

If those are the rates of pay which this government-operated business pays its workers, no wonder we have the unrest on our railways that we are experiencing these days. I ride trains regularly, my community at Capreol is on the main line, and I find that the morale of the CNR employees on the trains is pitifully low. It is at rock bottom, largely because of some of the steps being taken by management to cut back the work force and to increase the workload. I find, for example, that in 1972 in the CN St. Lawrence region there were 1,000 persons employed in the dining and sleeping car service. In June, 1973, that figure was down to 347. Remember, Mr. Speaker, CNR passenger service has been increasing; indeed, revenues from passenger service have increased by 3.9 per cent—but the work force has gone down.

● (2030)

How does the CNR treat its retired workers? We find that as of January, 1971, the CNR was paying 5,052 pensions of less than \$50 per month, and of that number most were pensions of \$25 per month or less. In 4,194 cases, pensions up to only \$99.99 were being paid. The Government of Canada has seen fit to provide for payment of pensions to employees of dozens of Crown corporations under the Public Service Superannuation Act. I maintain the government should force the CNR to pay the same type of pensions to its employees with provision for 2 per cent of salary for each year of service.

Other things are responsible for lack of morale among CNR workers. Air Canada employees receive a free pass once a year on the CNR but this does not work in reverse; CNR employees do not get a pass once a year on Air Canada. This can only lead to resentment, to a feeling of being second-class employees receiving second-class or indeed third-class pay. Another thing that concerns me about the CNR is its board of directors. I looked at that board and found it was sadly lacking in representation from ethnic groups. With the exception of two French Canadians it seems that Anglo-Saxons make up the board of directors. There is N. J. MacMillan, chairman and president, J. W. G. Macdougall, R. A. Bandeen—

Mr. Sharp: Those are not Anglo-Saxons; they are Scots.

Mr. MacEachen: On a point of order, Mr. Speaker, the suggestion made by the hon. member is that these Scots are not real ethnics. The Scots were the first ethnics of this country.

Mr. Rodriguez: Mr. Speaker, with a name like mine I was looking for more Irish names like my own on this board of directors. To continue the list, there is Pierre Taschereau, J. R. Richer, A. H. Hart, M. Archer, R. T. Vaughan, J. L. Toole, W. R. Corner, E. P. Stephenson, K. E. Hunt, George Lach, W. H. Bailey, J. M. Duncan, R. E. Lawless, D. W. Blair, J. F. Roberts, W. D. Piggott, A. R. Williams, J. H. Spicer, J. C. Gardiner, John Gratwick, S. D. H. Thomas, and E. J. Denyar. I also found that many of these people are on the boards of directors of other companies. There are no workers represented on the CNR board of directors, yet they are the ones who know what is wrong with the railway. Democracy is not apparent in these government-appointed directors. They are all appointees from a very elite group.

Canadian National Railways and Air Canada

I am also interested in the way the CNR approaches the public. It seems it has discovered that its greatest source of revenue is in carrying freight and in that field it practices a great deal of discrimination against certain parts of the country. The greatest discrimination in freight rates is practised against northern Ontario. The hon. member for Meadow Lake (Mr. Nesdoly) mentioned northern Saskatchewan and the freight rate discrimination there. I say there is not an area in Canada more discriminated against, so far as freight rates are concerned, than northern Ontario. Indeed, the area between Quebec and Armstrong in northern Ontario shows the highest freight rate structure in northern Canada.

The freight rate structure in northern Ontario discriminates against local development. It is based on the volume of the items being shipped out. This has led to the development of northern Ontario as a resource depository from which raw materials are shipped. The mining companies get the benefit of lower rates. Recently I discovered that it costs \$8.66 per ton to ship iron ore from Copper Cliff to Pittsburgh, Pennsylvania, but to ship a ton of fertilizer from Toronto to the Sudbury basin costs \$90. How can we develop diversification of our industry in northern Ontario if freight rates make it more profitable to ship raw materials from there? This has been a bone of contention in the north for many years.

Recently the government of Ontario announced an 18 per cent freight rate cut on all freight shipped by the ONR or Star Transport. As you know, Mr. Speaker, ONR operates only in northern Ontario. It does not operate out of the region; we have to depend on the CNR or CPR for that and our hope was that the Minister of Transport (Mr. Marchand), or the government, would cut CNR freight rates in a similar fashion in order to assist the establishment of secondary industry in our area. But we have not heard one word of any reciprocal action by the federal government. Indeed, we see that what the Turgeon report had to say is as true today as it was when it was first made. It reads in part:

It has been pointed out to the commission that in this regard railway management in the past has often proceeded, in fixing freight rates, without sufficiently considering the interest of the community to be served, and without even showing a proper conception of the long-run interest of the railway.

I suggest that we in northern Ontario have been discriminated against by the CNR in the matter of freight rates. This is why Eaton's and Simpsons have two catalogues, one each for northern Ontario and for southern Ontario. In all cases, the items advertised are more expensive in northern Ontario than in southern Ontario. This is why workers in the Sudbury basin must continually demand a higher rate for the work they do, because they have to contend with prices that are highly inflated due to freight rate costs.

This leads me to another point. The railway roadbeds were laid down about 70 years ago. These roadbeds were laid to accommodate trains of that time which were much shorter and lighter than modern trains, but no improvements have been made to them. It takes the CN passenger train 7½ hours to travel from Sudbury to Toronto. Apparently this is because of the slow orders on the line. When the track was laid, the trains were pulled by steam engines and the rail line went around the lakes so that the trains