

## **Building the Better Post: How Global Experience Can Inform Postal Transformation in Canada**

Submitted September 2nd, 2008  
prepared by David Lister

As a Canadian citizen, and therefore an equal shareholder with all Canadian citizens, of all of Canada Post Corporations shares, through Our agent the Parliament and Government of Canada, I wish to make this submission relating to the long term direction of Canada Post, as requested by the Federal Government, through the Strategic Review of the Mandate of Canada Post Corporation.

The need for a change in the strategic direction of Canada Post is clear. The Public is ready for bold action. The Employees clamor for a Better Post. All that is needed is the *Civil Courage* to take the steps necessary to satisfy the needs of the Shareholders, the Canadian People.

As an average working Canadian, and an equal shareholder with all 31 million Canadians, I wish to state that if Canada Post is to be successful for the long term, significant changes need to be made in the Canada Post Corporation. However this need does not suggest that Canada Post should be deregulated or privatized.

### **The Origins of Privatization**

Naomi Klein, in her excellent recent book, [The Shock Doctrine: The Rise of Disaster Capitalism](#), sets out in a very readable and accessible presentation, the origins and outcomes of the Policies of Privatization as they have developed in these last few decades. A little bit of history puts the whole agenda in focus, and allows for the development of a rational analysis of the Privatization Agenda in the modern era.

Naomi Klein traces the origins of the Shock Doctrine in economics and economic thought to

“the University of Chicago's Economics Department in the 1950's,.. [which] was building and strengthening the Chicago School of economics, the brainchild of a coterie of conservative academics whose ideas represented a revolutionary bulwark against the dominant 'statist' thinking of the day.

“the University of Chicago's Economics Department was in the thrall of an ambitious and charismatic man on a mission to fundamentally revolutionize his profession. That man was Milton Friedman. Though he had many mentors and colleagues who believed just as fiercely as he did in ultra laissez-fairs, it was Friedman's energy that gave the school its revolutionary fervour...

“Friedman's mission... rested on a dream of reaching back to a state of 'natural' health, when all was in balance, before human interferences created distorting patterns... Friedman dreamed of de-patterning societies, of returning them to a state of pure capitalism, cleansed of all interruptions - government regulations, trade barriers and entrenched interests... Friedman believed that when the economy is highly distorted, the only way to reach that pre-lapsarian state was to deliberately inflict painful shocks: only 'bitter medicine' could clear those distortions and bad patterns out of the way...

“Friedman's tool of choice was policy - the shock treatment approach he urged on bold politicians for countries in distress... however... Friedman would need two decades and several twists and turns of history before he too got the chance to put his dreams of radical erasure and creation into action in the real world...The mission of the Chicago School was thus one of purification - stripping the market of

these interruptions so that the free market could sing.

“For this reason, Chicagoans did not see Marxism as their true enemy. The real source of the trouble was to be found in the ideas of the Keynesians in the United States, the social democrats in Europe and the developmentalists in what was then called the Third World. These were believers not in a utopia but in a mixed economy, to Chicago eyes an ugly hodgepodge of capitalism for the manufacture and distribution of consumer products, socialism in education, state ownership for essentials like water supplies, and all kinds of laws designed to temper the extremes of capitalism... What they wanted was not a revolution exactly but a capitalist Reformation: a return to uncontaminated capitalism.”

Friedman's ideas were an outgrowth of the ideas of Friedrich Hayek, “Friedman's own personal guru,” writes Klein, “who also taught at the University of Chicago for a stretch in the 1950's. The austere Austrian warned that any government involvement in the economy would lead society down 'the road to serfdom' and had to be expunged.

Following the Stock Market Crash of 1929, the result of Friedman's unbridled Capitalist ideal, the State in the USA decided upon the New Deal to rescue Society from total collapse and revolution. Other countries followed, and in the aftermath of World War II, Klein writes that

“the Western powers embraced the principle that market economies needed to guarantee enough basic dignity that disillusioned citizens would not go looking once again for a more appealing ideology, whether fascism or Communism. It was this pragmatic imperative that led to the creation of almost everything that we associate today with the bygone days of 'decent' capitalism - social security in the U.S., public health care in Canada, welfare in Britain, worker's protections in France and Germany.

“A similar, more radical mood was on the rise in the developing world, usually going under the name developmentalism... They advocated regulating or even nationalizing oil, minerals and other key industries so that a healthy share of the proceeds fed a government- led development process...”

Keynesianism and developmentalism were succeeding in improving the living standards of the masses of their populations, in North America, Europe, Japan, Latin America and elsewhere. As Naomi Klein writes

“All this success for managed economies - in the Keynesian north and the developmentalist south - made for dark days at the University of Chicago's Economics Department...[and] almost no one was interested in Friedman's daring ideas about letting it run even more wildly than before. There were, however, a few people left who were keenly interested in Chicago School ideas - and they were a powerful few.

“For the heads of U.S. multinational corporations, contending with a distinctly less hospitable developing world and with stronger, more demanding unions at home, the postwar boom years were unsettling times. The economy was growing fast, enormous wealth was being created, but owners and shareholders were forced to redistribute a great deal of that wealth through corporate taxes and workers salaries. Everyone was doing well, but with a return to the pre-New Deal rules, a few people could have been doing a lot better.

“The Keynesian revolution against laissez-faire was costing the corporate sector dearly. Clearly what was needed to regain lost ground was a counter-revolution against Keynesianism, a return to a form of capitalism even less regulated than before the Depression.”

Here we have described for us, the development of modern corporatist ideology / theology, which has as its aim the elimination of policies which seek to promote a basic level of equity in our Society. In the Post Office, for example, it is understood that stamp prices for delivery in urban centres are higher than they might be in order to provide service in rural and remote areas of the country, and that regulated stamp prices are the only way to ensure fairness and the fulfillment of the Universal Service Obligation.

One might ask simply, if a democratic society has decided that it is willing to subsidize rural delivery service for citizens in those areas, by spreading the cost of that service across all users equally through stamp prices, what could be wrong with that? Of course there is nothing wrong with that.

However the Capitalist Elite of the World do not believe in democracy, and Corporatists believe even less in it. Ruling classes do not favor democratic governments because control is taken out of their hands. Today's Ruling Elite is the Capitalist Corporatists, and they believe in Authoritarianism.

After the world-wide popular upheavals of 1968, the Corporate Elite decided that the rollback of the New Deal needed to begin in earnest. Corporatization of Public enterprises, like Postal Services began immediately, with corporatization in the UK and the US, in 1969 and 1970 respectively.

Privatization is the word which we use to describe the process of turning public assets used to provide services with a social good in mind, over to those who will only use the assets for corporate profit. The first major application in a country of the Chicago School policies was in Chile, following the Authoritarian coup d'etat of Augusto Pinochet on September 11th, 1973, at the instigation of the Nixon administration and large Corporate interests.

### **September 11th, 1973: The Return of Laissez-faire, the Rise of NeoConservatism**

The Pinochet coup brought the Chicago School policies to pre-eminence through their application in Chile. Privatization was a major component of the policies pursued. In the article [Pinochet's Giveaway: Chile's Privatization Experience](#), by Joseph Collins and John Lear, we learn that

“Perhaps no country has had a longer and more thorough dose of privatization than Chile. Backed by the iron-fisted dictatorship of General Augusto Pinochet (1973 - 1990), economic policymakers, schooled in the free-market philosophy of the University of Chicago's Milton Friedman, carried out sweeping privatizations. Between 1975 and 1989, these 'Chicago Boys' sold government stakes in more than 160 corporations, 16 banks and over 3,600 agro-industrial plants, mines and real estate...

“Today many governments, especially those unable to make payments on massive loans taken out in the 1970's, find themselves compelled to accept the economic policy overhaul prescribed by the World Bank and the International Monetary Fund. Privatization is a cornerstone of this 'structural adjustment,' and Chile is held up as a pioneering model. But the actual Chilean experience of privatization does not match the accolades it receives in the United States.”

The 'Chile Experiment', a splendid success for Friedmanites and the NeoConservative movement, was for the mass of the population a total disaster both economically and politically. The political price paid by the Chilean people in this experiment is incalculable, however the economic effects of the policies of the Chicago School and the NeoCons, can be determined.

For example, Naomi Klein relates that

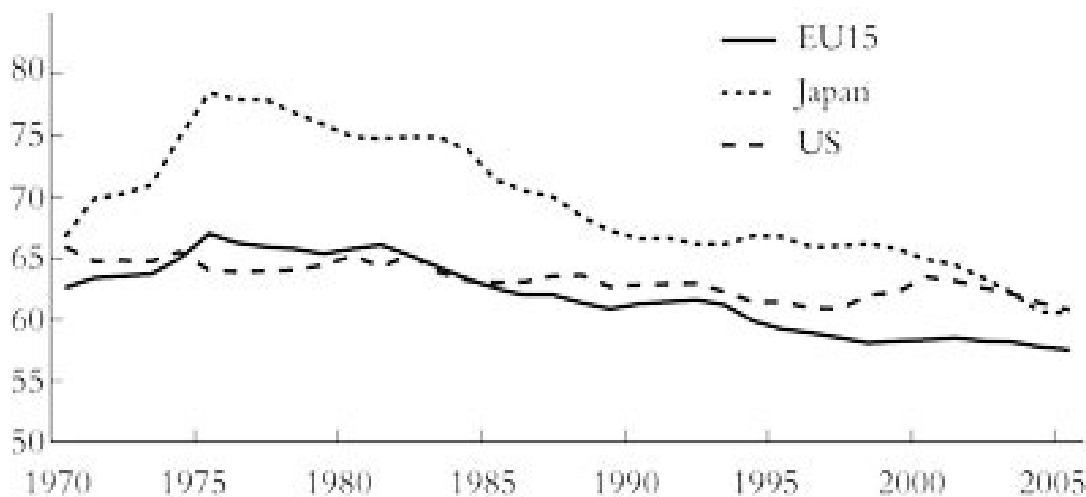
“The Chicago Boys had confidently assured Pinochet that if he suddenly withdrew government involvement for these areas all at once, the 'natural' laws of economics would rediscover their equilibrium... In 1974, inflation reached 375 percent - the highest rate in the world... Chileans were being thrown out of work because Pinochet's experiment with 'free trade' was flooding the country with cheap imports. Local businesses were closing, unable to compete, unemployment hit record levels and hunger became rampant...”

