

# **National President's Report**

**March – June 2004**

Dear Sisters and Brothers:

Spring 2004 will go down in our union's history as a time of great challenge related to the elimination of our bargaining rights in two high profile disputes in Newfoundland/Labrador and British Columbia. In addition, at Air Canada our members have faced a year-long struggle in bankruptcy protection.

At the end of April, we had locals representing 42,000 members on strike – a new record for CUPE.

As always there are numerous activities going on right across the country – provincial division conventions, conferences, bargaining and other activities. There are many accomplishments on a daily basis, which is a tribute to the hard work of CUPE activists and staff. The purpose of this report is to both review current issues and share our union's response to them.

## **1. Assaults on Bargaining Rights**

In recent weeks, CUPE members (and others) in both Newfoundland/Labrador and BC have had their free collective bargaining rights legislated away by their respective provincial governments.

Workers at Air Canada, including 6,000 CUPE flight attendants, have been forced into court-ordered concessionary negotiations as the airline attempts to emerge from the bankruptcy protection it has been under since April 2003.

In each of these instances, our members have shown strength and unity. We have worked in solidarity with other unions. In BC and Newfoundland/Labrador we had public support in the face of high-profile strikes with heavy-handed government actions.

In all three instances, notwithstanding our strength and solidarity, the result was concessions which represent significant setbacks for our membership and our union.

### Newfoundland and Labrador

On April 1<sup>st</sup>, 3,500 CUPE members employed in health care, school boards, provincial housing and libraries commenced strike action against the province and the government of Danny Williams.

We were joined by 15,000 members of the Newfoundland Association of Public Employees (NAPE). We bargained at one table with NAPE and our unions stuck together throughout negotiations.

The Williams government had earlier this year adopted a budget which included talk of wage freezes and the lay-off of 4,000 employees (about 13% of the provincial workforce).

From day one of the strike, the government never wavered from their demand for a two-year wage freeze and other concessions, including reduced sick leave entitlement for all future employees.

CUPE and NAPE members were united and strong. In the face of government intimidation tactics, members ran a very disciplined strike and secured and maintained public support.

On April 26<sup>th</sup>, the government introduced Bill 18 which imposed a four-year agreement including wage provisions of 0%, 0%, 2%, 3% and a 50% reduction of sick leave accrual and banking for all new hires (among other provisions). The legislation also included authority to dismiss employees who refused to return to work, and fines for both union leaders and the respective unions.

Both unions refused to negotiate concessions. Both, given the situation, chose not to expose members to the legislative penalties contained in Bill 18. Both bargaining teams chose to instruct members to return to work on April 28<sup>th</sup> leaving the government in the position of having to enact draconian back-to-work legislation after workers had voluntarily returned to work.

### British Columbia – Hospital Employees' Union (HEU)

On April 25, 2004, 42,000 HEU members, along with members of the BCGEU, IUOE and BCNU and five small trades union locals commenced strike action against the Gordon Campbell government in BC. Each union continued to provide essential services throughout the duration of the eight (8) day strike.

The backdrop to this round of bargaining has been well documented. In January 2002, the Campbell government enacted Bill 29 which stripped health care workers in BC of their successor rights along with severely limiting their bumping rights. This paved the way for the privatization of health care support jobs.

Commencing in 2003, the government, in concert with multi-national corporations such as Sodexo, Aramark and others, and a rogue local of the IWA-Canada, privatized about 5,000 HEU jobs. This was the backdrop for 2004 collective bargaining for health care collective agreements which expired on March 31, 2004.

The government tabled dozens of concessions at the joint bargaining table. As well, throughout bargaining they announced further privatization schemes and issued layoff notices to some HEU members. Members of each union provided strong strike mandates and strike action commenced on April 25, 2004.

As was the case in Newfoundland and Labrador, there was unity both within the membership and amongst the affected unions. There was also public support for striking members.

On April 29<sup>th</sup> the Campbell government rammed Bill 37 through the BC legislature. The Bill imposed a two-year agreement which contained a combination of increased hours of work and retroactive wage rollbacks totaling 15%. In addition, there would be no limitation on the government's announced plans to continue to privatize support workers' jobs.

