

Pension pains — Well, surprise, surprise! The Pension Benefit Guaranty Corporation has gone from a \$10 billion surplus in 2000 to a \$23 billion deficit in 2005, and is on the hook for corporate pension liabilities of easily \$450 billion. What do you expect from a government program (backed, naturally, by both unions and corporations) that allows unions to demand exorbitant pensions from companies that can't possibly pay them, and allows the companies just to toss those pension plans onto the back of the taxpayer whenever they file for bankruptcy? Can we spell "rent-seeking," kids?

The major airlines are only the first group of companies to dump their pension obligations on the rest of us. Some of the biggest American corporations have huge pension liabilities backed by little if any assets: GM, Ford, SBC/ATT, Verizon, IBM, Delphi, Lucent, DuPont, Altria, Exelon, Qwest, Dow, Hewlett-Packard — the list is long and growing. This mess looks as if it will make the S&L crisis of the '80s appear positively piddling.

At a bare minimum, the feds ought to demand full funding from all participants in the program, and stick to that demand. Better yet, we should just tell all unions and workers that going forward, contracts between unions and corporations will be considered just that — contracts between private entities for which the taxpayer should not be held liable. In other words, just kill the whole program while the killing is good, i.e., before the big bust happens.

— Gary Jason