis restored.

It was during these years particularly that the reserve systems demonstrated the sound structure on which they were based. The theory that Mr. Buck evolved and incorporated in the retirement laws, that the monies of the retirement system were held in trust for the purpose for which contributed, stood the test of time. He wrote of the New York State Teachers' System, that "it went through the depression with several battles but with no losses and I trust it will sail on as proudly in the future". Incidentally, Mr. Buck liked to use the ship as a metaphor in referring to a retirement system and the role of the actuary as that of the navigator, keeping the ship on the right course by means of periodic actuarial valuations.

Mr. Buck's reputation as a sound actuary specializing in pension funds grew rapidly as the number of systems operating on a reserve basis grew. He made little, if any, effort to seek new work, but the work came to him the way he liked best; by one satisfied client recommending him to a prospective client. In the early 1930's he found it necessary to go on a part time basis in his work for the City of New York so as to have more time to give to his work as consulting actuary. From 1920 until his death he was chairman of the Board of Actuaries of the United States Civil Service Retirement and Disability Fund. He also served for many years as representative of the railroad brotherhoods on the actuarial advisory committee of the Railroad Retirement Board. At the time of his death the office was serving as regular actuary for over seven hundred retirement systems including systems for public employees, eleemosynary institutions, banks, and industrial organizations.

Chapter VII

LATER DAY DEVELOPMENTS

The history of pensions is not static. Probably not one of the retirement systems set up by Mr. Buck as actuary has remained unchanged during the years following its establishment, although with few exceptions the basic principles of financing have been kept.

One of the most important developments affecting staff pension funds was the adoption of the Social Security Act effective January 1, 1937. At that time one of Mr. Buck's friends who was a pension consultant predicted that the Social Security Act would put pension consultants, including Mr. Buck, out of business within a short time. Subsequent events showed, on the contrary, that the result of Social Security was to increase the business of the consultant, not only because of adjustments to be made in existing staff funds on account of concurrent benefits but also because of the number of new plans to be established on account of the interest in pensions aroused by Social Security.

At the outset no provision was made in the Social Security Act to include the membership of the existing retirement systems for public employees. Subsequently provision was made under which a majority of the membership could by referendum accept a plan correlating their existing system with Social Security. Under such conditions all present members were required to come under the new plan. Later the law was amended, effective in certain states, to permit the membership of an existing system individually to elect to remain under their existing benefits or to be covered by Social Security under a modified plan of benefits. All new members had to become covered under Social Security.

At first, Mr. Buck's opinion was that the membership of existing state and municipal systems should oppose inclusion under Social Security on the ground that it was an opening wedge for the taxation of cities and states by the Federal Government. He thought also that, if the membership were included, legislators might want to know why appropriations to the retirement system should not be cut to offset completely the Social Security taxes payable. He demonstrated that even if the Social Security old-age benefit were offset against the corresponding benefit of the retirement fund and only the balance paid from the retirement fund, the cost to the employer was increased under Social Security because of the additional new benefits added by Social Security which had no counterpart in the usual staff pension system, such as the vesting of the accrued benefit at withdrawal and the benefits to widows and dependents.

With the gradual inclusion under the Social Security Act of public employees who were not under staff retirement systems and the voluntary inclusion of others, and with the gradual increase in the amount of Social Security benefits, Mr. Buck's opinion was that the existing staff retirement funds could not long resist the pressure for the inclusion of their membership under the Act and should adjust their provisions so as to coordinate with Social Security benefits. Later events showed this to be the course generally followed. Social Security offered a very attractive bargain for older members and, as Mr. Buck said at one of the meetings of the National Council of Teacher Retirement Systems, the older membership of existing funds if denied participation were being kept away from a "real prize party".

In the early days he did not anticipate that eventually certain states and cities would permit the participation of the membership of their retirement systems under Social Security with no adjustment for overlapping benefits in the existing retirement provisions. In certain instances, such as in New York and Maryland, retirement benefits under the existing staff system are comparatively liberal, and with the addition of the Social Security benefits the older members, particularly in the lower income groups, are given a retirement income close to the salary on which they retired. Mr. Buck always sensed a danger to the staff pension fund in overliberalization of benefits. As Social Security taxes increase,the question of continuing the full staff retirement system may arise, particularly when many taxpayers are covered by Social Security only.

