

collective agreement. Even though I prefer a freely bargained collective agreement with no third party, a good mediator-arbitrator can cause people to be as reasonable as possible because of the power he or she has.

Senator Lynch-Staunton: Mr. Hargrove has told us repeatedly that you have been locked out. Your original tactic was to use various pressure points, such as discouraging traffic from one railroad and moving it to the shippers. I understand the unions had all agreed to this strategy, and then something happened and the agreement fell apart. The unions are no longer together on strategy; is that correct?

Mr. Fane: They are definitely no longer together on strategy because the CAW strategy would have ensured that VIA Rail and the travelling public kept travelling. We would have had at least one freight railway working. Obviously, we do not agree on strategy. One union in particular felt that CP Rail was ignoring them and decided to speed up the strategy.

Senator Lynch-Staunton: Are you open to an essential services concept where a strike may go on but certain basic services by the struck industry are still available?

Mr. Fane: We believe that free collective bargaining should include the right to strike and walk out. We are not convinced that the railways as a whole are an essential service. Our strategy would have ensured that CN kept moving while we dealt with CP. We prefer to deal with one railway at a time while ensuring that customers get their goods to market on the other railway.

Senator Lynch-Staunton: When the threat comes that the whole system will be shut down, as we saw it developing not so long ago, would an essential services concept help to keep basic service? Instead of three trains between Montreal and Toronto, we could run only one.

Mr. Fane: We would certainly be open to that concept to see how it would work.

Senator Oliver: You said that sooner or later you knew you would end up here. That in itself is a disappointment. You then said that the strike is not something that makes you happy, that you are negotiating on an employers' agenda, and that Minister Young said of collective agreements that they must be changed to give us what we want or we will get it another way. Finally, you said that there has been no meaningful collective bargaining at VIA Rail.

All of those are very negative statements when you take them at face value. When I compare those statements to the draft legislation now before the House of Commons, do you actually support the mediation-arbitration provisions in the bill? Is mediation likely to be successful? In your opinion, would conciliation be useful? Finally, and the most important question of all: In your opinion, is the imposition of a settlement likely to do long-term harm to the bargaining relationship, particularly in view of the comments I read off that summarized what you said to us today?

Mr. Fane: Let me take one question at a time, sir.

I think you are right. Those four points are negative. From the union perspective, the agenda has definitely been the employer's.

At any time in the last 6 to 12 months have you heard us talk about cost of living increases? Have you heard us talk about increased responsibility for employees? Have you heard the media talk about better training for employees?

One of the oddest scenarios at CN and VIA Rail is that management has so many different structures and managers have so much power that they can tell a worker, after 20 years of service, "We are getting rid of you and putting you out to pasture," although the worker is only 44 years old. At the same time, that person cannot bump or use his or her seniority to work somewhere else because the manager does not like that person or the manager has complete discretion in making such a decision. Employers say that employees are on employment security forever, but at the same time the employers refuse to train people to do jobs. If employees are trained, the employer refuses to let them move into those jobs because the manager has had a kingdom of his own.

Let me return to your question: Do I think mediation-arbitration can work? I prefer free collective bargaining; but, yes, it can work. How much damage will it do? That will depend on how much you tie the arbitrator's hands. If you tie the arbitrator's hands with clause 12, you do not have a free-thinking, creative third party who can do what he or she thinks is best. That individual is restricted.

This brings me back to my earlier statement: What happened to Mr. Hope and his report? He was chosen by the government as a free commissioner-conciliator, if I can use the term. We have already done that. However, all the work he has done has been ignored. Instead, we have clause 12. Have I answered your questions?

Senator Oliver: Will there be a long-term effect on the bargaining relationship if a decision is imposed? Will the bargaining relationship be harmed?

• (1700)

Mr. Fane: It depends on the quality of the decision, whether it is fair and equitable, whether it balances what the workers have now with what the company has now.

I am always amazed to hear that the companies are never making enough money. I probably agree with that one in relation to VIA Rail where they are not making any money. However, with CP Rail, this is probably one of the few lovely buildings that they do not own. They make lots of money, and they are continuing to make money.

How will that affect future collective bargaining? That depends on the quality of the settlement using the mediation-arbitration process. That will focus in on the future. If the workers as a whole feel as though they have been hard done by, it will affect productivity and the profitability of the railways for a very long time.

Senator Lucier: Thank you, Mr. Fane, for a great presentation. You and Mr. Hargrove have both stated that you did not want a general strike of the three railroads. That is probably a clear position?