

REMARKS BY SENATOR HUBERT H. HUMPHREY

EIGHTH ANNUAL PENSION CONFERENCE OF
DONALDSON, LUFKIN, & JENRETTE, INC.

New York City

November 4, 1971

I am a layman. You are the professionals in handling daily the complexities and heavy responsibilities of managing a multi-billion dollar financial sector commonly known as private pension funds on behalf of corporations and millions of employees.

But I am here precisely to give voice to the concerns of the laymen. I am here to present some of the problems and hardships workers report they are experiencing in private pension plans in our country. I am here to help you get at the facts of these vital human and economic problems and to plan corrective actions that are at once progressive, financially responsible, and sensitive to a real and growing social concern.

Perhaps it is entirely appropriate that your conference program has me bracketed between hearing for the first time the "view from the executive branch" and a discussion of legislation and labor union negotiating proposals on private pension plans. For there seems to be no other place on this program to talk about the men and the women on whom all these viewpoints and activities will have a direct impact.

I am talking about over 30 million workers covered under more than 34,000 pension plans. That's one-half of the private work force, depending upon private pension benefits, along with Social Security and hopefully insurance and some savings, to help them get through the years after they must stop working. But we all know how costly those years are becoming for rapidly increasing numbers of people on fixed incomes. Let me remind you of some harsh statistics: Every tenth American today is over 65, but one of every four elderly persons lives in poverty. Then look at the commonly reported figures on those who are depending on help from private pension plans. Up to one-half of all persons participating in private pension plans may not receive pension benefits when they retire. More than one-half of those who do get these benefits will receive less than \$1,000 a year. And there is a disturbingly high frequency of benefit cut-offs upon the death of the beneficiary, leaving the widow to fend for herself.

Now what will be your response to these statistics? Will you continue to answer with figures from industry-related studies demonstrating a record of good performance by private pension funds? I suggest, respectfully, that while it is vitally important to recognize the increasingly progressive actions by private pension funds to strengthen their financial position, to avoid potential conflicts-of-interest, and to increase and expand benefits, that the reciting of such reports simply is not good enough any more.

It is almost an American maxim that businessmen do not let slogans or doctrinaire ideologies get in their way or confuse their judgment, but go straight to the facts of the situation. What are the facts today that explain a rising public concern over private pension plans?

First, there is the sheer fact of potential economic power concentrated in pension funds. In only three decades, there has been a 4,500 percent growth in private and government pension funds, to over \$220 billion, with private pension plan assets alone accounting for about \$136 billion.

Second, despite recent improvements, unilateral terminations of private pension plans continue to be reported. The United Steelworkers of America, with about a million members covered by pension plans, has seen over 70 pension funds stopped within the last five years because of plant shutdowns, bankruptcy or merger. The beginning of widespread public concern about this problem can probably be pinpointed at the time of the Studebaker plant closing. But you all know of the Labor Department study showing the termination of 4259 pension plans from 1955 through 1965, affecting some 225,000 employees. It is not enough to point out that many workers were transferred to other pension plans, because thousands upon thousands of others have seen their future security wiped out.

Third, there is a rising public awareness that private pension plans have been subjected to relatively little regulation. As Fortune Magazine commented in its October issue, "Few powerful financial institutions, indeed, function with so little control." You have all taken due note of the public hearings over the past few years focusing on the alleged misapplication of pension fund assets by trustees of certain union as well as corporation plans. Pension fund trustee names that appear simultaneously on the board roster of depository banks or as officers of parent holding companies, while not constituting illegal conduct, have been cited in instance after instance of conduct that is unethical.

But finally, and most importantly, you are dealing today with an aroused and far better informed general public.

The American people are scrutinizing as never before the conduct both of corporations and government, a development that I welcome and one that is healthy for both our public and private institutions.