The high corporate income taxes and wage freeze during World War II gave impetus to the establishment or modification of private retirement plans because of the tax deductibility of the employer's contributions and the inducement which could be offered to employees to remain in the employer's service by way of higher pensions in lieu of prohibited salary increases. The Inland Steel decision in 1949 to the effect that pension benefits were subject to negotiation also resulted in widening the scope of the office activities.

Some of the developments in later years were disappointing to Mr. Buck. Especially was this true of the course taken in Massachusetts. In 1923 the City of Boston established a sound reserve retirement system for its employees including teachers. Mr. Buck's office made the actuarial calculations and did most of the work of drafting the retirement legislation. Boston had previously had unfortunate experiences with unsound pension legislation. In fact, pensions had been reduced in one of the early plans for teachers and in 1922 present teachers had no assurance that their expected pensions would be paid. Everyone was very well pleased with the new system, and Mr. Buck was presented with a big gold-plated key to the City by Mayor Curley.

The new system was copied by some six or seven of the larger Massachusetts cities. These systems all operated successfully until in 1945 a commission in Massachusetts came out with a statement that public retirement systems of the state did not need to be on a reserve basis, that the taxing power of the state was adequate to provide for the pensions, and that pensions for state and municipal employees should be liberalized. As a result, a state law was passed which could be adopted by any city in the state and which provided benefits about 40 per cent greater than those provided under the reserve system in Boston with contributions by members 25 per cent greater, i.e., increased from 4 per cent to 5 per cent. The new plan, however, provided that employees who took the new benefits in effect surrendered their rights in the reserves previously accumulated from public monies. These were to be applied to meet current obligations. This fact and the fact that the public would make no contributions for an employee until after he retired meant that contributions of the public would be substantially decreased for a temporary period.

In Boston the employees demanded that the city adopt the new plan and it was adopted. To the layman it appeared that employees were placed in a greatly improved position by having a substantial increase in benefits for a relatively small increase in contributions. By changing from the reserve basis to the non-reserve basis there was a substantial reduction in the amount of immediate appropriations required, so that the taxpayers were also placed in the apparently improved position of giving the employees a substantial increase in benefits and in having their own taxes immedately reduced. The State Commission's report gave no estimate of the eventual cost of the new system, which could be expected ultimately to be several times the cost of the reserve system and much higher than the cost of sound reserve systems in other cities.

Thus, we see that history reversed itself in Boston. Having contended with the non-reserve plans in the years before 1923 and discarded them for the reserve system, which operated successfully for over twenty years, the city again departed from the reserve method of financing. This was a setback in the progress of reserve systems for public employees, and to Mr. Buck was a great disappointment.

All the other cities in Massachusetts with reserve systems accepted the State plan with the exception of Newton. Newton had a conservative board which invited Mr. Buck to a board meeting. One of the members said to him, "Mr. Buck, does this mean that if we liberalize pensions, by adopting the state law, my son and my grandson will pay for them if they are paid?" Mr. Buck said that was so, and the board member replied "That is a great legacy for me to leave, isn't it?" Newton decided to continue its reserve fund and pay the excess of the benefits of the state law over the city benefit on a non-reserve basis. This was gratifying to Mr. Buck, who predicted that Newton would pay the city benefits from their sound fund indefinitely but that the state and other cities would not continue to pay the higher benefits indefinitely.

Another retrogression occurred in Rhode Island, which in order to give more liberal benefits dropped the reserve basis for financing its system for state employees and teachers in 1947. But Mr. Buck was encouraged that other states in New England showed greater thought for the future in their pension legislation. Vermont in 1944 established a sound system for its state employees and in 1947 a statewide system for its teachers. Similarly, New Hampshire at about that time established reserve systems for its state employees and teachers.

Mr. Buck regretted some of the changes in the New York City retirement systems. He felt that any liberalization of benefits and retirement conditions which could not be justified from the taxpayers' viewpoint might eventually boomerang to the detriment of employees. He liked to quote Governor Al Smith who was reported to have made a statement that he did not want to see a man digging in a ditch for the gas company looking up to see two men watching him dig. The ditchdigger might wonder how these two men, each younger than he, could be idle while he was working, and then he might find that the reason was that they were retired under a city retirement system.

