

Income Tax Act

In the foreword to the booklet of principles and rules issued by the taxation division, the Minister of National Revenue states:

The approval of employees' superannuation or pension funds or plans will be governed by the principles and rules published herewith. These will extend and apply to the continuing approval of plans now operating as well as those which may be established in the future.

The next clause in the minister's regulations, which concerns a number of industrial workers, is clause 10(B), which reads:

The right provided by employer contributions must vest in the employee with a determinable period, and particularly on the attainment by the employee of an age which would prejudice him in the event of severance from the employment. Therefore, vesting should be absolute upon attaining age fifty subject to a minimum period not exceeding twenty years of service or participation.

Those regulations indicate that the department considers it has a responsibility to approve pension plans as against the explanation given by the minister last evening. I think it is quite right to say that this thing certainly gave a strong impression of having the force of law, especially to a layman like me and a good many other people. Mr. Lowery, chairman of the conciliation board which dealt with the union's problems in 1953, a retired civil servant who had been a collector of customs on the Pacific coast and who was also a qualified lawyer, held that the booklet was binding on the government as a statement of policy. As a result this conciliation board ruled that the pensions were negotiable and that pension vesting was a binding commitment as established under part 10(B) of the rules and regulations as put out by the Minister of National Revenue.

I might say that the International Union of Mine, Mill and Smelter Workers was the first and only union to appeal to the government to enforce its own declared policy by giving approval to pension plans set up according to the blue book issued by the Department of National Revenue. However, other labour unions have become interested in this problem and this year a special resolution was introduced at the recent merger convention which formed the Canadian Labour Congress by the Vancouver street railway employees' union. This resolution was widely supported in the convention and was approved by the resolutions committee, but because of insufficient time with which to deal with it it was referred to the new executive along with a number of other resolutions.

At the request of the membership of the union in Kootenay East and Kootenay West the co-ordinating committee of the union representing the union negotiating committee, prior to negotiations with the Consolidated

Mining and Smelting Company, met with the Minister of Fisheries—I must say that they spoke highly indeed of the careful consideration and attention given by the Minister of Fisheries to their representations of the problem that concerned them on this occasion—and other members of the house as well as two officials of the Department of Finance on May 11, 1955. The union representatives presented their case, they had a good hearing and the matter was thoroughly discussed.

On July 26 last year I raised the matter in the house at the request of the organizations in my district. In reply to my representations the minister quoted the closing paragraph of his latest letter to the union. The union had written to the minister what I considered to be a very excellent letter in connection with this matter and this is what the minister quoted:

I should advise you, however, that early in this year I gave instructions to my staff to prepare a study of pension plans in so far as the Income Tax Act is concerned having in mind possible amendments to the act, and regulations, and this is proceeding. No change in present practice will occur until this study has been completed.

Then the minister went on to say:

So the matter is under advisement and consideration at the present time.

Representatives of the union met the Minister of Finance and other members of the house this spring and again urged the department to enforce the regulations with respect to pension plans. When the union negotiating committee for the Consolidated Mining and Smelting Company employees in British Columbia met with the company officials to consider a new contract this spring the committee refused to negotiate on other matters until the company had agreed to establish vesting rights in the pension plan, and only when this was done by the submission of a letter to the presidents of locals 480 and 651 did negotiations proceed to a settlement. I am going to put that letter on the record because it is the first letter of its kind in connection with negotiations between a company and union in Canada. The letter reads:

Trail, British Columbia,
9th May, 1956.

Mr. A. King, President,
Trail and District Smelter Workers' Union,
Local 480, I.U.M.M. & S.W.,
Trail, B.C.

Mr. R. C. Thompson, President,
Kimberley Mine and Mill Workers' Union,
Local 651, I.U.M.M. & S.W.,
Kimberley, B.C.

Dear Sirs:

This will confirm that it is Cominco policy to grant leave of absence to an older employee of long service who is obliged to discontinue his