In Sum, as Collins and Lear report

“An official who has observed three decades of changing public and private sector roles... complains that the Pinochet government simply handed over natural monopolies like electricity and telephones to the private sector and foreign capital without establishing any regulating power or any other significant counterweight... Privatization has made multinational companies in Chile more powerful today than ever before.

“The balance sheet for Chile's privatization experience is very different than its advocates tout. Proponents argue that privatizations eliminated an inefficient and politicized public sector, reduced government fiscal problems and helped to disperse ownership. In fact, most of the companies privatized were producing significant profits, not deficits, for the government. Control went to a limited number of domestic and foreign interest that captured most of the subsidy implicit in the low prices. Revenues from sales provided a one-time financing of the budget deficit in exchange for a medium-term future of sever fiscal constraints. The government has been stripped of most of its potential to shape a truly competitive economy which serves the interests of the majority of Chileans. This is the legacy left by General Pinochet and his Chicago Boys.”

If one wonders what this all has to do with the rest of the world, and the Corporatist policies of the International Corporate Elite, one only need reflect on the following graph regarding wages as a share of gross domestic income in the developed world over the last four decades.



We can see that wages peaked nearly simultaneously, and began declining continuously following the implementation of the Chile Experiment, within what are known as the Trilateral Countries, the US, Japan and Europe. Please note that they have exhibited a continuous downward trend through 2008.

This is the victory of Corporatism and NeoConservatism.

The Globalized implementation of the Shock Doctrine began with the assent of the NeoConservative Regimes in the UK and the US, in the forms of Thatcher and Reagan / Bush respectively.

According to Naomi Klein,

“The colonization of the World Bank and the IMF by the Chicago School was a largely unspoken process, but it became official in 1989 when John Williamson unveiled what he called 'the Washington Consensus.' It was a list of economic policies that he said both institutions now considered the bare minimum for economic health - 'the common core of wisdom embraced by all serious economists.' These policies, masquerading as technical and uncontentious, including such bald ideological claims as all 'state enterprises should be privatized' and 'barriers impeding the entry of foreign firms should be abolished.' when the list was complete, it made up nothing less than Friedman's neo-liberal triumvirate of privatization, deregulation / free trade and drastic cuts to government spending.”

In Canada, the Mulroney Regime essentially carried out the same privatization policies as a junior partner in the rise of Corporatist NeoConservatism. The NAFTA deal, along with the privatizations of Petro-Canada, Air Canada, and CN Rail were extremely damaging to Canada both socially and economically, and it may take many decades for Canada to recover, if it ever does. The Harper Regime can be seen as the return of the NeoCons to ascension, and this appears to be the source of the impetus for the most recent Deregulation / Privatization proposal for the Canada Post Corporation.

It is important for the Strategic Review to keep in mind that Corporatist policies of deregulation / privatization only serve the narrow and already privileged interests of the International Corporate Elite. The interests of the 31 million equal shareholders of the Canada Post Corporation should provide ample counter-weight to the narrow interests of Multinational Corporations and their servants in Canada.

### **History of Privatization in Canada**

The political realities within Canada have always restrained the Canadian Federal Governments pursuit of total privatization of the Canadian postal service. Other publicly owned Corporations were rapidly privatized during the 1980's and 1990's, including but not limited to Petro Canada, Air Canada and CN Rail.

The socio-political reality of strong Public opposition to Postal Privatization has led to the adoption of an ongoing process of gradually dismantling and dismembering the Postal Service.

Under the Regimes of Trudeau and Mulroney, notes Robert M. Campbell, in his book The Politics of Postal Transformation, (TPOPT) there occurred “a period of liberalization and corporatization,” which was followed by the Regime of Chretien, which “repositioned Canada Post into a more political framework during the 1990's. It accepted a policy status quo...”

The “more political framework” which Mr. Campbell refers to was most clearly revealed in the AdScam / Sponsorship Scandal, which covered the entire period referred to.

Under the Regimes of Martin and Harper we have seen a return to the Corporatization / Privatization

Agenda, which is rapidly 'Pushing the Envelope' for wholesale 'Transformation'.

The present Strategic Review of Canada Post is only the most recent in a long list of reviews, which have sought to provide the rationale to the Canadian People, for the eventual privatization of the Canadian Postal Service. It appears that in Canada and around the world, the Corporate Elites has decided to accelerate the process of Privatization of Postal Services, be it in continental Europe, the United Kingdom, Japan, Canada, and many others.

The decision to Corporatise Canada's Postal Service, reflected the new sentiment of the International Business Elite (IBE), as reflected in the policies of the Reagan and Thatcher Regimes, congealed in what became known as the 'Washington Consensus'. Pierre Trudeau's Regime was following the consensus, the choice of the anniversary date of the introduction of Martial Law in Canada, by him, was surely calculated to send a message that authoritarian and oppressive methods would be employed against all opposition to the Corporatization / Privatization program.

Since the political upheavals of the 1960's, and especially since 1968, the International Corporate Elites (ICE's) have instructed their National Political Servants (NPS) to diminish the role of the State in the economy, and in the provision of services to the Public. This has had a profoundly negative effect upon service levels, public satisfaction, income disparity, standards of living and democracy. It has had a profoundly positive effects upon Corporate profits, both domestic and foreign, and executive compensation.

The rise of the ideology of Neo-Conservatism, as epitomized in the ideas of Milton Friedman and the Chicago School, has completely reflected the interests of the ICE's. The near instantaneous and global dominance of their ideas and policies as expressed in Corporate media, think-tanks, foundations, and among Corporatist politicians, since their initial promulgation, reflects the unanimity of the thinking of the ICE's.

Through the use of innumerable organizations, foundations, corporations and educational institutions, the ideology of Neo-Conservatism has presented itself as an unstoppable force for almost 40 years. The panacea of privatization of State enterprises and services has swept the Globe.

### **The Power Elite: Corporate Executives**

An analysis of Corporatism, and the tactics of privatization, requires an understanding of the structural composition of Elite Structures within Advanced Capitalist Countries (ACC's).

Few books on the subject of Elite Studies can match the comprehensive and insightful classic The Power Elite(1952), by C. Wright Mills. In it he writes

“The power elite is composed of men whose positions enable them to transcend the ordinary environments of ordinary men and women; they are in positions to make decisions having major consequences...For they are in command of the major hierarchies and organizations of modern society. They rule the big corporations. They run the machinery of the state and claim its prerogatives... They occupy the strategic command posts of the social structure, in which are now centered the effective means of the power and the wealth and the celebrity which they enjoy.

The power elite are not solitary rulers. Advisers and consultants, spokesmen and opinion-makers are often the captains of their higher thought and decision. Immediately below the elite are the professional politicians of the middle levels of power, in the Congress and in the pressure groups, as

well as among the new and old upper classes of town and city and region...

The economy – once a great scatter of small productive units in autonomous balance – has become dominated by two or three hundred giant corporations, administratively and politically interrelated, which together hold the keys to economic decisions.

The political order, once a decentralized set of several dozen states with a weak spinal cord, has become a centralized, executive establishment which has taken up into itself many powers previously scattered, and now enters into each and every cranny of the social structure...

In each of these institutional areas, the means of power at the disposal of decision makers have increased enormously; their central executive powers have been enhanced; within each of them modern administrative routines have been elaborated and tightened up.”

While Mr. Mills is speaking of the United States, it is easy to see that things in Canada are similarly constructed, in terms of the Political and Economic Elite. Our analysis of the Corporatist pressures in Canada generally, and in the Postal Sector specifically, requires an enhanced analysis of the what Mr. Mills calls “The Chief Executives”; he writes:

“The corporations are the organized centers of the private property system: the chief executives are the organizers of that system. As economic men, they are at once creatures and creators of the corporate revolution, which, in brief, has transformed property from a tool of the workman into an elaborate instrument by which his work is controlled and a profit extracted from it...

The top corporations are not a set of splendidly isolated giants. They have been knit together by explicit associations, within their respective industries and regions and in supra-associations such as the NAM. These associations organize a unity among the managerial elite and other members of the corporate rich. They translate narrow economic powers into industry-wide and class-wide powers; and they use these powers, first, on the economic front, for example with reference to labor and its organizations; and second, on the political front, for example in their large role in the political sphere. And they infuse into the ranks of smaller businessmen the views of big business... The growth and interconnections of the corporations, in short, have meant the rise of a more sophisticated executive elite which now possesses a certain autonomy from any specific property interest. Its power is the power of property,... It is, in operating fact, class-wide property...

Such consolidation of the corporate world is underlined by the fact that within it there is an elaborate network of interlocking directorships. 'Interlocking Directorate' is no mere phrase: it points to a solid feature of the facts of business life, and the a sociological anchor of the community of interest, the unification of outlook and policy, that prevails among the propertied class. Any detailed analysis of any major piece of business comes upon this fact, especially when the business involves politics. As a minimum inference, it must be said that such arrangements permit an interchange of views in a convenient and more or less formal way among those who share the interests of the corporate rich.

The trend within the corporate world is toward larger financial units tied into intricate management networks far more centralized than is the case today... the fact is that today the great American corporations seem more like states within states than simply private businesses. The economy of America has been largely incorporated, and within their incorporation the corporate chiefs have captured the technological innovation, accumulated the existing great fortunes as well as much lesser,

scattered wealth, and capitalized the future....Their private decisions, responsibly made in the interests of the feudal-like world of private property and income, ...[it is] large owners and executives in their self-financing corporations hold the keys of economic power. Not politicians of the visible government, but the chief executives who sit in the political directorate, by fact and by proxy, hold the power and means of defending the privileges of their corporate world.”

