

## CORRESPONDENCE

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Sirs,

I was naturally interested in the paper on 'The British Actuary in the United States' by D. H. Miles (*J.S.S.* 15, 358) and particularly his comparison of the cost of living in the U.S. and U.K., since this is similar to the problem which has caused me considerable concern, not only when writing my paper 'The Actuary in Canada' (*J.S.S.* 13, 199), but also when asked for advice by students considering emigration to Canada.

In writing my paper I gave up the attempt to find a simple formula for comparing the purchasing power of salaries in the U.K. and Canada, because I came to the conclusion that there were too many variables. Obviously an important factor is location, affecting as it does the cost of accommodation, travelling to work, etc., and the variation between New York at one end of the scale and Waterloo at the other is tremendous—probably greater than that between London and, say, Stratford-on-Avon.

Less obvious, but at least equally important, factors are family status, salary level and tastes. For example, a married man with a young family will be spending a relatively high proportion of his income on groceries, clothing, domestic appliances etc., the prices of which in North America compare reasonably with those in the U.K. at the official rate of exchange, and a relatively low proportion of his income on items such as restaurant meals, entertainment, etc., which are much more expensive on this side of the Atlantic.

Miles has shown more courage than I did and suggested that a realistic comparison would be obtained using a conversion rate of \$7 or \$8 to the £ in place of the official rate of \$2.80 (U.S.) or approximately \$2.70 (Canadian) to the £. It seems to me that such a rate may be appropriate for a particular combination of circumstances—perhaps, for example, a younger, single man working in

New York—but is certainly not generally appropriate. If it were, the Canadian market would be flooded with British goods, which it is not.

Perhaps your readers would like to make their own comparisons from the data given in my paper on pp. 221–2, remembering: (1) the figures for rent and prices of houses are applicable to Waterloo, and would have to be increased substantially for larger cities; (2) the cost of living index has risen some 9% in the five years since the table of prices was prepared; and (3) prices tend to be somewhat lower in the U.S. than in Canada.

Yours truly,

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