Public interest and awareness has been heightened by the unprecedented economic situation in America of continuing inflation and high unemployment. The working people of America, confronting critically high living costs and the constant anxiety of job insecurity, while the lid is clamped down on wage increases, are watching very closely where every dollar taken from their paychecks goes. They are deeply concerned about actually obtaining the future security benefits negotiated on their behalf in place of higher increases that might have been obtained in current wages. Men and women thrown out of work by plant layoffs, when they are within a few years, or even months or days of earning a vested right to future retirement benefits, are angry and feel betrayed.

Now this is the situation as it is actually perceived by millions of Americans who have suddenly found themselves thrown out in the cold. This is hard fact, whatever arguments might be put forward in defense of progressive actions taken over the years by private pension plans.

What actions, then, must be taken by you who are directly responsible for the management of private pension plans, to meet this serious public concern?

I call upon you today to launch a major effort to accomplish vital reforms in private pension plans and in the management of pension fund assets. Put your own house in order. I can promise you that if this action is not taken quickly, Congress will demand that it be done by government.

You can rely on solid precedent for in-house reform, in the case of securities industry. Right now, we are witnessing a serious slump in the stock market, despite Administration promises that economic conditions are going to improve. Almost a decade ago, when the same situation occurred and loud protests were heard about stock manipulation, I went to New York for a private and very frank discussion with members of the New York Stock Exchange. I proposed that they set up a blue ribbon

commission to clean up their own house, and I warned that the alternative would be extensive public regulation. This private sector action was taken, and substantial improvements were made toward enhancing efficiency and responsibility in the securities industry.

Such reforms in private pension funds will not be accomplished so long as red flags are waved that private pension plans are being called upon to demonstrate social responsibility at the expense of assuring a maximum profit on invested funds.

The basic social problem confronting you right now is that increasing thousands of Americans are finding it impossible to live on their limited retirement income. And the social responsibility for which the American people are calling is the effective management of private pension plans.

You must bring every possible pressure to bear to meet these needs. I propose that you begin right now to draft and promulgate an industry-wide code of standards on the funding of private pension plans. Corporations ought not be permitted to enjoy a windfall by withholding contributions to worker pension plans, and instead applying them as interest-free plant investment or as stock dividends, or for management salary increases. Where a pension plan's growth results primarily only from additional worker contributions, rather than from effective investment, or where accrued benefit liabilities far exceed fund assets, then the spotlight should be focused by the private pension plan sector itself on the activities of the trustees of this plan that are undermining standards of fiduciary responsibility.

Should the private pension fund sector fail to take these actions, the only alternative must be strict disclosure and reinsurance requirements under public law.

And there must be an industry-wide emphasis upon a continuing education program for workers about their private pension plan rights and benefits. Time after time, we hear worker complaints about benefit denials, which were in fact the result of the beneficiary never having been adequately informed about the requirements or benefits of that pension plan.

You must also face the fact of increasing labor mobility that repeatedly cancels out a worker's time credits toward earning vested rights to future retirement benefits under a particular pension plan. Isn't it time for all pension plan managers in similar types of business and industry to work out pension portability arrangements? Should we not move forward with the establishment of pools of separate plan funds, under which computerized accounts are maintained of debits and credits transferred under these respective plans as a worker changes his place of employment?

And can you continue to be satisfied with the argument that there is an offset between earlier vesting rights and higher retirement benefits -- that to promote the one you must deny the other? Why should we not enable a worker to retire with two or three reduced pensions under plans with earlier age and service vesting rights, rather than tell him after he has worked hard for 20 years that he has no right to any deferred income because his plan has a longer vesting period?

These are questions to which there must be a positive response. While on the one hand, private pension plans are being acclaimed as the hottest investment frontier today, they are also being increasingly regarded as a social instrument for helping an employee provide for his future. A heavy responsibility has been laid upon you to prevent any conflict in the objectives that are implied in these viewpoints.

Almost ten years have passed since the appointment of the President's Committee on Corporate Pension Plans, whose

1965 report focused public attention on areas in vital need of reform. I suggest to you, in all frankness, that the march of time is now accelerating. Will you respond? Will you demonstrate to America a genuine concern to meet the income needs of people? For they are what private pension plans are really all about.

