

Written submission for the Government  
of Canada consultations to strengthen  
labour relations and better support workers



Canadian  
Chamber of  
Commerce  
Chambre de  
Commerce  
du Canada

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## Introduction

The Canadian Chamber of Commerce welcomes the opportunity to participate in the Employment and Social Development Canada (ESDC) consultations on strengthening labour relations and better supporting workers.

Our recommendations reflect the view of Canada's largest and most activated business network — representing 400 chambers of commerce and boards of trade and more than 200,000 businesses of all sizes, from all sectors of the economy and from every part of the country.

Investor confidence is contingent on predictability. Where stability cannot be assured, capital is reallocated without hesitation; at a time when the United States is actively deploying tax and regulatory instruments as competitive levers and global investors are scrutinizing jurisdictions for relative advantage, Canada cannot afford to fall behind.

Canada's productivity challenge is eroding our international standing. As of 2023, the Organisation for Economic Co-operation and Development ranked Canada second lowest among G7 nations in GDP per hour worked, in contrast to the United States, who leads the group by generating \$24 more in GDP per hour per worker than Canada. Should this remain unaddressed, launching and scaling a business in Canada will be done from a position of relative weakness, thereby incentivizing global enterprises to seek more competitive environments elsewhere.

Over the past few years, 240+ chambers of commerce, boards of trade, and industry associations have reached out to the Canadian Chamber to sign their names to letters calling on government to address the repeated work stoppages because communities across the country have been bearing the brunt of these disputes.

An inability to address the ongoing uncertainty created by repeated labour disruptions will ensure we do not have the stable and efficient supply chains needed for Canada to deliver the goods. We need to see leadership that ensures trade can flow uninterrupted for the Canadian businesses, and the workers they employ, who are counting on it.



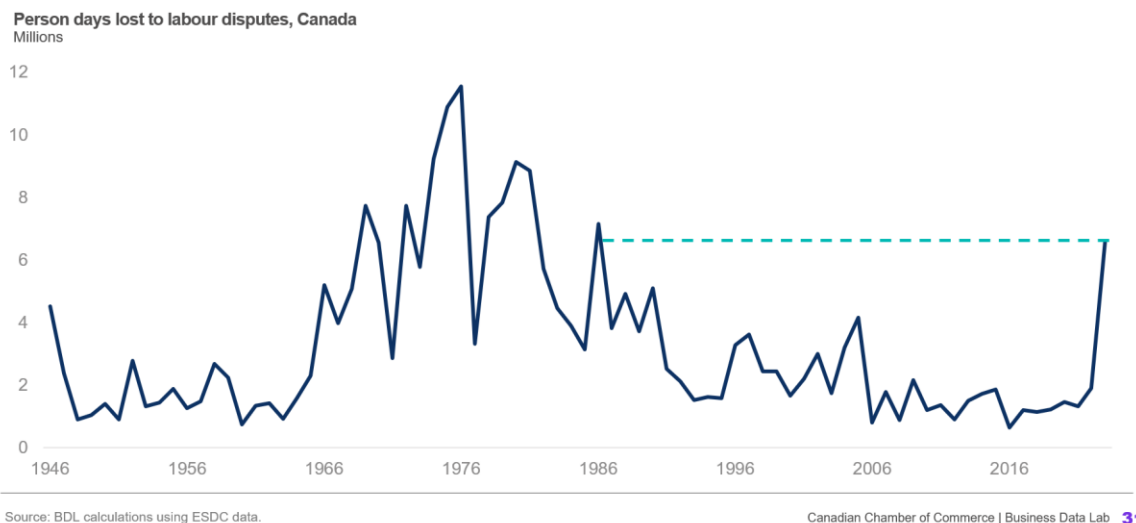
## Supply Chain Challenges

Canada is a trading nation, with trade accounting for [two thirds of Canada's GDP](#) according to the World Bank, and so reliable supply chains are non-negotiable.

Over the years, we have seen the list of challenges that impact our supply chains, yet sit outside of our control, continue to grow: the COVID-19 pandemic, extreme weather events such as wildfires, floods or historic drought in the Panama Canal, Russia's invasion of Ukraine, and attacks on merchant vessels in the Red Sea. This year, increasing geopolitical uncertainty has resulted in blockages in the Strait of Hormuz that remain unresolved. These challenges compound, which leaves Canadian trade even more vulnerable.

