

Mr. ARMSTRONG: Unquestionably it will rise at least at some rate for a few years until the effect of the new scheme is felt.

Mr. DEACHMAN: You are in arrears?

Mr. ARMSTRONG: No; but it may not hit its peak for a certain time; we have not come to that yet.

Mr. DEACHMAN: You have not come to the peak?

Mr. ARMSTRONG: No; the pension cost will rise for some little time yet, and then will be considerably reduced on account of the new scheme.

Mr. DEACHMAN: Is there a contributory fund now?

Mr. ARMSTRONG: Yes, now. This is the total cost of pensions to the C.N.R. system.

Mr. KINLEY: That is over and above what is paid in?

Mr. ARMSTRONG: What is paid in goes into a trust fund for the employees. It does not enter into this account, it is for future payments of annuities. This account shows the total amount the company paid out in pensions in 1936, and has nothing to do with contributions.

Mr. MCKINNON: Contributions are kept separate?

Mr. ARMSTRONG: Yes. These are men actually on the pension payroll.

Mr. KINLEY: But under your new scheme when you go to pay in so much of your salary is that figured out on an actuarial basis to be self-sustaining in time?

Mr. ARMSTRONG: As closely as we can.

Mr. KINLEY: Is it on an actuarial basis so that it will maintain itself?

Mr. ARMSTRONG: We expect so.

Mr. BOTHWELL: The company will still have to make contributions from year to year?

Mr. ARMSTRONG: Yes, because the employees' contributions will not themselves pay for all pensions.

Mr. HUNGERFORD: This morning I said pensions were included up to the adoption of the new pension scheme on the basis of the old rule, and that obligation is continued; an employee is retired on pension on the basis of the old rule to December 31, 1934. From that time on the contributions of the employee and of the company are used to buy a supplemental annuity to be superimposed upon the pension he will receive directly from the company for the service rendered prior to December 31, 1934.

Mr. KINLEY: You will run them along together?

Mr. HUNGERFORD: Yes.

Mr. HOWDEN: To make clear, in future will the company make a contribution to the pension fund or will it be collected from the wage payments to the employees?

Mr. HUNGERFORD: Under the new scheme up to five per cent the company matches the contribution of the employee. The individual may select any rate of contribution he likes, one per cent, two per cent, three per cent, four per cent, or five per cent; and he can contribute up to ten per cent but the company will only match his contribution up to five per cent. If he elects to contribute three per cent the company will pay three per cent and if he selects five per cent the company will pay five per cent.

Mr. KINLEY: That is joint pension?

Mr. HUNGERFORD: Yes.

Mr. KINLEY: The Civil Service pension is just what they pay in?

Mr. HANSON: I think the government contribute to that, too.