

Talks continue between Unifor and Canadian National as contracts for 3,600 rail workers set to expire December 31

Steve Hill
18 December 2022

Representatives from Unifor and Canadian National (CN) Railway met over the past week in Montreal to continue talks for contracts covering 3,600 mechanics, crane operators, machinists, electricians, administrative staff, and customer support workers at Canada's largest rail operator. Unifor has remained tight-lipped on the progress of negotiations ahead of the expiration of the five collective agreements December 31.

Unifor claims to be looking for enhancements in wages and benefits, and a resolution to the on-going issue of contracting out of unionized work. In its latest bargaining update, Unifor asserted that talks are "productive" and "progressing well," but refused to provide details. The update concluded with the arrogant declaration, "The union does not bargain publicly," and a stern warning to workers not to "entertain rumours that may come up during the bargaining process."

The secrecy surrounding the collective bargaining process underscores that it is a charade, in which the company and the union hope to conspire to impose a rotten deal without any input from the workers themselves.

As talks got under way in November, Unifor National President Lana Payne demagogically stated that Unifor would fight for wage increases to keep pace with rampant inflation, commenting, "The fact is that during a time of record inflation CN is reporting record quarterly earnings. Without our members at the helm, this company wouldn't have been able to get even close to that, and they deserve to be compensated fairly and treated with respect." Daniel Cloutier, Unifor Quebec Director added, "While they have been cutting thousands of jobs over the last few years, shareholder dividends and executive compensation has, nevertheless, continued to increase. With high inflation rates CN must put the needs of workers first."

While union bureaucrats spout resolute sounding language for media releases criticizing management, members of Local 100 and Council 4000 know only too well that Unifor and the Teamsters union are thoroughly complicit in overseeing the present miserable working conditions across Canada's railroads and blocking worker resistance. In 2015, in the face of a threat from the federal government to criminalize a strike by 3,300 CP Rail engineers, conductors and yardmen, the Teamsters union capitulated and agreed to binding arbitration. That same year, Unifor answered a threat from CN to lockout 4,800 safety inspectors and rail

maintenance workers with a last-minute contract settlement that failed to meet workers' demands. CN Rail management itself was surprised that Unifor accepted a deal, despite complaining that negotiations were at an impasse, without even raising the possibility of consulting its membership on a strike mandate.

In 2019, a seven-day strike by 3,200 CN Rail train conductors, operators, and yardmen was called off when the Teamsters reached an agreement with the company that met none of the workers needs. At no time during the struggle did the union leadership make any attempt to rally support from CN workers represented by Unifor or railway workers throughout North America.

Three thousand CP Rail conductors and engineers who are members of the Teamsters voted overwhelmingly for strike action in March 2022 to conduct a struggle for an end to gruelling work schedules and wage increases. Unifor ensured that maintenance staff at CP Rail, whose contract is now also up for renewal, remained separated from their brothers and sisters at the same company, helping the Teamsters in isolating the strike and strangling it by agreeing to binding arbitration.

In the summer of this year, Unifor saddled 2,400 VIA Rail workers represented by the same Unifor locals that are currently bargaining at CN with a collective agreement that left them even farther behind after two years of significant real wage cuts at the passenger rail service. As the COVID-19 pandemic took its toll on the travel industry, many workers were laid off. Unionized employees suffered a wage freeze in 2020, and a pathetic 2 percent wage "increase" in 2021. The three-year agreement included wage "increases" of 5.5 percent in 2022, 3.5 percent in 2023, and 2.5 percent in 2024, or an average wage "increase" over the life of the contract of 3.83 percent. The deal was finalized when the official inflation rate was 7.6 percent, meaning a massive real-terms pay cut for workers.

Martine Rivard, VIA Rail's Chief Employee Experience Officer could hardly contain his enthusiasm for the Via Rail deal, saying, "I am grateful for the hard work of both negotiating teams and would especially like to thank Unifor's Chief Negotiator Scott Doherty and recognize the guidance of conciliators who helped bring about this positive outcome for our employees and our passengers." Rivard was quite right in singling out Doherty for his contribution as the contract is a veritable gift to the company after the wage savings from 2020-21.

CN has more than enough resources to provide all rail workers with wage increases above the rate of inflation and end the brutal conditions of exploitation and overwork that lead to derailments and other accidents on a routine basis. CN is one of the top publicly traded Canadian companies by revenue. Revenue for the twelve months ending September 30, 2022, was \$12.8 billion, a 12.2 percent increase year-over-year. And revenue for the quarter ending the same date was \$3.5 billion, a 21.2 percent year-over-year.