Another unfortunate development in New York State came about through the decision by the Court of Appeals in 1959 that, under the constitutional amendment of 1940 which stated that the benefit by which the member was covered at the time of entering service could not be reduced, and the mortality tables in force at the time of the amendment, or at the time an employee entered service if subsequent thereto, must be used in determining his annuity at the time of retirement. Mr. Buck held that in making the benefits of a system contractual, the amendment did not change the contract which provided for determining the annuity on the basis of the tables in effect at retirement. The court ruling was, in Mr. Buck's opinion, unfair to the membership because it required the actuary to adopt tables which included a safety margin to fit the mortality trend some 30 to 40 years hence, and, as a result, use more conservative tables than might otherwise be necessary. As a result of the ruling, considerable lump sum amounts representing the accumulated differences in the annuities revised under the ruling and the annuities before revision were paid to members and increases made in future payments. Such increases will require additional contributions by the taxpayers, unless new members are to be charged for excess payments to present members.

A theory was developed in 1960 in New York State that if the employer paid part of the contributions of employees the employee would in effect get an increase in his take-home pay not only because the employee would not have to pay such part of the contribution but also because the employee would not have to pay a tax thereon. Mr. Buck opposed this procedure even to the extent of wiring Governor Rockefeller before the bill was signed. The provision was adopted both in New York City and in the state systems. It resulted in exceedingly complicated bookkeeping for the retirement systems. When an employee retires the systems have to arrange for the payment of an annuity provided by the employee's direct contributions, a pension provided by the state or city, and an additional pension equal to the annuity which the employee's contributions paid by the employer produce as if the employee had made the contributions himself. Mr. Buck thought the proper approach would have been to work towards having the federal tax law amended to permit an employee's contribution to a retirement system operating on a reserve basis to be tax deductible as made.

Mr. Buck often commented on how faithfully history seems to repeat itself in the experience of retirement and pension funds. The early systems generally provided pensions based on the average salary of the last five or ten years of service. Then there were attacks on these systems by the insurance companies and the Carnegie Foundation and the money-doubled or money-purchase plans came into favor. The insurance companies also promoted the use of the average salary over the entire term of service as a basis for benefits. Then, as a result of inflation following the second World War the use of the average salary of the last five or ten years as a basis for retirement benefits again came into favor, and it was found necessary to adjust upward pensions based on the salary over the entire term of service or on the money-double principle. The division of the retirement allowance into two parts, the annuity provided by the employee and the pension provided by the employer, was condemned by certain authorities as "out-of-date, complicated and frequently misunderstood" (see page 49, 1956 Report of New York State Pension Commission). This separation grew originally out of the desire to protect the equities of the individual employee, who under the earliest retirement plans saw his own contributions exhausted before he qualified for retirement. It was felt that his savings should be accumulated for his own use and that the individual employee's contribution should be set so that all employees paid approximately the same proportion of their allowances. Provisions for a fixed rate of benefit and a uniform flat rate of contribution by all members were advocated as modern developments, although in the interest of equitable treatment of the individual employee's contributions such provisions were discarded when some of the older systems were being developed.

A wider range of benefits is now included in many of the retirement systems. Vested benefits, pensions to widows and large lump sum death benefits have been introduced. In the early days, widows' pensions as such were considered unduly costly and were provided for only under the optional retirement benefits. The lump sum death benefit was usually of nominal amount. The later-day developments have made the operation of staff funds more complicated. Still, it may be said that the sound reserve principles first adopted in the older pension plans have in the main been observed in the modification of existing funds and in the adoption of new plans.

Mr. Buck was fond of quoting Abraham Lincoln as saying that "all progress is change but not all change is progress", and as a conservative individualist, Mr. Buck did not look upon many of the developments in pension fund theories as improvements. On the other hand, he often stated that it was the actuary's function not to dictate what the benefits of a retirement plan should be but to give the cost of alternative benefits so that those concerned might select the type of benefit they preferred and the detailed provisions for which the cost was acceptable.

Chapter VIII

WHAT MANNER OF MAN WAS THIS?

The time is perhaps 1940. A door slams at 150 Nassau Street. It is as if a breath of fresh air swept through the office. Everyone knows that Mr. Buck has arrived. He takes off his coat and puts on his black alpaca jacket. Not even in the hottest weather would he work in his shirt sleeves. He carefully fits white paper over his cuffs. He cleans his pipe and he is ready for work. His desk is clear except for his program of work. The office in its oak furniture with black leather chairs and sofa is almost austere in its plainness. It is definitely a place for work and that is the impression that Mr. Buck wishes to give. Surely the client should know that the fees charged are not loaded to provide sumptuous furnishings. The one item of decoration is a large pandanus plant, which in the beginning was a small plant but year by year has grown to startling proportions. The thorny leaves prick the unwary passerby, but Mr. Buck is particularly fond of it and will not allow it to be superseded by a lesser plant.

