

Mr. Tellier: No. However, there are provisions on our balance sheet in 1992 for attempting to buy our way out of these provisions and for paying termination benefits. We took a special charge in our balance sheets for \$924 million. That gives you an indication of how big this commitment and this liability is on the balance sheet.

As a result, if somebody agrees to give up his or her employment security, and we give, let us say, \$75,000 or \$80,000 in termination benefits, and so on, this has been accounted for in our balance sheet in 1992 where we took that special charge in excess of \$900 million.

Senator Comeau: Do I understand that those who have had this protection since 1985, under the new contract which you are proposing they would suddenly lose the rights with which they have worked these past years?

Mr. Tellier: That is correct.

The Chairman: I thank honourable senators. On your behalf, I wish to thank both Mr. Tellier and Mr. Leneker for their appearance and their testimony this afternoon.

Honourable senators, our next witness will be Mr. Gary Fane, Director of the CAW, Canadian Autoworkers.

If you are ready, Mr. Fane, on behalf of the committee I wish to welcome you to the Senate and invite you to proceed with your statement.

Mr. Gary Fane, Director, Canadian Autoworkers Union: Mr. Chairman, thank you for giving us the opportunity to be here today.

Buzz Hargrove, the President of the CAW, was expected to be here today, but we have had a death in the organization and he could not appear. Thus, I was drafted to come today and to put forward the position of the Canadian Autoworkers Union.

The Canadian Autoworkers Union represents approximately 200,000 people in Canada. There are in excess of 20,000 railway workers: 13,000 at CN, 3,000 at VIA Rail, and 4,500 at CP Rail. Our union is fairly new to the railway. We have only been on the rail since 1989 when one of the shop craft unions joined our organization. Three years after that, there was a vote of shop craft workers. That vote ended in 1993, and our union was successful. Shortly after that, an organization called the Canadian Brotherhood of Railway and Transportation Workers joined the CAW, and that is how we got to be the largest railway union, if you add up all three railways.

I go to the bargaining table for all three railways, and I chair all of the bargaining sessions. It was inevitable that we would end up here, before the Senate and before the government, because for the longest time we have been attempting to negotiate a collective agreement without any government action or interference. Unfortunately at this time, with the railways all being closed, we have come to the realization that this will be impossible to do.

On behalf of all of our members, we have not gone on strike anywhere. We have not gone on strike at CN, VIA or at CP. We attempted to negotiate. We used the strategy of picking one railway, CP Rail, and ensuring that customers could deliver their goods on CN and that commuter traffic would keep moving on VIA Rail. Our approach was to pick one railway only, since we seem to have a history in our country where all the rails go down together, and then legislation and arbitration are effected. We are not happy that this has happened. We had been trying to ensure that it did not happen. As you know, we have not been successful. There are a number of different unions in the railway, a great deal of frustration with the bargaining process, and some felt that they had to act.

We have been negotiating on an employer's agenda for the last 16 months. There are major concessions on the bargaining table. The employers have gone so far as to say to us, "We will change things to the point where you will give us our concessions or we will get them one way or another." We used to have a fear that "one way or another" meant that the Government of Canada would pass legislation that would take things out of our collective agreement. Now after studying the legislation, we have great fears about article 12 where it says the terms and conditions of employment shall be consistent with the economy, economic viability and competitiveness of a coast-to-coast railway system.

The employment security that has been talked about so much by employers was also mentioned two years ago when the Department of Transport, together with CN, prepared a brief saying that this protection had to be taken out of the collective agreement. It is like having an insurance program. We have had it for 10 years. It did not cost anything. Now, when the company wants to get rid of thousands of workers, you pull it out and say we have to change it. Our union is used to downsizing. We have gone through a lot of it in our other industries. We have reduced our membership by thousands of workers at CN particularly, people who have taken a modest amount of money or a pension and given up their jobs.

We spent a lot of time on the Hope process, and the Hope report pointed out that there had been a great deal of interference in the collective bargaining process. The Honourable Mr. Young, the Minister of Transport, declared numerous times that the collective agreements had to be changed, and, if they could not be changed by the bargaining process, perhaps the government would have to change them. We have negotiated a collective agreement, and the government transportation chairperson says, "We want to take everything away." I have personally been to the bargaining table with CN when they have said to us, "You can give us what we want or we can get it another way." Mr. Hope said that it would be wiser for the union to negotiate the best price they could receive if they want to change things.

On the employment security question, the union has proposed at least 10 or 11 different changes directed at diminishing the company's liability. Our people do not want to sit at home and get paid to do nothing. That is not what they want. The employment security was a protection so that when the company increased their profits through technological, operational, or organizational changes, the workers would be protected and not tossed out into the street.