In 2020, during the early stages of the COVID-19 pandemic, CN's revenue suffered a decline of 8.2 percent from 2019 numbers, reducing annual revenue to "only" \$10.3 billion. On this basis, the highly profitable corporation qualified for the federal Canada Emergency Wage Subsidy (CEWS) program, a slush fund for corporate bonuses and shareholder payouts that was supposedly designed to pay 70 percent of workers' wages at businesses impacted by pandemic-related restrictions.

Due to the ruthless conditions of exploitation for rail workers, the railways are one of the most lucrative industries across North America, attracting speculative investment from hedge funds, major banks and some of the world's wealthiest capitalists. Billionaire Microsoft co-founder Bill Gates is a major shareholder in CN Rail and held a significant share of CP Rail. In the United States, BNSF is controlled by Warren Buffett's Berkshire Hathaway. Union Pacific's major shareholders include The Vanguard Group and BlackRock, Inc.

The source of the profits generated by the industry has been a relentless, decades-long attack on the wages and working conditions of railway workers, which has included the active acquiescence of the various trade unions that claim to represent their interests. For train crews, the Precision Scheduled Railroading (PSR) system demands almost total on-call availability 24 hours a day, year-round. This system reduces workers to mere adjuncts of the company because they are the sole creators of profit for these predatory corporations. Likewise, the pressure on administration, support staff and the trades must necessarily increase to meet the demands for continuously increasing profit.

To appeal under these conditions, as Unifor does, for CN Rail's management to "put workers first" is absurd. These ruthless hirelings of the financial oligarchy serve the class interests of the ruling elite, which depends upon maintaining the brutal work regimen to secure corporate profits and shareholder payouts. The only way to stop this is through a unified struggle by all rail workers at CN, CP, and their American class I counterparts.

As rail workers in the United States have learned over recent months, the development of such a fight is not merely a question of trade union militancy, but a political struggle. Despite voting for strike action and repeatedly rejecting bogus contracts that met none of their demands, US rail workers were prohibited from striking by the Biden administration, the trade unions and the pseudo-left, which connived to impose sellout agreements through the intervention of Congress to ban strike action.

Unifor is actively working to prevent the emergence of a unified struggle of rail workers in Canada no less fervently than the rail unions in the US. On September 14, Unifor Local 101R began

negotiations on a collective agreement with Canadian Pacific (CP) for 1,200 maintenance workers. The main issues for CP Rail workers are the company's heavy-handed discipline, grievance backlog, and years of wage restraint. If it wished to, and planned accordingly, Unifor could simultaneously have the Canadian railway duopoly of CN and CP in an extremely vulnerable position. It would give workers the ability to demand serious concessions from a critical sector of the capitalist economy.

But the Unifor leadership is organically hostile to such a prospect, which is why it is working assiduously to keep the two disputes separate. Even though CP Rail made a provocative wage offer that did not even come close to the rate of inflation, the union waited months before filing a "notice of dispute," which triggers a 60-day "conciliation" process overseen by a federal mediator. This period is followed by a 21-day "cooling-off" period. Either party is then obligated to provide 72 hours' notice of intention to initiate a lockout or strike. The end result of these bureaucratic hurdles designed to smother workers' resistance is that Unifor officials will only start discussing wage issues with CP in the second week of January, which they hope will give them enough time to sell out the CN workers before the struggle at CP comes to a head.

The only answer for railway workers is to organize independently of the corporatist trade union bureaucracies by forming rank-and-file committees which can coordinate their actions to truly advance the interests of the working class.

Earlier this year, workers at CP Rail formed the CP Workers Rank-and-File Committee to fight for their interests in the face of the ruthless practices of corporate management and the utter subservience of the unions to corporate interests. Railroaders across crafts and employers in the US formed the Railroad Workers Rank-and-File Committee to coordinate the broad opposition to abysmal working conditions and the contracts which were imposed on them.

Workers at Canadian National Railway must do the same and in fact go beyond that to link their struggles with those of their brothers and sisters across Canada and the 120,000 rail workers in the United States who have been engaged in a three-year fight with the unions, the rail companies and the federal government. We encourage all rail workers who agree with this perspective to email cpworkersrfc@gmail.com or fill out the form below.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact