

Income Tax Act

to new owners the new owners brought in their own workmen and many of the old workers were discharged and therefore lost out on the pension plan. There are many other examples I can think of where employment is terminated particularly for medical reasons.

Often these terminations of employment come after the age of 45 at which time the worker is too old to find other insurable employment. He cannot go to another factory because in most cases their pension plans are such that it would not be economical to hire him. These workers when they are laid off obtain seasonal employment. They work at a multiplicity of jobs in the summer time and they frequently do not earn enough to keep themselves and their families during the winter. If sickness comes to them or to their families they fall back on the provinces and the municipalities to pay the cost of their sickness. I have seen various workers who have fallen on the local authorities for relief.

Under the regulations of the Income Tax Act a worker would have a vested right in a pension after 20 years of service. This worker, however, has been helping to build up the equity in that pension plan from the early years of his service in the company.

I would like to ask the Minister of Finance if some means could not be found whereby a worker would have some fractional interest in the equity of a pension plan in the later years before it matures at 20 years. For instance, he would have some financial interest after 15 years or something of that nature. I would like to see this apply as a matter of right particularly in those cases where the workman's case is just and the termination of service is quite beyond his control.

Practically all our Canadian companies and particularly our large ones with which I am familiar are very generous with their workmen in this respect. However, some of our smaller companies that have pension plans cannot be so generous because they do not have a multiplicity of light jobs which they can give to men with certain disabilities particularly if they have to stay on light jobs permanently.

Although I do not think it comes under this section, while I am on the subject of pensions I might say in a sentence or two that there are many Canadians who cannot avail themselves of a pension plan in which contributions would be exempt from income tax. Many of these people have very modest incomes, as was pointed out last night by the hon. member for St. Paul's. I think the hon. member included doctors. I believe these

individuals should have the same right as their fellow-Canadians in this respect.

Mr. Herridge: Mr. Chairman, I was most interested in the remarks made by the hon. member who has just taken his seat and I was extremely pleased to note that he has given some consideration to a problem that is concerning thousands of industrial workers in Canada.

I rise at this time because this is a problem that concerns thousands in my constituency and I know that other hon. members in this house are also concerned with this question. I am aware that the hon. member for Kootenay East is concerned, as I am, about the matter and I have worked with him on this question during the last session and this one.

For many years industrial workers have been interested in some form of industrial retirement pension to give them some measure of security in their old age, and in response to that even prior to the war many of the larger companies established pension plans, particularly companies like the Consolidated Mining and Smelting Company, the International Nickel Company, the railway companies and other large companies. Since the second world war, however, interest in these plans has developed, so far as I can see, by leaps and bounds and particularly since what I consider the very favourable exemptions on account of investment in pension plans.

I think it is because of that investment, as the hon. member who spoke prior to me referred to, that the governments have a considerable interest in the terms, provisions and operation of these pension funds. This interest was indicated, I think, when the Department of National Revenue issued a blue book dealing with taxation and pension plans over the signature of the Minister of National Revenue, who I am pleased to see is here this evening. However, from what I understand, this booklet was never widely circulated. In fact, few unions had knowledge of it although the union which is the largest one in my constituency, the International Union of Mine, Mill and Smelter Workers in both Kootenay West and Kootenay East, was well acquainted with it. The union to which I have referred used the provisions of part 10 (b) of these regulations published over the minister's signature in submitting the union's case before a conciliation board in Vancouver in 1953. I just want to briefly refer to this booklet because I do not intend to take the time of the house at any great length.