Mr Mills give us the basic outline of the Modern Corporate Elite, and the means by which they promote and protect their interests in modern Capitalist Societies. From this general outline, we can look at any different 'major piece of business', and determine the 'community of interest' which surrounds it by looking the various interconnections across the Political and Economic Apparratus which directs Canadas Postal Services.

### **Understanding Postal Privatization**

In her excellent thesis to Rutgers University, Understanding Postal Privatization (1999), Sara Ryan provides a thorough analysis of privatization trends in the USPS, which are clearly reflected in the Canadian Postal Service.

The USPS was established by the US Congress through the provisions of “The Postal Reorganization Act of 1970”, which, writes Ryan, “replaced the old Post Office Department, ...with a government-owned corporation directed by a Presidentially appointed Board of Governors.”

On the issue of privatization, S. Ryan writes that

“It would be incorrect to see the Postal Service's contracting and moves toward privatization as being driven by a financial or organizational crisis. In fact, the USPS, has a good record of on-time delivery, residential customer satisfaction, and financial performance... despite predictions of the 'coming collapse of the post office', due to competition from United Parcel Service or due to the increase in electronic messaging, the mail volume has grown steadily since the 1970's...

“Public perceptions of postal service are positive and have improved in the last decade; there is no large scale public dissatisfaction driving privatization or contracting of postal work. In a 1997-1998 survey, the Pew Research Center... found that 89 percent of respondents rated the Postal Service favorably, topping the scores for all government agencies.”

“There is no financial crisis or public perception crisis driving efforts to privatize or contract out portions of the US mail....The advocates of reform do not argue a 'crisis', rather, competitors and subcontractors argue 'unfair competition'. The advocates of privatization want a share of a lucrative, globalizing market and have the political influence to affect government policy on postal issues. In addition to the well funded efforts of the leading conservative think tanks... the service's major private sector competitors are important contributors to political campaigns. United Parcel Service doled out more than \$3.4 million to congressional candidates from 1993 to 1995, more than any other company in America, and Federal Express was third, behind AT&T.”

The situation in Canada's Postal Service is very similar, with excellent financial performance and excellent public perceptions of the Postal Service. CPC is ostensibly meeting the financial requirements of the Canada Post Incorporation Act of 1981, and Canada Post Corp's 31 million-plus

shareholders, the Public, is quite happy with the service overall, and doesn't see the need for drastic change.

As was indicated in the Introduction, this analysis is directed at understanding the Political and Economic forces driving liberalization / deregulation / privatization of Postal Services both Globally and Locally.

We have identified that there is neither a financial nor a service related impetus for radical changes in the Postal Service, and that the Public Interest, and therefore the Political Interest, is being well served.

Therefore we must look at the remaining indentifiable Interest Group, the Economic Interest, to discover the Logic behind the push for liberalization / deregulation / privatization of Postal Services both Globally and Locally.

In her study of the US situation vis-a-vis the USPS, Sara Ryan writes that

“The conservative think tanks, most notably The Heritage Foundation, the Cato Institute, and the American Enterprise Institute, have been the most prominent political voices advocating postal privatization. There has also been lobbying by United Parcel Service and Federal Express, the two largest non-governmental mail and parcel companies, to restrict expansion of USPS services and to relax regulations that favor government over private service. If privatization is backed by the middle class or blue collar social conservatives who have tended to vote Republican in the last two decades, they have not made it part of their political campaign priorities. In fact, the opposition to privatization among rural residents pushes in the opposite direction. The important political backing for concrete steps to privatization comes, rather, from the largest corporations in the mailing, publishing, and advertizing industries, and from contractors (or potential contractors) in the high-tech defence and information sectors, as shown by their political support of think-tank proposals and from their presence on 'reform' task forces.”

Further, in relation to Privatization, she writes that

“The arguements for privatization have been extremely ideological and, despite considerable municipal, state, and federal experience have seldom called attention to results of case studies or acknowledged the commerical interests of privatization supporters. The literature contains radical statements opposed to government 'interference in market affairs and advocates radical reductions in government and public infrastructure.

“Opposition to unionized work forces is a central theme of privatization literature. For instance, Douglas Adie argues in his 1989 book Monopoly Mail, 'Postal labor unions... serve no productive function but enjoy support that is indirectly derived from government subsidies, favors and recognition. In return for this, the unions make implicit threats of violence during illegal postal strikes...”

“Why is hostility to unions such a central feature of privatization literature? Most obviously, there is the issue of wages. Since unions tend to enable workers to negotiate higher wages in public or private operations, the wage premium does tend to increase costs or, in private opertations, diminish profits. Private postal and express opertations are often able to establish and to hold wages at levels far below union-negotiated scales and often to hold benefits costs to near-zero... [and] unions also tend to do something else that is critical in the process of privatization: they have tended, historically, to initiate and defend public ownership in the variety of areas, from Social Security to schools, to unemployment

insurance, to telecommunications and postal systems. They are the primary opponents to postal and telecom deregulation and privatization and have been able to organize effectively on a national scale...With their power constrained and their membership lowered, unions would be less of a political obstacle to the kinds of legislative change that are essential for privatization and for global deregulation that is necessary for the development of private telecom and express markets.”

“There are no serious legislative efforts... to sell the entire postal system to a private company... Rural mail service, some daily household service, and retail counter service are expensive operations that do not bring in net revenue. Most of the proponents of extensive contracting would prefer to leave the expensive parts of the system in public hands, even publically subsidized, and let private industry profit from the technologically improved, centralized, or concentrated operation that can generate profits. The far more extensive contracting out advocated by privatizers would disrupt the economies of scale of the natural monopoly, and the public would have to socialize the high costs of rural delivery if people felt it was important to retain this service. The benefits of high-tech and higher-revenue operations would then be privatized to the contractors.”

Privatization by Stealth in Canada, at the CPC, has been pursued continuously since 1981, with various periods of rapid outsourcing, and some periods of gradual outsourcing. While the trend to outsourcing / privatization has continued unabated, periods of slowdown usually reflect the caution of Political parties approaching reelection. Each period of abatement, like the one under the Chretien Regime, is followed by a period of extremely strident advocacy by interested parties, for the rapid Transformation of the Postal Service specifically, and Public / Government service generally. This is what can be seen today both at the Corporate Executive level of the CPC, as well as within the Political Directorate within the Federal Government.

As we have seen, the Public, and therefore the Public Interest in a Democracy, neither in the USA, nor in Canada (or in any other known country), has expressed any interest in the Deregulation / Outsourcing / Privatization (DOP) of Public Services generally, nor of Postal Services particularly. Since the Public Interest does not desire it, it must be the desire of other interests, and we find that it is the Private Corporate Interests, that are most / solely served by DOP.

The DOP Agenda of the Globalist Corporate Elite (GCE) finds full expression through various forms of dissemination, including but not limited to the Corporate Media, Academia, Foundations, Think Tanks, and assorted other dependent and interdependent agencies, organizations, corporations, etc.

Again, as developed in her Rutgers Thesis, Understanding Postal Privatization, we find that

“The leading policy advocates for postal privatization have been The Heritage Foundation, the Cato Institute, and the American Enterprise Institute. Between them, Heritage, AEI, and Cato have produced most of the policy studies and press releases supporting postal privatization and have served to coalesce the interests and political proposals of large mailers and contractors alike... [as well] The 'moderate' Progressive Policy Institute, the organization closest to President Clinton and the Democratic Leadership Caucus, states opposition to 'privatization' but supports 'reinventing government,' 'entrepreneurial government,' and large scale contracting out of government and postal services.”

In Canada, we have several corresponding Think Tanks pushing DOP of Public Services. Most significant among them would have to be The C.D. Howe Institute, The Fraser Institute, and The Public Policy For Institute. A more complete list can be developed at a later time.

The C.D. Howe Institute most recently released a study / report / advocacy document, in February 2007, titled Routing the Mail: Why Canada Post is Due for Reform, which concludes, on the title page, as well as on the first page and the second page, that

“Privatizing Canada Post would improve governance of the business, and introducing competition would provide a form of economic discipline that does not at present exist. Maintaining a commitment to universal service in Canada is properly addressed through targeted regulatory or financing schemes, not the blunt and socially costly combination of public ownership and monopoly that currently prevails”

The C.D. Howe's privatization advocacy document extensively referenced The Politics of Postal Transformation(2002), by Robert M. Campbell, in support of it's conclusion, as outlined above.

The Fraser Institute has been advocating extensively for Postal Privatization for decades, and enthusiastically published a book by Douglas Adie, in 1990, titled The Mail Monopoly: Analysing Canadian Postal Service.

Mr Adie states that “There are three rationales for privatization, namely, the priority of the private sector, fiscal relief, and efficiency. The priority of the private sector maintains that government should not be a competitor...[and that] the public choice literature developed by... James Buchanan... has restated this proposition.”

Further, on the history of privatization in Canada, he writes that

“Although the Conservative [Mulroney] government has not come out for wholesale privatization, it believes that many Crown corporations would be better off as private companies...In August 1986 the prime minister set up the Cabinet Committee on Privatization, and designated Barbara McDougall, minister of state (privatization), its chairperson. In December 1986 the minister set up OPRA (the Office of Privatization and Regulatory Affairs), which reported to her, to carry out the government's privatization policy. Periodically the government reviews and ranks all Crown corporations as candidates for privatization according to five key criteria...

“Within OPRA, the government regularly reviews Crown corporations, including Canada Post, against the above five criteria to identify privatization candidates. The cabinet's view of which are likely to perform better under private ownership is important. The changing political environment will affect the prospects and timing of the privatization of Canada Post... Some privatizations are more difficult than others. To improve the chances of success for the policy of privatization, it is better to privatize the easy ones first and use the success and popularity of those to gain support for the more difficult ones.”

