September 30, 1966
(11:00 am - 1:15 pm)

THREATENED NABET STRIKE

The President explained that negotiations to date had been intensive and had adjourned at 4:30 this morning. He expressed the view that the difference between what the Corporation has offered and what the Union would accept was so small (half of one percent) that it should not be allowed to cause a strike which would cause long-term and very serious damage to the Corporation. Mr. Ouimet reconfirmed the Corporation's acceptance of the majority recommendation of the Conciliation Board of 7½%, 7½% and 7½% over 30 months, which was rejected by the union. He noted that, while appearing before the Cabinet on September 29, he had tried to get the Cabinet to agree to an alternative settlement of 8¼%, 8¼% and 8¼% for the same period. The Cabinet felt very strongly that a settlement of this magnitude should not be given in view of the general inflationary trend in the country. In the interim, the Cabinet gave approval for 8¼%, 8¼% with no third step commitment, but the union refused this short term proposal.

Later during the night, the Department of Labor mediator felt that a settlement could be reached if the Corporation offered 8%, 8% and 8% on a cumulative basis for a 30-month period. The President noted that this would result in a gross adjustment of 26 3/4%.

Word was received just prior to the telephone conference that the government was not willing to move from the majority recommendation of the Conciliation Board which totalled 22½% but were willing to consider any reasonable redistribution of this total. The President said the Minister had indicated that the compounding element should not deter the Corporation from settling with the union.

An alternative of 9%, 9% and 4½% for the 30-month period was discussed by the Directors. It was noted that cumulatively this would gross approximately 24.5% and would exceed the recommendation of the Conciliation Board. In reply to a question about the financing of any settlement, the President indicated in his opinion that the government would be as sympathetic to providing funds for the majority conciliation recommendation as it would to the alternative of 9%, 9% and 4½%. The Corporation expects that it could find approximately $1,000,000 in the present fiscal year towards financing this award to NABET and the settlements with other unions and non-union staff which might be influenced by the NABET settlement. Treasury Board would have to be re-assured that this was the most the Corporation could contribute and that, beyond this, supplementary funds would be needed. The President said that he indicated to the government that the Corporation would be most reluctant to cut service or staff to find the means to pay for this settlement at this stage of the fiscal year.

In conversation with the Cabinet regarding the total amount of money necessary for the settlement of the current round of union negotiations, the Corporation has at all times calculated the cost on the basis of how this will affect all staff rather than just NABET employees.

As to the effect a strike would have on the Corporation, the President summarized Management's views which are attached as Appendix I.

The Board discussed extensively the various financial alternatives mentioned above, as well as the suggestion of a possible change in the date of retroactivity of the agreement in order to increase the percentage of the award payable in the first year and using a three-year term rather than 30 months. The President read for the benefit of the Directors a minute of the Cabinet which stipulated the guide-lines the government was prepared to follow in assisting the CBC to meet its financial obligations in settling the NABET situation. A copy of this minute is attached as Appendix II. Noting that the government hoped to retain a strong line on the percentages,