

End of mediation period sets up potential strike by 3,000 railway workers at Canadian Pacific

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Do you work at CP Rail or in the railway industry? Contact us to discuss the potential strike and share your experiences in the workplace.

The expiration of a legally-mandated mediation period at 12:01 Wednesday sets the stage for a potential strike by more than 3,000 railway workers at Canadian Pacific, the country's second-largest rail company and one of the seven Class I railroads in North America. Workers voted by 96.7 percent in favour of strike action, in a ballot held last month, against stagnating wages, benefits and pensions.

Rail workers inform the WSWs that CP management has systematically violated their existing collective agreement, and that anyone raising disputes or grievances is threatened with suspension. Rail workers also face grueling schedules, making it all but impossible to maintain a family and personal life. Like broad sections of the working population, railroaders have faced round after round of concessions for decades, with the current spike in food and other prices compounding declining real wages and benefits.

The Teamsters Canada Rail Conference, which covers some 16,000 workers across the industry, has done everything thus far to isolate CP Rail workers and avert a genuine struggle. A cursory press release was put out on March 4 announcing the overwhelming strike vote, but no details have been made public on talks with the company ever since. Teamsters bureaucrats have been in closed-door meetings with CP and a Canadian federal mediator since March 11. One CP Rail worker told the WSWs that the only thing the union told him so far is that they must give notice of 72 hours before a strike starts.

Despite the efforts of the union and the company to keep a lid on things, the ruling class is clearly nervous about the strike and the effects it may have on already strained global supply chains. The pandemic, despite efforts by the governments the world over to relegate it to the past, has not subsided, and a surge of the Omicron variant in China threatens to significantly slow production in the world's largest exporter. The effect of inflation was already severe before war erupted in eastern Europe, with the conflict and resulting sanctions on Russia producing spikes in fuel and food prices.

Under these conditions, the prospect of a powerful section of workers fighting for wage and benefit improvements is seen as intolerable by the ruling elite. Industry representatives have issued outraged statements, indicating their determination to prevent a strike from getting in the way of them cashing in on high commodity prices, including through direct government intervention.

The agricultural industry on both sides of the border is concerned about the effect the strike may have on their businesses. Revenues for agribusiness in the region suffered from a drought last autumn, and companies are eager to capitalize of soaring food prices. Western Canadian grain exports were already down 40 percent compared to last year. The cattle industry estimates that 1,000 trucks would be required to replace the trains that transport feed, and admitted plainly that this extra capacity doesn't exist. The industry is also dependent on fertilizer, three-quarters of which is transported across Canada by rail. The war has disrupted supplies, as Russia and Belarus are, along with Canada, the major global producers.

The strike will have similar disruptions south of the border. More than 80 percent of America's potash fertilizer comes from Canada. The Canadian Chamber of Commerce, the primary big business council, estimates the costs of a strike at as high as \$25 million per day.

Alberta's Minister of Agriculture Nate Horner appealed to the federal Labour Minister Seamus O'Regan to avert a strike. The hard-right conservative cynically cited the "potential animal welfare issues" that allegedly would arise before getting to the heart of the matter, explaining that the strike would "undermine both Canada's and Alberta's competitiveness." In other words, while shedding crocodile tears about the fate of livestock, Horner fully endorses CP continuing to treat their workers like animals.

CP claims to have agreed to wage increases. A company spokesperson called the workers' demands "unreasonable."

The workers recognize their importance to the business and the difference between the praise they've won from company executives during the pandemic and the meagre wages on offer.

As one CP rail worker recently told the WSW: “[The] CEO brags about record profits (in the billions) every quarter, goes on to state that frontline conductors and engineers are all to thank for enabling this profit to be earned, then will not agree to a collective agreement that keeps said frontline workers up with inflation.

