

employer representation on a union pension fund to which an employer contributes. The Welfare and Pension Plans Disclosure Act deals only with disclosure of financial operations and is precluded from regulating the internal management of pension plans. Five States have also passed disclosure laws. Disclosure of the terms of corporate retirement plans for the protection of investors is provided for in the Securities Exchange Act. Fiduciary responsibility of pension plan trustees and administrators is covered as already noted in the Internal Revenue Code and in the common law of trusts. Major stress on defects in protection of employee rights in pension plans has been put on weakness in the law of fiduciary obligation and most insistently on the inadequacy of funding and vesting practices.

This recital is only of consequence to suggest that there is (a) a regulatory scheme and (b) a continuing and informed discussion of the shortcomings of the pension movement. But the discussion is far from providing a conclusive policy choice expressive of the definitive public interest. The positive policy suggestions which fall at all within the scope of this paper are very modest indeed. As to legislation, a strong case seems to have been made out for legislation in the appropriate jurisdiction authorizing public officials to litigate the fiduciary responsibilities of trustees, etc., and perhaps to serve as ombudsmen in dealing with employee grievances under pension plans. A strong case for additional disclosure seems also in order especially in respect to the details of pension plan investment practices. Public policy on funding and vesting seems to be contingent on the facts in two critical areas: (a) The relationship between turnover at various ages and in diverse occupations and the continuity of pension rights; and (b) the relationship between plan termination and pension rights.

WALTER P. REUTHER: FEDERAL LEGISLATION AND PRIVATE PENSION PLANS

The 27 million covered persons, including some presently retired, amounted to fewer than 45 percent of the labor force, excluding Government employees. A recent study has shown a serious imbalance in the distribution of this coverage by amount of earnings: 26 percent of employees earning \$3,000 to \$5,999 yearly have pension coverage, 47 percent of employees earning \$6,000 to \$9,999 yearly have pension coverage, 52 percent of employees earning \$10,000 or more yearly have pension coverage. Other studies have shown that the bulk of employees who do not have pension coverage are those who work in small employment units. Even those employees who are covered by a private pension plan may end up with few or no retirement benefits from that plan because they do not meet various eligibility requirements of the plan or because the assets and income of the plan prove insufficient to pay their benefits. These shortcomings have been the subject of considerable public discussion. It would appear that we are finally approaching the time for action and that we should concern ourselves with concrete proposals rather than statements of general objectives. While there are advantages in taking as comprehensive a view as possible of the problems involved, there is some tendency to use the desire for broad solutions as an excuse for inaction on even those problems which are of immediate and pressing importance. While I urge that