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EPC RESEARCH REPORT 77/2

A NEWS-MEDIA VIEW
OF THE 1975 POSTAL STRIKE
AND ITS EFFECTS

BY: THE BUREAU OF MANAGEMENT
CONSULTING (DSS)



Emergency Planning
Canada

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EMERGENCY PLANNING CANADA
OTTAWA, CANADA
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Prepared for EPC by the
Bureau of Management Consulting
of Supplies and Services Canada



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I. INTRODUCTION

In response to a request made by Emergency Planning Canada, the Bureau of Management Consulting has conducted a study of the economic impact of the Fall 1975 postal strike using the information that was reported by the news media. News articles concerning the events and impacts of the strike were collected and analysed, and a summary and bibliography of these articles is presented in this report.

The procedure which has been employed for organizing and analysing this information is the following :

- (a) The information from each article was summarized in point form and coded as to source;
- (b) each point was identified and labelled as applying to a particular event or impact of the strike;
- (c) these points were collated into the following categories:
 - Union, Post Office and Public Opinion
 - Impact on the private sector
 - Impact on the public sector
 - Impact on householders
- (d) the information in each category was analyzed and a brief description was prepared.

The organization of this report parallels the structure of the categories outline above. For each category, and where appropriate sub-category, a brief description is given of the events and impacts as reported in the news media. The news articles themselves are summarized in point form in chronological order immediately following the description. This summary of the news articles has been compiled without attempting to verify the correctness of this information.

II. HISTORY OF THE POSTAL STRIKE:

Union, Post Office and Public Opinion

In the first week of December 1975, the longest strike in the Canadian postal services ended. Prolonged negotiations between Postmaster General Bryce Mackasey and representatives of the Canadian Union of Postal Workers (CUPW) resulted in a six-week stoppage and interruption of postal services. The consequences of the strike were many. They were felt in terms of economic disruption, general concern, inconvenience to the public and a legacy of dissatisfaction and bitterness in the CUPW.

The strike started on October 21, 1975. The vote taken by the union was 70% in favour of the strike. The Postal Office spokesmen questioned the mechanics of the vote, but it was evident that the national executive of the union had strong support from its members. Even some of the least militant locals supported the strike, and the morale in the picket lines was good. (Financial Post (F.P.), October 25, 1975)

During the first three days negotiations at the bargaining table progressed rapidly and one hundred clauses were signed by both parties; then they came to a halt as the major issues were to be discussed. Union spokesmen placed the blame for this halt on Postmaster General Bryce Mackasey for refusing to bargain on the remaining issues unless the union agreed to the wage increase recommended - a request they felt no union could accept. The union spokesmen expressed the conviction that their members were being used by the government as examples to other workers to show that the wage and price control program of the Anti-Inflation Board was going to be applied.

Upon the breakdown of negotiations the Post Office spokesmen reaffirmed their position that the strike must run its course and that the workers should not be forced back to work by legislation. The general conviction was that a long strike lay ahead. (F.P., October 25, 1975).

After a five-week stalemate, no improvement had been achieved. Further negotiations seemed hopeless and the only prospect for settlement lay in the surrender of one of the parties. Public concern and reaction were mounting with the approach of the Christmas holidays. There was a widespread sense of resignation to the fact that the country was facing a collective emergency and that the best thing to do was to try to cope with it as well as one could. Nevertheless, government officials and Liberal Members of Parliament reported that they were subjected to remarkably little pressure to end the strike. (F.P., November 29, 1975).

Public opinion was definitively against the union, and even small business firms, already badly hurt by the strike, were sympathetic to the Postmaster General. The general belief was that if the postal workers would have been allowed one cent over the federal offer, the whole anti-inflation program would have gone "down the drain". (F.P., November 29, 1975).

The government was adamant in its decision to sit out the strike for as long as necessary. The Post Office estimated that of the 22,000 CUPW members, 2,500 (11.4%) were at work in 174 out of its

440 post offices, but the union discounted the estimate. To maintain the morale of the strikers against an increasing desire to return to work, the union instituted a strike pay of \$40 a week. This began to exert strong pressure on the union as time went by. Each new week of the strike added another \$800,000 to their expenses and contributed to the rapid depletion of the meager strike funds. (F.P., November 29, 1975).

After six weeks the strike ended on December 2, when the striking postal workers responded with 51.8% of their votes in favour of returning to work. This percentage would have been about 58% if the workers who crossed the picket lines during the strike had also been allowed to vote. The postal workers obtained an average of a \$1,350 retroactive pay increase, almost equal to the pay lost during the strike. They received a wage increase of \$1.70 per hour over the first eighteen months of the thirty month contract starting January 1, 1975, and expiring June 30, 1977. This would raise the average hourly wage from \$4.59 to \$6.29 by July, 1976. (Time (Canada), December 1975). They also received a cost-of-living increase tied to the rate of inflation to a maximum of 10 cents per hour every quarter in the last thirteen months of the agreement.

The union gained little after the original negotiations broke off. The pay package, as well as the clauses on technological change, arbitration of unresolved differences and full job security, which represented the main gains for the union, had been accepted or were practically unchanged since the beginning of the strike.

The end of the strike was marked by a feeling of uneasiness and dissatisfaction. The union members, their strike funds depleted with no significant return, complained of a lack of leadership. The internal bitterness remaining was marked by the large number of inside workers suspended or fined in the Atlantic Region, in Toronto, Ottawa, Montreal and elsewhere, for crossing the picket lines and returning to work. (Globe & Mail (G. & M.), December 17, 1975; Le Devoir, January 5, 1976).

The articles collected from the media from which this brief description was prepared are summarized in the immediately following section. Later sections of this report are addressed to the impacts of the disruption in postal services on the national economy, as reported in the news media.

SUMMARY OF ARTICLES: Union, Post Office and Public Opinion

Saskatchewan Regina Leader Post, Oct. 9, 1975

- Irving Gaul, union's nominee to the 3-man conciliation board, stated in his 99-page minority report that the main effect of the board had been to waste time and sow confusion, obscuring real and longstanding grievances. He stated that the Public Service Staff Relations Act, which had governed public service negotiations since 1967, had been "strangling the bargaining process in the Post Office".
- Both Judge Moisan and Gaul had referred to the bitter climate of mutual hostility and contempt between the parties.
- Gaul's report recommended the union to retain their demands until government has change of heart about the major problems.

Manitoba Free Press, Oct. 9, 1975.

- Mackasey refused to negotiate based on the Gaul report.

Saskatchewan Kipling Citizen, Oct. 9, 1975

- A Quebec court ordered CUPW to pay \$1,000 to Santana Inc. of Sherbrooke for damages arising from a 16-day illegal strike in 1974. Company had lost \$100,000 in direct mail sales.
- After the 1974 strike, Canadian Federation of Independent Business launched \$100 million class action suit against the federal government from damages similar to Santana's. Action was dismissed by court.
- Since April, 1974, actions had been taken by Government against more than 1,500 employees who had taken part in illegal strikes.

Vancouver Province, Oct. 11, 1975

- Charles Connaghan, former president of the Construction Labour Relations Association, predicted that in the next decade there will be fewer unions, but that they will have larger membership and be more centralized. He said militants will be found less in industrial unions and more among agricultural, white collar, and professional workers including teachers and police.

Financial Post, Oct. 25, 1975

- It had appeared over the weekend that rapid progress in the negotiations since crisis bargaining started late last week might have produced a settlement in spite of a strike-happy atmosphere in the talks. But the rapid momentum built up during three days when about 100 "house-keeping" clauses were signed by both parties ground to a halt on the major, contentious issues.

- Union spokesmen place the blame squarely on the shoulders of Postmaster.
- The strike could be a long one. Even the Toronto local of the Canadian Union of Post Workers - one of the union's least militant locals - supports the strike. Secretary-treasurer of the local, Arthur Harrison, describes the morale on the picket line as good.
- Overall, the strike vote taken last week was 70% in favor of striking. Some Post Office spokesmen question the mechanics of the vote, but there appears to be little doubt at this point that the union's national executive has the strong support of its members.
- Mackasey has said in recent weeks that he would tough out a strike and refuse to legislate the workers back on the job.
- There may still be a legislated end to the strike before Christmas, but the prospect is that there will be no mail for at least two or three weeks.
- Union spokesmen are convinced that the union is being used as the fall guy to show that the government means business in its wage-control program.

Teletype, Nov. 17, 1975

- Many union locals which had not supported the strike could have their charters lifted.

The Journal, Nov. 17, 1975

- "French respect their posties".
French government's PTT (Postes, Telephones et Telecommunications) began a projected 12-year program of technological change in mail processing 1974, and was confronted with a six-week strike.
- Since then, government had held information meetings with unions, and kept workers abreast of changes. It had assured them automation would not mean layoffs. Salaries were also pegged to a system which takes into account whether a worker was married or not (there were also "risks" pay and bonuses).

Globe & Mail, Nov. 20, 1975

- Sidney Handleman suggested that the present postal system be replaced by multiplicity of services.

Globe & Mail, Nov. 20, 1975

- Editorial: monopoly and the right to strike should not go hand in hand for a service as vital as the postal system.

- Recommendation: government should permit officially recognized regional delivery services with bonded drivers, insured facilities and security inspection. Tenders should be called for such private services under federal licence.

Financial Times of Canada, Nov. 24, 1975

- "We don't have the most strikes, just the longest."
- European strikes are more frequent and a lot shorter because they are often political strikes to make a point, or to gain more political power. Canadian strikes last longer because the unions are more organized and stronger, and the strikes are contests of economic endurance to gain more pay and other concessions.

Gazette, Nov. 24, 1975

- "Posties' Perreault: What price dedication?"
- An article on Marcel Perreault, the radical Montreal union leader.
- Mackasey's tenacity: to break Montreal's hold over the national postal union?

Citizen, Nov. 25, 1975

- Postal union capitulation to government could mean big labor's back-lash against controls, and lower morale for postal workers.

