Union leaders have sought control over pension investment policy for internal union and collective bargaining power. The James study of the Teamsters includes an extraordinary report on Hoffa's utilization of pension funds, the major points of which seem to be these: (1) Hoffa controlled the administrative and investment policy of the Central States Pension Fund for the most part without effective opposition from the other trustees whether employer or union. (2) The employment of professional investment counsel was conspicuous by its absence and distrusted by Hoffa. (3) Hoffa's investment and bank account policy was guided by the need for "friends" and included such unorthodox borrowers as Teamster local unions, country clubs, gambling casinos, trucking and warehouse concerns, hotels and motels, newspapers and news commentators. (4) In one instance at least the CSPF invested in Montgomery Ward "for organizing purposes." [162]

To put the involvement of unions in pension plans in a more general perspective it should be noted that the unilaterally employer-managed pension plans which are not subject to the same degree of public exposure as are the bilateral plans are not altogether free of problems. One "problem area" is the—

> very definite tendency toward the financial integration, or weaving in, of pension affairs with the total financial affairs of many employers [which] * * * take a number of forms involving such things as choice of funding agency, annual contribution rates, management of the investment of pension fund assets, and changes in actuarial and investment fund valuations to go along with the general financial position of the client firms.[163]

XII

The effects of the union interest in pensions may be summarized from the evidence here as follows:

1. For mass production industry the union pressure converted pensions from the practice by a coterie of "enlightened" employers into a mass phenomenon.

2. The bargaining effect on the prenegotiation pensions has been to eliminate the contributory feature, to "progressivize" the benefits structure in favor of the low-paid worker to make pension benefits more responsive to the changing economic environment and to strengthen the employees rights to the pension.

3. In the small-employer sector—which is also in part low wage—the union presence has made the difference between pensions and no pensions.[164]

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[162] Based on Ralph and Estelle James, *Hoffa and the Teamsters* (Princeton, N.J.: D. Van Nostrand, 1965), pp. 213–239, 358–373. See also Tilove, "Pensions, Health, and Welfare Plans," *op. cit.*, pp. 56–58; Duncan M. Macintyre, "Regulation of Employee Benefit Programs," *Industrial and Labor Relations Review*, July 1957, pp. 562–564; Senate Committee on Labor and Public Welfare, *Welfare and Pension Plans Investigation*, *op. cit.*, final report; "Conflict of Interest Problems Arising From Union Pension Fund Loans," *Columbia Law Review*, January 1967; Segal, *Pension Plans and Public Policy in California*, *op. cit.*, pp. 79–83.

[163] McNulty, *Decision and Influence Processes, etc.*, *op. cit.*, p. 114.

[164] Robert M. Macdonald, *Collective Bargaining in the Automobile Industry* (New Haven: Yale University Press, 1962), ch. 2; Lucas, "Private Pension Issues, etc.," *op. cit.*; Strasser, "The Changing Structure of Compensation," *op. cit.*, pp. 957–958; Tilove, "Pensions, Health, and Welfare Plans," *op. cit.*, pp. 37–45; Slichter, *The Impact of Collective Bargaining, etc.*, *op. cit.*, pp. 372–380.