“Money aside, even the previous collective agreement which outlines the scope of work expected to be performed by employees is not followed, constantly violated by the company, and when you raise the issue you are accused of refusing duty and threatened to be suspended. The company says we need to change or get rid of the arbitration process because it’s no longer working due to backlog, but the company’s the one who has backlogged it by not abiding by the terms of the collective agreement when it comes to pay or working conditions, and excessively disciplining (suspending/firing) employees. The biggest issue we are butting heads on right now is that the company capped the pensions.”

The competition to squeeze profits from the workforce permeates the industry. One retired worker at CP competitor Canadian National explained the ruthless nature of the company in recent decades, quoting a senior executive who explained, “if you are not prepared to fire your best work friend then you don’t belong in management. We are going to make our Shareholders rich and that is the ONLY GOAL, NOTHING ELSE COUNTS.”

That singular focus has made investments in railways a profitable venture for the ultra-wealthy. News of the strike vote by CP Rail workers coincided with reports that billionaire hedge fund manager Bill Ackman recently purchased \$280 million worth of company stock, joining other billionaires such as the Bill Gates family as significant investors in the industry. Ackman several years ago had been forced to divest from the company to cover other losses, a move he described as one of his “greatest investment regrets.”

It was Ackman who had lured the late railroad executive Hunter Harrison out of retirement to manage Canadian Pacific. Harrison had earned praise from Wall Street for his ruthless cost-cutting as a senior executive at other railroad companies in Canada and the US, including Burlington Northern Railroad (now BNSF), Illinois Central Railroad, and Canadian National. Harrison’s tactics relied above all on the suppression of worker resistance by the trade unions and through the oligopoly that dominates the railroad industry.

Industry-wide, speed-up and staff reductions have contributed to increasing derailments and accidents, most tragically in Lac Mégantic, Quebec in 2013, when an explosion caused by a derailed fuel tank resulted in the deaths of 47 people and the destruction of much of the town’s core. Derailments are a common occurrence, with two at CP alone on Saturday.

CP rail workers confront not just an especially ruthless employer, but the full power of the capitalist state. Over the past decade, successive governments have directly intervened

time and again to criminalize rail workers’ strikes and impose pro-employer settlements that met none of the workers’ demands. This time around, the Trudeau Liberal government appointed a mediator to manage the talks last month.

The Liberals would much prefer to orchestrate a sellout with the connivance of the Teamsters, which would be tasked with browbeating rail workers into accepting a contract. This is part of the Liberals’ corporatist strategy, which has seen them develop unprecedentedly close working relations with the unions, which they know are crucial tools for sabotaging working class struggles. However, Trudeau’s government has shown more than once its determination to enforce the demands of big business by outlawing strikes, such as during the 2018 postal workers’ strike and last year’s work stoppage by Montreal dockers.

Rail workers in the United States confront the same opponents. At BNSF, workers voted overwhelmingly to strike against a brutal new scheduling system that made it virtually impossible to take time off work. The capitalist courts intervened to provide BNSF management with an injunction to ban the strike.

To prevail in their struggle, CP Rail workers must seize control of the struggle from the Teamsters bureaucracy by establishing an independent rank-and-file committee to spearhead the strike. This committee should formulate workers’ demands based on what rail workers actually need, not what the highly profitable CP Rail managers claim they can afford. Above all, the committee should broaden the struggle to rail workers at CN, BNSF and the other rail corporations, where workers confront the same brutal working conditions and attacks on their wages and pensions.

A strike by CP Rail workers has the potential to initiate a broader mobilization of all rail workers, alongside workers in the auto, manufacturing and other industrial sectors, educators, health care workers, and public sector employees, to put an end to decades of wage and benefit cuts. This is precisely why the Teamsters and their partners in government and CP management are working so hard to prevent the strike from breaking out. CP Rail workers must respond by unifying their fight for wage and benefit increases with workers entering into struggle across Canada, in the United States, and internationally against the subordination of all aspects of working people’s lives to the capitalists’ accumulation of profit.



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