HEU leadership instructed members to remain off the job on "political protest" lines. The government moved to the courts seeking injunctions, a declaration that the work stoppage was illegal and massive fines. Health employers wrote members advising that their jobs would be in jeopardy if they remained on strike.

About 20,000 CUPE BC members walked off the job on Friday, April 30<sup>th</sup> in a show of support for HEU members. On May 1<sup>st</sup> Labour Day marches were held throughout BC including a massive event in Vancouver under the leadership of the BC Federation of Labour (BCFL). Organized labour, after three (3) years of attacks from the Campbell government was uniting around the health care workers' strike in a massive show of support.

BCFL leadership assembled in Vancouver and the Federation participated in informal talks with government officials with HEU involved throughout the process. The government was clearly shaken in the face of planned one-day strikes by BCFL affiliates.

On Sunday, May 2<sup>nd</sup> the government finally blinked. They withdrew their demand for retroactive rollbacks and the unlimited right to privatize work (rumoured to be an additional 9,000 – 10,000 jobs). They agreed to limit contracting out to up to 400 jobs in 2004 and up to 200 in 2005.

A total of \$25 million was offered for severance for affected staff and there would be no individual repercussions so long as striking members returned to work on Monday, May 3<sup>rd</sup>.

While this represented movement on the part of the Campbell government, there were no negotiations occurring in BC, and members would still incur significant wage/hours of work concessions.

HEU leadership faced a horrible decision. To continue illegal strike action and face the further wrath of government legislative power (notwithstanding planned affiliate one-day job actions), or to end the strike, having secured security for thousands of members and a measure of dignity for members facing layoff.

HEU's provincial executive chose to end their job action and to live to fight another day.

As was the case in Newfoundland and Labrador, I was (and am) immensely proud of both our HEU leadership and members. They showed strength, unity and integrity throughout this dispute.

I would be remiss if I didn't acknowledge the outstanding show of support from both the CUPE BC leadership and our 70,000 members throughout the province. Their unity and solidarity with HEU caused the government to blink. As well, the BC Federation of Labour mobilized affiliate support for HEU.

### Air Canada

Air Canada's 30,000 employees have experienced the stress of the airline facing bankruptcy for the past 14 months.

All Air Canada unions have worked together closely throughout this period on legal issues and in dealings with the employer and the courts, who continue to oversee Air Canada under bankruptcy protection.

As has been documented in previous reports, Air Canada employees have been placed in a horrible situation. They were privatized 15 years ago. They have lived through deregulations, mergers and the negative effects of 9/11 and SARS on the entire airline industry.

In June 2003 all Air Canada, at the instance of and under the supervision of the courts, engaged in negotiations which extended all collective agreements for six (6) years, and provided almost \$1 billion in annual savings to Air Canada.

These were not conventional strike/lockout negotiations. We were not in discussions to attempt to preserve some jobs. The entire future of the airline's existence was at stake and numerous other stakeholders (suppliers, airport authorities, etc.) faced a similar situation.

Throughout the fall/winter (2003/2004), Air Canada attempted to secure private equity investment in the airline. Hong Kong based Trinity-Time Investments was selected to make a \$650 million investment. This firm spent months trying to force a two-tier pension arrangement on Air Canada staff. All the unions stuck together and refused to agree to this massive concessionary demand.

With the airline no closer to solvency and with the federal government maintaining its "hands-off" stance, Trinity-Time Investments left the scene and a new investor, German-based Deutschebank, came forward.

This firm, while not demanding a two-tier pension arrangement, made their investment contingent upon the full realization of the \$1 billion savings which were to have been realized in the June 2003 extension agreements. Air Canada's position was that there was a \$200 million shortfall which had to be apportioned amongst Air Canada unions.

Again, under court-ordered talks, all Air Canada unions were forced into discussions to realize this \$200 million target.

All unions worked together, as well, each union dealt on its own with Air Canada management under supervision of the courts. Each union, after painstaking talks, achieved the savings targets assigned to their bargaining unit (see summary table below).

CUPE	\$ 51.6 M
Teamsters	\$ 3.1 M
ACPA	\$ 38.5 M
ALPA	\$ 8.9 M
CAW	\$ 47.8 M
IAM	\$ 36.5 M
CALDA	\$ 0.9 M

(Note these are millions of dollars. Management's share was \$17.7M.)