The first item on his program might be the dictation of his conference notes. Sometimes these make especially vivid and interesting reading. He would describe the distinguishing features of a new client so that he would easily recognize him the next time. Only the senior stenographers were assigned to take his dictation because it must be admitted that his dictation was difficult to record. He never sat still; sometimes he tossed a fifty-cent piece while he dictated. He was usually able to turn it and catch it on the back of his hand, but once in a while he missed and then he would crawl on the floor under the desk, never stopping the flow of language. It might be his lunch hour and he would pace the floor, munching his sandwich and dictating between mouthfuls. He might just have returned from an overnight train trip and need to shave, but that would not stop his dictation, it would continue from a closet in a corner of the room which contained a wash basin. When he stopped his dictation to think, he had a disconcerting habit of staring steadily at the stenographer for several minutes at a time. The poor girl would move uneasily thinking that perhaps something extraordinary was happening to her features, but actually he was unseeing and simply lost in the development of his thought.

Perhaps after dictating he might review a rough draft of a letter or report. Very often there would be a cry of outrage, "For crying out loud who ever thought up this tripe!" It might very likely be that someone had ruined a perfectly good letter dictated the previous day. Arguments would ensue, an agreement was finally reached, and the storm would be over.

As he worked he seemed oblivious of time. At the end of a day there was usually a flurry of departure, maybe two minutes short of the time needed on a reasonable basis to get his commuter train. He might grab the letter he was working on and stuff it into his coat pocket to be completed on the train or at home and then he was off with a final bang of the door and usually with one or two people trailing him to the elevator for one last word. For years he kept to the schedule of working Tuesday and Thursday nights and Saturday afternoons.

Everyone wanted to do his best for Mr. Buck. That he could instill this desire in his staff was one of his great gifts. Perhaps it was because he was always appreciative in the end of a good job completed, no matter the turmoil in its accomplishment. Then too, one felt his genuineness and sincerity.

He lost his temper easily and, in fact, he rather boasted of his quick temper; he said that his father had a quick temper and that he came by it naturally. On the other hand he had a great sense of humor and it was fun, albeit strenuous, to work with him. On one occasion in the midst of the struggle to get the original Y.M.C.A. plan approved, the chief opponent to the plan, located in Chicago, borrowed some punch cards. His secretary wrote to Mr. Kaighn:

> "I have just opened the package of cards from Mr. George B. Buck's office, packed in a heavy wooden box with wooden cover. The box was only 2/3 full and filled with blocks of wood. My first thought was when I opened it, that there must be some wood in someone's head in New York that would send a package like that."

This gave Mr. Buck a lovely opportunity. He wrote to Mr. Kaighn:

> "The wooden-heads referred to are in my office and do not know of a more expeditious or less costly manner of sending the cards nor does the company that manufactures these cards know of a better way and consequently in its ignorance it manufactures these boxes and wooden fillers for this purpose. That the company is appreciative of new ideas however is indicated by the fact that it pays the possessor of one of the wooden-heads in my office a royalty on an idea now patented in twenty-six different countries. I personally shall await with interest to note the improved method by which they will be returned because I know that the method will be of service not to the wooden-heads in my office but to the statistical departments of some of the largest organizations in this country."

Then characteristically he added:

> "Please do not send this to Chicago because I do not believe the note from Chicago merits a reply. I pause to send this comment to you because you may feel the cards were packed carelessly in my office."

He did not believe in the informality of many offices of today. He never used the first names of his employees. On the other hand, he did not believe in many formal rules in the office. His theory was that, if there were rules, time had to be spent in seeing they were enforced and he wanted to have the kind of people working with him for whom no rules were necessary. No time clocks were used and he trusted each employee to report his hours worked. He often warned his staff that the client knew his own plan better than the actuary, and if a seemingly simple question were asked to look into it carefully before replying. Also a long standing rule was never to change another person's statement without checking with that person.

The old-timers of the office, like Rose Kryzak, Edna Feeley and Marge Ditmars, will never forget the time when the first bonuses were paid. Miss Burt stood by Mr. Buck's desk and had the pleasure of calling in the employees one by one and watching their surprised faces as Mr. Buck handed them a check. With characteristic caution Mr. Buck said that, while the office had had a good year in recognition of which the bonuses were being paid, no one knew what the coming year would bring forth or whether it would be possible to give salary increases, so all should be careful how the bonus was used!

