

When it comes to VIA, I am not sure what they want to compete with. We have met with them. We have talked to them about it. I would imagine that we will continue to do so and probably have a little more time to see if we can conclude something.

Senator Stewart: In your answer to Senator Oliver, Mr. Fane, you implied that part of the problem involves complexity at the management level. You referred to people having their own kingdoms or empires. Were you referring particularly to CN rail, to CP, to VIA, or to all three?

Mr. Fane: That problem particularly exists with CN and VIA. Thousands of our workers are shop craft workers. There are also approximately 7,500 non-shop craft workers who may dispatch trains, work in offices, work in accounting systems, work on computers, particularly in CN. The people about whom I am speaking in VIA are customer service people. It is in those places that we find a great deal of bureaucracy.

Even though the collective agreement gives workers limited rights to work at other jobs or in other positions, we come by managers who say, "We have the power to decide that John is not suitable. I do not want to spend any money training him. I like Susie who is already doing the job. I do not care if John ends up on the street. I do not care if he ends up on employment security. He is not my problem."

• (1720)

Senator Stewart: Could we put VIA Rail aside for a moment and deal with CP Rail and CN Rail? You are saying that, from the workers' viewpoint, CP Rail is a more satisfactory employer.

Mr. Fane: No. I am saying that we represent 4,500 tradespeople at CP Rail. They are all trades people. It is a different group compared to VIA Rail.

Senator Stewart: Is there no area where you can make a real contrast?

Mr. Fane: No, not on the issue you raise, senator.

Senator Stewart: Does your union represent workers in other industries?

Mr. Fane: Yes, it does.

Senator Stewart: Are you saying that management in the rail industry is more difficult than in automotive plants, for example?

Mr. Fane: Let me word it this way, senator: I personally find that with respect to management, CN Rail, with its serious downsizing, has brought in outsiders and non-railway people. They have a mission to do things that I would describe as being difficult to understand or to find agreement with.

Senator Stewart: You implied earlier that you had heard Mr. Tellier's testimony. He told the committee that the arrangements made in 1985 with regard to employment security were no longer viable, especially given the emergence of two new factors: one is the competition with trucking, and the second is competition with U.S. railways.

Do you think there is severe competition with regard to the rail operations of one or both companies? If so, would you attribute this severe competition to the trucking industry, to U.S. railroads, or to both?

Mr. Fane: I would agree that the level of competition is higher than it has been in the past. We see fewer goods moving from east to west and more from north to south.

I would not agree that our employment security is the problem. Thousands of workers have left the workplace. In our union alone, 3,000 people over the last three years have left the workforce.

There are civilized methods of reducing a workforce. We cannot accept that we should suddenly give up the minimal job security we have enjoyed. CN has 13,000 employees, and it wishes to get rid of 4,000 or 5,000. As well, the company wants us to give back job security.

We recognize the question of competitiveness. We also asked the employer to recognize increases in productivity from the workers. The protection we have in the collective agreement allows the company to continue with technological and organizational changes. However, it cannot accomplish those changes at the cost of throwing people on the streets.

Senator Stewart: My next question is prompted by something you said concerning bonus cheques. Did I understand you to say that one, two or three of the companies have made bonus cheque payments recently? If the answer is "yes," tell us which company or companies, and tell us if there have been negative penalties when the companies have not made profits.

Mr. Fane: That question is easy to answer. I know of no recent negative penalties at either CN or CP. I know that a day or two ago, CN declared millions of dollars in profit. Hundreds of thousands of dollars were distributed to management to reflect the profits posted by CN.

Senator Stewart: Can you be more specific as to the number of thousands and who received them?

Mr. Fane: That is a question you should ask them. I know hundreds of thousands of dollars are being distributed to senior management.

Senator Stewart: I ask the question because we were told earlier by Mr. Tellier that there will be ups and downs. If that is the normal pattern in this industry, there should be no particular reason for a bonus, unless you intend to balance it out when the companies post a loss.

Senator Murray: I should like to say a word about the roles of various people in this matter.

The role of the Minister of Transport is to report to Parliament on behalf of these two Crown corporations, CN and VIA Rail. It is not his job to manage those corporations. It is certainly not his job to conduct collective negotiations for them. Wise Ministers of Transport, in the past, have stayed well clear of that scenario.