

TRUSTEED PENSION PLANS

Financial aspects of 548 trustee pension funds covering 817,798 employees in government and government agencies, crown corporations, incorporated companies, health, educational, religious and charitable organizations, trade, and employee associations in 1957 are contained in a reference paper released recently by the Dominion Bureau of Statistics.

Contributions in 1957 amounted to \$283,000,000, of which employers contributed \$187,000,000 and employees \$96,000,000. Investment income amounted to \$86,000,000 and other income including net profit on sale of securities accounted for an additional \$26,000,000. Total income was \$395,000,000 from which expenditures of \$97,000,000 were made in 1957. Almost 75 per cent of these expenditures were due to pension payments.

Total assets of the funds at the end of 1957 were \$2,298,000, an increase of almost 15 per cent over the corresponding figure at

the end of 1956. The heaviest concentration of assets was in bonds issued or guaranteed by provincial governments, amounting to 32 per cent of the total. Next in magnitude were investments in Government of Canada bonds, accounting for 21 per cent of total assets, followed by other Canadian bonds, municipal bonds and mortgages, which accounted for 16 per cent, 12 per cent and 8 per cent of total assets, respectively.

From 1953 to 1957 the number of trustee pension funds of incorporated companies rose from 260 to 457, an increase of 76 per cent, and the number of employees covered by these plans increased during the same period from 391,000 to 506,000, or almost 30 per cent. The increase is due to the greater number of smaller companies now operating trustee plans. A portion of this increase in numbers of the smaller firms can be attributed to the fairly recent establishment of pooled funds. These accounted for about one-fifth of the plans surveyed in 1957.

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PRICE SUPPORTS FOR DAIRY PRODUCTS

In the House of Commons on April 23, Mr. Douglas S. Harkness, Minister of Agriculture, announced price supports for dairy products for the twelve-month period commencing on May 1. He said:

"A relatively small surplus in the production of milk in Canada has been going chiefly into the manufacture of skim milk powder. The result of this has been that a very considerable amount has accumulated in the hands of the Stabilization Board. During the last calendar year, 1958, production of this product totalled approximately 187 million pounds, of which 103.3 million pounds was surplus to domestic requirements and purchased by the Stabilization Board. Present Board holdings approximate 62 million pounds. The useful life of skim milk powder is limited; thus it is a product which cannot be stored and held indefinitely.

"There have been only two means of disposal open to us during the past year -- sale as feed, and turning over as gifts to international relief agencies. From time to time we sold our older powder as feed, as it became apparent that if we did not do so the powder would soon deteriorate and become unusable. The disposal of surplus dry skim milk powder has created very serious problems, particularly in international trade. We offered 30 million pounds of skim milk powder as gifts to international relief agencies in January of 1958. To date only 18.8 million pounds of this have been taken.

"In view of the impossibility of selling any considerable quantities of skim milk powder on foreign markets, and of the limited

amount which can be disposed of as gifts, it is apparent that our production of skim milk powder must be reduced. The support programme for dairy products for the dairy year commencing on May 1 has been designed to cut down production of skim milk powder, and increase production and consumption of cheese and the production of other dairy products, such as casein.

"The Agricultural Stabilization Board has been authorized to support dairy products for the twelve-month period commencing May 1, 1959, on the following basis:

"The support price on butter will continue at 64 cents per pound Canada First Grade basis delivery Montreal and Toronto.

"The support price on cheese will be 32 cents per pound First Grade f.o.b. warehouse in Ontario, 31½ cents per pound delivered Montreal for Quebec cheese. In addition cheese producers will receive a payment of 25 cents per 100 pounds of milk delivered for the manufacture of cheese on the same basis as other milk delivered for manufacturing purposes. The support price, plus 25 cents per 100 pounds for milk, will provide an effective support price for cheese of 34 8/10 cents, that is 8/10 cents higher than the present support price.

"The support price on skim milk powder will be reduced from 15 cents per pound to 10 cents per pound for the period May 1 to September 30, after which date the support price for powder will be discontinued. In lieu of the reduction in the support price for powder, the Stabilization Board will make a payment to producers of 25 cents per 100 pounds of milk

(Over)