Mr. Buck believed in having the key people in the office share in the profits. As the office grew, and it was necessary to bring more people under profit-sharing, he never cut any employee's existing share without cutting his own correspondingly. He had a great sense of fairness. He paid women for equal accomplishment on the same basis as men.

When he once started any especially important letter or report he kept at it until it was finished. Long past the dinner hour he might continue, his theory being that if he or his staff were hungry the task would be completed sooner than if continued after being fed. He seemed to have abounding energy while the work was in process. He sometimes wore out his clients in this way, keeping them long past the lunch hour. He pushed himself too hard and his ill health in the last years may have been the result. He had a strong sense of duty. If he felt that there was work he should undertake or a conference that he should attend for the good of the office, he never let anything intervene, whether personal engagement or his own health. He might groan at the prospect of the meeting but when the time came his resilience was wonderful and no one would suspect what an effort he was making.

Mr. Buck had strong convictions. He believed firmly in individual thrift. He practiced it himself and liked to see it in his employees. If he had his way he would have paid for vacations after the employee returned from vacation, and he would have liked to withhold the paycheck before Christmas until after Christmas. He believed in individual life insurance but not in group insurance or the other fringe benefits so popular at present. He felt that the administrating organizations would absorb in overhead too great a proportion of the premiums paid, and did not favor employees of his office joining as a group. The employees did form a group and he finally and reluctantly permitted the premiums to be deducted from the payroll. He agreed with his old friend, Mr. Rahde, that employees should be paid their full salary and "buy their own geraniums".

Mr. Buck liked to think of himself as being hard-hearted, but that was just a cover-up for his great kindness and sympathy. He would talk as if he were not sympathetic to a friend in trouble if the trouble were of the friend's own making. But he never let a friend down and he often worked out a solution which would pull the friend out of his difficulty. Not always did the individual have the character to follow through. For instance, there was the case of a man who was not a personal friend but known to Mr. Buck only as a fellow actuary. The man was an alcoholic and was down and out when he appealed to Mr. Buck for help. He had made the rounds of his fellow actuaries and none was ready to help. Mr. Buck felt very sad that a fellow actuary should be cast off by the fraternity and he gave him a job in the office, but put the payroll accountant in charge of his salary. The accountant, John Williams, gave him a food allowance, saw that his rent was paid and, with the help of one of the young men in the office, James Harris, bought him a hat and a new suit of clothes. He had all the essentials to assist in his rehabilitation, but after a while he angrily accused Mr. Buck of humiliating him and asked for the money due him as he was going to California. The office bought his bus ticket but to no avail. He cashed the ticket and finally Mr. Buck heard of his death penniless and alone in one of the city hospitals where he had given Mr. Buck as the name of his only friend.

As the office grew, competition also grew. Some of the competitors solicited the clients of Mr. Buck's office, which was known to have the "Tiffany business" of the consulting field. Mr. Buck would never stoop to take away a client from a competitor. If someone wishing to change his actuary came to Mr. Buck, he would insist that the matter be cleared with the client's actuary before he would undertake the work. He would never depart from his high standard of business ethics. He liked to consider himself an actuary of the "old school". He once expressed his philosophy as follows (see paper of 9.30.49, page 15):

> "There are apparently two schools of actuaries. One is the school that believes that the fundamental requirement of a good retirement system is one which will not result in an increasing cost in relation to the payroll as time goes on, so that no generation of taxpayers will be called upon to pay more than the generation that established the system. The other school, which appears to have developed fairly recently, seems to try to justify the answer that the client wants to hear. Perhaps it is more pleasant to work with such an actuary, but I question whether over the long term future his retirement system is going to be the more pleasant to live with. Not all the funds that we serve as actuary measure up to the standards we advocate, but when they do not measure up to these standards, the trustees of the funds know it and we do our level best to put the funds gradually on a sound basis."

Mr. Buck was greatly respected by his clients. After attending a meeting of the National Council of Teachers' Retirement Systems, Mr. Huggins, a fellow actuary, wrote Mr. Buck that he was greatly impressed by the respect and affection shown Mr. Buck by the teachers. Often Mr. Buck had to oppose some proposal made by the retirement board of a retirement system. He felt that they would gladly override him, that they hated him for the stand he took, but in the end such was the respect grudgingly given to him that they did not quite dare to disregard his recommendation. There would always be a temptation to a secretary of a retirement system to make some exception to the rules and regulations in case of hardship. Mr. Buck was the watchdog. Sometimes this tended to make him unpopular, but he would hold his ground.

