

Canada's ruling elite plotting massive full-time job cuts at Canada Post to make Crown corporation "profitable"

Roger Jordan

20 November 2024

Are you a striking postal worker? We want to hear about the issues you're fighting for and how you think you can win your struggle. Email us at canadapostworkersrfc@gmail.com or fill out the form at the end of this article. All comments will be kept anonymous.

As the 55,000 Canada Post workers approach the end of their first week on strike, it is increasingly clear that their fight for real wage increases, job protections, and safe working conditions pits them in a political confrontation with the entire ruling class. The long-running discussions in the business elite about the need to eliminate thousands of full-time jobs, end daily delivery, and sell off post offices underscore that striking postal workers are not merely fighting for a new contract. Rather, they are embroiled in a political struggle that must become the spearhead of a working-class counter-offensive against capitalist austerity and the profit "principle" if they are to prevail.

Media reports on bargaining between Canada Post and CUPW have been largely formulaic. A new federal mediator took over the leadership of talks Monday, prompting CUPW to declare in a bargaining update that "movement" from the employer was evident on the "pressing issues." Whatever such vague statements may refer to, the fact of the matter is that what is taking place is not genuine bargaining, with CUPW fighting for workers' interests in opposition to the employer. Rather, they are all conspiring to determine how best to impose a deal that will facilitate an unprecedented restructuring of Canada Post operations at the expense of all workers. As CUPW President Jan Simpson has candidly admitted, "We recognize the challenges our employer is facing, and our goal is not to simply make demands, but to work together towards solutions."

A sense of the kind of discussions going on behind the scenes is provided by a May 2024 op-ed column in the *Globe and Mail*, the Bay Street financial oligarchy's mouthpiece, written by Ian Lee. Lee was a corporate finance director for the Crown corporation in the 1980s, and co-author of a 2015 report released by the Macdonald-Laurier Institute that advocated a massive onslaught on postal workers. Declaring that Canada Post is in an "existential struggle," Lee demanded that the federal government "legislate changes to mandate urgent structural reforms." These changes include ending the "unsustainable decision to continue home delivery" of mail and parcels, selling off its infrastructure of 3,000

post offices to property developers and adopting instead a "franchise" model with private businesses, and imposing so-called "dynamic route scheduling...across every community in Canada." Under dynamic routing, postal workers no longer own a fixed mail route, but are assigned to a different route by AI each day based on mail volume and a vastly increased workload.

After outlining the key legislative changes that he and his colleagues in the corporate and political establishment are demanding, Lee got to the heart of the matter, writing:

Then there is the reduction of labour costs. While Canada Post mail volumes have declined 60 per cent since 2006, employee head count has only declined 5 per cent in that same period. Collective bargaining agreements and management compensation must use the number of pieces delivered per labour hour as a key metric for determining compensation. As volumes continuously decline, Canada Post must shed labour costs through attrition, retirements and buyouts.

If Lee's prescriptions are followed, reducing Canada Post's full-time workforce, which currently amounts to just over 40,000 workers, by the 55 percent that he argues is necessary to bring it into line with the 60 percent reduction in mail volumes would require the elimination of some 22,000 full-time jobs.

Canada Post intends to work towards these goals by massively expanding the use of temporary and permanent part-time workers. CUPW has already collaborated in this process, with the 2018 contract—imposed after the union top brass enforced the Trudeau government's strikebreaking legislation—laying the basis for a disproportionate increase in temporary workers, who are known as "casuals." As the *Globe and Mail* noted in a November 19 article, the number of casuals rose from 8,605 in June 2018 to 12,778 in June 2022. "Casuals," who have no pension and benefit rights, and are expected to take shifts at a moment's notice, now make up over 20 percent of the Canada Post workforce. Two "casuals" reported to the *Globe* that they frequently work full-time hours, but after years at Canada Post have received no path to permanent employment.

A major demand of Canada Post management in the ongoing talks is the creation of two new job classifications: “permanent part-time flex” and “weekend permanent part-time flex.” While these posts would nominally entitle workers to benefits, health care would only kick in after the worker has worked 1,000 hours, and workers would be enlisted in an inferior defined-contribution pension plan, according to a proposal cited by the *Globe*. Canada Post intends to use these new categories of low-paid Amazon-style workers to deliver parcels seven days a week while savagely cutting full-time jobs and costs.