Gazette, Nov. 25, 1975

- Regardless of outcome of strike, Joe Davidson said he will not run for union office again.

Citizen, Nov. 25, 1975

- Mackasey: - union members paid their dues and expected to get a jackpot in every settlement
- Public service unions led labour in gains of 30-40% increases, which had become standard targets for bargaining.

Globe & Mail, Nov. 25, 1975

- "Union Leaders leading country to ruin, Mackasey says."

Mackasey: - the traditional adversary system of union-management relationships works only for production industries, where pay increase is matched by increased productivity; it does not work now because the new economy is service oriented.

- Union leaders had a vested interest in the adversary system.

Citizen, Nov. 26, 1975

- A united front of Ottawa union members including CUPW and CUPE workers are formed to fight controls.

Citizen, Nov. 27, 1975

- Editorial suggested withdrawal of right to strike in service industries, compulsory arbitration, and reduction of union power.

Financial Post, Nov. 29, 1975

- The five-week postal strike now has become a classic confrontation in public-sector bargaining. The only prospect of an early settlement lies in one or other party surrendering on the grounds that further negotiations are hopeless.
- Public anger and frustration will likely mount as the Christmas holiday approaches.
- A sense that the country is facing a collective emergency, that there's not much point whining about it and the best thing is to try to cope as well as one can.
- Ottawa officials and Liberal MPs report there is remarkably little pressure being put on the government to end the strike. The telegrams and telephone calls have apparently been kept to a minimum. Herb Gray, the Liberal member for the strong union city of Windsor, Ont., says: "The general feeling seems to be that if it takes a long strike to end the disruption in the Post Office, then let's get it over with."
- Many Tory MPs, while publicly berating the government for its insensitivity to the problems created by the strike, privately express some sympathy for Postmaster General Bryce Mackasey. By and large small businessmen are also wishing Mackasey well, says John Bulloch, president of the Canadian Federation of Independent Business. "If the postal workers get one cent more over the federal offer, the whole anti-inflation goes down the drain."

Financial Post, Nov. 29, 1975

- The personal battle between Postmaster General Bryce Mackasey and the national executive of the CUPW leaves no room for graceful face-saving. Both sides are so firmly nailed down to their positions on the remaining monetary issues that it's "winner take all" in an unprecedented campaign through the media to win the hearts of the union's 22,000 members.

- CUPW President Joseph Davidson stands to lose most at the moment. He is asking his members to take a severe cut in income and, if he fails to deliver a better increase in wages than has been offered to date, he would almost certainly be forced to resign.
- The government's plan is straightforward:
 - (a) Remain implacable on the issue of monetary concessions and make repeated assurances that the government is willing to sit out the strike for as long as may be necessary. The intention is clearly to persuade the union members that the financial cost of remaining on strike - a useless strike, at that - will be exorbitant.
 - (b) Emphasize the trickle of workers who are returning to work and propagate the theory that most members are in sympathy with them. Mackasey's frequent challenges to the union to show by a union vote how much support it enjoys in the membership has been turned down by Davidson on the grounds that 95% are still on strike and are therefore still supporting the national executive's stand.
- Davidson's argument ignores those members who would prefer to accept the government's last offer but don't want to undermine their union.
- Pressure to end the strike at any cost has been minimal. Certainly, most of the companies seem to be adopting an attitude that this is a fight that had to be fought and it should proceed to its logical conclusion.
- Demands are growing in Parliament and in the press for the government to do something, whether it be a legislated end to the strike or a compulsory, supervised vote by the members. A compulsory vote without union co-operation would amount to trusteeship of the union and, as a direct government challenge to the validity of the elected union leadership, would guarantee membership solidarity with Davidson and the negotiating committee. Likewise, a legislated end to the settlement would raise the cry that the government had never intended to bargain in good faith. So Mackasey has resisted both demands. But public acceptance of stolid inactivity by the government will not last forever.
- The union response to this barrage of publicity has been to mend its fences at the local level and to institute strike pay of \$40 a week. This has kept the strike effectively intact, although the trickle of "scabs" who are crossing the picket lines is causing the union some embarrassment.
- The Post Office estimated early this week that 2,500 CUPW members were at work in 174 of its 440 post offices. Union spokesmen discount this, saying that management estimates usually run at double the actual number, but have no recent estimate themselves.

- The key to the whole situation, however, is in Toronto. If the 3,000 workers who staff Terminal A vote to return to work, the Post Office would be able to restore a substantial portion of the mail system - including international mail. Both sides know this and the Toronto leadership has virtually gone underground. It was known to be only marginally in favor of a strike when the strike vote was taken in mid-October and the betting is heavy that a vote now would show a majority backing a return to work.
- The \$40 strike pay could backfire and exert tremendous pressure on the union if there is no early settlement. Each extra week on strike adds another \$800,000 to the union's debts and there is clearly a limit to how much money it can raise.
- FP understands that the postal workers union in the U.S. has asked its members to contribute to CUPW in its latest newsheet but that money will take some time to dribble in to Ottawa. Several Canadian unions are reported to have agreed to lend money to CUPW, but are keeping quiet about it. A number of unions have agreed to act as guarantors for loans from a bank. CUPW is concerned that, if there are any leaks about its financial arrangement, the Post Office will find out how long its funds will last and will simply sit tight till then.
- If the union has to discontinue strike pay, membership morale will likely collapse.

Financial Post, Nov. 29, 1975

- Liberal politicians do admit to a fair bit of pressure from small businesses and mail-order houses. It is this pressure, being downplayed by many, that was expected to bring the strike up for discussion once more at this week's Liberal caucus meeting.
- Some Tory members decry the government's seeming insensitivity to the problems being caused by the prolonged postal dispute. Many of the Tory MPs secretly sympathize with the Mackasey position.
- NDP MPs find themselves in a particularly touchy situation. They are caught, more than others, between the general public interest on the one hand and the interests of the mail sorters union. What seems to have saved them from even more embarrassment is the generally quiet reaction of the public so far. Individual NDP members have been surprised by the unconcern of most of the general public toward the breakdown in mail service. Those really suffering are a relatively small proportion of the total population.
- MPs generally have not been harassed by telegrams, calls or by individuals, not even on their personal tours of their ridings. (A spokesman in Opposition Leader Robert Stanfield's office reports only 25 telegrams on the issue.) But there are exceptions in less populous areas.
- A general impression gathered from the MPs surveyed was that the lack of reaction by the public is what has permitted Mackasey to pursue his stand as long as he has.

Gazette, Dec. 1, 1975

- Editorial: should public service workers, like the postal workers, be allowed the right to strike - where such a strike would bring great inconvenience and loss to the population as a whole?

Globe & Mail, Dec. 1, 1975

- Strike had brought no substantial gain for union beyond Judge Moisan's recommendations.
- Monetary increase exceeding government guidelines, would have to be approved by Anti-Inflation Board.

Citizen, Dec. 3, 1975

- Union said there would be no cooperation from inside workers in regards to the new machines for automation program.
- Davidson charged Mackasey and the Prime Minister used racist and anti-union tactics.

Financial Times of Canada, Dec. 3, 1975

- "Break up of postal front make strike almost inevitable"
- Analyses reasons for strike.

Toronto Star, Dec. 3, 1975

- GAINS: - a wage increase of \$1.70 an hour over the 30-month contract which expires June 30, 1977.
- cost-of-living payments to a maximum of 10 cents every quarter in the last 13 months of the agreement.
- improved procedures for shop stewards investigating employees' complaints.
- no seniority accumulation for employees serving as acting supervisors in offices of 150 or more workers.
- full job, wage and classification security in the event of automation and a worker cannot be relocated without written consent of the union.
- management staff will not perform union jobs.
- the use of casual labor will be restricted to times of crucial need such as at Christmas or during the summer months when regular employees are on vacation.
- time and a half payment for all overtime work by full or part-time employees and double time for full-time employees on Sundays and statutory holidays.
- a shift payment of 40 cents an hour for work between 5 p.m. and 7 a.m., 60 cents an hour during regular Saturday hours and 75 cents during regular Sunday hours.

- compassionate leave to be expanded to include grandparents as immediate family.
 - the wage gap between mail handlers and postal clerks will be reduced by 20 cents an hour to 16 cents.
 - increased pay rates for part-time employees with a minimum of two years service.
- UNSUCCESSFUL DEMANDS:
- a \$2.73 an hour or 51 per cent increase over 27 months.
 - that the Post Office become a crown corporation.
 - a reduction in the work week from 40 to 35 hours.
 - a cost of living clause.
 - retroactive payments for overtime worked between Jan. 1 and Oct. 21, when the strike began.
 - long-service pay.
 - maternity leave.
 - a vacation bonus.
 - accumulated sick leave payments.

Le Soleil, Dec. 3, 1975

- Quebec postal workers felt English workers let them down in accepting Mackasey's offer; they would "carry on the fight".
- if English and French division in union does not improve, there might be an independent Quebec union.
- union claimed government offer vote indicated dissatisfaction with offer, and also militancy of workers.
- "government must try to make positive efforts to achieve industrial peace".

Gazette, Dec. 4, 1975

- Marcel Perreault claimed Toronto and some western provinces union leaders received documents on details of government offers before CUPW did; investigation on these charges could lead to expulsion of offenders from union.

Citizen, Dec. 4, 1975

- Letter Carriers Union of Canada will file grievances with Post Office for pay lost; claimed total pay lost at \$55 million to \$60 million.

Citizen, Dec. 6, 1975

- Shop steward claimed strike wouldn't be forgotten; that there was no "historical relationship" between inside workers and letter carriers; claimed media over-emphasized the strike.

Gazette, Dec. 6, 1975

- Marcel Perreault, leader of Montreal postal workers, was toppled from Vice-Presidency of Quebec Federation of Labour.