At the time of writing this report, our Component is awaiting more information from the company on the calculations used to reach the targets for other unions, as we know that our members will want those details.

Again, I am extremely proud of the effort and solidarity displayed by our CUPE leadership at Air Canada. They and other Air Canada unions have been placed in an impossible situation by Air Canada's bankruptcy situation.

## Summary

In the aftermath of the above three (3) situations, I have posed the following question in speeches at various CUPE functions:

*“Is it possible to be both incredibly proud of the unity, solidarity and conduct of our members, while at the same time acknowledging that the events in Newfoundland/Labrador, in British Columbia and at Air Canada represent significant setbacks for free collective bargaining?”*

The answer for me is an unqualified “yes”. Our leadership and members in each of these situations did everything we could have asked for.

They secured membership support and militancy. They worked well with other unions. They secured and maintained public support.

But in the end, they faced the full wrath of government, and in the case of Air Canada, the reality of potential insolvency and court-supervised talks.

In these impossible situations they made some very tough decisions. They arrived at these decisions through democratic means, but they were nonetheless very tough decisions and I salute each of these groups for their courage and integrity under near-impossible situations.

The bottom line is that our members’ bargaining rights were eliminated and our hard-working members have had concessions imposed upon them. Where does this leave us as Canada’s largest union? Where do we go from here in terms of our responsibility to represent our members’ collective bargaining interests as our rights are stripped away from us?

## NEB Emergency Debate

Our National Executive Board met on June 16 and 17, 2004 in Ottawa. Under the collective bargaining portion of our agenda, an emergency debate on the recent events in Newfoundland/Labrador, British Columbia and Air Canada was held.

The results of this full debate was the adoption of a Collective Bargaining Action Plan which includes the following concrete actions designed to defend our bargaining rights:

- Reaffirmation of CUPE’s “No Concessions” policy.
- Establishment of coordinated regional plans to support any CUPE local facing concessions.

- Forging solidarity pacts both within CUPE and with other unions to defend free collective bargaining rights and to fight concessions.
- Calling “all presidents” meetings to support striking/locked out CUPE members.
- Direct political action to defeat governments who attack our free collective bargaining rights.
- Improved communication between regional directors and CUPE provincial divisions on all bargaining related campaigns.
- The national officers will ensure that bargaining updates form part of each NEB meeting.

## **2. Provincial Division Conventions**

Throughout the March to May period, eight (8) of our provincial divisions held their annual conventions. (CUPE Quebec meets every two years and CUPE Newfoundland/Labrador postponed their annual convention due to their province-wide strike.)

Each of the conventions was a successful gathering. Delegates embraced the Strategic Directions theme adopted at the recent national convention. Each convention experienced spirited rank and file debate. And each convention revealed the enormous level of accomplishment of CUPE through the tireless efforts of both our rank and file activists and our staff.

Some highlights included:

- CUPE Saskatchewan allowing guest credentials and full voice for children of CUPE activists!
- CUPE Alberta members staging a demonstration in support of members of Local 408 currently engaged in difficult bargaining at long-term care facilities run by Extendicare.
- CUPE New Brunswick members re-affirming their unanimous support for a province-wide strategy whereby all members will back up one another, through job action (if required), should any group have their bargaining rights and an agreement imposed upon them by government.
- CUPE Manitoba members witnessed a signing ceremony whereby some \$7 million in wage equity funding will be allocated to our 10,000 healthcare members.

- CUPE BC members unanimously endorsed a resolution in support of their HEU sisters and brothers, along with a plan of action to defeat the Campbell government in the May 2005 provincial election.
- CUPE Nova Scotia members affirmed their full support for a Strategic Directions initiative intended to increase CUPE's profile throughout the province.
- CUPE PEI members took to the streets for a solidarity rally with striking CEP members employed by Alliant Atlantic Telecommunications.
- CUPE Ontario members rallied at the offices of the OMERS Pension Plan to protest the millions of dollars in losses incurred by Borealis, the investment arm of OMERS.

At each convention, I requested that members attending their first CUPE convention stand and be recognized. Hundreds of members stood up, and in some provinces, it showed that a full one-third of the delegates were new convention attendees. What a wonderful sight to see our next generation of leadership emerge within our union!