Despite the importance of trade, and our lack of ability to prevent supply chain disruptions overseas, we have allowed labour disputes to considerably increase over the past years. Our [Business Data Lab's analysis of Employment and Social Development Canada data](#) revealed that in 2023, Canada lost the most working days to labour disruptions since 1986.

### **Context: 2023 saw the most days lost to labour disputes since 1986.**



In 2024, the Canadian rail network ground to a halt, and then later, our largest East and West Coast ports shut down simultaneously. Looking back to the summer of 2023, major stoppages that can be added to the list include Vancouver grain terminals, the St. Lawrence Seaway, two major airlines, and the B.C. ports (again), along with an overwhelming strike mandate from Canada Border Services agents.

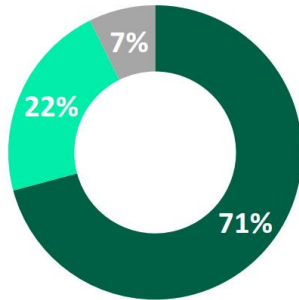
If we cannot ensure labour stability and the predictable movement of goods, we simply cannot ensure businesses can keep the lights on and cut the paychecks Canadian workers use to provide for their families.

This has not gone unnoticed, and Canadians are concerned. A [survey conducted by Nanos Research](#) in late 2024 revealed that Canadians are over 11 times more likely to say that the federal government is doing too little when it comes to ensuring labour stability and reliability



of our nation's critical supply chain, while a majority of respondents are concerned about the impact of labour disputes on the affordability and availability of goods.

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- That the Federal Government intervene to protect the public interest to ensure that Canada's transportation supply chain of food and materials is reliable by ending shutdowns by possibly ordering arbitrations
- That labour strikes or lock-outs as part of labour negotiations be allowed to possibly disrupt the movement of food and materials
- Unsure

\*Weighted to the true population proportion.  
\*Charts may not add up to 100 due to rounding.

## Preference for government intervention in labour disputes at ports or with railways

**7 in 10** Canadians

say it is more important, in the case of a labour dispute, that the Federal Government should intervene to protect the public interest to ensure that Canada's transportation supply chain of food and materials is reliable by ending shutdowns by possibly ordering arbitrations.

Older Canadians aged 55 plus are more likely to say it is more important that the government intervenes in the case of a labour dispute (80%) than younger Canadians aged 18 to 34 (59%).

Q – What is more important in the case of a labour dispute at a port or with a railway where negotiations and meaningful collective bargaining have failed? [ROTATE]

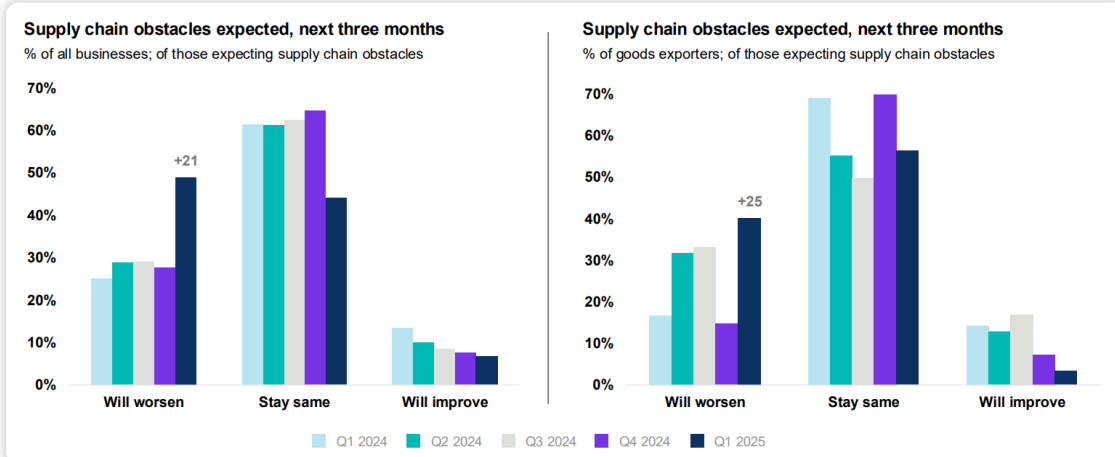
Source: Nanos Research, RDD dual frame hybrid telephone and online random survey, November 4<sup>th</sup> to November 6<sup>th</sup>, 2024, n=1010, accurate 3.1 percentage points plus or minus, 19 times out of 20.



