

# Liberals' Canada Post review lays basis for massive assault on postal workers

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The task force mandated by Justin Trudeau's Liberal government to conduct a review of Canada Post's services recently issued its report. While its stated purpose was to advance a discussion of the state of postal services, the review's outcome was entirely in line with the Crown Corporation's demands for major structural changes and lays the ground for a massive attack on postal workers.

The four-member task force, headed by Montreal businesswoman Françoise Bertrand, made a series of alternative policy recommendations. These include charging for home delivery, reducing by half the number of delivery days, or dramatically hiking the price of stamps. The report also suggested that the government-owned company sell 800 of its busiest postal retail outlets to the private sector and close and consolidate postal sorting stations.

It is becoming ever clearer that Canada Post, with the full collaboration of the federal government and the complicity of the bureaucrats of the Canadian Union of Postal Workers (CUPW), is using the postal review to build political support for a major cost-cutting operation and the privatization of large swathes of its operations. The report also set the tone for the "second phase" of the review, which consists of public hearings across Canada and a House of Commons' committee report to be issued in December.

The task force's document is a devastating exposure of CUPW, which justified its steadfast refusal to mount strikes during the recent nine-month collective bargaining process on the basis that the postal review was in its members' interests and that any job action would disrupt this advantageous process. In reality, it was clear from the outset that the review would come down fully on the side of management, particularly after Liberal Minister for Public Services Judy Foote stipulated that any recommendations had to be premised on running Canada Post as a profitable business.

Among its list of recommendations, the committee urged the Liberal government to resume the phase-out of home delivery and replace it with community mailboxes for a third of the Canadian population (5 million out of 15 million addresses). This measure was first implemented in 2013 by the former Harper Conservative government, but it was suspended with the coming to power of the Liberals, in line with a pledge Trudeau

made during the 2015 election campaign to gain popular support.

The report claims that reinstating full door-to-door service would cost \$1.2 billion annually and recommends the government charge a \$124 fee a year for those who want that service.

When issuing the report, Bertrand declared that "the financial challenges are large and growing at an accelerated rate." Despite the draconian changes proposed by the committee, which according to it would generate \$762 million a year in savings or revenue gains for the company, Bertrand warned that they will be "insufficient to bridge Canada Post to a financially sustainable future" and that "other fundamental and transformational changes must be brought to bear."

Echoing Canada Post management's call for a frontal assault on pensions, Bertrand also said the Crown Corporation cannot keep its operations going unless the \$8.1-billion solvency crisis in its pension plan is tackled.

Canada Post was predictably enthusiastic, hailing the committee's report for endorsing "the path the corporation was taking to secure its future for Canadians." For years now, Canada Post has used the pretext of financial difficulties stemming from technological change, including the growth of online shopping and the decline in letter volume, to restructure postal services and impose massive concessions on its 50,000 employees.

The cuts at Canada Post are part of the Canadian ruling elite's drive to dismantle and privatize what's left of social and public services in a context of deepening capitalist crisis. In this they have the support of the trade union bureaucracy, which is working hand in glove with the bourgeoisie to suppress worker resistance to capitalist austerity.

The postal task force report was issued just days after CUPW reached a 2-year tentative contract agreement with Canada Post, which includes significant rollbacks. According to the deal, on which postal workers must still vote, rural and suburban unit mail carriers (RSMC) will see a meagre 3 percent wage increase over the next two years. The majority of CUPW members, those in urban units, will receive even less, a mere 2 percent increase. In real terms, when inflation and various price hikes are taken into account, this represents a significant wage

cut.

The contract also allows for delivery “flexibility” during weekends, morning and evenings, with the new work-stream to be performed by temporary employees. The union also accepted a management demand to push back for a further 19 months resolution of the pay inequities between urban and rural workers. The latter are paid 28 percent less than their urban colleagues.

Canada Post did temporarily back down on some issues, including its demand to eliminate the defined-benefit pension plan for new hires and switch to an entirely defined-contribution plan. The company, however, will use the postal review recommendations as a rationale for deeper cuts when the collective agreement expires in just 2 years. Moreover, the recent capitulation of Unifor at General Motors, where the union imposed a sell-out deal that includes transferring all new hires onto a defined-contributions scheme, has already led to calls from the ruling elite for this pattern to be followed across all economic sectors.

After signing the tentative agreement, Mike Palecek, the self-styled “left” leader of CUPW, declared he was “pleased that our members don’t have to resort to taking job action.” This comment is only the culmination of CUPW’s bankrupt perspective. During the entire labour dispute the union refused to mobilize its membership to fight Canada Post’s reactionary demands and opposed linking the defence of postal services to a broader working-class offensive in defence of public services and worker rights.

Palecek, an ex-leader of the pseudo-left group Fightback, isolated postal workers, opposing any and all job action until hours before the union’s legal strike mandate was set to expire. Then he and the CUPW leadership called for a phony rotating “overtime ban,” which under government pressure they repeatedly postponed until coming to terms with management.

Palecek justified the union’s craven capitulation by claiming that a strike would impede the Liberal’s postal review and, in line with the union’s acceptance that Canada Post must be run as profit-making enterprise, repeatedly appealed for business support, touting proposals to “grow” the post office and make it more competitive. Under his leadership, the unions mounted a reactionary and diversionary campaign for Canada Post to increase its revenues and profits by launching a postal banking service. Both the company and the Liberals’ task force rejected this proposal.

CUPW has repeatedly signaled to management and the government its willingness to expand its role as an accomplice in the attacks on postal workers. The last time CUPW proved its total subservience to the ruling elite was in 2011 when it capitulated before the Harper Conservative government’s strike-breaking legislation, then signed a concession-laden agreement that enabled Canada Post to rake in millions in additional profits in the ensuing years.

While CUPW claimed it was disappointed with the task

force’s document, it bears full responsibility for such an outcome. Its entire perspective was based on support for the big business Liberal government, which Palecek presented as a friend of working people, and its postal review. During last year’s elections, CUPW played a leading role in the union bureaucracy’s “Anybody but Harper campaign” which paved the way for the Liberals’ victory. CUPW continues to sow the most fatal illusions in this right-wing bourgeois party, which implemented the most savage social spending cuts in Canadian history when it last held office and which is currently rapidly expanding Canada’s participation in US-led wars and military-strategic offensives around the globe.

Despite the evidence that the pro-corporate Liberal’s postal review is a fig leaf for further attacks on postal workers, CUPW leadership is now calling on its members to campaign during the government-led public hearings for their voice to be heard.

What the labour conflict at Canada Post has demonstrated is that to defend their jobs and postal services, workers need an entirely new political strategy. Postal workers should first of all reject the rotten collective agreement just signed by their union leadership, which seeks to demobilize workers as management and the Liberal government prepare the ground for further attacks.

Postal workers need to take the struggle out of the hands of the pro-capitalist CUPW and build independent rank-and-file committees that should fight for a working-class counter-offensive, drawing in workers in both the public and private sectors, in defence of public services and workers’ social rights. Such a struggle will bring the working class into headlong conflict with the entire big business elite, their political parties and state, and pose the need for a workers’ party, based on a socialist-internationalist program, to fight for workers’ power and the reorganization of socio-economic life on the basis of social equality.



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