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Bill Donaldson

REMARKS BY SENATOR HUBERT H. HUMPHREY

EIGHTH ANNUAL PENSION CONFERENCE OF
DONALDSON, LUFKIN, & JENRETTE, INC.

NEW YORK CITY

NOVEMBER 4, 1971

You have had a great morning -
with Mr Richard Jenrette
Assistant President McDon - Peter Flanagan

Prestigious Program of
Participants

Wm Casey, Chairman SEC
Larry Silberman - Undersecret Labor

Private & Public

000360

I AM A LAYMAN, YOU ARE THE PROFESSIONALS IN HANDLING ~~THE~~

THE COMPLEXITIES AND HEAVY RESPONSIBILITIES OF MANAGING A

MULTI-BILLION DOLLAR FINANCIAL SECTOR COMMONLY KNOWN AS PRIVATE

PENSION FUNDS ON BEHALF OF CORPORATIONS AND MILLIONS OF

EMPLOYEES.

*2 Real questions - more than
just annual*

↳ BUT I AM HERE ~~TO~~ TO GIVE VOICE TO THE CONCERNS OF

THE LAYMEN I AM HERE TO PRESENT SOME OF THE PROBLEMS AND

HARDSHIPS ^{that people} ~~which~~ REPORT THEY ARE EXPERIENCING IN PRIVATE

PENSION PLANS IN OUR COUNTRY. I AM HERE TO HELP YOU GET AT THE

FACTS OF THESE VITAL HUMAN AND ECONOMIC PROBLEMS AND TO PLAN

CORRECTIVE ACTIONS THAT ARE AT ONCE PROGRESSIVE, FINANCIALLY

RESPONSIBLE, AND SENSITIVE TO A REAL AND GROWING SOCIAL CONCERN

*I know -
you have many challenges in these uncertain times -
market conditions, international monetary developments,
recession at home & abroad, uncertainty of
our own monetary & fiscal policies!*

L PERHAPS IT IS ENTIRELY APPROPRIATE THAT YOUR CONFERENCE
 PROGRAM HAS ME BRACKETED BETWEEN HEARING FOR THE FIRST TIME
 THE "VIEW FROM THE EXECUTIVE BRANCH" AND A DISCUSSION OF
LEGISLATION AND LABOR UNION NEGOTIATING PROPOSALS ON PRIVATE
PENSION PLANS. FOR THERE SEEMS TO BE NO OTHER PLACE ON THIS
 PROGRAM TO TALK ABOUT THE MEN AND THE WOMEN ON WHOM ALL THESE
VIEWPOINTS AND ACTIVITIES WILL HAVE A DIRECT IMPACT.

L I AM TALKING ABOUT OVER 30 MILLION WORKERS COVERED UNDER
MORE THAN 34,000 PENSION PLANS THAT'S ONE-HALF OF THE
PRIVATE WORK FORCE ~~is~~ DEPENDING UPON PRIVATE PENSION BENEFITS,
ALONG WITH SOCIAL SECURITY, AND ^{some} HOPEFULLY INSURANCE AND SOME
SAVINGS, TO HELP THEM GET THROUGH THE YEARS AFTER THEY
MUST STOP WORKING,

) But ~~that~~ over 1/2 not
covered - how

-3-

BUT WE ALL KNOW HOW COSTLY THOSE YEARS ARE BECOMING FOR RAPIDLY
 INCREASING NUMBERS OF PEOPLE ON FIXED INCOMES. LET ME REMIND YOU
 OF SOME HARSH STATISTICS; EVERY TENTH AMERICAN TODAY IS OVER
 65, BUT ONE ^{out of} ~~10~~ EVERY FOUR ELDERLY PERSONS LIVES IN POVERTY.