Financial Post, Dec. 6, 1975

- Announcement of the end of the postal strike came with a mere 52% of the votes in favor of a return to work. If the 10% or more people who crossed the picket lines during the strike had been included, the overall vote would have come to roughly 58%.
- This may solve Postmaster General Bryce Mackasey's problems for the moment, but the battle is far from over. It was still possible at presstime that the Montreal local, which voted heavily against a settlement, would refuse to comply with the national decision.
- It will also likely be some time before Mackasey can restore a semblance of morale among the battered inside workers - and the badly split union leadership will not help the situation.

Citizen, Dec. 11, 1975

- Lessons for U.S. posties from Canadian strike:
 - never strike without strike fund
 - don't try to stop mail during the Thanksgiving to Christmas period
 - make sure other unions are sympathetic and that they understand the issues.
- Reasons for failure of strike: lack of strike fund; lack of public support; firm stance of government; difficulties of strikers in finding in-between jobs.

Le Soleil, Dec. 12, 1975

- Federal cabinet overturned anti-inflation board's veto on postal settlement.

Globe & Mail, Dec. 12, 1975

- Anti-Inflation Board reasoned historical relationship "does not justify immediate re-establishment of wage parity" between letter carriers and inside workers.

Time (Canada), Dec. 15, 1975

- The 22,000 inside postal workers, their tiny strike fund depleted, voted 51.8% in favor of returning to work, with the big Toronto union local strongly in favor of doing so, and Montreal strongly against. In political terms, the Government, and Postmaster General Bryce Mackasey, had clearly won, yielding little and gaining a settlement that the Anti-Inflation Board can endorse--and one which can be cited as a precedent in bargaining with other public service unions. But the price was high: inconvenience for the public, disruption for the economy, and a legacy of bitterness in the CUPW that will be hard to dispel.
- In the final round of bargaining before the vote, the union did gain some lesser points: regular raises for part-time workers, who have been paid at the rock-bottom scale, and a narrowed gap between mailbag handlers and higher paid sorters. During the course of the strike they won a limit on the use of casual, non-union labor--meaning more overtime for regular workers--and a bigger differential for night shift and weekend work.
- Mackasey offered, during the last week of the strike, to share the future benefits of automation, either in shorter hours or other compensation--starting in 1977, after the new contract runs out. The union refused to accept the offer on the grounds that the benefits of automation should be shared during the present contract. Perhaps the union's biggest gain, agreed on before the strike began, was a promise of notice of technological change, arbitration of unresolved differences, and full job security.
- Declared Jean-Claude Parrot, CUPW vice president and chief negotiator: "The Government will reap a bitter harvest from the seeds of conflict it has sown this year." Union President Joe Davidson said that "if the mail service is to function properly, and if the Government wants industrial peace in the post office, it will have to make some positive efforts to repair the damage it has done in this round of negotiations." For now, said Davidson, there will be no work-to-rule campaign, but the union will "police this contract very carefully"--meaning that CUPW will protest even slight infractions, a potential source of constant conflict.
- Marcel Perreault, militant head of the Montreal local, decried "a lack of leadership; they let us down." But whether most of the union members now want more--or less--militant leadership is not likely to be known until the present executive prepares for reelection in 1977.

Globe & Mail, Dec. 17, 1975

- All inside workers in 10 Atlantic post offices were suspended. Many of the locals were put under trusteeship.

The Daily Colonist, Jan. 4, 1976

- Bitterness of the strike remained: Brockville posties struck again to enforce job priority over casual workers; Montreal militants announced sick leave will be used to the limit, work-to-rule will be the rule, grievance procedures will be pressed on every minute point, and shut out of casual workers will be pushed to the hilt.

Le Devoir, Jan. 5, 1976

- In Toronto, about 300 posties were suspended by the union for crossing picket lines; union president Murphy suggested a fine of \$100 to \$200.
- In Ottawa, 200 suspended workers required to pay to union all money earned for work during strike for reinstatement into union.
- In Maritime provinces, 200 workers were suspended for 19 months.
- In Montreal, all workers who crossed picket line would be suspended indefinitely.

Reader's Digest, Feb. 1976

- Many of the letters moved by couriers were bitter protests sent right to the post office department in Ottawa--4000 in the first four weeks.
- The Post Office was swamped with phone calls too. "Please help me," one man said. "My business is sinking from under me." Another asked in an angry voice: "Whom do I sue--Joe Davidson or Bryce Mackasey?"
- As the weeks passed, some 2200 postal workers across the country risked trouble with their union by returning to work--even if there was little for them to do. Some were upset because their leaders would not hold a vote on the government's last offer.
- No dissidents slipped back to work in the nation's largest city. Pickets were constantly out in strength at Montreal's main post office, blocking all access, and post offices in the metropolis were also locked up tight. But in Moncton, N.B., the post office won an injunction limiting pickets to two per exit so that union members wanting to return could do so without fear of intimidation. In the small Manitoba towns of Morden, Alton and Winkler, post offices never closed. "Everybody knows everybody in these communities," said local CUPW president Jack Neufeld, 46. "We didn't want to hurt our fellowmen".
- An immigrant complained that because unable to afford long distance phone calls she had been severed from loved ones.

- The strike had cost the post office \$20 million in lost revenue. It had wiped out the union's \$1 million strike fund and forced the union nearly \$200,000 into the hole. And it had cost the inside postal workers close to \$35 million in lost wages.
- Across Canada, the public reacted to the strike with indignation. 75 businessmen picketed the pickets outside Toronto's main post office. "A long strike will ruin business. Who will pay you then?" read one placard. Letters condemning the strikers reached the newspapers. "Let the army move the mail, until new sorters are hired," one man wrote.
- In Winnipeg, 50 women responded to a plea on Peter Warren's CJOB radio show for volunteer sorters at the main post office.
- The strike began on October 21 when 22,000 inside workers, handling 19 million pieces of mail daily for about \$9500 a year, were refused an increase to over \$15,000 within 27 months. With added fringe benefits, that amounted to a raise of 71 percent.
- Mackasay offered a boost to between \$13,000 and \$14,000 a year over 30 months. The government was hardly in a good moral position to offer more: days after, it announced its intention to legislate controls limiting wage increases to a maximum of 12 percent a year.
- That didn't matter to the CUPW. As the strike wore on negotiations continued daily, broke off on November 6, then resumed intermittently two weeks later. Meanwhile, for six weeks the public had to live without letters and parcels. They also lived without bills.

III: IMPACT OF THE POSTAL STRIKE

The services rendered by the Post Office are of primary importance because these services provide for a considerable portion of the

- (a) communication of information,
- (b) transportation of goods and material, and
- (c) delivery of instruments of payment

taking place in Canada and between Canada and other countries. Because the Post Office performs such a large portion of these functions, the withdrawal of its services produces a severe disruption.

As outlined in the introduction of this report, the information in the news articles were divided into the three categories of private sector, public sector and householders, in order to analyse the impact of the strike on the users of postal services. These categories have different service requirements and will be discussed independently. It was evident from the information collected that it would be advantageous to subdivide the private and public sectors into smaller components within which the impact is more homogeneous. The sub-sectors which received the most attention in the news media are the following:

Private Sector:

- Direct Mail
- Printing and Publishing
- Christmas Cards
- Banking, Credit and Insurance
- Communications and Courier Services

Public Sector:

- Government
- Lottery Sales and Charitable Organizations

Householders.

Accordingly, this chapter is organized around a similar structure.

The objective of this exercise was to identify and describe the economic impacts resulting from the disruption of postal services as reported by the media. In particular, it was desired to assess the impacts with respect to:

- (a) temporary and permanent effects,
- (b) differences due to geographic regions,
- (c) potential implications of disruptions occurring at different times of the year, and
- (d) duration of the disruption.

In the analysis of the articles from the news media, these effects were noted wherever possible.

Since the impacts of the postal strike as summarized here are as reported in the media, the reader is cautioned that the coverage may not be comprehensive and may vary in accuracy. It is clear that the newsworthy items are those that describe impacts that are severe, unusual or extreme. In addition, estimates of potential impacts, especially those made during the strike or soon after the resumption of service, may be exaggerated.

1. IMPACT ON PRIVATE SECTOR

For Canadian business the postal strike meant the sudden disruption of a vital communication link which, as Sam Hughes, Executive Director of the Canadian Chamber of Commerce, said, cost hundreds of millions of dollars in lost sales and extra expenses. (Reader's Digest, Canada, February 1976).

The areas in which the impact was most significant were: billing, internal cash-flow and dissemination of information. The seriousness of this disruption is reflected in the results of a survey conducted by the Conservative Member of Parliament, John Fraser (Toronto Star, December 4, 1975). In the survey of the 126 respondent firms:

- 74 reported a loss which adds up to \$3,145,000. The average loss was \$42,500.
- 106 firms (86%) faced bankruptcy. The small business grossing less than \$50,000 a year had suffered most.
- Layoffs were as high as 49% with 11 firms having laid off the entire staff and 6 self-employed individuals having quit.

Interviews with businessmen indicated layoffs of at least 1,000 employees in Metro Toronto (The Citizen, November 26, 1975). The interruption of small orders, generally placed by mail, caused production to drop for many small manufacturers. Further, completed orders could not be delivered and payments of money owed by customers practically stopped. A large company like Bell Canada, which normally sends out 225,000 statements a day, soon found itself with a backlog of about five million (Reader's Digest, Canada, February 1976). Bell had to

pay over \$500,000 a month in interest on money borrowed to cover the unpaid bills. (Toronto Star, December 4, 1975).

The financing of increased accounts receivable resulting from a low payment of bills, produced an increase in interest rates. This increase, however, was modest even without a change in Bank of Canada policy, since the trend was for a substantial lowering of rates in concert with the U.S. trend. (F.P., November 1, 1975).

On the immediately following pages, the articles referring to these general impacts are summarized. The impacts on specific sub-sectors within the private sector are treated individually on subsequent pages.

SUMMARY OF ARTICLES: Private Sector (General):

Citizen, Oct. 22, 1975

- Businessmen in St. Catherines, Ont., tabulated the direct cost to them of the April 1974 strike at \$161,630. These costs included courier services, telephone calls, loss of non-recoverable business, etc.