It has taken the Political Forces of Privatization in Canada 18 years to get to the position, through the use of the “Strategic Review”, to where they can conjure up a justification for the Deregulation / Outsourcing / Privatization (DOP) of Canada Post Corporation. From the efforts of the Mulroney Regime in the 1980s / 90's, to the present efforts of the Harper Regime there is a Continuity of Purpose evident in the policies, strategies and tactics of them both, as they systematically advance the agenda of the International Corporate Elite (ICE).

Mr. Adie recommends that

“Restructuring is warranted along with privatization... [and that ] The government needs to divest Canada Post into three regional delivery companies, a clearing-house support services company, and a bulk-mail company before selling it to the private sector. The bulk mail company should be sold separately and first.”

It is certainly nice to see that the plans are well developed and awaiting implementation. We need only wait for a crisis to advance the agenda.

### **Canada Post Corporation and Globalization: The Case of Canada Post International Ltd.**

In order to do its part at expanding globally, as directed by the UPU, Canada Post has established an offshore entity named Canada Post International Ltd (CPIL). Little is known about this Corporation as one of “The Canada Post Group of Companies”, however some information is available.

In the activities of CPIL we can see how the Executive Leadership of Canada Post Corporation, both at the Board of Governors level, as well as more significantly, within the Senior Management Ranks, apply their understanding of Globalization.

To find out what CPIL does on the global playing field, one only need read a very interesting article on CPIL's Guatemala activities, titled Target Practice: Canada Post and the Privatization of Guatemala's Postal System(2006), written by Michael Skinner. In it he writes:

“In 1997, the World Bank loaned thirteen million dollars (US) to the government of Guatemala to finance the privatization of the country's seapost, electrical grid, and telephone and postal services. A Canada Post subsidiary and its offshore partner International Postal Services (IPS) received the lucrative concession to manage the privatization of the Guatemalan postal service...

“The World Bank had predicted that the three labour unions representing Guatemalan postal workers would resist the privatization project and the plan to 'shed excess labour.' But rather than negotiate a contract with the unions, CPIL is alleged by former postal workers and postal union leaders to have deliberately eliminated all three unions using illegal tactics.

“Former workers and union officials allege that by using bribery, company unions, intimidation, physical assaults, death threats, and various other illegal tactics, CPIL-IPS not only eliminated the unions, but engineered a complete turnover of staff within eighteen months.

“Guatemalan labour federation leader Jose Pinzon observes that even the worst labour abuses during the dictatorships... [1954 – 1980's] were no worse than the union-busting tactics employed by CPIL-IPS and the other transnational agents of privatization.

“The final step of CPIL's union-busting was to terminate every worker, after which the public postal service was restructured as a private company and renamed Correos. Some former workers, who did not have a history of union activism and who signed a contract promising not to join or organize a union, were rehired by Correos. However, to further ensure no union infiltration of the workplace, these workers were again terminated after they provided sufficient training to their own replacements.

“Guatemalan labour federation officials state that wage increases and other perks promised to the new Correos workers never materialized and that the company defaulted on its payments to the national

social security fund, which left these unorganized workers without healthcare and other benefits....

“The World Bank's privatization scheme had a profoundly devastating effect on Guatemalan society... Approximately sixty-five percent of the terminated postal workers were women...

“It is not lax laws...that allows abuse by transnational corporations such as CPIL; it is the complicity between states and corporations that allow such abuse to occur...

“With all of Correo's profits, as well as guaranteed consultancy fees, flowing to an un-identifiable group of investors in IPS, a company registered in the Bahamas, it may not be clear who specifically is benefiting from the privatization of Guatemala's postal service, but we know who isn't – the people of Guatemala and Canada...

“In 2004, the Guatemalas government renewed the initial concession awarded in 1997 to Canada Post International Ltd., and its faceless, offshore partner International Postal Services, for another ten years. Since 1990, Canada Post's international wing has undertaken 180 projects, including a similar privatization scheme in Lebanon.”

Mr. Skinners excellent article reveals much about the true face of Globalization / Privatization around the world, and how Canada Post Corporation intends to behave within that Paradigm. We see that the imperative forces which guide Globalization lead to systematic and extreme abuses of fundamental human rights, which have evolved over several hundred years.

It is truly frightening and disturbing to see how Canada Post behaves around the world, and, as a wholly citizen - owned Federal Crown Corporation it is undoubtedly tarnishing Canadas reputation around with the World, with the People of the World. Undoubtedly, CPC and CPIL are receiving hearty, back-slapping praise from the International Corporate Elite (ICE) which are guiding the Globalization of Privatization, and the resulting destruction of Public Services.

## **Business Transformation at Canada Post Corporation**

Business Transformation (BT) is one of the new 'in' phrases used by the Corporate Elite to describe the continuous implementation of Fordism. Every so many years, the Gurus of Operations Research come up with new names for changes in *techniques*, in order to maintain enthusiasm among the Executive Class, and baffle the workers.

BT has evolved out of a renaissance in the United States in the study of the Japanese experience of Industrial Fordism. Having exhausted their own theories and ideas, it was thought that a look at how Japan had achieved her success might be educational. In fact, it has been seen as a panacea for sluggish profits, and has been embraced widely and deeply within the Corporate Elite. Under names like Kaizen, Lean Production, Lean Sigma, SixSigma, Continuous Improvement, Business Transformation, it makes its reappearance, and is expertly marketed by consultants, academics and corporations as a new miracle cure.

Unfortunately for its proponents, there is nothing new under the Sun, and there are only three ways to make more profits per worker:

- 1) Increased Mechanization;

- 2) Increased Intensification of Labour;
- 3) Increased Duration of Labour

In the case of the Canada Post Corporation there have been many waves of technological advance over the decades, and Postal Services have historically been early adopters and developers of the most advanced technologies for sortation of mail. This is a constant process, and every so many years we are told that there hasn't been enough investment, and every so many years we are told that we are operating with the most advanced technology in the World. As a result there is little that can be done to increase mechanization at any given point in time.

Increasing the Intensification of Labour, Speed-up, as it is more commonly known, has been the primary means by which Canada Post Corporation has been able to sustain rising profits for many years. Unfortunately for the Executive Class and the workers, there are physiological limits to human strength and endurance beyond which continued intensification only increases injury rates and shortens life-span. There is extensive evidence to suggest that Canada Post has reached or exceeded those limits.

Increasing the Duration of Labour is another strategy which is being pursued by the Canada Post Corporation, and this is accomplished in various ways. Among the most significant is the routine manipulation of mail volumes during sampling periods, and the application of time standards and measurement values which significantly underestimate actual work loads, and arbitrarily and unfairly extend the length of Delivery Routes. This leads to increased work loads, overburdening, and the inevitable rise of injury rates, which Canada Post is definitely experiencing.

In Japan, the inherent risks from Kaizen Blitz / Business Transformation, has been long studied and understood. The Japanese have many words to describe the results of excessive Kaizenizing.

First among them is Karoshi. Karoshi is basically defined as Death due to Overwork, and is usually associated with long work hours and high levels of stress. It can occur to individuals of any age, ranging from the early-20's to the late- 50's. The Japanese have been dealing with this impact, officially, for over 20 years.

However, when one surveys the various web sites of corporations promoting Kaizen Blitz processes: Lean Production, Six Sigma, 5S, Continuous Improvement, Business Transformations, etc., we can find no information regarding Karoshi, or other negative impacts of the reapplication of Fordism with a Japanese face.

One of the biggest issues which is not addressed is the impact cultural differences, for example the profound differences between Asian / Japanese cultures and Anglo-European cultures. The failure to adjust methods and strategies relative to the dominant historical culture, makes the transposition of methods from one to the other problematic and fraught with difficulties.

In fact, if a method, strategy or tactic is culturally incompatible with the historic norms of work in General of a given society, then it will never succeed in achieving its stated goal, and will in fact result in substantial resistance and performance failure. The failure of such actions falls completely on the shoulders of those who would try to impose work-cultural changes upon a subset of a countries workforce, unilaterally and without consultation.

What might be called Application without Adaption, is undoubtedly one of the most substantial and costly failures of modern Business Theory and Culture. The impacts of the application of inappropriate management methods and techniques in a corporation and on the workforce can be devastating in terms of productive output and the maintenance of employee trust and morale.

Canada Post Corporation, according to the CPC Report Process Excellence at Canada Post Corporation, released at Lean Summit, June 2004 by Steven Withers, Senior Advisor, Lean Version 1.0, we find that Canada Post has been pursuing Lean Production since 1996.

We find that along with Lean, CPC adopted 'Process Excellence', Lean Sigma and Six Sigma, as well as Kaizen, 5S, Kaikaku, Lean Black Belt, and Six Sigma Black Belt.

The author informs us of 'Impressive Results', indicating the CPC has “Improved labor [sic] relations – no labor [sic] disruptions since starting lean... [and that] the same methods work in postal as in manufacturing.”

Both of these assertions are patently false.

Firstly, in Labour Relations, Canada Post Corporation has one of the worst labour relations records in the whole country, with over 27, 000 new grievances a year. The only reason why there have been no disruptions, strikes, is because the Corporation has systematically used the threats of back to work legislation to ensure compliance and submission. It might be difficult to find a single instance where the CPC has negotiated with it's employees in good faith.

Robert Campbell, in TPOPT, highlights this problem, when he writes that

“CPC appears to lack the authority and the capacity to sort this [labour issues] out on its own, without government or legislative assistance...”

