

charges against him" but there has been no evidence of serious malfeasance or incompetence in pension administration generally.¹⁸⁶

The final category of questions on which this study of negotiated pension plans may have some bearing is associated with the "public interest." The form which the public interest issue commonly takes presents two problems. First is the problem of vagueness in the standard for determining the public interest. The public interest stated only as "the interests of all workers" or of "the whole community"¹⁸⁷ offers no guide to practical policy choices.

The second difficulty lies in the problem of what may be termed as public interest "utopianism." Thus we are told that the standard for pensions ought to be "total service to society" instead of the "accidents of work history."¹⁸⁸ Leaving aside whether total service to society can be defined for administrative purposes, its utopianism consists of the fundamental reconstruction required to achieve this standard; that is to say, there is an ethos and \$100 billion-plus in pension reserves, both rooted in these "accidents of work history." It is not possible to anticipate the consequences of such a reconstruction so as to provide a rational basis for policy choices.

The same sort of public interest utopianism is evidenced in "the provision of pensions [as] inherently a public function."¹⁸⁹ It may be inherently a public function but the consequences of nationalizing 25,000 or so pension plans cannot be foreseen with sufficient certainty to judge whether the effort at nationalization is justified.

Not only must policy based on the "inherent public character of pensions" be utopian, it is also of very questionable worth on its merits. The question of negotiated pension efficiency aside there is much to recommend it as a decentralizing influence in American life. Pensions administered through thousands of plans in addition to the public systems contributes to the pluralism which ranks so high in our political and democratic values.

Many public interest questions are capable of concrete definition and yielding a scheme of incremental reform with rationally predictable results. Two such questions can be dispatched simply. The union presence in the negotiation of pensions does not of itself appreciably affect the use of pension power for corporate control or the corporate securities market and is, therefore, not discussed here. Another question involving a concrete public interest deals with the influence of competition on pension plan performance. The staff study concludes that competition "exerts unfortunately too little influence in setting standards of pension plan performance."¹⁹⁰ Special concern is expressed over the absence of competition among life insurance companies, banks, and plan trustees for fund management.

The union experience which has bearing on this question has to be drawn from health insurance bargaining. There, competition by brokers and insurance companies for the business of the pooled funds has had mixed results. While informed competitive bidding may minimize the price of health insurance there are numerous instances where

¹⁸⁶ Tilove, "Pensions, Health, and Welfare Plans," *op. cit.*, pp. 56-58.

¹⁸⁷ McClung, in Joint Economic Committee, *Old Age Income Assurance, etc.*, *op. cit.*, p. 23.

¹⁸⁸ *Ibid.*, p. 5.

¹⁸⁹ *Ibid.*, p. 13.

¹⁹⁰ *Ibid.*, p. 22.