Financial Post, Nov. 1, 1975

- Postal strikes have often led to a loosening of monetary policy to enable the banking system to cope with increased loan demand, since business has to raise additional working capital because cheques are no longer coming through.
- This time, however, it appears that the Bank of Canada will essentially adopt a neutral stance -- neither increasing money supply nor reducing it. However, a credit squeeze resulting from postal strike is unlikely.
- Money market specialists say that the banks' liquidity might improve moderately by the end of the year from its very low present level.
- Loan demand is expected to fall off during that period and any increase owing to postal strike would therefore not put much pressure on rates.
- Although a sudden surge of bank loans is unlikely, if it were to come about the central bank would probably let interest rates adjust upward rather than depart from its current anti-inflationary policy.
- However, U.S. short-term interest rates have been declining sharply.
- The flow of funds into Canada from the U.S. has sharply increased the forward premium on the US\$ and offset part of the interest rate differential.
- A credit squeeze resulting from the postal strike is unlikely.

Citizen, Nov. 15, 1975

- Price rises due to cost recovery price adjustments made by firms suffered in the postal strike.

Citizen, Nov. 26, 1975

- Interviews with businessmen indicated a layoff of at least 1,000 employees in Metro Toronto.
- Some firms considered relocation in U.S.

Financial Post, Nov. 29, 1975

- For many Canadian businesses the financial noose tightened noticeably this week as a result of the postal strike.

- The strike has cut off the vital and relatively inexpensive communications link between suppliers, manufacturers, and customers across the country. Fallout from the breakdown has caused thousands of employee layoffs in a broad range of industries and is costing the economy millions of dollars every week.
- "The strike is starting to cause very real problems, particularly in outlying areas," says an Industry, Trade & Commerce spokesman. "Businesses in Atlantic Canada appear to be having the most difficulty."
- The reason: Maritime businessmen are heavily dependent on the mails for communication with major supply centres such as Montreal and Toronto. A similar situation exists in other sparsely populated out-of-the-way areas. For firms operating nationally, or even regionally, the communications gap means orders aren't received, bills can't be paid, and payments aren't made.
- "If the postalworkers get one more cent over the federal offer, the whole anti-inflation program goes down the drain. And we generally support the anti-inflation program," says John Bulloch, president of Canadian Federation of Independent Business.
- Eaton's and Simpsons may benefit as Christmas shoppers overcome mailing difficulties by purchasing through catalogue offices in one city for delivery in other areas of the country. "We're run off our feet trying to accommodate this type of business," says an Eaton's official.
- The money crunch has arrived for thousands of small enterprises across the country. The assortment of minor orders that provided a base for many small manufacturers aren't arriving and, worse, payment for completed orders is tied up in the mails or can't be billed. Smaller retailers are faced with the cost of placing orders by telephone or telegram at added expense, particularly for businessmen in outlying areas of the country.
- "We have been calling local customers, telling them what they owe and then sending an employee around to collect," says a Manitoba manufacturer. "That's expensive, but at least we can get the cash. We can't do anything about out of town customers."

Toronto Star, Dec. 4, 1975

- Bell Telephone had been paying over \$500,000 a month in interest on money borrowed to cover unpaid bills.
- Conservative MP John Fraser conducted a survey: -
 - of the 126 firms responding, 74 reported losses totalling \$3,145,000.
 - survey showed small business grossing less than \$50,000 a year suffered most: 86% of 126 firms faced bankruptcy.
 - layoffs reported by 49%; average loss by 74 firms was \$42,500 each.
 - 11 firms laid off entire staff; 6 self-employed individuals simply quit.

Financial Post, Dec. 6, 1975

- Late-season mild weather and the postal strike have kept pre-Christmas department store sales pretty mushy so far.
- Although the postal strike affected the pace of pre-Christmas shopping, it did not significantly affect mail-order catalogue sales. Simpsons-Sears, for example, has said that only 5% of its total catalogue orders actually come through the mail. Most of the business is done by telephone or in person at a Sears' store or catalogue office. Since Sears' catalogue business accounts for about 40% of total company sales, the slowdown in mail-order sales affects only an estimated 2% of business.
- Catalogue executives say any ill effects may well be erased by increased orders during the strike from customers who regarded the catalogue service as the easiest method of sending gifts from one part of the country to another.
- Steinberg's Ltd: The postal strike slowed down payment of money owed by customers to the store.

Reader's Digest, Feb., 1976

- Bell Canada, which normally sends out 225,000 statements a day, soon found itself with a backlog of about five million. Other companies placed newspaper advertisements telling customers to pay their bills or face mounting interest charges. Warned on credit agency: "It's easier to pay a monthly account than a quarterly one." Another noted: "Some debtors are using the strike as an excuse."
- Banks reported that on November 5, they had \$18.8 billion in currency and demand deposits, an exceptional \$1.4 billion up on the previous week. As the strike wore on, however, lineups in banks and department-store accounts offices indicated that more and more Canadians had ceased to wait for the resumption of mail service before paying their bills.
- Yet the strike's effects were severe, especially on small firms. Sam Hughes, executive director of the Canadian Chamber of Commerce, estimated that the strike cost Canadian business "hundreds of million of dollars" in lost sales and extra expenses.

(a) Direct Mail

Direct mail business suffered badly from the postal strike. It is claimed that \$500 million sales annually are generated by direct mail promotion (G.&M., December 1, 1975). The strike could have reduced this figure by as much as 20%.

Direct mail companies include 37,500 jobs, but during the strike, they found their activities paralyzed and were forced to lay off a large portion of their staff. (F.P., November 29, 1975).

The Canadian Direct Mail Association, made up of some 194 members including banks, insurance companies, advertising agencies, and mail-order firms, was considering setting up an alternative delivery service.

SUMMARY OF ARTICLES: Direct Mail

Direct Marketing, May 1975

- Summarized French postal strike effects on mail-order companies; strike lasted 6 weeks from November to December of 1974:
 - unrecoverable business loss: US \$24 million per week; \$144 million total.
 - 60% of 20,000 mail order workers laid off
 - loss of effectiveness of follow-up campaign of winter catalogues.
 - effects on the future of companies:
 - prolonged heavy borrowing
 - effect on investment programs
 - abnormally inflated inventory will cause loss on seasonal articles.
 - recommendations to government by companies:
 - postponement of forthcoming postal rate increase
 - social assistance to laid off workers
 - financial aid of short to long term loans
 - maintain minimum service and suspension of postal monopoly during strike.

Globe & Mail, Oct. 29, 1975

- Canadian direct mail industry was considering setting up own delivery service.
- A large U.S. service, United Parcel Service, attempted to enter Canada but was rejected by government.
- Given own delivery service, direct mail industry, like Consumers' Gas Co., would probably abandon the Post Office permanently.
- Obstacle in establishing service: since direct mail is selective and not distributed door-to-door universally, a substantial amount of capital would be required to establish such a service; furthermore, experienced management would be required.

Globe & Mail, Nov. 6, 1975

- Possible business shut-down: Sovereign-Fingerhud Group of Companies might close Cornwall plant. Predicted \$500,000 possible loss; mail service needed for advertising by the firm; 250 to 300 workers were laid off due to strike; this is the third time operation of firm is halted by mail service disruption this year.

Citizen, Nov. 25, 1975

- More effects on direct-mail industry: industry in danger of being taken over by Americans, because many need financial backing for survival, as yet no government help.

Financial Post, Nov. 29, 1975

- Many direct-mail companies had to lay off staff because the postal strike has paralyzed business. These are normally their peak weeks of the year.
- The strike has had devastating effect on direct-mail firms, and most are reacting with heavy staff cutbacks. Moreover, the situation could get worse. "If the strike lasts a few more weeks, some companies probably will have to close," says David Room, president of the 188-member Canadian Direct Mail Association.
- "In this business if your marketing activity ceases, your cash flow dries up," he says.
- Indeed, the industry is so concerned about the cumulative effect of frequent mail strikes that Room says he will place the topic of a possible alternative delivery service on the agenda for the association's Nov. 26 meeting.
- Aggravating executives' worry is the fact that their Christmas mailing season should be starting and that if it doesn't they'll be in even more serious financial trouble. "If the strike continues we could lose out on the Christmas season and it could be very critical for us."
- Already, many direct-mail firms have laid off employees. There are 37,500 jobs in the direct-mail business, which generates about \$535 million in revenue annually. Sovereign Seat Cover, for example, has laid off 250 of its 300 employees. "We estimate we are losing \$250,000-\$300,000 per week in cash receipts," Grisim says.
- "In dollars-and-cents terms, the strike will probably mean a 20% loss in business this year. But, there is also the incalculable loss of business that can never be recaptured."
- Some direct-mail firms are still able to carry on with their full staff by working ahead on compiling material for future mailing. But all the present activity really does is to delay the effect of the strike.
- Many clients have stopped printing promotional material because of the strike, there will be a slow period after the strike ends from which it will take us a considerable time to recover."
- Most of the direct-mail operations were shut down after the vital advertising and delivery pipeline was cut. About 100 Canadian firms directly involved in the business have now laid off an estimated 500 employees. Manufacturers that supply products to the direct-mail companies are also starting to feel the pinch as sales dry up. The Canadian Direct Mail Association, whose 194 members include banks, insurance companies, advertising agencies, and mail-order firms, have originated an advertising campaign urging the federal government to "take whatever steps are necessary to ascertain the true wishes of the postal workers and to end this ruinous strike."