“The 1997 negotiations were animated by CPC's ambition to cut infrastructure costs by restructuring delivery routes... The negotiations had a distinctly political character. Overhanging their later stages was CUPW's revelation of a 6 August meeting between Minister Gagliano and Canadian Direct Marketing Association President John Gustafson. It was alleged that the minister guaranteed to the CDMA – representatives of CPC's enormous direct-mail market – that any strike would be legislatively nipped in the bud by the immediate introduction of back-to-work legislation... CUPW realized again that it was negotiating less with management than with the government... Similarly, this state of affairs did not provide much incentive for CPC to negotiate a deal.”

“The Post has simply not had the capacity... to resolve ongoing labour-management tension. Major disputes between the parties continue to require the resolution by the government. This perpetuates the political character of the postal regime...”

Secondly, in terms of Kaizen / Process Improvement, the assertion that it can be equally applied to 'postal as in manufacturing,' this also is ludicrous. The work of employees in postal operations is extremely physical work, and in no way reflects, even remotely, the highly capital intensive industries like manufacturing. There is one thing that can be said to be similar, and that is the managerial structure and method.

In a report in the Vanguard Scotland, October '05, we find an interesting report by Stuart Corrigan, titled Kaizen Blitz, tackling symptoms not causes. In it he writes that

“Kaizen Blitz is borne out of the command and control school of management. Here the doctrine is that management knows best about the work and how it should be done; it's their belief that only management can design policies and procedures for doing the work, and should staff get sick of this regime then targets and service standards will sort them out and remind them why their job is so damned attractive. Command and control helped Henry Ford move from craft work to mass production, and he was the first to institute the five dollar day, unfortunately he is also credited with the five day man; conditions in his plants being so bad, i.e. boring and repetitive, that even on high wages the Ford man stayed for only five days.

“Kaizen Blitz is pretend 'lean', done command and control style... It's why command and control managers love it, they can give the impression of changing things without actually changing things, and the message to staff is 'see, you were doing it wrong, and we fixed it for you.'”

Further, he quotes Nick Rich, a fellow of Toyota's Elite Scholarship in Japan, who says

“Though the areas selected for rapid improvement can often show gains they hardly ever address the right problem or system constraint. Kaizen Blitz just pushes the problem around the plant never getting to the source of the issue and upsetting most people who come to work to do a good job.”

Corrigan adds that “Nick highlights Kaizen Blitz's failure to identify organizational constraints and the use of 'outsiders' who impose change, based on limited data collection, on those who do the work...Nick says 'Sure large gains are possible on non-critical points in a chain but for manufacturers you won't get any more saleable product out and for service businesses you will just play a game of command, impose and control - so much for the latent intellectual capital of workers! Kaizen Blitz is just a mirage for most businesses and worse - it lowers the creditability of management.”

These are sobering words indeed, and they describe Canada Post Management's approach perfectly. CPC's pursuit of Kaizen Blitz, speed-up, has caused substantial problems in relation to health and safety. Speed-up has caused perpetually increasing injury rates, because the pace of work, both for inside and for outside employees, has risen to such a level, that it exceeds the physiological maximum loads which can be sustainably endured by a human being. Extreme high pace of work, over extended periods, has resulted in an injury rate of approximately 20 %, per year. With 55,000 productive employees, and in excess of 10,000 injuries a year, the situation is in Crisis.

In Japan the issue of Karoshi, death due to overwork, and Karojisatsu, suicide as a result of overwork has even come before the Supreme Court of Japan. In the bulletin for the Japanese Institute for Labour, dated November 1<sup>st</sup>, 2000, an article by Fumiko Obata, reports that

“This Supreme Court decision is very important for several reasons. First, for the first time it clarified the content of the employer's duty of care under tort law towards their employees with regard to illness due to overwork. Second, it showed how to determine the existence of a relationship between overwork and suicide and the existence of negligence...”

“One of the most important features of this Supreme Court decision is that for the first time the Supreme Court ruled that a company has a duty under tort law to organize the work of its employees so that mental and physical illness would not result from the accumulation of excessive fatigue or stress.

This interpretation of the company's duty of care will have a great influence on future cases involving illness related to overwork.”

We can only hope the the process of Globalization will apply to labour law, and that Canada Post Corporation will access it's responsibilities in terms of the duty of care. It would be helpful if the Strategic Review would look into the issue of Injuries due to Overwork at the Canadian Post Office, since a corporation can not long survive if it treats its workers as disposable.

### **OverWork as a Corporate Strategy.**

Overwork is nothing new, and it will probably never end. However, there are surely limits to the extent to which a Corporation can push it's employees.

In Corporations like Canada Post, we find the most elaborate development of paper policies and profound pronouncements regarding how much the Corporation values it's employees, etc., etc. Unfortunately, all of these types of pronouncements CPC are strictly Propaganda, meant for the consumption of the Public at large, and those within the Organization, both Managerial and Productive.

As an example, we find in the CPC Annual Report, 1993 / 94, under a title “Commitment to Employee”, that the

“Corporations operating principles recognize the contribution of employees... [and later that] The Corporation is concerned about the quality of life of its employees.”

These are nice platitudes, however, in the paragraph that immediately follows the preceding, we are informed that

“The application of sound management practices has resulted in reducing full- and part-time positions from 62, 000 to 54, 000 since 1981.”

In the same period there was an undoubted massive increase in total volumes delivered, which would suggest massive increases in worker productivity. Aside from the obvious one regarding whether the Productive Employees were adequately rewarded financially for their increased productivity, on also wonders whether workers were consulted and listened to during the process of change in that period, and are they listened to or consulted now.

With all of the Corporate propaganda regarding how much the Corporation cares about the health and well-being of it's employees, it would be nice if the Strategic Review could thoroughly consult with Postal Workers independently of the CPC, and systematically analyze how the Corporation is dealing with the issues of Overwork, Overburdening, and Work-Related Musculo-Skeletal Disorders (WRMSD's); and how these relate to the Corporations ever-increasing injury rates.

Experienced individuals in the CPC know that all decisions flow from a source other than the workplace. Where exactly that is, is a necessary area of investigation.

### **Outsourcing as Privatization**

The lack of managerial initiative within the Canada Post Corporations senior management personnel has let to significant reliance on outside Corporations for direction in the process of modernization. An

unfortunate and expensive relationship of dependency may have developed between Canada Posts political appointees and International Corporations which seek the dismantlement of Post Offices around the world through outsourcing profitable elements. They prey upon the lack of experience of Political Appointees (PA's), and seek to guide the Dismantlement Process (DP), with an eye to maximizing long term revenues, profits and dependency.

There are myriad pitfalls for Corporations that outsource as a means to efficiency. This is especially the case in the area of Information Technology / Information Services (IT/IS), because of the high degree of specialization of the knowledge that underlies the technology, and the dependence which that creates for the Executive Management which depend for their success, upon the success of the Outsourced Company to deliver what is promised.

Because of the Demographics of Executive Managements, decision-makers often have little real understanding of the technical aspects of the services being outsourced, their true complexity, and as a result suffer an the immense loss of internal expertise which occurs when Corporations outsource (IT / IS).

It appears that Canada Post Corporation made just such a mistake, for we find in the CPC Annual Report for 1993 / 94, that

“During the year, the Corporation entered into a 10 year outsourcing agreement for certain computing and communication utility services. The Corporation's future minimum payments required under this agreement as well as facilities and other operating leases with terms in excess of one year,...[are] \$1,105,857,000.”

“During the year, the Corporation entered into an agreement to outsource computing and communication utility services. In support of this initiative the Corporation disposed of its computing and communications network and supporting assets for \$142 million. Non-recurring transitional costs in support of the establishment of this agreement have been charged to operations.”

Over \$ 1.1 Billion dollars, minimum, over 10 years for outsourced services. The beneficiary of the outsourcing agreement is not listed. However, from the Accenture website, we find a report that

“by the 1990's Canada Post faced increasing competition from aggressive independent carriers that were targeting specific business sectors...the resulting erosion in market share meant Canada Post had to act quickly to become more customer focused and create a more successful future.

“To start the journey towards becoming a high-performance government agency, Canada Post teamed up Accenture to transform itself into a customer-focused business supported by superior CRM capabilities. Since 1990, the two companies had partnered in designing and implementing IT, HR, and other systems and process improvements at Canada Post.”

Of course, it must be noted that Accenture didn't exist until 2001, and was known in the 1990's as Arthur Andersen Consulting, a component, along with Arthur Andersen, of Andersen Worldwide.

The sale of the Corporations entire publically financed IT / IS infrastructure and assets for \$ 142 million, minus transitional costs is of a serious point of concern, in relation to the disposal of public assets, intellectual and physical.

Amazingly, the Corporation agreed to pay over \$185 million the following year alone, for the outsourced services and technology which it formerly held internally.

This constitutes another example of *Privatization By Stealth*.

On the surface, it appears that with little or no oversight by the Board of Governor of CPC, nor the Federal Government, that the Canada Post Corporations Senior Executives disposed of substantial Public Assets and technology. This contract, and any others like it, should be thoroughly reviewed by the Strategic Review in terms of adequate Governance Oversight, as well as in terms of economics and delivery.

The outsourcing / contracting out of whole divisions of Public Enterprises has become very common in recent years, and with these developments we see a continuous decay public service levels, and accountability to the public.

Over many years, Canada Post has sought policy direction from Accenture Corporation. This is in spite of the fact that Accenture has a long and pronounced history of failure in fulfilling its contractual obligations with many of its clients.

As an example we have the case of Sainsbury's in the United Kingdom.

According to Richard Wildman of Accenture, in his contribution to Pushing The Envelope, (2004) titled *Outsourcing for Business Transformation Success*,

“Sainsbury's managed to successfully transform itself through the dawn of the third millennium...At the end of 2000, the company launched an ambitious effort, aptly christened the *Business Transformation Program* and set out to chart a course for the company's future...

“Sainsbury's believed that the scale and pace of IT and related business change required would simply not be achievable without world-class outside help. Sainsbury's asked Accenture, whose reputation for systems delivery and management made them the natural choice, to help design and implement an IT backbone to support the future growth of the company. The two companies struck a wide-ranging transformational outsourcing deal...

