

The only other question that has been raised by our membership is that of consideration to exemption on dues paid into trade unions which are allocated to superannuation schemes, sick and mortuary benefits. Many affiliated organizations feel that the same provisions should be extended to those payments as are now allowed for charitable and other expenses.

The CHAIRMAN: I propose that we proceed in the same fashion as we did this morning. I will call first on Mr. Stikeman.

Mr. STIKEMAN: Mr. Bengough, I do not believe I can put any questions to you on your statements on page 1, as they would appear to fall into the category described by our chairman at one of our earlier meetings as being questions of policy rather than questions for our consideration. However, on page 2 I note in the second paragraph you give some consideration to the allegation of payments in to trade union funds by way of superannuation schemes or plans. I should like to ask you whether in your opinion the law as presently enacted in section 5 (1) (g), is not sufficiently wide in this connection, where it says:

Income as hereinbefore defined shall for the purpose of this Act be subject to the following exemptions and deductions:—

(g) in respect of amounts for superannuation or pension funds or plans approved by the Minister for the purposes of this paragraph

(i) an amount not exceeding three hundred dollars in the taxation year, actually retained by the employer from the remuneration of the taxpayer for an employees' superannuation or pension fund or plan in respect of services rendered in the taxation year or—

And this is my point:—

—paid by a taxpayer who is a member of a trade union as part of his union dues.

In your estimation the law as now enacted is insufficient to cover the objections that you now raise?

Mr. BENGOUGH: Well, it happens to be—in my estimation it is sufficient.

Mr. STIKEMAN: It is sufficient?

Mr. BENGOUGH: That is in my opinion, yes. The question was raised, but frankly I am not presenting it very strongly, the number affected and the amount involved are very small.

Hon. Mr. HAYDEN: I might interject a question here. If you had a pension plan which was not a pure pension plan there is an income tax ruling at the present moment which would prevent you from claiming as a deduction any payment on that account. So that there may be more in what you have read from your brief than what you think yourself. You may have a practical difficulty there unless the ruling or the law is changed.

Mr. BENGOUGH: The trouble is it bulks in the dues paid.

Hon. Mr. HAYDEN: It is not a question of the dues paid. If some part of the money is paid for a pension plan or superannuation benefit, but included in that plan or benefit are other elements of insurance, then the income tax people won't recognize the payment as for a pension plan unless you prove the pension plan stands absolutely by itself.

Hon. Mr. FARRIS: Is it not easy to split the payments in two?

Hon. Mr. HAYDEN: It is not that; you would have to split the plan.

Mr. STIKEMAN: In addition to Senator Hayden's interjection, Mr. Bengough—which I think is very well taken—can it not be read into the question that you would like to see the present law extended to permit payments directly made for sick and mortuary benefits—payments which now would be excluded?

Mr. BENGOUGH: That is so.