Additionally, Statistics Canada's Canadian Survey on Business Conditions revealed that in Q1 of 2025, exporters, usually among the most optimistic businesses, were trailing other firms, with the drop reflecting supply chain disruptions, tariff anxieties, higher costs, and softening demand. 90 percent of businesses experiencing supply chain disruptions were expecting conditions to remain the same, or worsen, over the coming quarter.

## Surging concern: More firms see supply chain obstacles worsening in early 2025.

30



Source: BDL analysis using Statistics Canada's Canadian Survey on Business Conditions.

Business Data Lab



Further insights from the Business Data Lab concluded that the previous year's labour disruptions at ports and railways acted as a self-inflicted shock, [directly impacting 180,000 businesses](#) and sending ripple effects through Canada's trade infrastructure, worsening supply chain bottlenecks for exporters.

The Bank of Canada has raised the pressing need to increase productivity, noting in its assessment that our nation has trade agreements granting us [better access to global markets than almost any country in the world](#). Along with that access comes opportunity as the world increasingly needs what Canada can provide; we have the resources to meet the world's demand for food and energy security, but we risk squandering that opportunity if we don't act with urgency.

Impacts overseas are important to note as well. A country's crop seasons mean potash shipments are time-sensitive in nature, and these disruptions have a direct impact on global food production. As an example, Indonesia is the world's 5<sup>th</sup> largest potash consumer, and potash is the largest Canadian export to that country. Following the B.C. Ports strike, however, [Russia replaced Canada as Indonesia's leading potash supplier](#).

While these labour disruptions have highlighted the direct impacts on trade, consequences for Canada's tourism sector are also significant, given it is a major economic driver for communities across the country, supporting jobs, local businesses, and regional development. Aviation plays a critical role in connecting visitors, workers, investors, and businesses to Canadian destinations and global markets. As the tourism sector looks to meaningfully contribute to the federal government's ambition of [growing trade by \\$300 billion](#), Canada must be viewed internationally as a reliable and predictable destination.

Stable connectivity and dependable air services are also essential for attracting foreign investment and enabling business activity across the country. Disruptions affecting Canada's aviation sector do not only impact passengers; they create broader economic consequences across sectors that rely on timely travel, integrated supply chains, and access to global markets, as it is critical to the movement of goods, particularly high-value and time-sensitive products. According to the International Air Transport Association, air cargo accounts for [roughly one-third of global trade by value](#). Repeated transportation disruptions, uncertainty across supply chains, and broader concerns around system reliability risk undermining business confidence, travel demand, and Canada's competitiveness.

Looking at where we are today, free flowing trade with the United States is no longer a given. The Prime Minister has stated his objective of doubling Canada's non-U.S. exports over the next decade, and while speeding up our ability to build trade-enabling infrastructure projects is critical, so is convincing our international trading partners that we can deliver the goods.

## Economic Impact

The Greater Vancouver Board of Trade estimated that [\\$10.7 billion of trade was disrupted](#) during the 2023 BC Ports Strike, covering a wide range of products from manufacturing, autos, forestry, agriculture, energy as well as consumer items and apparel. The 13-day strike resulted in exports from British Columbia ports falling 23 percent in July, hitting their lowest point since the COVID-19 pandemic began.

Further, CN stated that 13 days into the strike, 170,000 feet of box cars were left sitting, unable to move, while the Association of American Railroads reported a 46 percent drop in freight rail traffic entering the U.S. from Canada.



When the strike resumed on July 19 after a brief pause, leading potash exporter, Canpotex, announced they were withdrawing all offers for new sales until they could rely on supply chain predictability through the Port of Vancouver, which handles 70 percent of their exports.

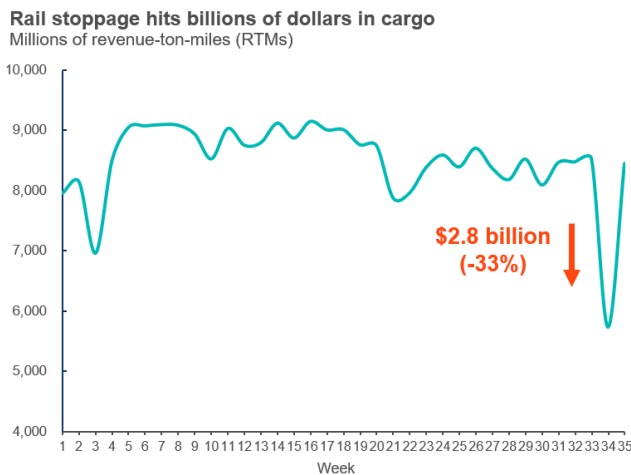
These disruptions were felt well beyond ports on Canada's West Coast. The backlogs created by the strike rippled through supply chains, causing work disruptions and congestion across the transportation system for in-land rail and trucking connections, with delays and higher costs for businesses and consumers — not only those in Canada, but in the United States and several Asian-Pacific countries.