Globe & Mail, Dec. 1, 1975

- Direct-mail business suffered heavily: it is claimed in Canada \$500 million sales a year is induced by direct mail promotion, that a 500,000 piece mailing promotion for a \$50 - \$70 item can generate sales of 5,000 to 7,000 items, i.e. sales of at least \$250,000 -- thus loss of sales also to manufacturers, e.g.:
 - Sovereign Group of mail-order companies based in Cornwall lost \$1 million and short \$1.5 million in collections.
 - Herbert A. Watts Ltd. laid off 70 to 125 employees.
- Loss in response to advertising campaigns, e.g.:
 - World of Beauty had promotion campaign of \$60,000, just before strike, for cosmetics; sales up to \$1 million were lost.
 - Book of the Month Club had heavy losses in advertising.
 - O.E. McIntyre Ltd., Montreal, which handles book accounts, laid off 180 employees.
- It was estimated direct-mail business down 50 to 75%.

Financial Times, Dec. 8, 1975

- Direct-mail industry figured loss of \$90 million from sales through leaflet advertising and more than \$300 million from newspaper, catalogue and other advertisers.

Gazette, Dec. 9, 1975

- Clients of book and record clubs would turn to stores for Christmas presents.

Globe & Mail, Jan. 15, 1976

- Postal strike final straw in demise of Eaton's catalogue sales business, which is to be closed at the end of May, laying off about 9,000 employees.
- Eaton's catalogue sales were down 25% to 30% when Christmas sales should have been peaking. 13% of catalogue business was through direct mail; 75% through phone and 12% walk-in.

Globe & Mail, Jan. 16, 1976

- NSI Marketing Ltd. of Toronto blamed strike for projected loss in 1975 in excess of \$1 million,

Reader's Digest, February, 1976

- Canadian Direct Mail Association, whose member firms employ some 37,500 people and gross \$500 million a year, sense the threat of oblivion. Sovereign Auto Seat Cover Manufacturing Ltd. of Cornwall, Ont., which

sells a variety of appliances, tool and other household goods by mail, quickly lost \$500,000, and laid off 250 of its 300 employees. Canadian Greetings Ltd., a card firm, lost \$400,000 in less than six weeks and laid off half its staff of 20.

(b) Printing and Publishing

The printing and publishing industry has been significantly affected by the postal strike.

Many of the largest firms depend heavily on the mail for distribution of their magazines and papers. They faced the necessity of using more costly distribution systems, such as house-to-house hand delivery, in order to retain their revenue from advertising. The Financial Post delivered 100,000 copies to selected areas of Canadian cities at a cost of \$30,000-\$35,000 per issue. The remaining undelivered copies were mailed when the strike was over. (F.P., November 29, 1975). The same procedure was adopted by Quest, Homemaker, Time, Maclean's, Chatelaine and others. Layoffs were reported, and adverse cash flow problems resulted in increased use of bank financing (G.&M., December 2, 1975). Sheryl Taylor-Munro, executive co-ordinator of the Canadian Periodical Publishers Association, said many magazines would go under and would not be restarted after the strike.

Not all publications suffered, however. The postal strike actually helped some community newspapers, which enjoyed substantial increases in circulation, and took over requests for advertising withdrawn from the weekly papers and direct mail promotion. Further, many rural post offices remained open during the strike and the reduction in mail flow resulted in speeding up the distribution of local papers to boxholders and rural routes (F.P., November 22, 1975).

SUMMARY OF ARTICLES: Printing and Publishing

Globe & Mail, Nov. 19, 1975

- Saturday Night Magazine's November issue would be distributed free to selected homes in 10 Canadian cities to assure advertisers potential market "demographically" similar to magazine's regular readership. Loss of revenue plus cost of free delivery was about \$80,000.
- Quest, Homemakers, Time, Maclean's and Chatelaine distributed their magazine to the top households in the top 20 urban markets.
- Free Press Weekly of Winnipeg, which relied heavily on mail for advertising and circulation, suspended publication during strike.
- Time and Readers' Digest lost ground in competition for advertising. Time's advertising lineage in October was 11% below October 1974 (for the year it was down almost 12%); Readers' Digest was 7.4% behind last year, but in October its advertising lineage dropped 39%.

Gazette, Nov. 19, 1975

- Readers' Digest Association (Canada) Ltd. had most of its 1.5 million issues of November's edition at distribution points rather than in the hands of the readers.

Globe & Mail, Nov. 21, 1975

- Small publishing firms, being without alternative distribution system, were seriously affected, e.g., Canadian Women's Educational Press had lost 1/3 of its annual sales already.

Financial Post, Nov. 22, 1975

- Leaner times have fallen on much of the media, but the community newspaper remains alive and well -- and growing.
- Atlantic Community Newspapers Association: weekly papers have had few complaints or cutbacks from advertisers.
- A number of Atlantic weeklies are enjoying substantial gains in circulation. "In spite of newsprint prices being up by 50%, we're doing fine."
- The postal strike across Canada has had a surprisingly positive influence on their business. Several publishers noted with satisfaction that the strike has diverted sizeable ad revenues normally placed into the preparation of flyers and handouts into weekly papers. Advertisers temporarily unable to get distribution by direct mail are investing in weekly newspaper advertising.
- Many publishers in smaller areas where rural post offices have remained

open during the strike reported much faster distribution of their papers to boxholders and rural route subscribers.

Teletype, Nov. 25, 1975

- Sheryl Taylor-Munro, executive coordinator of Canadian Periodical Publishers' Association, said many magazines will go under and will not be restarted after strike.

Citizen, Nov. 25, 1975

- Loss of advertising to magazines and paper (trade publications rely almost entirely on mail) because they are not delivered, e.g. Financial Post.

Financial Post, Nov. 29, 1975

- The strike has been very expensive for some of Canada's largest publishing firms. Maclean-Hunter and Southam, for instance, depend heavily on the mails for distribution of more than 120 trade and consumer publications. Both companies have gone the costly route of attempting to deliver trade publications by hand and in some cases two editions of publications are being combined into one.
- Consumer magazines such as Maclean's are providing free house-to-house distribution in selected areas of major Canadian cities to retain the support of advertisers. The cost: more than \$40,000 per issue. The Financial Post has taken similar action, delivering 100,000 copies to selected areas in Canadian cities at a cost of \$30,000-\$35,000 per issue. In addition, back copies of FP will be mailed when the strike is over.
- Weekly newspapers are also having a rough time and many are hand-delivering copies to subscribers.

Globe & Mail, Dec. 2, 1975

- Printing industry layoffs.
- Increased bank financing needed.

Toronto Star, Dec. 4, 1975

- Maclean-Hunter Ltd. reported to have to borrow because of strike.

(c) Christmas Cards

The timing of the strike endangered Christmas card sales. Before the end of the strike, retail sales were down by 40 to 50% from the previous year. One of the largest greeting card companies declared that it had lost \$1 million in sales and had been forced to lay off 300 workers. (Reader's Digest, February 1976).

To encourage sales an Ottawa greeting card retailer offered overseas postal services, transporting its customers' cards free of charge to Ogdensburg, New York. (Citizen, November 21, 1975).

Some repercussions should be felt next year by card manufacturers, as a considerable number of unsold cards is still in stock. Fortunately however, the end of the strike occurred in time to allow at least a certain recovery and, according to some retailers, by the end of the season they had recovered 80 to 85% of the sales. (G.&M., December 1975).

SUMMARY OF ARTICLES: Christmas Cards

Citizen, Nov. 18, 1975

- Strike effects on Christmas card business:
 - Retail sales down 40 to 50% from last year; estimated 20% of \$30-50 million seasonal business gone.
 - If strike lasts till December, firms will be concerned about market for 1976 (e.g., reduced production in 1976 due to high inventory).

Citizen, Nov. 21, 1975

- A local greeting card retailer offered card buyers overseas postal service--the Davis Agency instituted a mail run to Ogdensburg, N.Y. The service was free of charge.

Financial Post, Nov. 29, 1975

- Christmas cards: retailers have already written off the \$40 million worth of business they would normally handle. They will be forced to pay the cost of keeping supplies in inventory for another year. The impact on card manufacturers won't be felt until next year. Sales will plummet as a result of this year's leftovers and the big suppliers will probably be forced to lay off more than 100 people.
- "We're lucky," says one retailer. "We only have one card reading 'Season's Greetings--1975'. It suppose it could become a collector's item."

Globe & Mail, Dec., 1975

- Simpsons Ltd. said to have recovered 80 to 85% of Christmas card sales after the strike. S. S. Kresge Co. Ltd. indicated long range effect on Christmas card sales negligible. For T. Eaton Co. Ltd., counter card sales were as strong as in previous years.
- Retailers said individual counter cards were being re-ordered, while boxed cards were not.

Financial Post, Dec. 13, 1975

- Christmas card sales, at a standstill during the postal strike, are picking up strongly now, but retailers say it will be impossible to make up the lost business. The same gloomy outlook is expressed by spokesmen at UNICEF and Canadian Save the Children Fund, which depend extensively on Christmas-card sales to fund their charitable work. "The strike damaged us a lot--we need the money urgently to perform our services," a Children Fund spokesman says.

Reader's Digest, February, 1976

- At Carlton Cards Ltd. of Toronto, one of the country's largest greeting-card companies, as November wore into December, Canada's longest mail strike had bludgeoned the Christmas trade, wiping out \$1 million in sales and causing 300 workers to be laid off.

(d) Banking, Credit and Insurance

Banks made substantial gains as a result of the strike. They reported sharp increases in their money supply, including demand deposits. In the week ending November 5, the money supply had totalled \$18.52 billion, after a weekly increase of \$1.12 billion. The previous week the increase had been \$321 million. This indicated that pay-cheques were going into bank accounts rather than into payments of bills (Gazette, November 19, 1975). This was accompanied by a rapidly rising demand for business loans to cover escalating accounts receivable.

Credit-card companies exerted some pressure on their customers to have them pay their bills. They threatened to apply interest to the account even if statements had not been delivered. This created more hostility and confusion since the matter comes under provincial jurisdiction and legislation varies across the country. Ontario's Minister of Consumer and Corporate Relations stated that Chargex had no legal right to demand payments. (Citizen, November 21, 1975).

Insurance agencies were hurt by the strike. While the larger firms continued to collect from agencies by couriers, the agencies had difficulty collecting from clients and were caught in a money squeeze. In some agencies agents had to spend evenings and weekends collecting premiums. (Citizen, November 21, 1975).

