

# Canada Post rejects union's offer of binding arbitration to end contract struggle

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*To get involved in the Postal Workers Rank-and-File Committee, which fights for workers to seize control of their struggle from the pro-company CUPW apparatus, fill out the form at the end of this article or email: canadapostworkersrfc@gmail.com.*

Canada Post management announced Sunday that it had rejected the Canadian Union of Postal Workers' (CUPW) offer of binding arbitration to end the ongoing contract dispute. Management is instead continuing to press the Mark Carney-led federal Liberal government to compel CUPW's 55,000 members to vote on its "best and final" offers to urban and rural postal workers.

Last Friday, the government-owned Canada Post formally asked the government to make use of Section 108.1 of the anti-worker Canada Labour Code to force contract votes.

The union leadership has bent over backwards to reach a deal with Canada Post, prevent a resumption of last fall's month-long strike and avert a head-on clash with the big business Liberal government. On Wednesday of last week, the CUPW bureaucrats were compelled to admit that Canada Post's "final" offers were essentially a carbon copy of their previous demands for massive concessions that would open the door to the "Amazonification" of the post office and the wholesale slashing of full-time jobs.

However, even as it decries management for "playing hardball," the CUPW leadership is determined to prevent postal workers from using their industrial power and rallying the working class behind them in a fight to defend public services and the right to strike, and to secure workers' control over AI and other new technologies so as to ensure that they are used to improve workers' lives and public services, not slash jobs and increase worker-exploitation.

Thus the union responded to Canada Post's provocative "final offer" gambit, by offering to surrender workers' rights to strike and to determine, through collective bargaining, their terms of employment.

After Canada Post rejected the union's proposal, CUPW has continued to plea for binding arbitration—that is for a government-appointed big business lackey to dictate postal workers' contracts—claiming that it is the only route to a "reasonable outcome."

"A forced vote," the union worriedly declared Sunday, "may fail to end the labour conflict and risks further division, prolonging uncertainty for all parties. Arbitration would end the labour dispute immediately and create certainty for all Canadians."

Canada Post management has opposed binding arbitration on the

grounds that it would extend the contract dispute for up to another year, and would "accelerate the company's significant financial challenges." It is also claiming to be concerned that binding arbitration would strip postal workers of the right to vote on their "collective agreements."

This argument is rich, given that in every contract negotiation for decades Canada Post has viewed the threat of government intervention to rob workers of their right to strike and impose arbitration as its trump card. Whenever it has deemed it in its interests, Canada Post has bayed for strike-breaking legislation and binding arbitration.

Throughout the current 18 month-long contract negotiation, Canada Post has remained intransigent in its demands for sweeping concessions. These include the creation of a new category of part-time workers to allow for weekend parcel delivery, and the implementation of "dynamic routing," which would employ artificial intelligence to vary letter carriers' routes and workload daily.

Last December, Canada Post warmly welcomed Labour Minister Steven MacKinnon's use of a patently illegal "reinterpretation" of Section 107 of the Labour Code to illegalize the postal workers' month-long strike and the government's establishment of an Industrial Inquiry Commission (IIC) to rubber stamp management's demands for a massive restructuring of the post office at workers' expense.

Now management is expecting that the Liberal government, led by the ex-central banker Carney, will again come to their aid and force "final offer" votes.

Although a crown corporation, Canada Post has functioned as a profit-making enterprise since the 1980s. Backed by the government and all of corporate Canada, it is adamant that massive cuts must be made to labour costs to return to profitability. Declining use of letter mail and increasing competition from, private couriers for the delivery of parcels has severely undercut the company's ability to make a profit. The latest financial report, released last week, showed that Canada Post posted a pre-tax loss of \$841 million in 2024, bringing total losses to \$3.8 billion since 2018. The Liberal government provided Canada Post with a \$1 billion bailout loan earlier this year, after management declared that it would soon run out of the cash needed to continue operations.

Canada Post's "best and final" offers would introduce part-time flex and part-time parcel delivery workers to urban operations,

implementing the move to 7-day delivery, and begin the nationwide roll-out of dynamic routing. The 5-minute washup time before meal time would be eliminated and all new employees would have 6 months of “regular employment” before getting health and pension benefits.

Management is hoping to entice postal workers into accepting the evisceration of their rights and jobs, by offering a \$1,000 signing bonus.