### **3. All National Committees Meeting**

On Friday, April 30<sup>th</sup>, we had an historical first meeting involving all members and staff of all thirteen of our national committees and working groups.

This meeting was held at the initiative of Brother Claude and myself. We felt it was in line with one of our key Strategic Directions from our 2003 National Convention, namely, to "Increase Our Day-to-Day Effectiveness as a Union".

About 150 members and staff met in Ottawa in a plenary session to discuss the following key committee issues:

- The role of national committees;
- Relations with the NEB;
- The role of staff advisors;
- Furthering the work between and amongst committees and working groups.

The feedback from participants was very positive. Many had never been part of a discussion on these governance related issues. All felt that it was a very useful endeavour – one that will make our collective committee work more relevant and effective.

Appended to this report please find a listing of each of our national committees and working groups.



#### **4. Federal Election**

As this report is written, we are in the midst of a federal election – one of the more competitive and indeed important elections in our recent history.

My sincere thanks to our national Research and Communications staff (and others) who set up and altered daily our Election website at [www.election.cupe.ca](http://www.election.cupe.ca).

Given new election spending rules, it is important that we remain active. Communicating with members on the issues is key, as are direct political acts, along with of course volunteering for individual campaigns.

#### **5. Rebuilding Strong Communities Campaign**

At our March 2004 meeting, the NEB endorsed the above-mentioned campaign. We have talked about this at division conventions and other CUPE gatherings.

We are urging all sectors and regions of our union to support this initiative in the way that works best for you. October 5<sup>th</sup> has been established as Communities Day – a day in which we will draw attention to the services we provide, and the need for more investment in those services.

Whether it is hard infrastructure (roads, bridges, water treatment plants, etc.) or social infrastructure (i.e. child care, expanded medicare, needed social services, etc.), our communities are to a very real extent, defined by the work we do.

Please plan an event for October 5<sup>th</sup> in your workplace/community to draw attention to our work and the need for more investment in services.

At a national level we continue to support efforts to secure a “New Deal” for Canadian Cities. We have met with many mayors and in late May, we attended the annual Federation of Canadian Municipalities Conference (FCM) held in Edmonton.

We met many municipal politicians who welcomed our support for the New Deal and our research into the perils of PPPs. We will continue our support for the New Deal for Cities as an essential component of our Rebuilding Strong Communities Campaign.

#### **6. Strikes/Lockouts**

Striking members of Local 3912 (TA's and part-time faculty at Dalhousie) have ratified a Memorandum of Agreement which includes wage increases of 18% over three years. This agreement reduces the wage gap in similar classifications with other universities across the country.

The membership of Local 4646 (Group TVA in Quebec) was locked out on January 30<sup>th</sup> and reached a tentative agreement April 5<sup>th</sup>. A three-year agreement was reached with the employer (a television station operator) in which monetary gains were made comparable to other groups of workers with the employer. In addition, a salary framework was established for sales representatives who had previously been paid entirely on a sales commission.

Local 3636 (Yellow Brick House – Toronto) began their strike on January 24<sup>th</sup> with an agreement having been reached April 2<sup>nd</sup>. The new collective agreement calls for a new salary scale with wage increases between 2 and 10 per cent. In a separate settlement, a substantial voluntary leave monetary package was negotiated and made available to all shelter and outreach counselors who chose to leave the agency.

Below please find a listing of the current strikes/lockouts within our union:

PROVINCE	LOCAL NUMBER	EMPLOYER	# OF MEMBERS	STRIKE BEGAN
British Columbia	339	City of Nelson	71	June 11, 2004 (lock out)
Ontario	1287	Niagara Institute	13	June 5, 2004
Québec	2229	Ville de Blainville	46	January 19, 2004 (rotating strike)
Québec	4255	Municipalité de Saint-Jean-de-Matha	7	March 11, 2003
Québec	4290	Municipalité de Sainte-Béatrice	7	March 11, 2003
Saskatchewan	4552	Deer Park Villa	26	June 3, 2004
Ontario	4705	Greater Sudbury Hydro Plus Inc.	97	June 19, 2004

## 7. Regional Highlights

### HEU

The HEU and their partner unions are now putting demands to the health employers to mitigate the effects of the legislation that imposed cutbacks. The legislation has practical implementation flaws including the longer work-week, across the board pay cut and changes to long term disability.