THEN, LOOK AT THE COMMONLY REPORTED FIGURES ON THOSE WHO ARE
 DEPENDING ON HELP FROM PRIVATE PENSION PLANS. UP TO ONE-^{1/2} HALF OF
 ALL PERSONS PARTICIPATING IN PRIVATE PENSION PLANS MAY NOT RECEIVE
 PENSION BENEFITS WHEN THEY RETIRE. MORE THAN ONE-^{1/2} HALF OF THOSE WHO
 DO GET THESE BENEFITS WILL RECEIVE LESS THAN \$1,000 A YEAR. AND,
 THERE IS A DISTURBINGLY HIGH FREQUENCY OF BENEFIT CUT-OFFS
 UPON THE DEATH OF THE BENEFICIARY, LEAVING THE WIDOW TO FEND
 FOR HERSELF.

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< NOW WHAT WILL BE YOUR RESPONSE TO THESE STATISTICS? WILL
 YOU CONTINUE TO ANSWER WITH FIGURES FROM INDUSTRY-RELATED
STUDIES DEMONSTRATING A RECORD OF GOOD PERFORMANCE BY PRIVATE
PENSION FUNDS? I SUGGEST, RESPECTFULLY, THAT WHILE IT IS
 VITALLY IMPORTANT TO RECOGNIZE THE INCREASINGLY PROGRESSIVE
ACTIONS BY PRIVATE PENSION FUNDS TO STRENGTHEN THEIR FINANCIAL
POSITION, TO AVOID POTENTIAL CONFLICTS-OF-INTEREST, AND TO
 INCREASE AND EXPAND BENEFITS, THAT THE RECITING OF ^{these} ~~SUCH~~ REPORTS
^{alone} ~~IS~~ IS NOT GOOD ENOUGH ANY MORE!!

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 < IT IS ALMOST AN AMERICAN MAXIM THAT BUSINESSMEN DO NOT
 LET SLOGANS OR DOCTRINAIRE IDEOLOGIES GET IN THEIR WAY OR
 CONFUSE THEIR JUDGMENT, ^{rather} BUT GO STRAIGHT TO THE FACTS OF THE
 SITUATION.

then
WHAT ARE THE FACTS TODAY THAT EXPLAIN A RISING PUBLIC CONCERN

OVER PRIVATE PENSION PLANS?

#1 L FIRST, THERE IS THE SHEER FACT OF POTENTIAL ECONOMIC POWER

CONCENTRATED IN PENSION FUNDS. L IN ONLY THREE DECADES, THERE HAS

BEEN A 4,500 PERCENT GROWTH IN PRIVATE AND GOVERNMENT PENSION

FUNDS, TO OVER \$220 BILLION, WITH PRIVATE PENSION PLAN ASSETS

ALONE ACCOUNTING FOR ABOUT \$136 BILLION.

#2 L SECOND, DESPITE RECENT IMPROVEMENTS, UNILATERAL

TERMINATIONS OF PRIVATE PENSION PLANS CONTINUE TO BE REPORTED.

L THE UNITED STEELWORKERS OF AMERICA, WITH ABOUT A MILLION

MEMBERS COVERED BY PENSION PLANS, HAS SEEN OVER 70 PENSION

FUNDS STOPPED WITHIN THE LAST FIVE YEARS BECAUSE OF PLANT

SHUTDOWNS, BANKRUPTCY OR MERGER.

THE BEGINNING OF WIDESPREAD PUBLIC CONCERN ABOUT THIS PROBLEM

CAN PROBABLY BE PINPOINTED AT THE TIME OF THE STUDEBAKER PLANT

CLOSING. BUT, YOU ALL KNOW OF THE LABOR DEPARTMENT STUDY SHOWING

THE TERMINATION OF 4259 PENSION PLANS FROM 1955 THROUGH 1965,

AFFECTING SOME 225,000 EMPLOYEES. IT IS NOT ENOUGH TO POINT OUT

THAT MANY WORKERS WERE TRANSFERRED TO OTHER PENSION PLANS, BECAUSE

THOUSANDS UPON THOUSANDS OF OTHERS HAVE SEEN THEIR FUTURE SECURITY

WIPED OUT.

