

gencies. Such availability might make this form of saving more attractive to employees and hence encourage the funding of larger benefits which require larger savings.

A clearinghouse could be established and operated: (a) wholly by private institutions already operating in the pension field; (b) wholly as an agency of the Federal Government; or (c) by some combination of private and public (Federal Government) institutions.

A private clearinghouse could be established as a corporation whose shares are available to all groups with an interest in this field. The proportion of ownership available to any group probably should be decided in advance of incorporation, with at least ownership participation available to any institution in the pension field. One possible measure of the percentage available to the respective groups and participants might be the amount of the retirement plan business done. However, that is not the only conceivable measure, for some may have a greater interest in "transients" than others. Perhaps the value of actual or potential vested benefits would be more an appropriate measure.

Unions are in a position to take the initiative in providing clearinghouse arrangements. In essence this is what some of them have done in negotiating multiemployer agreements which provide for accumulation for all pension credits in multiemployer groups without the requirement of adherence to any one employer. Industry-wide and area-wide multiemployer plans are a form of clearinghouse which meet some of the problems of normal turnover and the other hazards to continuity of employment. But they do not meet the whole problem, especially where the job opportunities in the units covered are shrinking. They do not meet the needs of those who cannot continue in the same industry because of injury and debility or family considerations. They do not meet the needs of workers whose skills are useful in more than one industry. As automation reaches broader areas of industry, commerce, and service trades, "industry" classification becomes less and less significant and job shifts across industry lines, already common, may be expected to increase.

In the OASDI system the Federal Government already has the operating procedures for collecting and keeping records of practically all the employed and self-employed. These procedures are fully rationalized, fully functioning, efficient, and cheap. Employers already report employee earnings and remit payroll taxes to the Internal Revenue Service, which transfers equivalent amounts to the credit of OASDI. To duplicate any major part of this system would be rather wasteful. If a government fund were operated by a group of experienced investors, empowered to invest in all kinds of securities and investments, probably a portfolio could be devised so as to attain both security of principal and a higher rate of earnings than is now realized on the Government's retirement trust funds.

In a combined Federal-private arrangement, the Federal clearinghouse could operate transfer facilities and a group plan. It could invest portions of its accumulated funds in deposit administration plans and with bank trust companies and purchase paid-up annuities for those retiring—much as some smaller funds use "split funding." A major difficulty with the purchase of paid-up insurance for active plan participants would be the frequent—indeed constant—separation