Canada’s ruling class exploits “anti-scab” legislation hailed by union bureaucracy to break strikes

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Bill C-58, hailed by Canada’s trade union bureaucracy and social-democratic New Democratic Party (NDP) when it came into force last year as an “anti-scab law” for workers in federally regulated industries, was condemned by the *World Socialist Web Site* as a means of strengthening state control over collective bargaining—one, moreover, that would in practice prove to be no serious impediment to the ruling class’ deployment of scabs to break strikes. While the unions used this law as a major argument to rally around prime minister and former central banker Mark Carney after his victory in the 2025 federal elections, the accuracy of the WSWS’s analysis is being borne out by recent developments at the Bank of Canada.

The Canada Industrial Relations Board (CIRB) ruled for the second time in less than a month on July 22, that management at the strikebound central bank, a key institution of the Canadian capitalist state, were in violation of the recently enacted revisions of the Canada Labour Code in Bill C-58. The CIRB ordered the bank to cease using outside contract workers to perform the duties of striking security guards at its facilities.

Management had been found to be illegally using the services of security guards employed by Pinkerton Consulting and Investigation. The replacement workers had been hired shortly after the central bank had been ordered only two weeks earlier to cease deployment of strike-breakers from Garda Canada Security Corporation. After the first ruling against them, management cynically wrote that it had fully complied with the CIRB ruling.

Some 49 security guards at the Bank of Canada in Ottawa and Montreal, organized by the Public Service Alliance of Canada (PSAC) have been on strike since June 23 in pursuit of wage and benefit increases and to retain shift scheduling rights to ensure a more equitable work-life balance. They are also resisting bank management attempts to cut their parental leave top-ups.

In response to the July 22 ruling, management has insisted that it did not contravene any federal regulations. “The bank contends that it adhered to the Canada Labour Code and to the previous ruling by the CIRB, despite still not having been provided the reasons behind the prior decision,” it stated. “After the first ruling, the bank took alternative measures to secure the physical security of its facilities.” The statement went on to say that the bank is considering “all its legal options” in response to the CIRB ruling.

Management at the Bank of Canada has clearly taken the measure of the state-run labour board that has already been used as the spearhead for recent Liberal government actions to unilaterally and unconstitutionally end strikes and force binding arbitration on the docks, on the railways, at the post office and at the airlines.

But when it comes to disciplining employers in line with the new revisions to the Labour Code under Bill C-58, the CIRB prefers to limit itself to verbal slaps on the wrist. The law provides for fines of up to $100,000 for violations of its regulations. Since the new law came into effect in June 2025, not a single fine has been levied, despite multiple rulings against strikebound companies over the past year.

The blatant class justice on display takes place in the context of a massive onslaught by finance capital on the living conditions and democratic rights of the working class. Carney’s Liberals have pledged to hike spending on the military and related infrastructure to 5 percent of GDP by 2035, and continue handouts to big business and the financial oligarchy by keeping taxes low and subsidies to the corporate elite flowing. This class war agenda necessitates the destruction of what remains of the public services and welfare state provisions won in previous periods of bitter class battles by the working class, and the abrogation of basic democratic rights, like the right to strike.

The dispute at the central bank takes place at the same time that management at Canadian Pacific Kansas City rail (CPKC) has been attempting to parry a string of charges that it too has breached the federal anti-scab legislation during an ongoing strike by 300 signals and communications workers. Workers there, organized by the International Brotherhood of Electrical Workers (IBEW) have been on strike for two months for improved wages and working conditions. Since the outset of that strike, the union has filed complaints with the CIRB that railway management is deploying scab labour.

Beginning a day after the workers walked out, strikers began filming instances of scab contractors illegally performing their work, in flagrant violation of the recent amendments to the Canada Labour Code. A number of complaints were filed with the CIRB. One month later, the labour board finally ruled on its first case, finding sufficient evidence that CPKC had employed illegal strikebreaking contractors at a signals crossing. It also ruled that the use of a company manager to perform work normally done by union workers was legitimate. The board further stated that other complaints currently on file would be examined and ruled on eventually on a “case-by-case” basis.

The House of Commons passed Bill C-58 unanimously in 2024—even with the endorsement of the rabid anti-worker Conservative Party, whose leader, Pierre Poilievre, promised that any future Tory government would not repeal the legislation. The law then officially came into effect in late June 2025. The various union bureaucracies as well as the New Democratic Party were ecstatic. The NDP leader at the time, Jagmeet Singh, gushed that “we will finally pass a law that will once and for all ban scab workers at the federal level.” CUPE National President Mark Hancock hailed the law as an “historic victory.” Canadian Labour Congress President Bea Bruske called the revisions a “significant milestone in the labour movement.”

Striking workers since the law came into effect have not been so enthusiastic. A 19-week strike/lockout that began one day before the new legislation came into force saw some 25 USW organized workers at Rogers communications in British Columbia sidelined by the company’s use of a clause in the new labour code that allowed them to fly in managers from across the country to perform their work. Telecommunications companies, airlines, railways and logistics firms have extensive management structures spread across multiple regions often staffed by supervisors and lower-level managers previously drawn from the ranks of the general workforce who can be mobilized at least in smaller strikes. A critical clause in the new regulations allows for such deployments.

The gaping loophole prompted NDP MP Don Davies to meekly propose legislation to remove the clause, despite his praise of the code revisions. “It’s robust,” he said. “If we read into the intent of the law, I do believe it would give us the upper hand. My worry is the word of law and the purpose of law don’t necessarily always coincide when it gets to court. I do really think that’s a bit too early to say, but I would like to believe that this can still be a good thing.”

In any case, it is doubtful that the NDP’s milquetoast motion will ever be put to a vote. To pre-empt growing worker push-back on the anti-worker Canada Labour Code, and to fill in any legal hurdles brought about by dubious use of the code, the Liberal government of Prime Minister Carney has convened an initiative to “update” the Canada Labour Code. It 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.

Since the election of a new Liberal government under Carney in April 2025, Ottawa has continued to use the CIRB and Section 107 of the labour code 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 move follows on from his predecessor’s government where Prime Minister Justin Trudeau cooked up a patently illegal use of the CIRB to end strikes at the Pacific ports and the Port of Quebec, at both national railways and against mechanics at WestJet.

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

Showing the utter bankruptcy of the unions’ legalistic appeals, CLC President Bruske recently remarked, “If you’re going to break a strike, at the very least debate it in Parliament and let Canadians see where their MPs stand on protecting workers’ rights,” Bruske went on to peddle the labour bureaucracy’s absurd definition of the state as simply a neutral referee, “ensuring fairness and respect for the rules.”

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 now attempts with its labour code review to strengthen its strike-breaking “tool box.”

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.

Provincial and federal labour codes already 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, forced votes demanded unilaterally 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.

Workers must understand that their struggles today are not simply collective bargaining struggles. They are social and political ones that pit the working class against the class war agenda being pursued by the federal and provincial governments in lockstep with the corporations. 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 workers are to make real advances, they must move independently of the pro-company unions by forming rank-and-file committees in every workplace to arm workers with a socialist and internationalist program to oppose the never-ending attacks on workers’ rights that flow inevitably from the capitalist profit system, which breeds austerity and war.