

Pension Rights

his pension plan with him on changing his employment if he had adequate reason for doing so. Many of these terminations of employment come after the age of 45 and then it is generally too late for a man to secure other insurable employment. As a matter of fact, it is difficult for a man of 40 to find a job under present-day conditions. I think the pension plans themselves militate against a man of that age securing employment. Anything the government might do to remedy this condition would add to the economy of our country.

A third result of government action in this regard could be that some fractional interest in a pension plan might be made to accrue to an employee who is idle because of illness or other reasons after, let us say, 10 years of service and his equity in the plan would build up year by year until maturity.

I may say that I brought this matter up a year ago and many hon. members of this house entered into the discussion on that occasion. At that time the then minister of finance, Mr. Harris, as reported at page 6774 of *Hansard*, said that the government was looking forward to the general revision of the Income Tax Act and that the government would continue to study the pension side of that act particularly having in mind the booklet and the desire on the part of the government of that day to encourage employers and employees to get together on a pension plan for the benefit of both employees and employers.

I believe the department has prepared a new departmental booklet on this subject but I think there is some need for beneficial legislation and that is the reason why I brought this matter to the attention of the house. I hope the Minister of Finance (Mr. Fleming) will give this matter favourable consideration when he considers revisions in the Income Tax Act.

Mr. Speaker: Does any hon. member wish to continue the discussion of the grievance raised by the hon. member for Welland?

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I would like to speak for about a minute and a half on the same subject. I support the hon. member for Welland (Mr. McMillan) as one who has brought this matter up in the house on several occasions because it is a subject which is of considerable interest to my constituents, particularly to those employed by the Consolidated Mining and Smelting Company and by various lumber companies throughout the district, that is the question of establishing vesting rights with respect to pension plans which

most employees working for these large corporations do not enjoy at the present time, not even by agreement.

Fortunately, so far as the Consolidated Mining and Smelting Company is concerned its employees are in a somewhat preferred position because they enjoy a measure of vesting rights in their pension plan as a result of an agreement between the union and the company. While they appreciate that and it does give them a measure of stability that they did not enjoy with respect to pension rights prior to this arrangement there is a general feeling that all persons who come under industrial pension plans should enjoy vesting rights as outlined by the hon. member for Welland by law and by regulations flowing from the law.

There was a considerable demand for the previous government to deal with this question. The former minister of national revenue was questioned on a number of occasions and many speeches have been made on the subject but thus far without result. Also so far as I can see we have not had much success to date with the present government, because that famous blue book, the work of the previous minister of national revenue which he withdrew as improper reading for employees working for large corporations, has not been reproduced in any other form. We are expecting a new edition of that book which provides some form of vesting right. However, that is only a step in the direction of improving industrial pension plans in this country. So far as we in this group are concerned we believe that while vesting is a step that has to be taken to improve the present situation we really need some form of national contributory pension plan on a general basis so that from an early earning age until time of retirement people can look forward to a decent income during their retirement years. The difficulties I have mentioned demonstrate the need for a national contributory pension plan. I think that is necessary if we are going to provide the people of Canada, particularly industrial workers in the first instance, with the security, stability and mobility of employment to which they are entitled at this time.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I think there is a great need for the government to take part in an industrial pension scheme. As we know, there are a number of pension plans. Some of them that have been discussed previously are in effect today and they are not serving the need of the people for whom they were implemented. I suggest that some portion of the investment