

*Supply—Transport*

to Port Dalhousie, to Niagara-on-the-Lake, and from Thorold to Niagara Falls to Font-hill, to Welland and Port Colborne. Those lines provided suburban passenger and freight service among those municipalities, and they had switching rights to the regular railways for their freight. From 1908 to 1923 those lines were operated by the Canadian Northern Railway, and in 1923 they were taken over by the Canadian National Railways. The railway was known as the N.S. and T., the Niagara, St. Catharines and Toronto Railway.

With the development of motor transport the passenger services have been taken over by motor buses. The services have been gradually curtailed until today, as far as passenger service goes, the Canadian National Railways serve just the city of St. Catharines, the town of Thorold, and the plants south of that town. The rail services, however, carry a certain amount of freight.

On April 7, 1961 the employees who have been paying into a pension fund of the Canadian National Railways since January, 1935 received notice that the Canadian National Railways would cease to operate in this area after August 1 of this year. It may be that the Canadian National Railways will have someone taking over their franchise and equipment, presumably a municipality, but 75 employees, many of whom have contributed to the C.N.R. pension fund for many years, will be seriously affected.

Sections 112 and 113 of the pension plan, contained in a booklet supplied to the C.N.R. employees, seem to indicate that every employee who joins the service after January 1, 1935 and before attaining the age of 45 years, may be entitled to \$300 per annum as a contribution by the company toward his pension plan. Section 121 is intended to provide for those employees who leave the railway service, or who retire early. In short, it provides for the return of the employee's contribution with interest and the cancellation of the employer's contribution. At page 7 of the pension plan booklet the following is found:

Your service will not be considered terminated if you are laid off but only if you leave or are discharged.

In the present situation the employees are not taking voluntary leave, nor are they being laid off for any personal reason. Their jobs are being terminated because of decisions of the Canadian National Railways relating to a change in policy. These employees cannot be absorbed into the other branches of the service and are being forced into unemployment. They can, under a formula, qualify for pension for early retirement, but it seems to me that the company's contributions do not

have anything to do with these early retirements payments. These early retirement payments in my view represent the return of the employees' own money.

For example, one man who will be short of 65 years of age by eight months, with 43 years' service, will receive only two fifths of his full pension. Another who will lack six months service for full retirement benefits, with 38 years' service, will receive only two twelfths of his full pension. I have here a list of 75 names of faithful employees of the C.N.R. Not one will receive more than two fifths or 40 per cent of his full pension and others with 33 years' service, and over age 60, will receive much less, or about 17 per cent of their full pension. After all, this looks like a return of their own contributions, paid back to them in pension form. The payments made by the railway in respect to their pensions have nothing to do with any money they receive back. Seventy five families in my area will be affected and I believe the economy of our area will be adversely affected. The people of Canada, through the Canadian National Railways, under this proposed scheme will be breaking faith with these employees.

This issue points up what I have mentioned in this house on earlier occasions, the need of earlier vesting in pension plans. If we had earlier vesting in pension plans these people would have a portable pension. No doubt some of these men would be hired by the authority that takes over these particular bus lines, but they would have to start from scratch in building up a new pension plan. In the meantime, those with 40 years' service and even those with more than 30 years' service will be too old to obtain other work and will be left out on a limb. This is not fair, and such a situation should not exist in our society. I wish to hear from the minister on this question, and I appeal to him to do something for these people.

If the C.N.R. has paid \$300 per man over the years, that represents a lot of money. In all fairness I think some of this money should accrue to these employees. These men should have some vesting rights. It does not seem to me to be fair that a man should pay into a pension fund up to within a few months of retiring—and according to law he has to serve right up to the last day—before he has any vesting rights in respect to the employer's contribution. In this case the people of Canada are leaving these employees out in the cold without much pension even though some of the employees have almost reached retiring age.

**Mr. Smith (Lincoln):** Mr. Chairman, I am sorry I did not hear all the remarks of my