

Canada's Liberal government preparing massive onslaught on worker rights with revision of Labour Code

Carl Bronski
8 June 2026

Liberal Prime Minister Mark Carney's initiative to "update" the Canada Labour Code aims to strengthen authoritarian state powers to suppress worker struggles, as his government guts public spending to pay for rearmament and war and supports big business in its drive to make Canadian capital more "globally competitive" by increasing worker-exploitation.

Having committed to spend an astronomical 5 percent of the GDP on war by 2035 and further expand the wealth controlled by Canada's billionaires, the government can no longer tolerate even the highly-regulated "collective bargaining" rights extended to the working class in the post-Second World War period to manage class relations.

Carney has his eye on a far-reaching re-write of the labour code that will deeply erode what remains of federally-regulated workers' right to strike and their precarious ability to bargain independently of state interference.

Currently, over one million workers fall under federal jurisdiction, many of them in key areas of the economy, such as transport, logistics, and telecommunications.

The planned attacks would serve as a precedent to be rolled out throughout the private sector, giving the ruling class the tools of state repression and coercion it needs to subordinate all of society's resources to waging war and filling the pockets of big business.

Reforming the Labour Code to boost corporate profitability, fund imperialist war

To give a sense of what is coming, it is enough to note that the Carney government's much-touted achievement of the old NATO target of spending 2 percent of GDP on the military amounts to a mere 40 percent of the 5 percent it has committed to spend on war in just nine years' time. The additional tens of billions of dollars needed every single year to reach this target must be extracted from health care, education, and other public services and social supports. Knowing full well that such policies will trigger mass opposition, the ruling class wants to rob workers of any legal right to strike or resist, and create new mechanisms for government-dictated austerity to enjoy the stamp of "legality."

The review of the existing labour code dovetails with the Liberal government's all-round offensive against so-called restrictive regulations that impede the ability of the corporations to add to their already burgeoning profit rates. "Build, baby, build" is the new Liberal mantra, echoing Trump's fascist agenda in the United States. Hence, measures to meet greenhouse gas emission targets have already been pushed back by decades, pipeline restrictions through pristine aboriginal lands and seas

have been put into question, and billions of dollars in government social expenditures redirected to big business and the military. As Carney recently told a gathering of big business representatives in Vancouver, the need to seamlessly transport goods through efficient trade corridors such as airports, rail lines, ports and logistics delivery companies must be guaranteed.

Carney's goal to further boost corporate profitability comes as the share of Canada's GDP flowing into the hands of the financial oligarchy and business executives in the form of corporate profits is already on the rise. While long-term historical averages sat near 16 percent, post-COVID inflationary pressures and supply constraints saw corporate profits surge to record highs exceeding 21 percent of total GDP by 2022—the highest in Canadian history. Over the same period, labor's share of total national income has fallen, failing to keep pace with overall economic growth or rising living costs.

The proposals currently on the table in Carney's labour code review are nothing less than an all-out assault on worker rights. The review was spurred forward by an intense lobbying effort over the past year by employer representatives speaking for the country's major rail, airline and port corporations. The government is seeking to expand the designation of "essential workers" who would never be legally permitted to strike; lengthen timelines for declaring a strike; extend so-called "cooling off periods;" create more definitive language in the labour code to allow for quick strike-breaking edicts; and impose "special" federal mediators early into the bargaining process who would have the power to call for government intervention.

So far-reaching is the proposed assault on workers' supposedly constitutionally-protected right to strike and bargain collectively, the Carney government felt it wise to quietly convene its review board with limited publicity and with a timeline of just 38 days for the entire "consultation" process. Only participants selected from organizations invited by the government's department of Employment and Social Development Canada (i.e. employers, employer industry representatives and top union bureaucrats) can provide a written submission. The exclusive consultation process actively excludes the working class.

Union officials participating in the "consultation," along with their social-democratic allies in the New Democratic Party (NDP), propped up the last Liberal minority government of Prime Minister Justin Trudeau as it reinterpreted the Canada Labour Code to enforce its class war agenda. Specifically, successive labour ministers unilaterally re-interpreted Section 107 of the Code as granting them the authority to instruct the unelected Canada Industrial Relations Board (CIRB) to end strikes and impose binding arbitration. By this means, the government criminalized job action by Canada Post workers, dockworkers in British Columbia and Quebec, airline mechanics at WestJet and railroaders at the country's two

national railways without so much as a parliamentary debate or vote.

Since the election of a new Liberal government under Carney in April 2025, Ottawa has continued to use the CIRB and Section 107 to issue strike-breaking orders against Air Canada flight attendants, force Canada Post workers to vote on a concessions-filled management offer, and threaten state intervention in a spate of other contract disputes.

The unions, which in every case enforced the government's back-to-work orders, are challenging Ottawa's new strikebreaking powers—sometimes wielded days or even hours after a strike had begun—in the courts. They argue it violates the Canadian constitution's Charter of Rights and Freedoms, while making the obvious point that over the past two years employers in key industries brought contract negotiations to a virtual standstill as they awaited favourable government intervention.