SUMMARY OF ARTICLES: Banking, Credit and Insurance

Citizen, Nov. 13, 1975

- Allstate Insurance Co. froze all the billing processes, but maintained coverage.

Gazette, Nov. 19, 1975

- Sharp jump in Canada's money supply, defined to include personal chequing accounts. Supply jumped \$1.12 billion, in the week ending November 5, to a total of \$18.52 billion, compared with only a \$321 million rise the previous week. This means paycheques are going into the bank rather than to bill payments.
- Extensions are granted by banks to many small businesses whose account receivables are choked off by strike.

Citizen, Nov. 21, 1975

- A Chargex advertisement (costing close to \$2,000) urged customers to make approximate payments on accounts, though Ontario's Minister of Consumer and Corporate Relations later said Chargex had no legal right to demand the payment.
- A Texaco Canada advertisement urged travel card holders to pay.
- Insurance agencies hurt by strike: caught in a money squeeze between their clients and the firms they worked for.
- Insurance coverage could not be suspended; while large firms continued to collect from agencies by couriers, the agencies couldn't collect from clients, e.g., Murray C. Cleary Ltd. salesmen spent evenings and weekends collecting premiums; Sun Life Insurance Co. put advertisements in newspaper informing about policy payments and how to collect pension cheques.

Teletype, Nov. 25, 1975

- John Bulloch, president of Canadian Federation of Independent Business, said government has increased money supply so banks can provide loans to keep companies operating.

Financial Post, Nov. 29, 1975

- Demand for business loans is rising as companies borrow to cover escalating receivables. In fact, the banks may make substantial gains

as a result of the strike, particularly if a dispute over interest charges on credit cards is settled in their favor. Because of the strike, the question arises whether charge-card customers can be charged the normal 18% annual interest without receiving an itemized statement. The matter comes under provincial jurisdiction and legislation varies across the country.

Globe & Mail, Dec. 1, 1975

- Bank cheque manufacturers volume down 50 to 70%.

Reader's Digest (Canada), February, 1976

- Companies placed newspaper advertisements telling customers to pay their bills or face mounting interest charges. Warned one credit agency: "It's easier to pay a monthly account than a quarterly one." Another noted: "Some debtors are using the strike as an excuse."
- Possibly so. Banks reported that on November 5, they had \$18.8 billion in their currency and demand deposits, an exceptional \$1.4 billion up on the previous week. As the strike wore on, however, lineups in banks and department-store accounts offices indicated that more and more Canadians had ceased to wait for the resumption of mail service before paying their bills.

(e) Communications and Courier Services

The postal strike created a period of expanded activities and large gains for companies providing alternatives to the Post Office mail delivery. These alternative delivery services included courier services, bus parcels, express, telephone, telegrams, night letters, Telex, facsimile transmission, etc. Their cost is considerably higher than the services rendered by the Post Office; nevertheless, some customers who shifted to them continued their use even after the conclusion of the strike. (F.P., November 8, 1975; Citizen, November 25, 1975).

Many Canadians resorted to using the U.S. postal services. For example, during the strike the post offices of Buffalo and Niagara Falls, New York, were together processing 100,000 pieces of Canadian mail per day. A number of postal boxes were opened, in addition to those still retained from the previous strikes, for picking up mail. (F.P., November 8, 1975; Teletype, November 25, 1975).

Finally, services were rendered by postal workers who in this way supplemented their strike pay. Letter carriers did the same to increase their unemployment insurance benefit income. They successfully organized and operated private courier services in various localities. (Teletype, November 25-26, 1975).

SUMMARY OF ARTICLES: Communications and Courier Services

Financial Post, Jan. 22, 1972

- More than 50 private couriers established in Toronto, e.g., Pony Express Delivery Service rose from one man operation to a larger firm on verge of intercity service.

Journal, Nov. 5, 1975

- Laid-off letter carriers formed private courier service in Halifax.

Financial Post, Nov. 8, 1975

- A Toronto-based company, Canadian Fuel Marketers Group Ltd., is using its Telex machine to send messages to the federal government supporting Ottawa's stand against the postal workers. "About 1,000 messages have been sent so far by staff and their friends," says C. W. Coulson, secretary-treasurer.
- Through its subsidiaries, Canadian Fuel has employees in Toronto, Hamilton, London, Ont., Quebec City and Montreal. Coulson estimates that each message has cost the company between 40¢ and \$1, depending on length.
- The strike has also caused a heavy surge in the amount of Canadian mail being handled by U.S. border cities. For example, the Buffalo and Niagara Falls, N.Y., post offices together are processing 100,000 pieces of Canadian mail per day. "People have come from as far as Parry Sound, Ont. -- about a five-hour drive," says a Buffalo post office spokesman. "We are having to work 20-hour days in order to sort mail for our Canadian users."
- Additionally, Canadians have opened 100 postal boxes for picking up mail in the Buffalo post office system and 200 in Niagara Falls. The minimum rental period is six months at a charge of \$35. "Many people, however, had retained their boxes they rented during previous strikes," the spokesman says.
- The vice-president of Canadian Courier Services Ltd., a Vancouver-based firm that provides a national service, declared: "Our largest single delivery prior to the strike was 500 letters; during the strike, it has been 2,000."
- Sample intercity Canadian Courier rates (on a per-item basis from Vancouver) are \$4.60 to Victoria, \$8 to Edmonton or Toronto, and \$22 to the Maritimes. Rates within a city range from \$1-\$3.25 depending on volume, with the lower rate for deliveries of 1,000 or more.
- In Montreal, another courier company, Quick Messenger Service, has hired seven more employees to cope with a 40% increase in business, says sales manager William Michaud. QMS covers the Metropolitan Montreal area, charging \$2.50 for the first mile and 60¢ for each additional mile.

- The strike has given a boost to Investors Delivery Service, Toronto, a company formed just before the strike to provide delivery of investment-house reports to financial institutions. "The strike certainly has helped," says owner Tony Edwards. Edwards offers same-day delivery within Toronto and every-other-day delivery from Toronto to Montreal at rates "competitive to the cost of mailing the material." He now has 25 clients and expects to lose only a couple after the strike ends because of "the service factor" of his business.
- The commercial possibilities of being a courier have also occurred to businesses not in that field. For example, Lichtman's News Depot, a large Toronto seller of newspapers from around the world, is taking letters, at \$1.50 each, on a daily basis to Buffalo for customers.
- Business at Gray Coach Lines' bus parcel express service has increased by 120%, says Douglas Cretney, chief BPX supervisor for the Toronto area. "We've had to double our staff and add four telephone lines to handle the load," he says. Minimum BPX rates from Toronto are \$3.85 to Montreal, \$9.65 to Vancouver, \$6.30 to Winnipeg, and \$5.80 to Halifax. Items sent within 350 miles arrive the same day, whereas it takes 2½ days to Halifax and three days to Vancouver.
- Airgo Agency Ltd., Toronto, provides rush delivery by air from Toronto only to other major Canadian cities. The rate to every city except Montreal is \$7.50 for less than one pound and \$8 for one to five pounds. The rates to Montreal are \$10.05 for less than one pound, \$10.15 for two to three pounds, and \$10.25 for four to five pounds. Over and above this charge there is a \$2.50 fee for taking the package to the airport.
- The number of telegrams and night letters sent via CN-CP Telecommunications has risen by 40%, a spokesman says. Telegrams sent within Ontario and Quebec cost \$1.55 for 15 words or less, with each additional word costing 9¢; Toronto to Manitoba or the Maritimes, \$2.40 plus 11¢ per extra word; Toronto to Western Canada and the Northwest Territories, \$3.35 plus 13¢ per extra word. A 50-word-or-less night-letter from Toronto costs \$1.50 to elsewhere in Ontario and Quebec; \$2.10 to Manitoba and the Maritimes; and \$3 for Western Canada, with 30¢ for each 25 additional words.
- The increase in Telex messages won't be known until billing time because they are automatically recorded, the CN-CP spokesman says. Sample rates from Toronto for one minute are 41.4¢ to Montreal; 55.2¢ to Winnipeg; 92¢ to Vancouver and 48.3¢ to Halifax. Up to 66 words can be transmitted per minute.
- CN has had a 300% increase in the amount of business handled by its Rapidex small-package delivery service. Packages weighing up to 50 pounds can be shipped via three different methods on a pre-paid basis:
 - "Station" service is overnight express, between Toronto and Montreal only, at \$1.50-\$4.25--depending on an item's weight.

- Packages must be taken to, and picked up at, the station.
- "Route" service provides next-day direct delivery among a dozen Ontario cities and from these points to Montreal at \$2.50-\$4.50.
 - "Plus" services gives direct delivery, within 48 hours, between Toronto, Vancouver, Montreal Halifax, Edmonton, Calgary and Winnipeg, with rates depending on distance and weight. The rate from Montreal to Vancouver, for example, ranges from \$6-\$17.65.
-
- Facsimile companies are also doing well. "Most of our customers are people in the legal, mining, or financial world who want to transmit agreements," says James Duff, president, Nationwide Business Centres Ltd., Toronto. "Our biggest single transmission so far during the strike has been 39 pages to four different points in Canada and 27 pages to Vancouver." Charges for the service are \$2 per page to and from Montreal and Ottawa and \$3 to other cities, plus regular long-distance costs. It takes four minutes to transmit one page. Thus, the Vancouver transmission cost \$183.60, including 95¢ per minute for long distance.

Financial Times of Canada, Nov. 24, 1975

- In Washington, D.C., much of the paperwork is moved outside the postal system by numerous courier services even when the post offices are functioning normally.
- These services are not regulated; they do an estimated \$12 million business a year.