Later in the fall, another strike shut down the St. Lawrence Seaway. With \$181.1 million in economic activity per day, estimates were that over the course of the 8-day strike, the impact reached a staggering figure of nearly \$1.4 billion across the entire waterway.

Moving to 2024, the shutdown of Canada's rail network stopped the movement of goods across the country. According to the Railway Association of Canada, our two freight railways transported a total of more than \$380 billion worth of goods in 2022, and approximately half of the country's exports.

The 2024 rail stoppage, the largest in recent Canadian history, had a significant impact according to our Business Data Lab, disrupting nearly \$3 billion worth of revenue-ton-miles for major carriers CN and CPKC.

### **Nearly \$3 billion in cargo disrupted by largest rail stoppage in recent Canadian history.**



The recent rail stoppage, the largest in recent Canadian history, had a significant impact, disrupting nearly \$3 billion worth of revenue-ton-miles for major carriers CN and CPKC.

With embargoes ensuring a safe and orderly shutdown beginning 10 days ahead of the stoppage, and most activity halted for four days, there was considerable impact on our supply chains and economy.

Fortunately, both companies quickly resumed operations, allowing them to recover weekly volumes just in time for the critical harvest season.

Notably, the high-frequency rail container data within the *Business Conditions Terminal* picked-up the impact quickly. When shocks like this occur, the need for real-time insights becomes crucial. That's where the Canadian Chamber's Business Data Lab (BDL) comes in. Our tools can help you track business conditions and economic shocks as they unfold.

Sources: Business Data Lab analysis; CN & CPKC data.

Canadian Chamber of Commerce | Business Data Lab

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Looking to the Port of Montreal later in the year, close to \$400 million worth of goods pass through every day, meaning significant disruption when strike action began, this time happening at the same time as a shutdown of our West Coast ports for the second year in a row. To quantify this further, Transport Canada had carried out an analysis of the impact of a



[shutdown at the Port of Montreal in 2021](#), and results indicated net losses to GDP of \$40 million in the first week, rising rapidly to \$100 million thereafter.

Finally, grain terminal elevators at the Port of Vancouver also went on strike that year, a considerable concern given they receive just over half of all grain produced across Canada. They handle and export most of the grain that farmers in the prairies grow, and this strike stopped nearly 100,000 metric tonnes of grain that flow through these terminals daily, resulting in a [loss of \\$35 million in potential exports every single day](#).

## Recommendations

The recent increase in work stoppages in Canada, especially in the transportation sector, makes Canada a less reliable trading partner on the world stage. The only way the federal government will meet its goal of doubling non-U.S. exports over the next decade is to provide labour stability via existing and new dispute resolution tools.

On the question of appointing a special mediator, this would come after extended negotiation with the assistance of highly respected and consistently successful federal mediators when both sides are too far away from an agreement.

In the interest of keeping the parties at the table and bargaining in good faith, a third party special mediator would look at the issues that are in dispute and recommend to the parties, but also the Minister of Labour, what the terms of a fair collective agreement should be, providing recommendations based on the feasibility of getting to a negotiated agreement.

With regard to the use of section 107 of the *Canada Labour Code*, without this tool, it is unclear what powers the federal government would have access to in the interest of preserving industrial peace during major transportation work stoppages, and how they could act to protect both the national economy and Canadian workers. In the various conflicts we have seen in recent years, it became clear a legislative solution could have been struck down due to political motivations, so ensuring the elected government has the authority to act is critical.

Given the outsized potential for economic damage and amid ongoing geopolitical uncertainty, the Canadian Chamber recommends that the federal government:

- **Amend the *Canada Labour Code* to provide new dispute resolution tools for all federally regulated transportation infrastructure, including the appointment of a third-party, special mediator when a negotiated agreement is not possible.**
- **Ensure the federal cabinet has the power to act if collective bargaining has failed to limit further damage to the Canadian economy and workers across the country.**
- **Enable a B.C.-wide geographic certification to provide certainty to bargaining and align Canada's West Coast with the rest of the country's ports, as well as our major competitors in the United States.**