

A free competitive enterprise capitalistic economy presumes that along with power there goes not only responsibility but also accountability. The power piling up in trust funds is virtually without accountability, for the covered employee is not by himself a competent analyst. He cannot know from looking at a portfolio or an annual report whether the funds have been competently, properly, or wisely invested and he does not know, nor perhaps care, whether the vast power over the lives of individual corporations accumulating in trustees' hands is being used in his best interest or in the best interest of the corporate enterprise over which they are gaining increasing control. Legislation must increase his protection and remedies beyond those now available.

Do pension funds assure equity? Because pension plans are mostly in their early years, they have not yet been a major handicap to mobility. But as workers become conscious of their growing apparent equity in such plans, the inhibitions on freedom and mobility can be expected to grow and criticism to mount. Constructive action to improve the worker's equity becomes increasingly important to him and to the rate of growth of the national economy, which requires mobility.

There is serious need for the Congress to order a regular gathering of data with respect to the impact on pension plans of terminations, mergers, sales, shutdowns. Bernstein summarizes many specific situations and discusses some of the case law. He concludes "constant changes in employer location, organization, and ownership, which are so characteristic of our economy, constitute an indeterminate but substantial threat to the continuity of employment and therefore to pension expectations which are based primarily upon single employer plans. Contractual and judicially fashioned job transfer rights for employees would mitigate their impact to a limited extent. However, more basic changes in pension arrangements probably are required if they are to be able to overcome the limitations of single employer plans when subject to the strains of such exigencies."

Many private plans provide that the benefit shall be based upon the earnings during the last few years before retirement. This protects the worker both with respect to his highest income and to the price level at the time of retirement. However, plans do not usually adjust benefits to rising living costs after retirement. Some beneficiaries will live as long as 30 years after retirement. For them, the benefits in later years will be scandalously low. Neither the employer nor the union feels a strong obligation to the person already retired.

If the worker is not protected through vesting in the event of turnover, if he is not protected in the event of shutdown or merger, if his benefits are not protected against inflation, if the retired worker is not protected against falling behind as the retirement years wear on, how shall he be protected? It will take an act of Congress to provide greater assurance of the worker's legal rights.

Assigning the equity in the funds to the covered workers would be a major step forward. I renew the suggestion that the Congress actively study the possibility of providing a Federal program of voluntary supplemental group annuities. This would be administered for groups working under one or a group of employers and covering all employees in such a group. The contributions, whether from employees or em-