The partnership agreements between the IWA and Aramark and Sodexo have been struck down by the BC Labour Relations Board, paving the way for our certification votes to be counted. This significant victory reaffirms our position that the IWA never did have any “members” in those workplaces.

Third level sanctions against the IWA under the CLC Constitution are scheduled to take place on June 26<sup>th</sup>.

### British Columbia

In early May, we celebrated a successful campaign to stop plans that would have seen the operation and maintenance of Vancouver’s newest transit line privatized. The close to \$2 billion dollar proposal would have been one of the largest transit privatizations in North America.

CUPE BC continues to build strong communities in preparation for the May 2005 provincial election.

### Alberta

Locals continue to bargain hard and campaign for strong communities. Despite a booming economy, many Albertans are not benefiting and instead are faced with a slow and steady decline in their standard of living. The BSE crisis in rural Alberta is having an adverse effect at those bargaining tables.

CUPE Alberta will be hosting the Western Municipal Conference in June, which will provide an opportunity for municipal locals from the west to share bargaining strategies and attend workshops on a variety of issues.

### Saskatchewan

Bargaining will be challenging over the next cycle as the provincial budget mandated wage increases of 0%, 1% and 1%. Our ability to negotiate pay equity and job evaluation in some sectors will mitigate this mandate. We are working with the Saskatchewan Federation of Labour to lobby for improvements to the Trade Union Act and OH&S Act.

### Manitoba

The labour-supported Mayor of Winnipeg, Glen Murray, resigned to run in the federal election for the Liberals. CUPE Manitoba is working hard to replace him with a labour endorsed candidate, with the by-election having been set for June 22<sup>nd</sup>. We have been successful in recent representation votes in the school board mergers.

## Ontario

Health care continues to dominate the landscape in Ontario. The most recent budget brought down by the Ontario Liberal government re-introduced health care premiums to Ontario taxpayers. Also included in the budget was the removal of a number of procedures from provincial health care coverage (chiropractic, optometrist and physiotherapist visits). Our efforts are now focused on proposals for collective bargaining to address this tax increase.

Proposed legislation (Bill 8) which provided the government with the potential power to strip hospital workers of rights under their collective agreement was amended following actions spearheaded by the Ontario Council of Hospital Unions (OCHU) which represents CUPE hospital workers in Ontario.

The Ontario Division of CUPE continues to pursue joint trusteeship for its members who participated in the OMERS Pension Plan.

Members attending jurisdictional conferences held during this period of time have been actively developing action plans to further enhance coordinated bargaining. It is recognized by all that to ward off the coordinated attacks of employers and governments we need to be proactive in this regard.

Brother Sid Ryan is carrying the NDP banner in the federal riding of Oshawa. He has a very active campaign and has a good shot at being elected on June 28<sup>th</sup>.

## Quebec

The Charest government is starting to feel the effect of its draconian policies and direction on privatization and the dismantlement of government institutions in which all our members in all sectors are affected.

On "May Day" members of all sectors of CUPE in Quebec participated in massive demonstrations with affiliates of the Quebec Federation of Labour. Over 100,000 union members attended a rally in Montreal with countless thousands participating in other centers in Quebec.

These rallies are a prelude to an eventual showdown with the Charest government. The executives of the QFL have adopted a Solidarity Pact which is part of a plan that will also look at the issue of a general strike.

Needless to say the Charest government has been a catalyst to unifying the labour movement like no other previous Premier.

Referendums on the dismantlement of municipal mergers are presently underway with results to be known June 20<sup>th</sup>. This of course will mean concentrated efforts by our

municipal locals to maintain and advance rights and benefits in the collective bargaining process. Employers have been reticent to negotiate renewal of collective agreements anticipating government interventions. The government has indicated that it will be looking at introducing “final offer” interest arbitration. Effectively this proposed action does away with the right to strike in the municipal sector.

### Prince Edward Island

The Division of PEI has been actively developing their strategic plan with the implementation of Phase I which focuses on mobilization of its membership with the intent of direct involvement in identified campaigns.