“As part of the innovative outsourcing agreement, 780 permanent IT employees, in addition to more than 300 contract staff, transferred from Sainsbury's to Accenture... Sainsbury's realized immediate savings of more than \$50 million from Accenture taking over all aspects of its IT infrastructure. The full arrangement is expected to yield significant savings over seven years and represents a quantum leap in Sainsbury's IT capability to support its business strategy and transform the customer shopping experience.

“The Sainsbury-Accenture team continues to work to improve business performance today to ensure the company continued success in the future.”

Great news for Sainsbury's, it would seem, if one believes what Accenture has to say about it. It is always a good idea to follow-up on such claims, so we ask:

What is the status today of the Sainsbury-Accenture Team?

In a report only 18 months after the Accenture report above, we find an article from October 19<sup>th</sup>, 2004, published at [www.theregister.co.uk](http://www.theregister.co.uk), by John Oates titled Sainsbury's, Accenture and the 3bn IT flop, we find

“Sainsbury's, the UK supermarket group, is blaming Accenture for the disastrous state of its new logistics system. It is recruiting 3,000 shelf stackers to fix the damage manually.

“The new system is unable to track stock properly and Sainsbury's is taking a 550 M [pound] charge to its profits. Writing off IT assets which are now useless will cost the supermarket 140m, writing off the cost of automated equipment in its distribution centres will add another 120m. The failed systems have also cost Sainsbury's 30m in stock lost or damaged by the new system.

“The four-year 'Business Transformation Programme' has cost 3bn [pounds] was the pet project of previous chief executive Sir Peter Davis. Cost of IT as a percentage of sales is higher now than it was four years ago.

“The supermarket group is to renegotiate its contract with Accenture, which will see it rebuild its inhouse IT team.”

Is the Sainsbury experience with Arthur Andersen / Accenture unique and unusual? Not really.

The following is a partial listing of some of the canceled contracts of various entities with Accenture, retrieved from [www.publicpower.bc.ca](http://www.publicpower.bc.ca):

### **March 2006 to August 2006 - British Columbia**

A theft of confidential employee data from an Accenture branch office in Vancouver raised uncomfortable questions about the company's compliance with BC law requiring that confidential public sector information (like customer data belonging to Accenture's client, BC Hydro) be stored within Canada. Accenture admitted to storing data outside the country, but claimed the Freedom of Information and Protection of Privacy Act doesn't apply to it, as Accenture is a private corporation. BC Government Minister Richard Neufeld said that it does. In response to union pressure, BC Hydro ordered Accenture to stop relocating its data. But the data continues to be stored outside Canada and privacy investigations are pending. [Read More.](#)

### **July 2006 - Wisconsin**

Accenture made news in Wisconsin again, this time in privacy watchdog complaints that the state Elections Board is releasing unique voter identification numbers as public information. The Wisconsin Democracy Campaign said the problem lies with Accenture, which was hired under a \$14.1 million contract to develop the voter registration system. The software being developed failed to account for nuances of Wisconsin's law. "It's not for the Elections Board to decide which voter privacy protections should be upheld and which ones should be ignored," said the organization's executive director. This

update on Accenture's ongoing problems with the Wisconsin voter registration contract notes that Wisconsin was one of several states to miss a January 1, 2006 deadline to create state-run voter databases imposed by Congress. Wisconsin's database is now scheduled to be operational by the September 12 primary, but it may not be available everywhere. The system is still unable to check the voter database against lists of felons and the deceased. Investigators identified felon voting and people voting twice as problems in the November 2004 election in Milwaukee. (Details at <http://www.twincities.com/mld/pioneerpress/news/local/15131194.htm> and <http://www.jsonline.com/story/index.aspx?id=479868>.)

### **May 2006 - Texas**

"The Accenture contract appears to be the perfect storm of wasted tax dollars, reduced access to services for our most vulnerable Texans, and profiteering at the expense of our Texas taxpayers. The governor implemented this plan in haste. He fired state employees before he knew if the company could handle their jobs, and now the agency is bringing back those very state employees to fix the mess," said Texas Comptroller Strayhorn in a news release. "I will review and audit the Accenture contract." The investigation is to focus on the contract held by an Accenture-led group of companies to process applications for Texas' low-cost insurance program for children and run the state's new benefits eligibility system. More than 30,000 children have left the Children's Health Insurance Program lists since Dec. 1, and the state granted a reprieve to another 28,000 children last month after discovering families reapplying for CHIP were given too little time to respond to letters requesting enrollment fees or missing information. In a letter to the Comptroller, Democrat state Rep. Uresti and Republican state Rep. Casteel said, "hundreds of millions of taxpayer dollars are funding a problem-plagued plan that threatens the health and safety of our citizens." Read the Comptroller's news release at <http://www.window.state.tx.us/news/60510accenture.html> and more details from the media at <http://www.kristv.com/Global/story.asp?S=4887751>.

### **May 2006 - United Kingdom**

Accenture told shareholders that it has written off \$450 million due to "significant delays" in its contract to modernize the National Health Service computer system. Accenture holds £2 billion in contracts, making it the largest contractor involved in the complicated project. Accenture's contract stipulates payment only on delivery of working systems. Richard Granger, chief executive of NHS Connecting for Health, said that the company's problems demonstrate the value of getting the IT industry to take on the risk of developing public sector IT systems. Granger, who used to work for Andersen Consulting (before it became Accenture) claimed that the contract's penalty clauses meant that the cost of Accenture walking away would be 50% of the total contract value - £1 billion. Read more about the future of Accenture and other NHS contracts at <http://www.guardian.co.uk/medicine/story/0,,1747390,00.html>.

The March 28, 2006 announcement had repercussions in the stock market too, as investors were surprised by the drop in profits from \$0.35/share a year earlier to \$0.11/share. The company's shares tumbled 9 percent following the announcement. Accenture blamed software subcontractor iSoft PLC. But some of Accenture's big institutional shareholders blamed Accenture itself for taking on too much risk in the contract. You can find more details at <http://www.chicagobusiness.com/cgi-bin/news.pl?id=20139>.

Parliament's spending watchdog announced an investigation into the National Health Service's IT modernization. The National Audit Office said it would publish a report into the project, rumoured to

be over budget and behind schedule. Accenture's posted losses and extensive involvement were cited as signals of the problems with the system. Some feared that Accenture and the other government contractors might seek a renegotiation of agreed terms, possibly at an extra cost to the government. Read the news at <http://observer.guardian.co.uk/business/story/0,,1769248,00.html>.

### **April 2006 - United Kingdom, part 2**

More problems with government services contracted to Accenture in the UK. The country's efforts to institute a new system of farm subsidies were so far behind schedule that the government was likely to be fined by the EU, reported the Guardian. The Department for Environment, Food and Rural Affairs was criticized for its lack of preparation as Accenture's contract costs doubled with no questions asked. Farmers, faced with a cash flow crisis, feared bankruptcy. See <http://www.guardian.co.uk/country/article/0,,1763291,00.html> for details. The Director of Farming Online reported that the National Audit Office would investigate what went wrong with the Rural Payments Agency and, in response to the Guardian article, wrote, "you were right to question why the bill from Accenture doubled without query from either [the Department for Environment, Food and Rural Affairs] or the Regional Payments Agency." Read the letter at <http://www.guardian.co.uk/country/article/0,,1765407,00.html>.

### **March 2006 - Wisconsin**

Accenture's contract to develop a statewide voter registration list continued to come under fire. Pressure from the Wisconsin Democracy Campaign resulted in a Justice Department investigation which forced Accenture to provide access to its proprietary software and source code, and to ensure that confidential voter information not be copied or sold. The Wisconsin Democracy Campaign estimated total costs of \$28.2 million for outsourcing its statewide voter list work to Accenture and another private firm, Deloitte Consulting. Minnesota, which relied on state employees to do its work, completed the job at a cost of \$5.3 million. More details can be found at <http://www.wisdc.org/wdcaccenture.php>.

Accenture's work on Wisconsin's voter registration list will now miss a federal deadline by almost a year, driving up costs. The Milwaukee Journal Sentinel has this news: <http://www.jsonline.com/story/index.aspx?id=410389>.

### **March 2006 - Wyoming**

Wyoming cancelled its contract with Accenture for a centralized voter registration system after the company failed to implement the system by the January 1, 2006 deadline. Accenture had four such contracts (with Kansas, Colorado, Wyoming and Wisconsin) and Wyoming is the third state to cancel its contract. The system could not be finished in time for the 2006 general election. It appears that the state government has reached an agreement with the Bermuda-based corporation to return most of the \$3.9 million paid for the useless system. Details from <http://www.casperstartribune.net/articles/2006/03/10/news/wyoming/b2ef1e5ee0dc49cf8725712d00034a30.txt>.

### **February 2006 - Australia**

Australia's Tax Office is spending \$500 million AUS on a system based on the decades-old Cobol language, raising questions about future flexibility before the project is even rolled out. Cobol is

considered outdated and was first developed in the 1950s. Family First Senator Fielding said, "I am just trying to work out how we are going to work forward with this if a contract was signed in December 2004 for a system that seems to me already outdated." Recognizing the need for oversight, Australia engaged (for \$6 million) a consultancy as independent assurer of the project's progress and quality. Despite the concerns raised with Accenture's work, though, the Tax Office in January signed a \$20 million content management support contract. Source:

<http://australianit.news.com.au/articles/0,7204,18288578%5E15344%5E%5Enbv%5E15306-15321,00.html>.

### **February 2006 - U.S. Marine Corps**

The Marine Corps terminated a six-month, \$4.5 million contract awarded to Accenture last summer to design and implement its new global supply chain and maintenance system. A spokesman cited the company's failure to meet contract requirements, terms, and conditions as the reason for cancellation. Accenture failed to deliver substantial documentation in support of the system's detailed design review. The company also did not comply with cost, schedule and performance baselines and risk assessments for the next phase of the program. Discussing the Marine Corps plan to finish the project with a new contractor, the spokesman didn't provide a date, saying, "We want to make sure the same thing doesn't happen again." Source: <http://www.fcw.com/article92191-02-02-06-Web>.