#3 THIRD, THERE IS A RISING PUBLIC AWARENESS THAT PRIVATE

PENSION PLANS HAVE BEEN SUBJECTED TO RELATIVELY LITTLE

REGULATION. AS FORTUNE MAGAZINE COMMENTED IN ITS OCTOBER

ISSUE, "FEW POWERFUL FINANCIAL INSTITUTIONS, INDEED,

FUNCTION WITH SO LITTLE CONTROL." YOU HAVE

L YOU HAVE ALL TAKEN "DUE NOTE" OF THE PUBLIC HEARINGS OVER THE
PAST FEW YEARS FOCUSING ON THE ALLEGED MISAPPLICATION OF PENSION
FUND ASSETS BY TRUSTEES OF CERTAIN UNION AS WELL AS CORPORATION
PLANS. L PENSION FUND TRUSTEE NAMES THAT APPEAR SIMULTANEOUSLY ON
 THE BOARD ROSTER OF DEPOSITORY BANKS OR AS OFFICERS OF PARENT
HOLDING COMPANIES, WHILE NOT CONSTITUTING ILLEGAL CONDUCT, HAVE
 BEEN CITED IN INSTANCE AFTER INSTANCE OF CONDUCT THAT IS UNETHICAL.

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L BUT FINALLY, AND MOST IMPORTANTLY, YOU ARE DEALING TODAY
 WITH AN AROUSED AND FAR BETTER INFORMED GENERAL PUBLIC.

L THE AMERICAN PEOPLE ARE SCRUTINIZING AS NEVER BEFORE THE
 CONDUCT BOTH OF CORPORATIONS AND GOVERNMENT, A DEVELOPMENT
 THAT I WELCOME AND ONE THAT IS HEALTHY FOR BOTH OUR PUBLIC
AND PRIVATE INSTITUTIONS. (*Consumer Awareness*)

Public interest and awareness has been heightened by the unprecedented economic situation in America of continuing inflation and high unemployment. The working people of America, confronting critically high living costs and the constant anxiety of job insecurity, while the lid is clamped down on wage increases, ^{jump to} are watching very closely where every dollar taken from their paychecks goes. They are deeply concerned about actually obtaining the future security benefits negotiated on their behalf, in place of higher increases that might have been obtained in current wages. Men and women thrown out of work by plant layoffs, when they are within a few years, or even months or days of earning a vested right to future retirement benefits, are angry and feel betrayed.

Now THIS IS THE SITUATION AS IT IS ACTUALLY PERCEIVED
BY MILLIONS OF AMERICANS WHO HAVE SUDDENLY FOUND THEMSELVES
THROWN OUT IN THE COLD. THIS IS HARD FACT, WHATEVER ARGUMENTS
MIGHT BE PUT FORWARD IN DEFENSE OF PROGRESSIVE ACTIONS TAKEN
OVER THE YEARS BY PRIVATE PENSION PLANS,

WHAT ACTIONS, THEN, MUST BE TAKEN BY YOU WHO ARE DIRECTLY
RESPONSIBLE FOR THE MANAGEMENT OF PRIVATE PENSION PLANS, TO MEET
THIS SERIOUS PUBLIC CONCERN?

I CALL UPON YOU TODAY TO LAUNCH A MAJOR EFFORT TO ACCOMPLISH
VITAL REFORMS IN PRIVATE PENSION PLANS AND IN THE MAN^AAGEMENT OF
PENSION FUND ASSETS. PUT YOUR OWN HOUSE IN ORDER. I CAN PROMISE
YOU THAT IF THIS ACTION IS NOT TAKEN QUICKLY, CONGRESS WILL
DEMAND THAT IT BE DONE BY GOVERNMENT,