Underscoring that the proposal Lee outlined in his May 2024 commentary is by no means exceptional, Canada Post spokesman John Hamilton told the *Globe* Tuesday that the Crown corporation wants more part-time workers so it can slash costs and successfully compete with delivery companies like Amazon. “Many young people are not looking for full-time, 9 a.m. to 5 p.m. jobs,” Hamilton asserted. “They want flexibility. They could work for Canada Post part-time and have other part-time jobs during the week.”

The Trudeau Liberal government is heavily involved in working out the best means to impose this agenda on workers. Government-appointed mediators have participated in talks with both sides since August. With his banning of the rail workers’ strike that same month using anti-democratic powers contained in the Canada Labour Code, Labour Minister Steven MacKinnon made clear that he is more than ready to use state coercion to enforce corporate Canada’s dictates. Earlier this month, MacKinnon again resorted to Section 107 of the Labour Code to criminalize job action by, and impose binding arbitration on, close to 2,000 workers at the ports of Montreal and Vancouver.

The creation of ever more tiers of employment, coupled with the gutting of worker rights, will sound familiar to workers throughout all economic sectors. This practice was used to devastating effect in the auto industry to boost corporate profits and impoverish autoworkers in the United States and Canada following the 2008 economic crisis. Part-time employment has also expanded in key public services, like education and healthcare, as governments slash budgets to redirect public funds to the waging of wars around the world, and the enrichment of the financial oligarchy through tax cuts and corporate handouts. In all cases, the relevant union bureaucracies, from the UAW and Unifor in the auto industry, to unions like CUPE, the UFCW, Teamsters, and USW in the public service, supermarket and manufacturing sectors, have connived with the employers and governments in a corporatist tripartite alliance to ensure that this massive restructuring at the expense of the working class has taken place without serious resistance.

CUPW has blustered about its opposition to a “two-tier” system, but its protestations are not credible. The union apparatus has not only overseen the creation of two tiers with the expansion of casuals, but has long tolerated and even fostered the division between rural and suburban mail carriers (RSMCs) and urban postal workers.

CUPW declared, in a bargaining update Wednesday, “The Union will not take part in a race to the bottom with ‘gig-economy’ platforms, whose business model depends on cheap labour with no rights.”

This is precisely what CUPW has been doing over recent years. It has not only allowed the expansion of temporary employment at Canada Post, but sought to reinforce the differences between postal workers and “gig economy” delivery workers by attempting to unionize the latter group in a separate CUPW subsidiary known as Gig Workers United. In so doing, it has consciously promoted the division of delivery workers at outfits like Amazon, UPS, and Fedex from their colleagues at Canada Post under conditions in which they are natural allies in a worker-led counter-offensive to put an end to corporate Canada’s drive to boost profits throughout the logistics sector.

The development of such a movement depends above all on the expansion of the Canada Post strike into a mass industrial and political mobilization of the working class in defence of good-paying, secure jobs and public services, and against the prioritization of corporate profit, austerity, and war. Canada Post workers will find support for this struggle if they appeal directly to logistics and other workers, since the issues they are fighting for are the same essential ones confronted by the working class as a whole.

The Postal Workers Rank-and-File Committee was established in June 2024 by postal workers ready to seize control of their struggle from the CUPW apparatus and turn for support to broader layers of workers. The committee declared, in a resolution adopted at its November 10 public meeting, the urgent necessity to:

1. Achieve postal workers’ demands, including a 30 percent pay raise to make up for years of concessions and for workers’ control over the deployment of new technologies.
2. Broaden our struggle to other sections of workers across Canada in order to defy a back-to-work law or any other anti-democratic state-imposed strike ban.
3. Launch a political struggle that rejects Canada Post being run as a profit-making enterprise, and makes our contract fight the spearhead of a worker-led counteroffensive in defence of fully-funded public services and workers’ rights, and against austerity and war.

All Canada Post strikers, delivery workers and workers throughout Canada ready to fight on this basis should contact the PWRFC at canadapostworkersrfc@gmail.com.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact