

Canada Post seeks to block constitutional challenge to strike ban, receives \$1 billion government bailout

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Are you a postal worker, or employed in the delivery or logistics sector? We urge you to contact the Postal Workers Rank-and-File Committee at canadapostworkersrfc@gmail.com or by filling out the form at the end of this article.

The Canadian Union of Postal Workers (CUPW) reported January 17 that renewed contract negotiations with Canada Post had broken down after just two days. This came after executives of the Crown corporation made the outrageous demand that the union drop a constitutional challenge to last month's Canada Industrial Relations Board (CIRB) order illegalizing a month-long strike by 55,000 postal workers.

The CIRB order was issued at the behest of the Liberal government of Prime Minister Justin Trudeau, and on the express instructions of Labour Minister Steve MacKinnon.

It was based on a patently illegal, newly cooked-up interpretation of Section 107 of the Canada Labour Code, which arrogates to the government the ability to end strikes in federally-regulated sectors without even the democratic fig leaf of passing strikebreaking legislation in Parliament.

These powers, presented as necessary to maintain "labour peace," have now been invoked by the Labour Minister four times in six months to rob workers of their right to strike at the airlines, railroads, docks and now the post office. The repeated use of Section 107 amounts to rule by decree in favour of big business by a minority Liberal government that has been propped up by the New Democrats and the trade union apparatus as it has enforced ruthless austerity and waged war around the world.

The CUPW bureaucracy acquiesced without a whimper to MacKinnon's order. It trampled on growing demands from the rank and file to defy and maintain their picket lines by policing the return to work. CUPW's capitulation handed the initiative to management, which is pushing for the total restructuring of Canada Post so it can compete with low-wage delivery companies like Amazon and UPS.

According to a bargaining update from CUPW President Jan Simpson, "rather than prioritize settling new collective agreements, Canada Post tried to impose strict limits on our

legal rights in our constitutional challenge to the Minister of Labour's use of section 107 to end our strike. The Corporation made it clear that it put its narrow legal interests over and above workers' interests in good, stable jobs and a strong public post office."

A request from the WSWs to CUPW for further clarification of management's demands has so far gone unanswered. However, Simpson's statement makes clear enough the arrogant and flagrantly anti-democratic stance taken by Canada Post management. Canada Post executives spent over a year in more than 100 bargaining sessions pleading poverty and dismissing postal workers' just demands, knowing full well that the Trudeau government would ultimately intervene to assist them in imposing still further concessions with some form of draconian strike ban. Having successfully stonewalled bargaining and obtained the CIRB's strike ban, Canada Post now has the audacity to insist that the union should not even have the right to legally challenge it.

Canada Post management's attempt to pressure CUPW to withdraw its constitutional challenge points to the dominance of the financial oligarchy over all aspects of social and economic life. The WSWs has noted the violent realignment of politics around the world to correspond with the true state of class relations, which finds its clearest expression in Trump's drive to establish a fascist dictatorship in the United States. Under conditions of rampant social inequality and the ever more direct control of the oligarchy over the state and government, basic workers rights, including the right to strike and collectively bargain, are no longer worth anything in the eyes of the capitalist ruling elite.

MacKinnon's decision to rob postal workers of the right to strike, which he declared to be merely a "time out," unilaterally extended the old contracts for urban and rural postal workers until May. It also established an Industrial Inquiry Commission, headed by seasoned federal arbitrator William Kaplan, which began hearings Monday.

Kaplan's commission, which has been given a wide remit in examining Canada Post's entire operations, is an entirely stage-managed affair whose purpose is to deliver an endorsement of

the “Amazonification” of the workforce and the trashing of workers’ pensions and other rights—all in the name of a “return to profitability.” This is to be achieved by expanding the use of low-paid, temporary and part-time workers to dramatically lower labour costs, the extension of deliveries to the weekends in order to compete with parcel couriers, along with the deployment of artificial intelligence (AI) and other technologies to slash the workforce and increase workloads.

The report over the weekend that Canada Post has secured a \$1 billion loan from the Trudeau government is a key element of this restructuring agenda at the expense of postal workers. Presented as necessary in order to maintain operations this year as the post office confronts “significant financial challenges,” its real purpose is to keep financial investors happy while further savage attacks on the workforce to boost profitability are implemented. A \$500 million bond issued in 2010 to maintain operations is set to come due this summer and the company claimed that without a government bailout it would not have the cash on hand to pay bondholders.

Throughout the talks with CUPW, management has repeatedly pointed to more than \$3 billion in losses since 2018, due to mail volumes shifting away from letter mail and toward parcels. These losses have been cited as the reason to attack wages, jobs and working conditions across the board in order to return to profitability.

While Canada Post is a Crown corporation overseen by the federal government, it is not publicly funded. The postal service is run as a for-profit operation which makes money based on the sale of stamps and other products and services. Stamp prices were raised by 25 percent this month, a move which is expected to raise \$80 million in annual revenue, while adding an additional burden to those who send mail. However, management and Bay Street see this as a mere drop in the bucket in their pursuit of restructuring.

Already discussions are underway of how best to cannibalize Canada Post and hand off its most profitable operations to private corporations. Carleton University business management professor Ian Lee, himself a former Canada Post executive, outlined a scenario to CBC News earlier this month in which urban postal operations would be handed to for-profit couriers, home delivery routes ended in favour of post boxes inside franchises in grocery stores and pharmacies, and a reduction of Canada Post to a rump, taxpayer subsidized operation focused on deliveries to rural and remote areas.

“There is a future. It’s going to be a very different organization. It’s going to be much smaller,” Lee told CBC News. “It’s going to be restructured. The only question is when and to what extent, and what will be the proposition offered when they restructure?”

Lee’s vision for Canada Post would entail the layoff of thousands of workers and the transformation of the remainder into low-paid part-time and temporary workers.

In contrast to the vision put forward by Lee and Canada Post

management, and the acquiescence of the CUPW apparatus to the rigged industrial inquiries commission, the Postal Workers Rank-and-File Committee (PWRFC) insists that postal workers’ livelihoods and public services must not be sacrificed on the altar of capitalist profit.

Rank-and-file workers must seize control of their struggle from the hands of the bureaucratic union apparatus and break out of the collective bargaining straitjacket that management and CUPW have used to impose one round of concessions after another on workers for decades.

The PWRFC insists that workers should fight for a program based on what workers need, not what management declares is affordable. The vast technological changes, including the introduction of AI to determine routes, are in the hands of management being used to gut working conditions and increase workloads to make more money for corporate investors. But under workers’ control, these same technologies could be used to reduce workloads with no loss of pay and protect all jobs. But this is impossible under the leadership of CUPW, which is no less committed than corporate management to the idea that the postal service must make a profit.

The issues confronting postal workers are common to broad sections of the working class, which is why the prospects for developing their struggle as an all-out political fight against capitalist austerity and attacks on worker rights is so favourable. Prior to the strike in November the PWRFC issued a program demanding a 30 percent wage increase to make up for years of wage stagnation, workers’ control over the introduction of new technologies, and the defence of all jobs. The program also insisted that defending Canada Post as a public service must be linked to the protection of all public services from sweeping cost-cutting and privatization by the ruling elite.

To fight for these demands, workers must break out of the pro-business “collective bargaining” system and make the struggle at Canada Post the spearhead of a counteroffensive by the working class for fully funded public services and workers’ rights, and against austerity and war. Under conditions of a major onslaught on workers’ rights and working conditions across the board, a strong appeal by postal workers for the building of a mass industrial and political movement of the working class in Canada and internationally would meet with a powerful and enthusiastic response.



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