L YOU CAN RELY ON SOLID PRECEDENT FOR IN-HOUSE REFORM, IN

THE CASE OF SECURITIES INDUSTRY Recently we saw ~~WE ARE WITNESSING~~

A SERIOUS SLUMP IN THE STOCK MARKET, ~~DESPITE ADMINISTRATION~~

~~PROMISES THAT ECONOMIC CONDITIONS ARE GOING TO IMPROVE.~~ L ALMOST

A DECADE AGO, WHEN THE SAME SITUATION OCCURRED AND LOUD PROTESTS

WERE HEARD ABOUT STOCK MANIPULATION, I WENT TO NEW YORK FOR A

PRIVATE AND VERY FRANK DISCUSSION WITH MEMBERS OF THE NEW YORK

STOCK EXCHANGE. I PROPOSED THAT THEY SET UP A BLUE RIBBON

COMMISSION TO CLEAN UP THEIR OWN HOUSE AND I WARNED THAT THE

ALTERNATIVE WOULD BE EXTENSIVE PUBLIC hearings & REGULATION. L THIS PRIVATE

SECTOR ACTION WAS TAKEN, AND SUBSTANTIAL IMPROVEMENTS WERE

MADE TOWARD ENHANCING EFFICIENCY AND RESPONSIBILITY IN

THE SECURITIES INDUSTRY.

Keith Funston

SUCH REFORMS IN PRIVATE PENSION FUNDS WILL NOT BE
 ACCOMPLISHED SO LONG AS RED FLAGS ARE WAVED THAT PRIVATE PENSION
PLANS ARE BEING CALLED UPON TO DEMONSTRATE SOCIAL RESPONSIBILITY
AT THE EXPENSE OF ASSURING A MAXIMUM PROFIT ON INVESTED FUNDS.

THE BASIC SOCIAL PROBLEM CONFRONTING YOU RIGHT NOW IS
 THAT INCREASING THOUSANDS OF AMERICANS ARE FINDING IT IMPOSSIBLE
 TO LIVE ON THEIR LIMITED RETIREMENT INCOME, AND THE SOCIAL
RESPONSIBILITY FOR WHICH THE AMERICAN PEOPLE ARE CALLING IS
 THE EFFECTIVE MANAGEMENT OF PRIVATE PENSION PLANS.

I respectfully suggest,
 YOU MUST BRING EVERY POSSIBLE PRESSURE TO BEAR TO MEET
THESE NEEDS.

I PROPOSE THAT YOU ~~BE RESPONSIBLE FOR~~ DRAFT AND PROMULGATE

AN INDUSTRY-WIDE CODE OF STANDARDS ON THE FUNDING OF

PRIVATE PENSION PLANS / CORPORATIONS OUGHT NOT BE PERMITTED TO

ENJOY A WINDFALL BY WITHHOLDING CONTRIBUTIONS TO WORKER PENSION

PLANS, AND INSTEAD APPLYING THEM AS INTEREST-FREE PLANT

INVESTMENT OR AS STOCK DIVIDENDS, OR FOR MANAGEMENT SALARY

INCREASES. / WHERE A PENSION PLAN'S GROWTH RESULTS PRIMARILY ONLY

FROM ADDITIONAL WORKER CONTRIBUTIONS, RATHER THAN FROM

EFFECTIVE INVESTMENT; OR WHERE ACCRUED BENEFIT LIABILITIES FAR

EXCEED FUND ASSETS, THEN THE SPOTLIGHT SHOULD BE FOCUSED BY

THE PRIVATE PENSION PLAN SECTOR ITSELF ON THE ACTIVITIES OF

THE TRUSTEES OF THIS PLAN THAT ARE UNDERMINING STANDARDS OF

FIDUCIARY RESPONSIBILITY.