### **December 2005 - Colorado**

The state of Colorado cancelled not one, but two contracts with the Bermuda-registered Accenture corporation. The first was a \$40.8 million computer system contract. House Majority Speaker Andrew Romanoff was quoted saying, "I plan to call on the carpet the heads of agencies and other decision-makers to find out, why did we pick a company with a trail of problems?" Colorado's problems with Accenture went back to 2002, when the state hired the company to create a system to combine and streamline two computer systems for unemployment taxes and labour department benefits. Only three of five subsystems were running by the project completion date in 2004. With state politicians under fire for a contract two years behind schedule and with key components incomplete, they pulled the plug. After an \$8.2 million refund payment and state withholding of \$7 million in payments, Accenture will still receive a total of \$27 million for the failed contract.

A second contract, to construct a \$10.5 million centralized voting system, was signed in 2003. Like other state voting system contracts, it fell behind schedule and was incomplete. Accenture will refund the state \$2 million for unfinished work. This January 5, 2006 report from the Rocky Mountain News has the full story:

[http://www.rockymountainnews.com/drmn/local/article/0,1299,DRMN\\_15\\_4364513,00.html](http://www.rockymountainnews.com/drmn/local/article/0,1299,DRMN_15_4364513,00.html).

Additional details can be found at the Computer Business Review:

[http://www.cbronline.com/article\\_news.asp?guid=5917781C-8424-4955-AA37-60C112A44A51](http://www.cbronline.com/article_news.asp?guid=5917781C-8424-4955-AA37-60C112A44A51).

### **October 2005 - UK**

Accenture's problems extend to the private sector as well. UK supermarket chain J Sainsbury plc terminated its problem-plagued £3.2 billion outsourcing agreement with Accenture, saying it intended to rebuild its in-house IT expertise. The deal to outsource IT operations to Accenture was signed in 2000 and was supposed to last until 2010. But the new system was unable to track stock properly and in fiscal 2004/05 Sainsbury wrote off £290 million in redundant IT assets, automated equipment, and stock losses due to the disruption caused by the new depots and IT systems.

<http://informationweek.com/story/showArticle.jhtml?articleID=172901702> and <http://www.itworld.com/Man/3868/041020sainsbury/>.

### **February 2005 - Kansas**

Four states contracted with Accenture to have the company design voter registration systems. Kansas was the first to cancel its contract. Kansas Secretary of State Ron Thornburgh cancelled a contract with Accenture in February and the next month hired another company. Spokeswoman Stephanie Wing said the office expected to have its database running by the first week of January 2006 (on schedule). Wing refused to say why Accenture was fired in Kansas, citing an agreement between the company and the state not to discuss it. This report is from The Gazette in Colorado, as part of its discussion of Accenture's contract problems in that state: <http://www.gazette.com/display.php?id=1312504&secid=1>.

### **October 2004 - Florida**

In less than two months, Florida cancelled two Accenture contracts - an \$87 million help desk contract, and a \$46.7 million contract for applications management (a third huge contract held by BearingPoint Inc. was also cancelled in the scandal). A Florida State Auditor General report in July charged that the state technology office did not sufficiently document its decision to outsource, did not properly evaluate the bids and did not establish detailed contract provisions to protect state resources. The contracts were so vague that the state's potential financial exposure couldn't be adequately forecast, the audit found. Sources are: [http://www.sptimes.com/2004/10/01/State/Questioned\\_contracts\\_.shtml](http://www.sptimes.com/2004/10/01/State/Questioned_contracts_.shtml) [http://www.washingtontechnology.com/news/19\\_14/datastream/24687-1.html](http://www.washingtontechnology.com/news/19_14/datastream/24687-1.html).

### **July 2004 - Ontario**

An Ontario government internal assessment said that the controversial computerized welfare system set up for the former Mike Harris Conservative government by Accenture (formerly Andersen Consulting) was shut down for 16 days the previous year, costing taxpayers \$2.4 million in wages. The \$180 million contract, signed in 1997, eventually cost \$284 million and was followed by a \$32 million contract with Accenture to operate and maintain the system. The Ontario Public Service Employees Union called for a forensic audit. Accenture claimed to be saving the province \$200 million annually, although critics said the savings were the result of harsh welfare guidelines imposed by the Conservatives, not the computer system. Employees experienced problems with overpayments and considered the system cumbersome. From the National Union of Public and General Employees website at <http://www.gazette.com/display.php?id=1312504&secid=1>.

### **July 2004 - Florida**

Both Accenture and the Florida government came under fire again, this time for voting irregularities. Florida's policy to exclude convicted felons from the voter list was enacted through an Accenture-designed system which purged almost no Hispanic voters (who tend to be Republican in Florida) but removed more than 20 000 black voters (who are overwhelmingly Democratic) from voter lists. Accenture, a major Republican campaign donor, claimed not to have noticed the flawed lists which resulted in the massive error. See Ford Fessenden's New York Times story 'Civil Rights Board Wants Inquiry on Florida Voter-Purge List' (it can be found online at <http://www.tbrnews.org/Archives/a1000.htm>). Additional news and opinions can be found at <http://www.civilrights.org/issues/cj/details.cfm?id=24661> and <http://www.gregpalast.com/detail.cfm?artid=464&row=1>.

## **February 2004 - United States**

Pentagon officials abandoned a plan to use an Internet voting system for soldiers and other Americans abroad in 2004 elections. Accenture's \$22 million contract to develop SERVE (Secure Electronic Registration and Voting Experiment) technology created a system found by an independent panel of scientists to be so insecure that immediate cancellation was recommended. The scientists said SERVE had "fundamental security problems that leave it vulnerable to a variety of well-known cyber attacks, any one of which could be catastrophic." From the Austin Chronicle at [http://www.austinchronicle.com/issues/dispatch/2004-02-27/pols\\_hightower.html](http://www.austinchronicle.com/issues/dispatch/2004-02-27/pols_hightower.html)

## **July 2002 - California**

The California State Treasurer announced a policy prohibiting dealings with publicly-held US corporations that relocate outside the United States, in name only, to avoid paying taxes. He also cited reduced shareholder accountability. Accenture appeared on a list of corporations identified as expatriating to offshore tax havens. Read the news release: <http://www.treasurer.ca.gov/news/releases/2002/07252002offshore.pdf>

In addition, a UBC Study on Accenture Outsourcing in British Columbia can be found at:

<http://www.publicpowerbc.ca/sites/default/files/Accenture%20outsourcing%20report.pdf>

Suffice it to say that the Strategic Review should order a thorough review of all Outsourcing Contracts which Canada Post has engaged in.

As a Citizen of Canada, and an equal Shareholder of the Canada Post Corporation, I find it dismaying that there may have been a complete and utter lack of oversight by the Board of Governors in terms of the selection of the Strategic Partners which Canada Post involves itself.

The Strategic Reform should direct Canada Post Corporation to acquire internally the skills required to run a modern corporation, and rapidly reduce all consultancy expenditures to zero. Similarly with Information Technology requirements. All programming and system design must be brought within the Corporation to ensure that the optimum efficiency in their development is achieved, and the Corporation doesn't wind up purchasing a "cookie-cutter" solution from an external source, which in fact doesn't work, and ends up costing enormous quantities of money, and imperil the financial stability of the Canada Post Corporation.

In another example which has come to light recently, we find the following from [www.computerweekly.com](http://www.computerweekly.com), dated May 13, 2008, [British Gas sues Accenture over problems with billing system](#). In it we find that

"British Gas is suing Accenture for 182m [pounds] over problems with a customer billing system it says has severely impacted on customer service operations. The energy company employed Accenture in 2001 to design and implement the system, dubbed Jupiter, in 2006 to 2007.

"British Gas said in a statement that it became apparent there were problems with the system, which

cost about 300m [pounds]. An independent analysis concluded that Accenture was responsible for fundamental errors, it said.

“British Gas said it was forced to make additional investments and employ extra staff to help deal with the system's failures.”

A forensic audit should be conducted of all CPC expenditures to all Corporations for IT services. This should be the first order of business for the Strategic Review.

### **Postal Governance**

The issue of representativeness of Boards of Governors in relation to shareholders has always been an issue of concern, both in Canada and in the USA.

In Sara Ryans stellar work, she remarks that

“If general business interests thoroughly dominate the USPS, 'specific interests using the Postal Service' are also well-represented in postal governance. Their entrance to policy making is through special task forces created by postmasters. Postal management is free to consult with its 'customers' and invites bulk mailers, publishers, suppliers and advertising firms to meet to recommend policies and rates. These industry insider groups play a larger role in the formation of policy regarding the USPS than any elected official does. No similar meetings are held with residential customers, representatives of rural communities or small-circulation newspapers and journals. While members of Congress hold hearings on legislation related to the Postal Service and on broader issues, the hearings tend to be dominated by business interests. Residential customer and consumer groups are not organized to facilitate their participation...

“Through the special task force, the board of governors, and management reliance on private interests to determine public policy, corporations have come to dominate the decision-making of a public institution. Workers, community organizations, non-profit organizations, environmental groups, and individual consumers are not at the table...

“The enormous influence of big business on postal governance is exercised in official and semi-official forms, from the Board of Governors to the various task forces. This influence has yielded a direct benefit through a rate structure which favors large volume mailers and through contracting of work to private firms...

“The governance policies of the Postal Service have consistently served business interests above all others, as intended by the initiators of postal reorganization.”

The same can largely, if not identically, be said regarding the Governance Structure of Canada Post. Large volume mailers have the ear of the Executive leadership, and Political Directorate, and all policies are designed to serve their exclusive interests.