A decision from the Minister of Jobs and Families Patty Hajdu on whether to force votes under Section 108.1 of the Canada Labour Code is expected soon. CUPW representatives met with Hajdu and John Zerucelli, Secretary of State for Labour, on Friday, and were reportedly assured that the Liberal government would continue to play an intermediary role but would “not intervene at this time.”

Throughout the contract struggle, the CUPW apparatus has done everything to isolate and demobilize postal workers. It dragged out talks over the course of 2024, keeping rank and file workers in the dark before finally calling a strike vote which passed with over 95 percent support in October. Only under rank and file pressure was a national strike finally called in late November. The union leadership acquiesced to the government strikebreaking, not allowing workers any say in whether the illegal back-to-work order should be defied. Subsequently, it promoted the lie that the IIC would provide workers with a venue for their voices to be heard. When workers finally got the right to strike back on May 23, CUPW refused to call a resumption of the nationwide strike, instead implementing a toothless overtime ban which has kept workers on the job.

As was transparently clear from the beginning, the IIC, led by senior federal arbitrator, William Kaplan, proved to be yet another mechanism for attacking postal workers. Its report, issued last month, backed to the hilt management’s plans for a massive assault on postal workers. “Canada Post is facing an existential crisis: It is effectively insolvent, or bankrupt,” the report declared. “Without thoughtful, measured, staged, but immediate changes, its fiscal situation will continue to deteriorate.” Among the changes it endorsed are a far reaching assault on services including the end of daily door-to-door mail delivery and the closure of rural post offices.

Meanwhile CUPW has done nothing to mobilize the rank-and-file, let alone wider sections of the working class. A series of protests called by the union across the country to “Protect the Public Post Office” on Saturday drew a few score people in Toronto and Ottawa—largely union officials and their pseudo-left hangers-on—and were sparsely attended elsewhere.

The wider union bureaucracy, from the Canadian Labour Congress and Unifor on down, have made no effort to mobilize workers in support of the postal workers. They are busy collaborating with the big business Liberal government, joining tripartite government-management-union boards like the Prime Minister’s Advisory Council on Canada-United States Relations and boasting about their attendance at King Charles III’s opening of Parliament last week, while promoting divisive, Canadian nationalist poison in response to US President Donald Trump’s trade war.

Financial ~~PS~~peaking the end of Mathe Ian associate professor at Carleton University’s Sprott School of Business and a former Canada Post executive, outlined a program for “radical surgery” to “save” Canada Post. It would see 40,000 workers axed, with the complete end of home letter-mail delivery—even to community mailboxes—and the federally legislated end of the universal service obligation for urban areas, and the overturning of existing collective agreements. “Its quarter to midnight and they have to move rather quickly” Lee declared. What would remain is a “restructured” and “much much smaller” Canada Post operation to service only rural and remote communities with no private alternatives.

The IIC report and Lee’s comments make clear that the plans for an all-out assault on postal workers’ wages, jobs and working conditions are far advanced—even beyond those included in Canada Post’s “best and final” offers.

Postal workers have shown great militancy. However, their struggle is now in grave danger due to the sabotage of CUPW and the broader union bureaucracy, which have done everything to isolate and suppress their struggle.

To prevail, workers must take the struggle into their own hands and make it the spearhead of a working-class counter-offensive against capitalist austerity and war.

It was for this reason that workers at Canada Post came together last year to form the Postal Workers Rank and File Committee in affiliation with the International Workers Alliance of Rank and File Committees. The PWRFC has outlined a strategy for fighting against Canada Post’s concession demands and CUPW’s sabotage, and for expanding the struggle to workers across Canada, public and private sector alike, and internationally, including in unity with US postal workers.

The PWRFC has outlined demands based on what workers need, not what is demanded by governments and corporate boards in the pursuit of profit. They remain critical in the current fight:

Full pension, full pay rate and full benefits to all employees!

No more contracting out of jobs!

- Workers must have control over the introduction and development of all new technologies, so they are used to improve working conditions and service, not increasing worker exploitation!

The postal service should not be run as a profit-making concern!

All those interested in fighting for the perspective and building the PWRFC should fill out the form below or write to [canadapostworkersrfc@gmail.com](mailto:canadapostworkersrfc@gmail.com).



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