L SHOULD THE PRIVATE PENSION FUND SECTOR FAIL TO TAKE THESE

ACTIONS, THE ONLY ALTERNATIVE MUST BE STRICT DISCLOSURE AND

REINSURANCE REQUIREMENTS UNDER PUBLIC LAW

L AND THERE MUST BE AN INDUSTRY-WIDE EMPHASIS UPON A

CONTINUING EDUCATION PROGRAM FOR WORKERS ABOUT THEIR PRIVATE

PENSION PLAN RIGHTS AND BENEFITS. TIME AFTER TIME, WE HEAR

WORKER COMPLAINTS ABOUT BENEFIT DENIALS, WHICH WERE IN FACT THE

RESULT OF THE BENEFICIARY NEVER HAVING BEEN ADEQUATELY INFORMED

ABOUT THE REQUIREMENTS OR BENEFITS OF THAT PENSION PLAN

L YOU MUST ALSO FACE THE FACT OF INCREASING LABOR MOBILITY

THAT REPEATEDLY CANCELS OUT A WORKER'S TIME CREDITS TOWARD

EARNING VESTED RIGHTS TO FUTURE RETIREMENT BENEFITS UNDER A

PARTICULAR PENSION PLAN

Can't it be done!

↳ ISN'T IT TIME FOR ALL PENSION PLAN MANAGERS IN SIMILAR TYPES
OF BUSINESS AND INDUSTRY TO WORK OUT PENSION PORTABILITY
ARRANGEMENTS? SHOULD WE NOT MOVE FORWARD WITH THE ESTABLISHMENT
OF POOLS OF SEPARATE PLAN FUNDS, UNDER WHICH COMPUTERIZED
ACCOUNTS ARE MAINTAINED OF DEBITS AND CREDITS TRANSFERRED UNDER
THESE RESPECTIVE PLANS AS A WORKER CHANGES HIS PLACE OF EMPLOYMENT?

↳ AND CAN YOU CONTINUE TO BE SATISFIED WITH THE ARGUMENT
THAT THERE IS AN OFFSET BETWEEN EARLIER VESTING RIGHTS AND HIGHER
RETIREMENT BENEFITS -- THAT TO PROMOTE THE ONE YOU MUST DENY THE
OTHER?

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WHY SHOULD WE NOT ENABLE A WORKER TO RETIRE WITH TWO

OR THREE REDUCED PENSIONS UNDER PLANS WITH EARLIER AGE AND SERVICE

VESTING RIGHTS, RATHER THAN TELL HIM AFTER HE HAS WORKED HARD

FOR 20 YEARS THAT HE HAS NO RIGHT TO ANY DEFERRED INCOME BECAUSE

HIS PLAN HAS A LONGER VESTING PERIOD?

I raise these questions!

THESE ARE QUESTIONS TO WHICH THERE MUST BE A POSITIVE

RESPONSE WHILE ON THE ONE HAND, PRIVATE PENSION PLANS ARE

BEING ACCLAIMED AS THE HOTTEST INVESTMENT FRONTIER TODAY, THEY

ARE ALSO BEING INCREASINGLY REGARDED AS A SOCIAL INSTRUMENT

FOR HELPING AN EMPLOYEE PROVIDE FOR HIS FUTURE HEAVY

RESPONSIBILITY HAS BEEN LAID UPON YOU TO PREVENT ANY CONFLICT

IN THE OBJECTIVES THAT ARE IMPLIED IN THESE VIEWPOINTS.

ALMOST TEN YEARS HAVE PASSED SINCE THE APPOINTMENT OF
 THE PRESIDENT'S COMMITTEE ON CORPORATE PENSION PLANS. *That*

1965 REPORT FOCUSED PUBLIC ATTENTION ON AREAS IN VITAL NEED

OF REFORM. I SUGGEST TO YOU, IN ALL FRANKNESS, THAT THE MARCH
 OF TIME IS NOW ACCELERATING, WILL YOU RESPOND? WILL YOU

DEMONSTRATE TO AMERICA A GENUINE CONCERN TO MEET THE INCOME

That's what
 NEEDS OF PEOPLE? FOR ~~THEY ARE NOT PRIVATE~~ PENSION PLANS ARE

REALLY ALL ABOUT.

Need Commission on Pension Plans.

composed of Public (beneficiaries),
Congress, Executive, Industry -

constant evaluation - monitoring



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