

• (1600)

Mr. Tellier: Yes.

Senator Tkachuk: It includes everyone. What would the percentage of the cost of non-union employees be compared to the total cost of operating the railroad?

Mr. Tellier: Just in excess of 80 per cent of our labour force is unionized. Roughly 19 per cent would be managerial jobs, supervisors, and clerical jobs. They are not members of a union.

Senator Tkachuk: How would that compare to the labour costs of American railroads?

Mr. Tellier: Our overhead is higher than in the U.S. We have been reducing our overhead, but it is still too high. For instance, of the 11,000 jobs that are being abolished over a three-year period — we are in the third year — roughly 25 per cent will be non-scheduled or non-unionized employees. You are perfectly right, senator.

You will be interested to know that when we began our downsizing program, I started right at the top. After 10 weeks on the job, I abolished five vice-presidential positions. We started right at the outset, right at the top, and moved down the ladder.

Our overhead is still much too high. I expect to be able to reduce this by another 750 non-scheduled employees in the first part of this year.

Senator Murray: Mr. Chairman, the government had to act, and it acted promptly. Although it is somewhat impertinent of me to say so, I think the government acted quite responsibly in dealing with the procedural problems in the House of Commons. That being said, the question is whether the bill that Mrs. Robillard has introduced is the best way to go.

You are aware, Mr. Tellier, that the commissioner, Mr. Hope, suggested a rather different process to deal with this standoff. Why is this bill superior to the process advocated by Mr. Hope?

Mr. Tellier: I am not sure that the process the Minister of Labour is proposing is different from that proposed by Commissioner Hope. What is different is the time frame. Commissioner Hope proposed a 60-day period for the first phase, the mediation, and then a 120-day period for the second phase. The Minister of Labour has shortened this time frame.

If you are asking me whether this is the way to go, I would say that 70 days is a very long period of time. In the U.S., they resolve issues such as this within 30 days.

Senator Murray: It is not for me to say why Mr. Hope made a particular proposal. However, it seems he was motivated somewhat by considerations of the psychology and the dynamics that exist.

One of those considerations in his view — and I am quoting him indirectly — is a perceived bias on the part of the government as to the policy outcomes. I think, therefore, he wished to have a somewhat more elaborate process with a view to attaining a wider measure of agreement or consensus among the parties. However, you seem to prefer the shorter time frame.

Two problems arise with that perceived bias. The Senate passed a bill a couple of weeks ago with respect to the West Coast ports in which we instructed the mediator-arbitrator to take cognizance of the report of the Thompson Conciliation Commission that had reported previously. I do not see any such provision in the present bill. Would you have objected to such a provision, had it been contained in this bill?

Mr. Tellier: As I said, the process that the Minister of Labour is proposing is similar, if not identical, to what Commissioner Hope recommended. During the Christmas holidays, a great deal of work went into drafting briefs and expressing views before Commissioner Hope. The parties' cases have been extremely well-documented. I am sure that whomever is appointed by the government, the railroads and the unions will draw very heavily on the recommendations that already exist. That is one reason why I believe it should be possible to proceed in a much shorter time frame, given the fact that, as Commissioner Hope himself has said, the parties have spoken *ad nauseam* about their position over the last 18 months.

Senator Murray: I will put that question to the minister when she testifies before this committee.

Mr. Tellier, you have had experience with this kind of legislation in the past. I note that clause 12 of the bill now before the House of Commons is described as "Guiding Principle," and reads:

Each Commission shall be guided by the need for terms and conditions of employment that are consistent with the economic viability and competitiveness of a coast-to-coast rail system in both the short and the long term, taking into account the importance of good labour-management relations.

Can you recall any precedent for that type of clause in back-to-work legislation?

Mr. Tellier: I am no expert in back-to-work legislation or labour relations. However, I find clause 12 extremely important because, in the past when it was only an arbitration process, the arbitrator attempted to split the dispute in the middle, very often creating a totally unmanageable situation.

One of the previous arbitrators produced a report that made the management of railroads extremely difficult. The recommendations in his report were simply not practical.

Senator Murray: The information you have placed before us in your opening statement and in reply to questions from senators is not only relevant but extremely important. However, Parliament is being asked to act in an urgent way in an emergency situation to end a work stoppage and get the railroads running again.

I do not know that we should be asked to solve all the other problems at the same time — and I do not wish to be unduly critical, because I have some appreciation of this matter — particularly the problem of a lack of definite government policy in some of these areas. I do not think that, with this bill or with this mediation-arbitration process, we can be expected to solve all the problems you have described so well to us. I think it would be very dangerous for us to attempt to do so.