

benefits for many jointly trustee plans. It is hoped that any funding requirement enacted would allow for a buildup of funds over a period long enough to avoid significantly disrupting contributions levels.

The situations of wrong doing in both jointly managed and single employer pension funds have been rare. Apparently present laws are usually effective in discouraging potential wrongdoers.

The private pension system presently covers about half of the Nation's wage and salary workers. More needs to be done to encourage the expansion of this system to those not covered. It is generally agreed that a significant limiting factor is the small size of some employers who do not have plans. Why should there not be study on the part of the Federal Government, and particularly by the Treasury Department, into all possible alternative approaches for the single qualification of multiemployer plans that do not provide joint trusteeship? It would be well also for those who service pension plans to attempt to provide for the easy establishment of plans by small employers, either individually or in groups. Many approaches offered to small employers today have relatively large administrative charges, which reduce their effectiveness.

JACK BARBASH: THE STRUCTURE AND EVOLUTION OF UNION INTERESTS IN PENSIONS

The effects of the union interest in pensions may be summarized 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.

Other effects more conjectural and therefore subject to further analysis but nevertheless tenable are:

1. The shock effect on the installation of pensions by nonunion employers to forestall unionization and to compete in a tight labor market.

2. On the assumption that the employee, in the absence of a pension plan, would have received the cost equivalent in the form of a direct wage increase, negotiated pensions generated a more efficient and rational allocation of the employees wages: more efficient because the pension rights were purchased more economically on a group basis, more rational because the negotiated pension plan increased the incidence of retirement protection among wage earners beyond the level likely through individual saving for retirement.

3. If this last is open to question on the ground that the allocation of wage increase increments to retirement is not necessarily more rational at any given level of income, it is nevertheless probable that