



Canada's unions

Mail aggression

A strike gives both the government and opposition a chance to play politics

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FEW people under 30 make much use of "snail mail" anymore. But Stephen Harper, Canada's Conservative prime minister, is 52, and judged that a labour dispute which had interrupted postal service for three weeks was causing enough damage that the government should pass a law on June 26th to order employees back to work. Although Canada faces far greater economic threats than a work stoppage in a shrinking industry, the postal strike offered Mr Harper an irresistible opportunity to pick a favourable political fight.

If sending a letter seems quaint today, the notion of a postal service profitable enough that its workers would risk a strike seems quaint still. But even though Canadians post fewer letters than they once did, state-owned Canada Post has deftly avoided obsolescence. The company has encouraged the growth of "direct" (junk) mail, which now accounts for almost a quarter of its revenues, and launched its own online bill-payment service. It was profitable for 15 straight years up to 2009, the latest year annual figures are available.

In February Canada Post announced it needed to offer lower pensions and wages to new hires, citing falling mail volumes and revenues. Complaining that the company remained in the black, its workers' union launched a series of rolling strikes on June 3rd to protest the cuts. The management was unfazed. On June 14th it responded by locking out 48,000 employees and cutting off postal services entirely.

The work stoppage was certainly inconvenient for many Canadians, and threatened Canada Post's future revenues by forcing customers to switch to online bill payment. But by the government's own calculation, it cost the country C\$9m-31m (\$9m-32m) a day—a pittance in a GDP of C\$1.6 trillion. As the dispute began, the *National Post* newspaper ran the headline "Canada Post Strike: Will We Even Notice?"

The standoff's main significance was political. The Conservatives, who won a majority in May after five years of minority government, have long been hostile to unions. In contrast, the New Democrats (NDP), who came second in the vote, are a leftist party closely tied to labour. A showdown benefited both of them. It let the NDP show loyalty to its base and flex its muscles as the new official opposition, while allowing the Conservatives to land a blow on a favourite punching bag.

The resulting political theatre went according to script. On June 20th the government presented a bill in Parliament that would impose a wage settlement even harsher than Canada Post's original proposal. The NDP filibustered it for 58 hours, delaying the start of Parliament's summer recess. Conservative MPs said they had received supportive letters from angry constituents—presumably by e-mail. When the lawmakers could debate no more, the Conservatives passed the bill on June 26th.

Most of Canada Post's dejected employees have now returned to their jobs. However, their respite from the Conservatives' onslaught may prove brief. Mr Harper has vowed to close the budget deficit by 2015, and Canada Post might bring a windfall at auction. Selling it would also

bolster Mr Harper's credentials on shrinking government. NDP MPs will need to start saving their breath if they hope to stave off privatisation with a filibuster.

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