

# Canada Post, announcing major losses, demands massive concessions from workers

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Canada Post reported last week in its financial report for 2023 that it had posted a pre-tax loss of \$748 million last year, and that it expects to continue to lose money this year and in the years to come. The Crown corporation has posted losses every year since 2018, losing \$3 billion over six years. Total revenue in 2023 exceeded \$6.9 billion, but this marked a decline of 3.3 percent from 2022.

The company warns that if the current trends continue, without more borrowing and refinancing of its debt, Canada's postal service will run out of operating funds sometime early next year.

The announcement comes as Canada Post is in the midst of negotiations with the Canadian Union of Postal Workers (CUPW) bureaucracy to finalize new contracts for 42,000 Urban Postal Operations (UPO) workers and 8,000 rural and suburban mail carriers (RSMCs). These workers make up the bulk of Canada Post's more than 68,000 employees and are responsible for delivering mail to more than 17.4 million addresses in every corner of the country.

The contract for RSMCs expired on December 31, 2023, while the urban unit's agreement ended on January 31. The CUPW is determined to keep workers demobilized through sporadic updates and dragged-out talks. The union has yet to announce a strike vote, let alone set a date for job action. Workers report being overworked and underpaid, as they are pressured and bullied by management to meet unrealistic goals.

Under current company proposals, the mounting losses are to be paid for by Canada Post workers through the further degradation of working conditions, and slashing of pay and benefits. Among the "solutions" which have been floated are the elimination of daily letter mail delivery and the expansion of parcel delivery to the weekends. The company is also seeking to slash pension and health care benefits. Exploiting the introduction of artificial intelligence, Canada Post wants to deprive postal workers of a regular route, switching instead to a constantly changing schedule based on maximum efficiency known as "dynamic routing."

"We need to work with government to ensure the

regulatory framework aligns with today's needs," Jon Hamilton, vice president of communications at Canada Post, said in a statement, according to CBC News.

"We were doing a number of things to be able to better compete, but we didn't expect our market share to drop that quickly and for the competitors to take that much of the volume," Hamilton told CBC. He said the company was having "honest conversations" with CUPW about expanding to weekend parcel services.

In its 2023 annual report, Canada Post speaks jealously of the "low-cost-labour business models" for the delivery of e-commerce parcels that have grown rapidly since the onset of the COVID-19 pandemic in 2020, clearly with an eye to expanding to the use of low-paid temps to cover routes and take on expanded services. The growth in online sales has been accompanied by the emergence of private courier operations that employ gig workers to deliver parcels outside the Canada Post system, including on nights and weekends.

Parcel delivery, driven by the growth of online purchases through Amazon and other platforms, grew from 286 million pieces in 2022 to 296 million in 2023. Meanwhile, the delivery of letter mail has continued its precipitous decline, which began nearly two decades ago with the proliferation of email and smart phones, from a peak of 6.6 billion pieces in 2006 to just over 2.2 billion in 2023.

While Canada Post is publicly controlled and overseen by the federal Minister of Public Services and Procurement, it does not receive public funding. Instead, it has been entirely reliant on generating revenue from the sale of postal products—most important being stamps—and services since the 1980s. Until then, Canada's postal service had been fully funded by the government, and postal workers were public employees.

The justification for the establishment of a fully for-profit operation was that it would make the postal service "more competitive" with delivery services like UPS and FedEx. This drive for "competitiveness" has come at the expense of postal workers, who have been subjected to round after round of attacks. Canada Post's management has

enjoyed the backing of the federal government at every step of this onslaught. Successive Conservative and Liberal governments have broken strikes through back-to-work legislation, including in 2011 and 2018. The CUPW bureaucracy has been fully complicit in these attacks, above all through its refusal to defy government intervention by taking up a political struggle to defend the interests of postal workers. After the Trudeau government intervened in 2018 to ban rotating strikes by postal workers, the CUPW helped enforce a rotten sellout agreement and claimed that postal workers would secure their “right to strike” in the courts. Six years on, the courts are still considering the question of whether the 2018 back-to-work law was legal, while postal workers continue to suffer its consequences.

The CUPW is a close ally of the Liberal Trudeau government and insists that Canada Post must be run on a “profitable” basis. This approach aligns perfectly with the Liberals’ commitment to austerity to make working people pay for the massive spending on Canada’s military and handouts to the super-rich. In a demonstration of their bitter hostility to workers’ rights and determination to enforce brutal exploitation at workplaces across the country, the Liberal government intervened this week to indefinitely block an upcoming strike by over 9,000 rail workers at CN Rail and Canadian Pacific Kansas City. Despite an overwhelming strike vote by rail workers, Labour Minister Seamus O’Reagan announced that the Canadian Industrial Relations Board would examine the issue of whether a strike could safely proceed, with all job action prohibited until this institution of the capitalist state issues its ruling.

CUPW president Jan Simpson responded to Canada Post’s latest report of losses by defending the company’s right to profit off the backs of the workers she claims to represent. “For us to deliver the mail to the door of every customer across this country ... that’s the way Canada Post will get back, I feel, a lot of their profit which they’re claiming to have lost through different ways,” Simpson declared.

The union has proposed expanding the responsibilities of workers and services offered by Canada Post. Through its “Delivering Community Power” campaign, the union proposes “solutions” such as offering postal banking and social service check-ins for seniors.

“Postal workers have long known that transition is necessary—and have stepped up with solutions. The Corporation’s response, up to now, has been to cut and move to franchises. Postal workers believe that growing and innovating to meet the needs of people, who cherish our postal services, is the real solution. It may not be the easy way, but it’s the right way,” Simpson said in a statement Tuesday.

While Canada Post is posting massive losses and pleading

poverty, the resources in fact exist to fully fund the postal service. Under its latest “defence policy update” the trade union-backed Liberal Trudeau government announced last month that annual spending on the military will increase from the current level of approximately \$30 billion per year to \$49.5 billion by 2029-30. At its current level, Canada’s military spending would cover the Crown corporation’s losses over the last six years 10-fold.

Rank-and-file Canada Post workers have made clear that they are determined to fight back against the massive concessions being demanded by the company and that they will not accept another sellout by the CUPW bureaucracy. A meeting of workers last month called for the establishment of the Postal Workers Rank-and-File Committee (PWRFC).

The meeting unanimously endorsed the following resolution after extensive discussion:

This meeting of Canada Post workers declares its support for the establishment of a Postal Workers Rank-and-File Committee. Such a committee will be completely independent of the Canadian Union of Postal Workers’ bureaucratic apparatus, which divides and demobilizes us and enforces the dictates of management. By building the Postal Workers Rank-and-File Committee, we can wrest control of our contract struggle from the CUPW and articulate demands to unite and defend the jobs and conditions of all workers at Canada Post. The independent mobilization of the rank-and-file is also crucial to waging a working class political struggle against the union, NDP-backed Trudeau government, which stands four-square behind Canada Post. This will require linking our struggle with those of all sections of workers, public and private, who are facing similar attacks across Canada and in other countries through the International Workers Alliance of Rank-and-File Committees.

All those who agree with this strategy and are interested in building the PWRFC should fill out the form below.



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