We are also continuing to press the new Charlottetown Council to reverse its stance with regards to the Charlottetown P3 Rink/Pool Complex with the intent of the city taking over the complex.

Following an internal review it was decided to build a new area office in PEI. The new building will be owned by CUPE. Construction is scheduled to commence in July of this year.

A very successful public meeting on the merits of a Public Auto Insurance system was hosted by CUPE in Charlottetown on June 2<sup>nd</sup>.

### New Brunswick

New Brunswick locals continue to press for a successful conclusion in their coordination of bargaining. To ensure success, a multi-phased strategic action plan has been adopted by delegates at their most recent convention. An important element of the strategy has been to ensure support from the broader labour movement in New Brunswick by agreeing to a “Solidarity Pact”.

Meetings were held with the Premier’s Office following the announcement that the province had targeted 50 positions for elimination from the Provincial Highway Workers – Local 1190. Initially the position of the employer was that seniority provisions would not apply. We were successful in ensuring that no members would be laid off.

The campaign to ensure collective bargaining rights for casuals continue. The focus is presently on formulating research and legal data to establish how the denial of these rights violate the Charter.

Delegates to the New Brunswick Division were overjoyed with the announcement that the newly purchased office building in Fredericton would be named the “Lofty MacMillan Regional Office”. Brother MacMillan was CUPE’s first Director of Organizing and Servicing, and instrumental in the growth of our union at its inception.

## Nova Scotia

Our locals in the health care sector (acute care) continue to add pressure to achieve a fair agreement. Plans are being developed by our locals to institute a public campaign to highlight its demands.

Local 1867 – Nova Scotia Highway Workers continue to attempt to reach an agreement with the provincial government. Needless to say, the province's decision to appeal to the Supreme Court a ruling in favour of the union continues to be an impediment to reaching a successful conclusion to negotiations.

Following a major strike averting campaign which involved the development of a bargaining website, Local 108 reached a new three-year deal with the Halifax Regional School Board.

## Newfoundland and Labrador

As a result of the historic strike by 3,500 CUPE members, the Newfoundland/Labrador Division Convention which was scheduled for April was cancelled. The Division executive will be dealing with this question this month.

Contracting out issues continue to dominate the local scene in St. John's as Local 569 continues its fight to retain city services. The city has most recently contracted out the cleaning of Catch Basins.

As in other provinces, our locals in the university sector continue to push for fair contracts. Local 1615 will be looking to finalize negotiations with their employer Memorial University in September.

## Airline

Two key victories occurred in this quarter. The first was a successful lobby campaign to gain recognition of all hours actually worked for flight attendants for the purposes of Employment Insurance. The second was a court victory in our ten-year pay equity complaint. A decision that claimed that flight attendants and pilots work in different establishments (workplaces) was struck down, so we can now proceed with the pay equity process.

## **8. Retirements Across the Country**

Several long-term dedicated CUPE staff have announced their retirements. They include national representatives Joe Mele (Ontario Regional Office), Lawrence Gould (Red Deer Area Office), André Chauvette (Trois-Rivières Area Office) and Gratien Bélanger (Rimouski Area Office).

On behalf of our union, I salute these individuals and wish each a long, healthy and happy retirement.

CUPE has lost a retired staff member this spring. Brother Normand Bourque who worked as a national representative in the Moncton Area Office passed away on May 13<sup>th</sup>. Our sympathies go out to his family and friends.

In closing, as you will note from this report, CUPE members have been very active from coast to coast. We face numerous challenges on a daily basis. Our unity and solidarity will enable us to meet these challenges, to meet our members' needs and to preserve public services.

In solidarity,

PAUL MOIST  
National President

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Att.

## **CUPE National Committees – 2004-2005**

National Advisory Committee on Pensions  
National Contracting Out and Privatization Coordinating Committee  
National Environment Committee  
National Global Justice Committee  
National Health and Safety Committee  
National Pink Triangle Committee  
National Rainbow Committee  
National Women's Committee  
National Health Care Issues Committee  
Literacy Project Reference Group  
National Child Care Working Group  
National Disabilities Working Group  
National Young Workers Working Group