



Focus On Socialism

The Political Journal of Canadians for Peace and Socialism

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CANADIANS FOR PEACE & SOCIALISM

STATEMENT ON

**UNITED TRANSPORTATION UNION
(UTU)**

CN WORKERS STRIKE

www.FocusOnSocialism.ca



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Focus On Socialism

FOS is the political journal of Canadians For Peace and Socialism (CPS). In it we address current national and international issues. We strive to bring a Marxist-Leninist viewpoint to the struggle of Canadians for peace, progress and socialism.

Focus On Socialism is published 3 – 4 times a year. The journal is made possible through volunteer labour and the generosity of our readers and members through their donations. We appeal readers and supporters to help us continue the publication of the journal in these turbulent times of rapid change throughout the world. The analysis it gives is needed now more than ever.

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CAPITALISTS DECLARE CN WORKERS ON ILLEGAL STRIKE

BY: WC O'CASEY, FEBRUARY 13, 2007

Bloated with \$2.1 billion in profits from last year's unpaid labour time of Canadian National Railroad workers, CN has declared that the strike by United Transportation Union members is illegal. UTU workers are pressing for increases in pay, longer work breaks and better work conditions and greater safety for its members. This translates into retaining the workers "current lifestyle". The workers are fighting to stop daily, abuse, harassment and intimidation by CN company officials.

The strike has set in motion contradictions within the UTU International and the Canadian Union, exposed a greedy investor class living off of CN workers and lays bare the necessity to nationalize the rail and inter-modal system in Canada. The UTU International leadership has denied strike authority stating that it is "violation" of the UTU constitution.

Opportunistic, CN is using the desertion by the UTU International leadership in standing in solidarity with the Canadian members, as a pretext to seek back to work legislation with the Canadian Industrial Relations Board, pit workers against farmers and break the Canadian Union. Canadian Members of UTU are united in the efforts of the Canadian Union to confront the rail monopoly and protect their incomes, safety and health. 2086 Canadian UTU members voted 96.9% in favour of strike



action and are determined to continue the strike even without strike pay from the international.

UTU INTERNATIONAL ABANDONS CN WORKERS

UTU International President, Paul Thompson, has abandoned Canadian members by refusing strike pay in favour of siding with the Canadian rail monopoly by declaring that the strike, ratified by the overwhelming majority of Canadian UTU members and legal under the Canadian Labour Code, is illegal under the UTU Constitution.

In a crassly worded message to General Chairpersons Rex Beatty (GO-105), Bryan Boechler (GO-129), Sylvia Leblanc (GO-759), and Raymond LeBel (GO-121), Thompson said, “Rather than having the assistance of the largest railroad union in North America - numbering some 125,000 active and retired members - and the substantial resources of the International on their side, our brothers and sisters in Canada have been put in a position of having to fend for themselves.”

Thompson, in a letter sent to Betty, Boechler, LeBlanc and LeBel, said that he has “no idea as to the issues in the strike” while at the same time is “fully aware of the Canadian law requiring a vote of the membership regarding a strike”, stated, “That is not a requirement under the UTU Constitution.” In other words US union constitutions supersede Canadian law.

RAIL MONOPOLY CN ATTACKS WORKERS

CN laments on their web site that, “the United Transportation Union (UTU) demanded excessive wage increases during negotiations that broke off Feb. 9, 2007”. CN has stated that 25% of the UTU members on strike receive an average annual salary of \$90,000, while the remainder has an average salary of \$75,000. UTU is seeking a 3-year contract with wage increases of 4.5%, 4.5% and 4% in each of the respective years.

CN boasted in it’s 4th quarter “[2006 Quarterly Release](#)” statement that the rail giant has “increased 2006 net income of C\$2,087 million, an increase of 34 per cent”, posted “recorded revenues of C\$7,716 million” and “record cash flows of C\$1,343 million”. E. Hunter Harrison, president and chief executive officer of CN, said, “The year 2006 was a strong one for CN, with



the company generating record revenues and free cash flow and its best-ever annual operating ratio." The CN capitalists however do not consider these as "excessive".

Over the life the contract tabled by UTU, CN will have to pay \$C30 million. This accounts for only 1.42% of 1 year's profits of the rail monopoly. Over a three year period with projected earnings similar to 2006 that will cost CN a paltry ½ of 1% of net income. Over the life of the contract rail workers will average a mere \$225.00/month of after tax pay – enough to fill a members gas tank for 2 weeks or by 1 weeks worth of groceries or by a couple pair of jeans for the kids or pay 1 months heating bill! Wow they are greedy!

In the [CNR Consolidated Statement of Income](#), Operating Expenses for labour showed a drop of 2% or \$US41 million from 2005. CN saved \$C46 million on wages or in other words CN could increase each worker's wages on strike another \$160/month over the life of the contract and still break even, and all on one years operating expense savings!

So, clearly wages is not an obstacle for CN in settling the strike. CN is bloated with cash, revenues and profits! It is about breaking a union and opening up GoTrain contracts to open shop contractors; pitting farmers and workers against each other during the CWB ratification vote and linking Canadian union contracts closer to US labour laws in Canada.

WHAT WILL STRAHL DO?

Currently there is about 500,000 metric tons of grain marked for delivery to ships waiting in Prince Rupert and Vancouver in the next two weeks. Maureen Fitzhenery, spokeswoman with the CWB stated that demurrage charges for the vessels are a difficulty for the CWB. Fitzhenry said, "We really cannot take any more delays at this time" and that the CWB will urge Canada's labour minister to take steps to help end the strike quickly. The CWB has asked the federal government to "do what ever it can" and this includes introducing back-to-work legislation.

Chuck Strahl will no doubt "understand" the situation and do everything in his power to resolve the "impasse" with the UTU and CN to keep the grain moving. Strahl has said that he won't intervene in the strike. Strahl said, "It would be inappropriate for the government to step in right now when the company has actually made an application to the Industrial Relations



Board, and that has to follow a due process. We wouldn't want to intervene in what is an arm's-length thing at this time."

This is simple electioneering, coordinated by CN, the Harper Conservatives and big agricultural corporations looking for cheaper transportation and low commodity prices for barley and grain and a rail system free of organized labour in an attempt to extract even greater profits from Canadian workers. Strahl cannot openly side with the rail monopoly at this time as he has said; it would expose the Harper Conservative's labour agenda just before an election. And besides CN has the courts and big capital on their side, to attack 2800 workers and their families.

The farmers seeking support from workers in their battle to save the Canadian Wheat Board are placed in a potential divisive situation. Farmers need to come to the support of the UTU strikers and show solidarity with their fight. This will put pressure on CN and anti-wheat board forces to reverse the dismantling of the marketing board.

PETTY BOURGEOIS LABOUR LEADERS

The UTU International leadership is playing petty bourgeois labour politics and undermining Canadian sovereignty in an attempt to assert its authority over the Canadian membership. These actions by the UTU International serve only the bosses and open the door to weakening organized labour in Canada. And where is the CLC in all of this - not a word?

Canadian monopoly capital can only be forced into concessions through the combined efforts of the whole of the labour movement both in Canada and the US. Until then workers will be forced to "go it alone". And they will. This is a historic and crucial labour battle and should be supported by all workers and union leaders. Canadians for Peace & Socialism support the heroic efforts by the UTU Canadian members engaged in a just struggle for better pay, working conditions and health of ALL working Canadians.



[United Transportation Union Web Site](#)



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