Teletype, Nov. 25, 1975

- Emergency Courier Service, operated by Halifax letter carriers, had been asked by several business firms to become a permanent service after the end of the strike. However, for lack of contractual guarantees from major customers, and because of the fact that key personnel would return to the postal service after the strike, the service will not likely be continued.
- Strike brought both revenue and problems to U.S. border post offices, especially with Christmas getting closer.
- e.g., in Bellingham, Washington, mail had about doubled.
- In Port Huron, Michigan, revenue was up 30% on stamps and metered mail.
- In Blaine, Washington, revenue was up 400%, and would probably be 600 to 700% if strike continued.

Citizen, Nov. 25, 1975

- Survival of alternative private courier service after strike means more losses for Post Office.

Teletype, Nov. 26, 1975

- CUPW expanded courier service in Quebec, the service which had begun November 4, and charged between \$1.00 and \$2.50 a letter.
- Greyhound Lines of Canada Ltd. started home delivery of Christmas parcels in major cities of Western Canada.

Financial Post, Nov. 29, 1975

- Telephone companies across the country are the big winners as a result of the postal shutdown with CN-CP Telecommunications coming a close second. Courier services are also finding it difficult to handle the amount of business available. Air, rail, and bus express services are taxed to the limit. "We've had to turn down a lot of business," says a busline official in Toronto. "The cargo compartment of almost every bus is packed to the gunwales with small and medium-sized parcels."

Globe & Mail, Dec. 2, 1975

- Taxi-cab business up, though need loan to tie over due to a higher proportion of charged accounts.
- Telegram business up 40%.
- Bell Canada: overseas calls up 74%; business day long distance calls up 11-12%; central area up 7%.
- CN small parcel service (Rapidex) up 400%; air express up 200%; heavy express up 25%.

Toronto Star, Dec. 4, 1975

- Courier services interviewed by Star reported 25-40% increase in business during strike.

Financial Times, Dec. 8, 1975

- Courier services (e.g., Purolator Courier Ltd.) expressed the view that extra strain the strike put on their resources was not worth the extra business.

Reader's Digest, February, 1976

- Some businesses benefited. Bell Canada recorded a 40-percent rise in overseas calls. Telegraph companies were busy. Private courier services sprang up like mushrooms. Newspapers printed offers from private citizens to carry mail to the U.S. John Johnson, the postmaster in Pembina, N.D., found his staff of three taxed to the limit-- especially on the day the Hudson's Bay Company in Winnipeg sent down 12,000 copies of its magazine, The Beaver, for U.S. subscribers.
- "Trustworthy lady travelling to Plattsburgh (N.Y.) three times weekly," a lady advertised in the Montreal Gazette, "would take large quantities of mail for U.S. destination. Her telephone hardly stopped ringing. On some days, she earned as much as \$1300. Her

best clients were large companies that had had the foresight to stock up on U.S. stamps.

- Some courier services were started by postal workers themselves. In Montreal, they found 100 regular customers who sent 4000 letters daily. Then they printed stamps bearing the union's blue and gold insignia; \$1.25 per stamp for a local letter. Mailmen wanting to supplement their unemployment benefits opened the Winnipeg Independent Letter Delivery, sorting and delivering 110,000 letters at 8 to 16 cents apiece before the strike ended. In Halifax, 51 mailmen handled 15,000 to 20,000 letters a day at 15 cents for local mail, \$1 for U.S.

Toronto Star, April 24, 1976

- Star survey shows that the Post Office will lose millions of dollars in potential business this year because disgruntled customers are taking their mail elsewhere.
- private courier business has doubled in the past five years and is now worth at least \$70 million annually.
- strikes, slowdowns and slow service are the main reasons to switch away from Post Office.
- catalogue distribution too costly by mail compared to alternative distribution means
- Post Office plans to begin operating an inter-city messenger system within six months.

2. IMPACT ON PUBLIC SECTOR

(a) Government

The postal strike affected all levels of government in a variety of ways. At the federal level, the Post Office itself suffered an estimated \$20 million net loss, the difference between its lost revenue and the costs (mainly labour) that were avoided during the strike. Some unknown fraction of this loss would be recoverable after the strike but in many cases, permanent losses were suffered once customers established alternative means. (Financial Times, December 8, 1975).

The outside postal workers who were laid off soon began to draw unemployment insurance benefits of approximately \$2 million per week. In addition, other workers drew benefits when private sector firms were forced to lay off their employees. Benefits did accrue to the Unemployment Insurance Commission, however, as a certain number of former recipients of UIC benefits, who were not entitled to receive benefits, were discovered when cheques could no longer be mailed to recipients. (F.P., November 29, 1975; Teletype, November 13, 1975).

Under normal conditions, many government cheques (e.g. pension, family allowance, welfare) are mailed to recipients on a regular basis. Since in many cases, these transfer payments are needed sources of income, alternative means of delivery had to be arranged by the federal government at additional cost. In some welfare cases, advances had to be arranged for recipients awaiting cheques. (Gazette, November 26, 1975).

The routine data gathering functions of Statistics Canada and other departments were interrupted during the strike. This caused workload planning problems as well as delaying the publication of needed data. (Citizen, November 17, 1975).

Impacts reported at the provincial level included the necessity to extend the expiration date of licenses that would normally be renewed by mail during the period of the strike. At the municipal level, cash flow problems were reported when tax collections were hampered during the strike. Cities had to borrow extra funds to maintain operations. (Gazette, November 26, 1975; Teletype, November 26, 1975).

SUMMARY OF ARTICLES: Government

Teletype, Nov. 13, 1975

- Investigation made on persons who had not picked up UIC payments uncovered abuses, e.g. one recipient had gone to Europe for vacation.
- After 1974 postal strike, about 100 UIC recipients were disqualified.

Citizen, Nov. 13, 1975

- Ministry of Transportation and Communication had extended all expiring licences till the end of November.

Citizen, Nov. 17, 1975

- Strike hurt production level.
- It induced individuals and small firms to hold larger balances in the bank, which meant large rise in demand deposits along with a substantial increase in general loans. With the end of the strike, there would be a sharp decrease in currency and demand deposits as bills and loans got paid off.

Citizen, Nov. 17, 1975

- Collection of economic statistics hampered by strike.
- e.g., weekly financial statistics from the Bank of Canada might be distorted.
- Statistics Canada would have to decide how to collect fourth quarter figures for GNP.
- All this would distort statistics and hamper the monitoring of economy in fight against inflation.

Teletype, Nov. 20, 1975

- Quebec social affairs minister said distribution of welfare cheques and other social benefit payments during mail strike will cost \$3,000 per month.

Gazette, Nov. 26, 1975

- Strike delayed application of language regulations for labelling and advertising in Quebec.
- Extension granted to Quebec motorists whose permit renewals were affected by the strike.

Teletype, Nov. 26, 1975

- The city of Toronto and two boroughs would have to borrow money if strike continued because it would hold up tax payments. East York would have to borrow \$200,000 by mid-December; Scarborough would have to borrow \$1.5 million from Metro council; and Toronto might borrow \$20 million if strike was not ended by end of January.

Financial Post, Nov. 29, 1975

- The strike by 22,000 inside postal workers means 17,000 or so outside workers are now drawing unemployment insurance benefits worth about \$2 million per week. The unemployment fund, already hit with record expenditures estimated at \$3.75 billion in 1975, is also faced with providing support for thousands of other workers laid off as a result of the strike.

Citizen, Dec. 1, 1975

- In view of the cut in government spending, 3-days a week mail delivery was proposed but was rejected on the advice of Mackasey.
- Postal rate will go up in the near future.

Globe & Mail, Dec. 1 & 2, 1975

- Extra burden on unemployment insurance, social security; costly alternative to mail.
- Loss postage earning to Post Office: 3rd class irretrievable, much of 1st class converted to telegram and phone; hefty overtime bill in future.

Montreal Star, Dec. 6, 1975

- November family allowance cheques, sorted by postal supervisors, were delayed in arrival for half a month.
- Most provinces offered emergency advances to social assistance recipients who appealed to welfare offices for help. Provinces disliked advances because they increased administrative work.

Financial Times, Dec. 8, 1975

- Work load of postal service continues to increase. 1973-74 fiscal year, volume grew by 11%, 1974-75 by 6%.

Financial Times, Dec. 8, 1975

- Post Office figured it lost \$20 million--loss of revenue from 870 million mail items at 10.25¢ each for a total of \$90 million; payment declined by \$60 million, on the basis of \$5.59 an hour per worker; and a saving of \$10 million in transportation cost.

Citizen, Dec. 9, 1975

- Bell Telephone in U.S. showed its employees simulated newcast of the collapse of Bell in 1982 due to "poor service". Productivity after viewing had gone up 10% in some places, with saving of \$10 million. It was suggested federal government should use similar tactic in our postal service.

Citizen, Dec. 11, 1975

- A special advisory committee to the department was proposed by Mackasey to hold first meeting in February or March.
- John Bulloch, president of Canadian Federation of Independent Business planned to submit two proposals: 1) Post Office contracts its labour needs to private entrepreneurs, 2) Post Office becomes Crown Corporation. Neither proposal would be popular with labour.
- In a 1969 study consultants from Kates, Peat, Marwick suggested decentralization of much of department's decision making, increase automation and hiring of younger, better educated management to operate mail service on a commercially-oriented basis. They also recommended a Crown Corporation for the postal service.

(b) Lottery Sales and Charitable Organizations

The Olympic lottery was reported to have lost an estimated \$5 million in ticket sales due to the strike. In addition, the strike might cause a delay in the drawing for tickets for the opening and closing ceremonies of the Olympics. (Gazette, November 25, 1975; La Presse, December 3, 1975).

Charitable organizations' fund raising activities have strongly seasonal characteristics. Typically, many fund raising campaigns take place in the period before Christmas. Since they depend to a large extent on postal services, estimated losses due to the strike were high. UNICEF realized only \$1.1 million of the \$1.8 million target from the sale of Christmas cards in Canada. Similarly, the United Way, CANSAVE, CARE, Christmas Seal, and the Canadian Nature Federation all reported significant losses. (various references).