Even Lisa Raitt, a former and notable anti-worker Minister of Labour in the right-wing Conservative government under Stephen Harper, has remarked on the extent to which the Liberal government under Trudeau and now Carney has simply arrogated authoritarian powers. Raitt, now the Vice Chair of the Office of the CEO at the Canadian Imperial Bank of Commerce, commented, "If you find a lawyer who can tell you that it's possible (for the minister to end a strike and order the parties into binding arbitration), then I wish I had their advice 15 years ago. But as far as I'm concerned, you aren't able to do that."

In order to forestall any possibility that a court may eventually decide that the patently illegal use of Section 107 to break strikes is indeed a violation of the Charter of Rights or otherwise place limits on its use, the Carney government is now attempting with its labour code review to strengthen its strike-breaking "tool box."

Carney's move is also informed by the fear that other workers, noting the flimsy legal standing of unilateral strike-breaking maneuvers invoking Section 107, could feel emboldened to defy such orders. After all, Air Canada flight attendants in August 2025 refused to return to work for more than 24 hours after being ordered to do so by the CIRB at the government's direction. Their defiance only ended after the CUPE union bureaucracy connived with government ministers behind the scenes to impose a sellout agreement that was subsequently repudiated by more than 99 percent of the membership.

Whose class interests does the "collective bargaining" framework defend?

Union leaders as well as the new federal NDP Leader Avi Lewis are promising a "hot summer" of labour action if the right to strike is threatened by any revisions to the Canada Labour Code. Workers should not take such pledges at face value, to say the least. In Quebec, the unions huffed and puffed when the CAQ government, taking inspiration from Trudeau's use of Section 107, brought forward sweeping anti-strike legislation (Bill 89), only to bow before it.

To the extent the unions bureaucrats do organize any "action," it will be designed to allow workers to let off steam and avert an explosion of opposition against the government that the unions and their social democrat allies would struggle to control. These ladies and gentlemen are not interested in defending worker rights, including the right to strike, but merely the privileges of the union bureaucrats that rest on the "free collective bargaining" system.

The "collective bargaining process" is rife with every imaginable hoop and hurdle to contain the class struggle. It was instituted in its modern form in the latter stages and immediate aftermath of World War II as the framework for the pro-capitalist, nationalist union bureaucracies to be integrated with the state apparatus and manage the class struggle in the

interests of Canadian capital.

Provincial and federal labour codes impose all manner of impediments for workers seeking to take up a struggle in defence of their interests. These include endless conciliation requirements with government-appointed arbitrators, "cooling off" periods, unilateral forced votes demanded by employers on their contract proposals, crippling "essential worker" designations, Industrial Relations Board adjudications, the illegalization of wildcat job actions in standardized labour contracts, the legal deployment of scabs, and, when all else fails, parliamentary back-to-work legislation and/or enforced binding arbitration.

Only once, some 50 years ago, did a union leader under federal jurisdiction defy a parliamentary back-to-work order. In 1978, Canadian Union of Postal Workers (CUPW) President Jean-Claude Parrot counselled his members to defy a government back-to-work law for 7 days, only to order a return to work in the face of mounting government repression and threats of mass firings. The Canadian Labour Congress under the leadership of Dennis McDermott had privately assured Liberal Prime Minister Pierre Trudeau that the unions would not lift a finger in support of the striking postal workers. The government then made an example of Parrot to intimidate the working class, but also to signal to the bureaucracy that it had to more aggressively curb the class struggle. The CUPW president was jailed for 3 months with an ensuing 18-month probationary period.

The fact that the quasi-dictatorial powers used for decades to guarantee the profits of the corporations and smother the class struggle no longer suffice for the ruling class underscores the devastating scale of the social counter-revolution it wants to impose on working people.

The collective bargaining system is inextricably bound up with the privileges that the union bureaucracy derives from its role in policing the class struggle. Time and again, the union bureaucracy has sacrificed the most basic interests of the working class to enforce the rules and regulations of the state-designed, pro-employer collective bargaining system.

For the official "labour movement"—that is the well-paid union bureaucrats with their six-figure salaries—maintaining the status quo provisions of the Canada Labour Code would be an acceptable outcome of the Carney review. They all support imperialist war and the subordination of the working class to the imperatives of corporate "competitiveness" and profitability.

Workers need to cut through the straitjacket imposed by the Canadian state in concert with the unions through the collective bargaining process. The treacherous union bureaucracies represent material interests that are hostile to those of the workers they claim to represent, which is why they act as an auxiliary agent for "industrial peace" in order to suppress increasingly explosive worker opposition to employer and state attacks.

If the working class is to make real advances, it must move independently of the unions by forming rank-and-file committees in every workplace to break the "collective bargaining" straitjacket. This movement must be armed with a socialist and internationalist program to repudiate the pro-capitalist and nationalist union leaderships, and the never-ending attacks on worker rights that flow inevitably from the bureaucracy's acceptance of the capitalist profit system and the austerity and war that it breeds.



To contact the WSW and the
Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)