

companies develop pension plans initially. As coverage becomes widespread, pressure is exerted on all employers to adopt programs. Marginal employers who adopt pension plans in response to these pressures are more likely to discontinue operations than their better-financed competitors.

On the other hand, it is likely that the losses suffered by members of terminated plans may diminish in future years. Plans terminated in the next decade (without any successor plans) are likely to be better financed than their counterparts in the past. Continued public discussion of, and legislative interest in, private pension plans will undoubtedly focus attention on the need for funding. Moreover, the many plans developed in the post-World War II period will have been in existence for more than two decades and should, therefore, have made considerable progress toward full funding.

The losses suffered by members when a successor plan does not grant full credit for service with the absorbed company depends upon a decision of the plan's trustees. They can choose to honor all, part, or none of the credits earned by their newly acquired employees. Increased employee awareness of the value of these credits may result in considerable pressure on trustees to grant full credits. This awareness and subsequent pressures will probably develop among organized, but not among unorganized workers.

The unfavorable reception received by the Hartke proposal¹² strongly suggests that congressional action to insure pension plans will not be easily achieved. It seems likely, therefore, that some plan members (retired and nonretired) will continue to be deprived of benefits. Their exact number and the extent of their losses can be determined by an analysis of reports regularly supplied to both the Internal Revenue Service and the Labor Department. The development of this information would aid the Congress in evaluating the need for legislation to protect the prospective beneficiaries of private pension plans.

¹² See Senate Committee on Finance, *op. cit.*, pp. 73-80, 89-96, 101-102, 104-108, 111-119; *Employee Benefit Plan Review*, October 1966, pp. 3 and 8, December 1966, p. 32, and March 1967, p. 16.