SUMMARY OF ARTICLES: Lottery Sales and Charitable Organizations

Gazette, Nov. 25, 1975

- Strike might delay the drawing of tickets for opening and closing ceremonies of the Olympics.
- Quebec Lodging Bureau, which is preparing accommodation for 2 million expected visitors, opened an office in New York State to receive mail.

Citizen, Nov. 24, 1975

- Christmas Seal organizers expected all seals to be delivered with the help of volunteers, service clubs, youth groups and commercial firms. Distribution was organized provincially.

Citizen, Nov. 26, 1975

- Strike hurt some children overseas, because of loss suffered in UNICEF Christmas card sales.
- Expected card sales to reach maximum of only 25% of volume on hand; a loss of \$150,000 to the organization per week of strike is expected.
- Some provincial governments had pledged to match amount raised by sales; this would suffer also due to strike.
- Canadian Nature Federation so far had loss of \$100,000 in sales of nature books, cards, calendars, etc.

Journal, Nov. 27, 1975

- Strike crippled fund raising organization. CARE Canada had received only \$5,000 of the usual \$210,000 by November 5. The Unitarian Service Committee was still \$591,147 short of its \$2,600,000 goal.

La Presse, Dec. 3, 1975

- Olympic lottery tickets lost sales of \$5 million due to strike.

Citizen, Dec. 5, 1975

- UnitedWay Campaign which had been extended two weeks because of the strike, would attempt to reach goal for Ottawa region of \$3.13 million after strike.

Globe & Mail, in Dec., 1975

- UNICEF of Toronto would realize only \$1.1 millions of target sales goal of \$1.8 million for its cards. CANSERVE lost about \$110,000 of a potential sale of \$250,000 in cards.

Reader's Digest, February, 1976

- Charity was hit hard. Toronto's United Way campaign fell \$895,000 short of its \$16.3 million target for the year. UNICEF, which planned to raise \$1.8 million by selling eight million Christmas cards in Canada, claimed the strike deprived it of almost \$1 million--enough money to equip more than 1200 health centres in developing countries.

3. IMPACT ON HOUSEHOLDERS

Householders account for approximately 20% of Post Office revenue, which corresponds to some 885 million items sent each year. Further, householders receive 2,350 million pieces of mail each year. It is clear, therefore, that Post Office services play an important role in satisfying the requirement for communication, transportation of goods and delivery of transactions of householders.

The importance of this role is further emphasized because the satisfaction of householders has a considerable weight on the position of public opinion. In fact householders carry their individual reactions to their working environment and contribute to the reaction of the organizations for which they work.

Based on the information in the articles collected, the major impacts of the postal strike were categorized into three classes:

- (a) direct impacts on the economic situation of the householders,
- (b) indirect impacts on the economic situation of the householders, and
- (c) impacts of a non-economic nature.

The direct impacts on the economic situation of householders were two-fold. For families dependent on monthly cheques arriving in the mail (e.g. pension, family allowance, unemployment insurance and welfare recipients), a vital source of income was interrupted. This would have been a much more serious situation than what actually occurred if alternative means of delivery of these cheques had not been set-up by the

issuing agencies. On the other hand, for those households with gainfully employed members, the opposite situation was more typical. In this case, pay cheques were still being collected at the place of employment while a major proportion of household bills were not being delivered.

Indirect impacts on the economic situation of householders were not as widespread but were severe in particular cases. The most significant of these indirect impacts was the loss of employment due to the strike. In addition to the large number of post office workers who were either on strike or laid-off, there were severely impacted firms in the private sector who were forced to lay off some part of their work force. As mentioned in the section on the private sector, the greatest effect in this respect occurred in the direct mail industry.

As for non-economic impacts on householders, the list is very long but includes impacts of relatively minor significance. Communication with distant correspondents was severed. Routine dealings with business and government were disrupted as, for example, licences expired and time-sensitive notices did not arrive. As this disruption occurred just before the Christmas holiday season, the customary exchange of good wishes was jeopardized when greeting cards could not be mailed. Such a situation can have a strong influence on sentimental feelings of householders which can result in a lingering resentment against the Post Office and the government in general.

Articles referring specifically to householders are summarized in the immediately following section as before. Impacts identified in the preceding sections on the private and public sectors, however, contain information by implication on the impacts felt by householders. These have been included in the foregoing description on householders.

SUMMARY OF ARTICLES: Householders

Citizen, Nov. 13, 1975

- Ministry of Transportation and Communication has extended all expiring licences till the end of November.

Teletype, Nov. 20, 1975

- Quebec social affairs minister said distribution of welfare cheques and other social benefit payments during mail strike will cost \$300,000 per month.

Journal, Nov. 20, 1975

- Public acceptance of tough government policies towards strike indicated a willingness to accept controls.

Citizen, Nov. 21, 1975

- Workmen's Compensation Board listed pick-up points for disability cheques; and a notice from Department of Supply and Services assured distribution depots for family allowance cheques would be set up if strike continues.
- Advertisements from the Royal Bank, Alberta Gas and Trunk Line, and other companies informed shareholders where dividends could be picked up.

Teletype, Nov. 25, 1975

- Thousands of Montreal's poorest families were running out of food and fuel because of delay in family allowance cheques. United Church mission has been dipping into the money usually used for help in January and February.

Gazette, Nov. 26, 1975

- Strike delayed application of language regulations for labelling and advertising in Quebec.
- Extension granted to Quebec motorists whose permit renewals were affected by strike.

Gazette, Nov. 25, 1975

- Letter to the editor: tax deduction to alleviate strike costs to companies and individuals.

Citizen, Nov. 27, 1975

- Senior citizens would receive December old age pension cheques 2 weeks earlier than usual, delivered by letter carriers.

Gazette, Nov. 29, 1975

- Strike hit social welfare clients -- destitute and aged faced winter fuel and clothing bills -- when cheques were not delivered.

Globe & Mail, Dec. 1 & 2, 1975

- CUPW lost up to \$32,500,000 in wages.
- Letter carriers lost \$20,000,000 in wages.

Montreal Star, Dec. 6, 1975

- November family allowance cheques, sorted by postal supervisors, were delayed in arrival for half a month.
- Most provinces offered emergency advances to social assistance recipients who appealed to welfare offices for help. Province disliked advances because they increased administrative work.

IV. SUMMARY AND CONCLUSIONS

The postal strike that took place during the six-week period starting October 21, 1975 produced strong public reaction and concern. As a result, there was continuous coverage in the news media during the strike and for a prolonged period thereafter.

Information from news coverage should be taken with some caution, however, in attempting to obtain a comprehensive picture of the strike. News reporters look for stories with elements capable of stimulating the interest of readers. Accordingly the unusual and extreme cases are those which are most often presented in the news. If these cases are in the minority, an extrapolation based on them can be misleading.

With this limitation in mind, the following conclusions were drawn from the information collected.

The postal strike of Fall 1975 produced the longest continuous disruption of postal services in Canada. Even though a few sectors were severely affected, it is apparent that the overall impact was less stringent than was generally anticipated by the media. There was remarkably little public pressure on the government to force an end to the strike.

In the analysis of the impact, the information was structured according to the economic sector breakdown shown in the table on the following page. In this table a brief description of the major

SUMMARY TABLE OF IMPACTS

SECTOR	MAJOR IMPACT
PRIVATE	
a) Direct Mail	Severe impact. Sales and production stopped. Large volume of unrecoverable sales lost.
b) Printing and Publishing	Strong impact. Difficulty in delivery. Loss of advertising revenue.
c) Christmas Cards	Considerable impact. Loss of sales for Christmas 1975.
d) Banking, Credit and Insurance	Difficulty in billing for credit card operations. Increased workload in handling transactions. Greater activity in banks.
e) Communications and Courier Services	Increased demand for services, in some cases beyond capacity.
PUBLIC	
a) Government	Difficulties encountered in communicating with the public and in delivering transfer payments.
b) Lottery Sales and Charitable Organizations	Cases of significant losses because of pre-Christmas timing.
HOUSEHOLDERS	General inconvenience and some difficulties.
ALL SECTORS	Problems with billings/payments, cash flow and information dissemination.

impact is given for each sector. The impact of the strike depended on what use was made of the postal services under normal circumstances and on the availability and cost of alternative services. The impacts, as shown, ranged from severe to minor adverse effects, and they produced a significant increase in demand for alternative services. Pervasive impacts throughout all sectors were those concerning the activities of billing and payment, cash flow and information dissemination. The most severe impact was felt by those with large distribution requirements as in the direct mail and printing and publishing sectors.

Most of the effects of the strike were temporary. After a re-adjustment period at the end of the strike, the large majority of businesses, government organizations and householders returned to their pre-strike level of activity, having suffered primarily for the period of the strike and for a short time thereafter. Some effects were more permanent, however, as for example when sales, lost during the strike, could not be recovered afterwards. Among those who suffered most in this way were the direct mail companies. In addition to lost sales during the strike, recovery for the direct mail industry was not expected to be complete.

With respect to the seasonal characteristic of the impacts, it was clear that Christmas card activity and charitable organizations were most severely affected. Both of these activities depend to a

great extent on postal services in the Fall period. In the case of Christmas cards, the strike ended soon enough to allow some recovery for the immediate season but the full impact will not be known until late in 1976. Fund raising campaigns for charitable organizations were somewhat disrupted since a disproportionate number of campaigns are planned for the pre-Christmas season.

The duration of the strike appeared to be an important factor for most sectors. Within two weeks of cessation of postal services, the direct mail companies were forced to lay off employees. Soon after the printing and publishing industry was severely affected. For most other sectors, the strike would have had more serious effects if it had continued on into January 1976, that is, a duration of ten weeks or more.

Concerning differences in the impact determined by regional characteristics, the material collected, except for one isolated statement, did not show that any region was more severely affected than another. Some difference were noted, however, between urban and rural areas. Many small rural post offices did not close for the strike and continued to provide their services whenever possible, decreasing, to some extent, the negative impact of the strike on those rural communities.

