If he finds employment on a new job which provides no pension, or an inferior pension, an additional annuity could provide an appropriate equivalent on the same time-for-time basis indicated above.

6. If the worker obtained a new job in another community during the same time-for-time period, the funds would pay his costs of relocation.

Eligibility requirements

Appropriate eligibility qualifications would have to be worked out. For example, the worker might be required to have had at least 1 year of employment with the responsible employer.

Since it would be impracticable administratively to distinguish in individual cases between loss of employment caused by technology and that caused by other factors, objective criteria would have to be developed which would roughly accomplish the purpose. For example, all permanent separations (e.g., resulting from a plant closing, or where the employer certifies that a laid-off worker's recall was improbable) would be covered. In addition, continuous layoffs or short-time work for specified periods would establish eligibility for benefits retroactively to the beginning of the period. These periods should not be too long. Otherwise, loss of income, even if retroactively made up, would defeat the purpose of safeguarding the worker and his family against harm. In this connection, the layoff and short-time provisions of the new British Redundancy Payments Act, which provides for separation pay (also in the context of stimulating modernization of industry) may be relevant. The act provides that a worker becomes eligible if he is laid off or on short time (i.e., receives less than one-half of his normal weekly pay) "either (a) for 4 consecutive weeks, or (b) for a series of 6 weeks (of which not more than 3 are consecutive) within a period of 13 weeks."

Operation of trust fund

The monies in the trust fund would be invested in Government bonds, in the same way as with the Social Security Trust Fund. The interest would be pooled to pay the excess of the costs charged to any one company over the amount of investment credit reserved with respect to that company. If at any time the total sum of such excess costs was in excess of the amount of interest available, the difference would be made up by the Treasury out of general revenues. In no event would an amount in the fund reserved with respect to one employer be used to pay costs attributable to another employer. For reasons shown below, such costs to the Treasury would probably be small.

Where a company has established programs to pay any of the benefits provided under the plan, the amount reserved from its investment credit would be reduced by the lesser of the amounts actually paid to is employees under such programs, or the amounts paid by it during the year into a trust fund to provide for such payments. (Benefits paid under such programs would be taken into account in computing benefits under this proposal.) This provision would encourage employers to establish such programs, since they would then benefit by the interest on the amounts by which their investment credit reservation would be decreased.

Effect of proposal

The effect of this proposal would be to encourage firms to minimize dislocations resulting from technological change. The company would have a strong financial incentive to plan its changes so as to avoid dislocations, to find alternative jobs for workers disemployed, to train them for other jobs it may have to offer, and so on, since success in such efforts would increase the amount of reserved funds that would eventually be returnable to it. This encouragement to keep the costs attributable to technological change at a minimum would in turn minimize the possibility that there would be excess costs chargeable to the Treasury.

(The following summary description of the British Industrial Training Act, excerpted from the June 1964 ssue of the BLS publication "Labor Development Abroad," is submitted in response to Congressman Rumsfeld's request:)

The Industrial Training Act of March 12, 1964, is intended to improve existing arrangements for the industrial and commercial training of persons over the compulsory school age . . . and to overcome the shortage of skilled manpower which has prevailed since World War II in the United Kingdom. *By imposing a*