everyone should have the assurance of an adequate retirement income from social security, I am also convinced of the need for encouraging the supplementation of social security with a sound system of private pension plans. So far, however, the Federal Government has restricted its encouragement of private plans to the granting of tax relief to plans which meet standards that are not really comprehensive enough to assure that the desired results will be accomplished. Therefore, additional legislation more directly aimed at achieving these results should be adopted.

A. The establishment of pooling and guarantee arrangements which cannot be independently developed by the private plans.

1. *Federal reinsurance program.*—No group can consider itself immune to the tragedy that results when workers who, having worked many years for a company and nearing retirement age, see their jobs and their anticipated retirement incomes disappear as the result of circumstances beyond their control. It may have been reasonable many years ago to assume that everyone (and every business) could be held responsible for his own success or failure. Today, however, most people and businesses are tremendously affected by the decisions and actions of others. Even the Federal Government, by shifting contracts from one firm to another, may cause dislocations involving hundreds or thousands of workers and shutdowns of the firms employing them. To the extent that an employer does not deliberately terminate a pension plan, it is his employees' benefits that are protected through reinsurance. Thus, this is comparable to the workmen's compensation program in which the employer has some control over the contingency involved but the benefits go to the employees. By the use of maximum limits on the benefits guaranteed, administrative or judicial review to disqualify those situations in which the employer clearly has acted only for his personal benefit, and similar techniques, abuse of the program can be held to a minimum. There have been several other lines of criticism with respect to the reinsurance proposal which, in my opinion, do not face up to a major issue involved. The Federal Government should quickly establish a Federal pension reinsurance program.

2. *Purchasing power bonds.*—Another problem facing private pension programs is the need to assure that funds set aside currently will many years in the future provide benefits which are adequate in real terms. Since this problem primarily results from our national inability to maintain a constant price level, finding a solution is an obligation of the general community as well as of the individual private plan. The Federal Government should issue purchasing power bonds which would be available as pension investments and which would grow in value along with increases in the price level. It may even be feasible to reflect in the value of such bonds our advancing economic progress so that retirees can equitably share improvements in the national standard of living. Investment in such bonds should be permitted only if the plan includes a provision that benefits will be corerspondingly increased.

3. *Recording of vested benefits by the Social Security Administration.*—In addition to the need for legislative requirements concerning