

miles which we have sold to a shortline operator between Truro and Sydney, Nova Scotia, we are still running the two main lines going through New Brunswick to Halifax. The network of Canadian National has not changed very significantly in Quebec or Ontario.

The number of miles of tracks abandoned over the years has been quite small. You may recall that in the National Transportation Act of 1987 there was a clause which said that the railroads should never be allowed to abandon more than 3 per cent of their total trackage. We did not come close to abandoning even that much. I cannot remember as far back as 1950, but in recent years there has been no major reduction of the network.

Senator Bryden: You mentioned that one of the reasons the number of employees was able to be reduced was the technological changes. Would I be correct in saying that the basis for the employment security provisions was primarily to offset displacement by technological change? In other words, the reason for the technological change was that it made the railroad more efficient and more profitable, and therefore the employees should not suffer because the railroad became more efficient and more profitable through something over which the employees had no control.

Mr. Tellier: I suppose so. To put it bluntly, the union leaders were very smart. They outsmarted the management. They got very good agreements for their members. We cannot blame them for having achieved success. They negotiated a very good deal for their members in 1985. They are the last people I would blame for getting these concessions from management. I suppose management was weak.

Senator Bryden: Parliament is now being asked to correct the weakness of management in 1985.

Mr. Tellier: Parliament is being asked to ask the workers and the companies to go back to work and to put in place a process whereby these issues will be addressed in an impartial and unbiased fashion which, hopefully, will resolve this dispute in a mutually satisfactory fashion.

Senator Bryden: I agree that the situation has to be resolved and that it can only be resolved by Parliament. However, I understand, although I have not seen the bill, that it contains a highly unusual provision which directs the arbitrator to take into account the future profitability of the company in coming to his decision.

Senator Haidasz: Whatever happened to the CN Express? I used to work for them during the summers when I was a student. Was that service replaced with something else, or was it abandoned?

Mr. Tellier: It was abandoned. It has not been replaced.

Senator Haidasz: Who performs that service now?

Mr. Tellier: Either private sector firms or Canada Post.

Senator Haidasz: Why did you abandon that service?

Mr. Tellier: That happened long before my time, but I think it was abandoned because it was losing money.

[Mr. Tellier]

Senator Haidasz: What are the comparative rates between delivery by CN and by the trucking industry?

Mr. Tellier: Senator, it would be difficult to give a general answer because it depends very much on the commodity or the shipment about which you are speaking. As you know, all our rates since 1987 have been negotiated on a confidential basis with the customer, the shipper and so on. It varies depending on whether you are talking intermodal, moving a trailer or container on our train, moving cars on a tri-level for General Motors, Ford or Chrysler, or about moving potash and so on. I do not want to go beyond that because I am not able to give you an accurate answer on whether on average our rates are about the same or slightly higher or slightly lower. Also they vary in various parts of the country.

• (1630)

Senator Haidasz: Is overtime work an issue during this present strike?

Mr. Leneker: No, it has not been raised as an issue. The discussion in terms of overtime has centred primarily around the employment security issue. There are areas where people work overtime. Unfortunately, there are also areas in Canada where the employment security provisions caused a surplus of employees, while in other areas of the operation there is overtime accumulating. There are surplus tradesmen in the Atlantic region, for example, and we are unable to redeploy those people to the Metropolitan Toronto area where there are people working overtime.

It is important for the chamber not to conclude that Canadian National is simply trying to pull the employment security provision out from under the workers. We are trying to put in place what we believe is a very beneficial income maintenance program. There are provisions being proposed which would allow a person up to six years to make an appropriate life or career transition with income benefits of up to 85 per cent.

We are attempting to substitute the "job-for-life" arrangement with something that makes a great deal more sense from the point of view of today's industrial setting. It is important for people to understand that it is not simply pulling the benefit away and abandoning the workforce to the vagaries of the economic situation.

Senator Comeau: Notwithstanding what was said regarding the average weekly earnings that were made by the rail workers, my understanding is that certain bargaining units of the railroads did, in fact, concede earnings in exchange for what has been termed "gold-plated protection" by certain media outlets. You do not seem to doubt that these concessions were, in fact, made in 1985.

Having said that, and since these people did, in fact, bargain and work under those provisions for the past number of years in good faith, I do not think you should be coming to Parliament every few years and saying, "Our predecessors made a mistake, therefore we would like you people to correct the mistakes of those who were sitting in our chairs in the past."

Have you made any kind of provision under the earnings protection system for those people who have been working over these last number of years under the strain of technological change? Would those people who have earned those rights continue to have them under some sort of grandfather clause?