

Arbitrator-dictated contract imposed on rail workers after Canadian government's strike ban

Carl Bronski
11 June 2025

Forced into binding arbitration by a glaringly unconstitutional back-to-work order prohibiting any work stoppage on the railways, 3,200 locomotive engineers, conductors, yard workers and traffic controllers at Canadian Pacific Kansas City (CPKC) rail were confronted last week with the imposition of a three-year contract by a government-appointed arbitrator. The workers are members of the Teamsters Canada Rail Conference (TCRC). The move initiated by the federal Liberal government in full collusion with the railroad bosses robbed workers of their rights to bargain the terms of their contract and take job action if necessary.

Teamster leaders, nonetheless, acquiesced to moving the dispute to binding arbitration. So confident were corporate investors that the TCRC's acceptance of binding arbitration at CP Rail would produce a corporate-friendly outcome that its share price jumped by 2.1 percent immediately after the arbitrated "agreement" was announced.

The billing of the imposed contract as an "agreement" between the employer and the union is a farce. Under binding arbitration, workers are not permitted to vote on the contract determining their terms of employment. The contract fails to resolve any of the pressing issues regarding hazardous working conditions, onerous scheduling and shift-fatigue that workers have been fighting to address for many years. The settlement is effective from Jan. 1, 2024, through Dec. 31, 2027, and includes 3 percent annual wage increases.

A similarly arbitrated decision on a new contract for about 6,100 Canadian National (CN) rail workers was announced this past April.

Last August, workers at both CN and CPKC were locked out by corporate managements for less than 24 hours before the Liberal government of then Prime Minister Justin Trudeau ordered an end to the work stoppages which eventually sent the dispute into the hands of the pro-corporate arbitration process. The Teamsters leadership at

both CN and CPKC bowed immediately to the government diktat, accepting the order for binding arbitration with barely a peep.

In the August rail disputes, then federal Labour Minister Steven MacKinnon quickly ordered the railroads to end their brief lockout, prohibited any strike action from the rail workers and instructed CN and CPKC to immediately resume all services. With no serious opposition from the NDP or the union apparatus, Section 107 of the Canada Labour Code was arbitrarily "reinterpreted" by Prime Minister Justin Trudeau's Liberal government to give MacKinnon what are effectively dictatorial powers through the unelected Canadian Industrial Relations Board (CIRB) to illegalize worker job action and have the terms of new collective agreements dictated by pro-corporate arbitrators. The CIRB was also authorized to arbitrarily extend the previous agreements until new contracts were finalized.

The action against the Teamster railway workers in August was reproduced in the subsequent weaponizing of the Canadian Industrial Relations Board to end bitter contract disputes on the West Coast and in Montreal and Quebec that forced longshoremen into the pro-company binding arbitration process. Throughout this full-frontal attack on what remains of worker rights in the country, no serious opposition was raised from the social democratic New Democratic Party or the union bureaucracies, which both continued to prop up the minority Liberal government.

The reliance on a pro-corporate, state-appointed arbitrator to determine workers' "collective agreements" has become the standard operating procedure for the Teamsters. Eight out of the nine most recent labour disputes at CP have been "resolved" through arbitration, ensuring the profits-before-safety policy of the railways remains fully intact. And in virtually every case, the union itself sanctioned, if not welcomed, binding arbitration.

At Canada's other Class 1 freight railway, Canadian National, the Teamsters union holds the same track record of

imposing concessions and job cuts on workers and bowing before government back-to-work laws. In 2014, workers twice voted down union-endorsed agreements. Yet the TCRC scuttled a strike before it left the gate, after the Harper Conservative government threatened anti-strike legislation and a contract imposed by a Tory-appointed arbitrator.

In 2019, under pressure from the Trudeau-led Liberal government, the TCRC rushed to shut down a seven-day strike at CN. The union abandoned many of the workers' key demands around hazardous working conditions. The precipitous end to the strike relieved the Teamsters' Liberal government "partner" from having to impose back-to-work legislation. That would have damaged the Liberals' "progressive" image that the union bureaucracy has done so much to cultivate and promote.

The just announced "settling" of the railway contracts will come as yet another warning to 55,000 Canada Post workers, who today find themselves embroiled in a similar joint government-management power-play to impose brutal concessions in a binding arbitrated contract.

Last December, the Canadian Union of Postal Workers (CUPW) bureaucrats enforced the Liberal government's patently illegal use of Section 107 of the Labour Code to outlaw a militant 32-day strike. After management and the government worked out their attacks in a so-called Industrial Inquiries Commission while workers had their hands tied behind their back by the strike ban, CUPW has refused to sanction another strike and is instead calling for binding arbitration.

Canada Post management has responded by appealing to government to force a vote on its miserable contract offer. They would impose brutal shift, workload and route changes and introduce new categories of "flexible" part-time workers to provide weekend delivery and slash full-time employment and overtime. Should workers refuse the terms imposed on them, it is clear that Canada Post will simply seek to enforce the contract anyway. Only the mobilization of a rank-and-file movement opposed to both Canada Post and the cringing union bureaucracy can resist this outcome. This movement must fight above all to broaden the struggle for worker rights, including the right to strike, to all sections of the working class, including rail workers at CPKC and CN.

More broadly, workers must urgently unite with their class brothers and sisters internationally in joint struggles against the global corporations. To do so, they need to cut through the straitjacket imposed by the Canadian state in concert with the unions through the "collective bargaining process." While they assert that it levels the playing field between workers and employers, the reality is that the treacherous

union bureaucracies represent social interests that are hostile to those of the workers they claim to represent, which is why they act as the junior partners of the corporations to suppress increasingly explosive worker opposition to the employers' attacks.

Thus the "collective bargaining process" is rife with every imaginable hoop and hurdle to contain the class struggle. Provincial and federal labour codes impose all manner of impediments including endless conciliation requirements with government-appointed arbitrators, "cooling off" periods, Industrial Relations Board adjudications, the illegalization of wildcat job actions in standardized labour contracts, fines, legal deployment of scabs, and, when all else fails, back-to-work orders and/or enforced binding arbitration. In effect, quasi-dictatorial powers are activated to guarantee the profits of the corporations over the rights of the working class whenever needed.

The union bureaucracies' decisive role in suppressing the class struggle finds expression in the Liberal/union/New Democratic Party alliance. Union bureaucrats work tirelessly to strengthen the ruling elite's preferred party of national government as it wages war against Russia, defends Israel's genocide of the Palestinians, and implements sweeping austerity to fund a massive military rearmament campaign and the enrichment of the wealthy.

Workers must draw lessons from these betrayals and pursue their legitimate contract demands with the understanding that the union bureaucracies as the junior partners of corporate interests are the main obstacle to their militant struggle. They are determined to keep workers confined to the rigid "collective bargaining" regime, which favours the corporations, because it is from this that the bureaucracy derives its privileges and strengthens its "partnership" with management.

Further, with corporations operating on a global level, the necessity of developing an international struggle is urgently posed. Any attempt on simply a national scale to oppose the ruthless corporate strategy of wage reduction, work intensification and attacks on workers' rights is doomed to failure. Workers should immediately begin to organize rank-and-file committees under the leadership of the International Workers Alliance of Rank-and-File Committees to fight the ruling class onslaught on working conditions and secure decent-paying, secure jobs for all.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact