

characterized in his report certain company demands, "extremely controversial and provocative." I presume one of those was the companies' demand that employment security be removed. Is that correct?

Mr. Tellier: Yes. Based on the reading of his report and the conversation we had with the commissioner, the commissioner came to the conclusion — at least that is the way I read his report — that it would be very difficult for the unions to accept our position to start negotiating this because they have a membership. Therefore, as soon as they started bargaining employment security away, membership would say, "Where is your mandate to do this?"

Senator Olson: I understand that. The companies insisted months ago that that be one of the concessions before moving on to any useful collective bargaining.

Mr. Tellier: We were insisting that these priorities should be negotiated. Our biggest frustration was that there were no serious negotiations for most of these 18 months that I am describing.

Senator Olson: I understand that. We were led to believe that the companies were not making any effort in other areas. However, there were no other matters as controversial as this one. You wanted to get out of that job security problem that was already in their collective agreements before you would try to make any progress on other things. In fact, the other things were not serious problems.

Mr. Terry Leneker, Chief Executive Officer, Canadian National: That is not what happened during the course of negotiations. In fact, it was quite the opposite.

The unions occasionally stated that unless CN withdrew proposals to change the employment security provision, there would be no substantive negotiations. Two of those unions immediately advanced us to the conciliation stage of the bargaining process. Therefore, it was quite the opposite in terms of how it played out at the table.

The approach we adopted on the various issues was that we tried hard to find solutions. The solutions have been very elusive. We are at an impasse at this point in time. We have been open to any suggestion which would allow us to address the fundamental needs for changes in the industry.

Senator Olson: We have had opportunities over the past three months or so to discuss some of these matters with the leaders of the union. They told us that job security, which they realized was a problem and an outstanding difference, was part of the bargaining process and that they got it some time ago. I do not think anybody disagrees with that. They got it.

However, the next question is whether or not the companies or the unions give something of reasonably equal value in exchange for this job security that is such a problem to the companies now.

Mr. Leneker: If they did, it certainly has not shown up in any of the packages I have been able to examine since 1985, which was when employment security was negotiated.

In fact, average weekly earnings increased by 66 per cent between 1983 and 1993. That is a Statistics Canada figure. I believe the auto workers increased by approximately 67 per cent. The competition we face only went up by approximately 26 per cent in terms of average weekly earnings. One of the groups with which we are trying to deal is represented by the Canadian Auto Workers Union. Their rate of increase exceeded inflation by 7 per cent during that period of time. If they have given up something, it certainly was not in terms of wage increases.

Senator Olson: We will ask them later on today what they think they gave up.

You have been talking about job security now for months and have apparently come to an impasse. How do you solve the problem? Do you expect us to legislate it away from them?

Mr. Tellier: My understanding is that the Minister of Labour has introduced a bill in the House of Commons, and that bill provides for a process which begins with sending the workers back to work, then a mediation-arbitration process within a time frame, to which we will appoint a representative. Every union will do likewise. The government will appoint a chair, and every issue will be addressed. If that happens through mediation, hopefully mediation will succeed. Otherwise, it will become an imposed arbitrated decision. My understanding is that this will take place within a 70-day period. Every party will have a chance to be heard, to argue his or her case, and then the arbitrator will speak.

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Senator Olson: That is my understanding, too.

Senator Jessiman: Mr. Tellier, regarding the \$225 million which was earned in the last fiscal year, is your fiscal year-end December 31?

Mr. Tellier: Yes, senator.

Senator Jessiman: I understand there are 59 agreements.

Mr. Tellier: Yes.

Senator Jessiman: Have they all expired?

Mr. Tellier: Yes.

Senator Jessiman: Do they all expire on the same date, or are there various dates?

Mr. Tellier: The situation is this: In the shops, there used to be six unions. In 1993, we went before the Canada Labour Relations Board and argued that there was such similarity among the six bargaining units that they should be combined. We received an affirmative decision from the Canada Labour Relations Board and, as a result, the six shop unions were reduced to one.

Then there was a representation vote, and one of the six unions, the Canadian Autoworkers Union, won the vote not only in CN but also in VIA and in CP.