One of the Y.W.C.A. secretaries recently told us how kind Mr. Buck was to her. When she was new at the work she had to go before a board of businessmen in St. Louis and explain the Y.W.C.A. system. He reassured her and told her to keep in mind that they knew less about the system than she. She felt that his encouragement saved the day for her.

In the early 1930's Mr. Buck bought the house in Larchmont, New York, which he made his home until his death. His first wife died in 1940 and in 1943 he married Mildred Medinger who contributed much to his happiness in the years to follow. The shop in the basement of his home was unique in the extent and condition of its equipment. He could, among other skills, build furniture, plate silver, blow glass, dip candles, bind sheets into books, and build and paint scenery as a background for electric trains. He made two Chippendale chairs so well that it would be difficult to distinguish them from the originals. The electrical work, the plumbing, the carpentry and upholstering in his own home he could do better than anyone else; and in all his projects Mrs. Buck participated wholeheartedly.

He liked to cope with office maintenance problems, such as the binding of worksheets and keeping of office records. In the early days, when a report was being mailed late at night, he himself would often help at the finish to number the pages and prepare the package for mailing. The iron "coat-hangers" on which each client's worksheets were hung were his invention. When he prepared an explanatory booklet he liked to put it in the format for publishing. He even went to the extent of drawing a picture of a client bank on the cover of its first pamphlet. Perhaps his versatility was one of his greatest gifts. He could do anything that he set out to do. If instead of becoming a consultant on pensions he had turned to some other field, it is certain that he would have succeeded just as well, because he had all the qualities which lead to success.

Mr. Buck often said that as a boy he had no time to play, and certainly during the early days of building up the office he took very little time for recreation or vacation. He liked to dance and this was the one form of exercise he chose as he acquired more leisure. He also loved boating. He had four cabin cruisers, one after the other, all Elcos and each named Mary Jane. In 1948 the then Mary Jane was destroyed by explosion and fire. He escaped with his life but he was so seriously burned that he was laid up for several months. He persisted in his liking for boats and bought his last Mary Jane in 1958.

He liked corny jokes and often told them. Sergeant Bilko was one of his favorite TV characters. He once surprised an acquaintance by suddenly giving a imitation of Bobby Clark. He had a close personal friend who was an actuary in charge of the group annuity division of a life insurance company and thus a potential competitor. He invited this friend to have dinner with him at his home, wording his invitation that not only would it be enjoyable to have the friend's company but it would give him an opportunity to poison one of his competitors. He stated that he was working on a poison that would take effect three days after it had been swallowed, and that he had lost all faith in those poisons that act so quickly a fellow did not have time enough before death to declare a dividend on a group insurance policy!

Mr. Buck had a severe heart attack in 1956. He retired from the New York City office and while he did not thereafter actively participate in the work of his consulting office he was always available for consultation on office problems. In 1957 he made a trip to Hawaii to assist in the integration of the Territorial System with Social Security. The lease at 150 Nassau Street was due to expire in 1957, and when the possibility of buying a building at 60 Worth Street came up, Mr. Buck studied the building and decided that its purchase was desirable. It was never congenial to him to be a tenant and, as he said, "to go with hat in hand and ask favors of a landlord". For a year preceding the move, he put the building in shape for occupancy by the office, doing all of the contracting and much of the manual work himself. In this he was greatly helped by Mrs. Buck who went with him to the bleak empty building, day after day, and tried, not too successfully, to keep him from overworking. His work on the building was one of his last gifts to the office.

Mr. Buck died on April 12, 1961. He died as he would have wished, in his workshop. He was happy in the knowledge that George B. Buck, Jr. with his associates, was ready and able to carry on the business and that under George's leadership the office would continue to maintain its fine traditions and high standards.

In a review* of the Nobel prize-winning book, The Bridge on The Drina appears the following paragraph:

> "Men are born, they suffer, and they die. The bridge endures, and gives a meaning to their obscure generations. A work of hands, a work of art, the bridge exists on a time scale incommensurate with human life but stands as a symbol of what that life portends. Men build better than they know. Men build other than they know. Men's work is to build - cities, arts, lives."

This quotation applies to Mr. Buck's life. He was a builder, not of bridges, but of sound retirement plans. These plans will continue on the foundation which he built for them, and in the future other similar systems will be established. Thus he built better than he knew and gave a meaning to his life which will surely endure for generations to come.

*Saturday Review of Literature, July 11, 1959