### **Where does that Canada Post Corporation Get It's Directives?**

The issue of Governance of Crown Corporations is certainly a difficult maze to get through. At first it seems fairly simple, just ensure that the Board of Governors accurately reflects the composition and interests of the 31-plus million shareholding Citizens of Canada.

Unfortunately, little effort has been made to ensure that the Public Interest is represented in the corridors of the Post Office administration.

In the 1993 / 94 annual report, we find the candid admission that

“After consultation with the Canadian direct marketing industry, the Corporation restructured its family of Addressed Admail products. Changes were made to the rate structure and specifications to broaden the products' general appeal and make it possible for more companies to do business with Canada Post Corporation.”

It appears that the CDMA is able to dictate terms to the CPC, in terms of prices and dimensions. While it is not clearly stated, one wonders whether prices were increased and dimensions reduced, or were prices for Direct Mailers reduced while the sizes and weights were increased?

Certainly another area for the Strategic Review to investigate. Are Direct Mailers (DM's) paying fair postage, or are they being subsidized by Standard Lettermail users?

### **Deregulation of Postal Services: Europe and the UK**

A substantial impetus behind the Harper Regime's rush to Deregulate / Outsource / Privatize (DOP) Postal Services is the pressure from the International Corporate Elite (ICE), as reflected through their Trade Organizations, Committees, Panels and Strategic Reviews. They are all by invitation only, and only diehard Corporatists are allowed representation.

As a result of the EU directive on Postal market liberalization by 2009, there has been a mad rush among the largest Postal Services in the EU to deregulate and privatize quickly, and to expand rapidly, both within Europe and internationally, to capture and expand market share. The most aggressive are, of course, the largest, especially Germany and the UK.

The process in the UK is 2.5 years deep, and the results are disturbing and as expected. In Mark White's article, The Messy Business of Postal Deregulation, he writes

“One could hardly say it has gone smoothly...[we have] in that time seen industrial action at Royal Mail resulting in a backlog of mail that in some areas is still to be cleared, even later deliveries, fewer collections, the abolition of Sunday collections, and 2,500 post offices about to be wiped off the map. Domestic customers have definitely drawn the short straw, and whether the targets look good on paper or not, we are witnessing a downgrading of what used to be an exemplary postal service.

“The idea of deregulation was to generate an environment for competition, and so it has in part. The trouble is, no one wants to actually deliver it - Royal Mail are still doing that. Rather than provide a framework where rivals jostle for all postal business, deregulation is pushing Royal Mail towards becoming the country's largest paper round.

“The trouble is, there's a limit to what Royal Mail can do to make mail delivery profitable. Mail volume is already declining each year and unless Royal Mail can hang on to some of its profitable business, it could end up with the final mile and not much else. However you look at it, it's hardly a 'free for all' in terms of competition if Royal Mail's rivals aren't paying towards Britain's final mile

service. The word 'burden' comes to mind here... postal deregulation has been a messy business to date and domestic customers are paying the biggest price of all.”

As a result of the problems associated with the present deregulation regime in the UK, the Government commissioned an independent review of the UK postal sector. The BBC news, on May 6th, 2008, reported the following,

“ The liberalization of the UK postal service has produced 'no significant benefits' for either households or small businesses, a report has said... The independent panel warned that the 'substantial threat' to the Royal Mail's financial security threatened the universal service - the collection and delivery to all UK addresses. As a result, the independent panel... said the continuing 'status quo is not tenable'...

“While the report said homes and small firms had not gained from the increased competition, it said large corporations had 'seen clear benefits from liberalization - choice, lower prices and more assurance about the quality of the mail service.’”

As a result of the significant financial pressures on the UK postal service, there is a significant threat to the basic tenets of the Universal Service Obligation. In relation to this, we find in a report by Steve Lawson, June 16th, 2008, titled Postal Zonal Pricing To Be Discussed, that

“It is now over two years since postal services in the UK adopted the EU Liberalization plan, and it has been difficult and challenging two years, not least of which is the distinct lack of choice for small business and ordinary consumers... and no clear direction for funding the universal service in the longer term.

“Zonal pricing, perhaps one of the most controversial subjects in mail reform, and which could potentially see an end to the 'one price anywhere' pricing system, forms part of a range of key areas up for discussion. Although Postcomm have made it clear that it would resist pricing changes that could undermine the USO, Royal Mail is keen to introduce measures that reflect the actual costs involved in collection and delivery to certain areas, and the subject is unlikely to go away.”

Around the World we witness the renewed spread of Corporatism, as it is historically known, or by its modern name “Globalization”. The Globalization of the World Bank / IMF's Structural Adjustment Programs (SAP's) to the Developed countries of Europe, North America, and Asia is witnessed most profoundly in the area of Postal Services and Courier Services.

### **Effects of Deregulation / Outsourcing / Privatization (DOP)**

For decades the Corporatist policies of deregulation / outsourcing / privatization (DOP) have, in essence, held sway in the corridors of power around the world, in Canada no less than elsewhere.

Madelaine Drohan, in a August 6th, 2003 article in the Globe & Mail, titled Now they tell us: Privatization is no panacea, writes that

“Finally, someone has come to their senses at the World Bank and admitted that letting the private sector run things does not always produce better results than leaving them in public hands. For an organization that has spent two decades pushing privatization with something akin to religious zeal, this amounts to a crisis of faith.

“And it has implications, not just for developing countries that are forced to swallow World Bank prescriptions if they want Western aid, but also for developed countries like Canada who still have government assets - like water utilities and electricity systems - left to sell.”

When even the World Bank has problems with Deregulation / Outsourcing / Privatization, you know there are problems with the model.

### **Recommendations for Building the Better Canada Post**

All is not dire and hopeless in the world of Posts. Many other options and better choices than those offered by the world business elite exist for building a better Post Office in Canada, in the 21<sup>st</sup> Century and the 3<sup>rd</sup> Millennium.

Firstly, there needs to be the establishment of an effective and reflective Governance Structure, which ensures representation to the interests of all 31 Million Shareholders, equally. The implementation of some sort of national referendum for the selection of Board members would be most desirable, and with Canada Post's integrated data management / SAP systems, its' implementation would be simple, and incur very little cost. Even selecting Board members using a random lottery of all registered voters would be more representative and democratic than the present system of Political Patronage Appointments (PPA's) The interests of the shareholders, the Public, must decide the course of the Canada Post Corporation in a democratic country, not the narrow plutocratic interests of an elite international business class.

Secondly, there needs to be a forensic audit of all Canada Post transactions since its' inception in 1981. This would include, but not be limited to, all sales of Public assets in the form of real estate, physical and intellectual property, and any other form of property held in Public Trust.

Thirdly, there needs to be a forensic audit of all expenditures to outside Corporations, Organizations, Foundations, Academic Institutions, and all other entities or parties, by Canada Post since its' inception in 1981, to ensure probity of expenditures.

Fourthly, the political and executive leadership of Postal operations, both in the Government and in the Corporations Management, must, in the Public Interest, be held to the highest ethical standards. The application of Public Trust laws must be strict, and no individual, or group of individuals, should be allowed to benefit, directly or indirectly, from any decisions they are involved in making, or in implementing, ever. This is a fundamental prerequisite to the ethical functioning of any Crown Corporation.

Fifthly, it is immensely important the Canada Post be subject to the provisions of the Freedom of Information Act. This would allow the Public, as shareholders, access to the information required to make informed decisions regarding the direction of their common holding in the Canada Post Corporation.

### **Canadian Political Reality and International Forces**

The political realities within Canada have always restrained the Canadian Federal Governments pursuit of total privatization of the Canadian postal service. Other publicly owned Corporations were rapidly privatized during the 1980's and 1990's, including but not limited to Petro Canada, Air Canada

and CN Rail.

The socio-political reality of strong Public opposition to Postal Privatization has led to the adoption of an ongoing process of gradually dismantling and dismembering the Postal Service.

The present Strategic Review of Canada Post is only the most recent in a long list of reviews, which have sought to provide the rationale to the Canadian People, for the eventual privatization of the Canadian Postal Service. It appears that in Canada and around the world, the Corporate Elites has decided to accelerate the process of Privatization of Postal Services, be it in continental Europe, the United Kingdom, Japan, Canada, and many others.

The decision to Corporatise Canada's Postal Service, reflected the new sentiment of the International Business Elite (IBE), as reflected in the policies of the Reagan and Thatcher Regimes, congealed in what became known as the 'Washington Consensus'.

Since the political upheavals of the 1960's, and especially since 1968, the International Corporate Elites (ICE's) have instructed their National Political Servants (NPS) to diminish the role of the State in the economy, and in the provision of services to the Public. This has had a profoundly negative effect upon service levels, public satisfaction, income disparity, standards of living and democracy. It has had a profoundly positive effects upon Corporate profits, both domestic and foreign, and executive compensation.

The rise of the ideology of Neo-Conservatism, as epitomized in the ideas of Milton Friedman and the Chicago School, has completely reflected the interests of the ICE's. The near instantaneous and global dominance of their ideas and policies as expressed in Corporate media, think-tanks, foundations, and among Corporatist politicians, since their initial promulgation, reflects the unanimity of the thinking of the ICE's.

Through the use of innumerable organizations, foundations, corporations and educational institutions, the ideology of Neo-Conservatism has presented itself as an unstoppable force for almost 40 years. The panacea of privatization of State enterprises and services has swept the Globe.

However, in spite of all the national and international interests in the deregulation and privatization of profitable public enterprises, there is no necessity for it to be so, and in fact many reasons for it to be actively resisted and opposed.

One of the greatest problems with Deregulation and Privatization as demonstrated by the information above, is that the driving forces behind it reflect only one interest, the interest of the International Corporate Elite. Whether it is in NAFTA, GATS, the WTO, the World Bank, the UPU, or the various panels and committees, etc., only one interest is clearly represented, the Corporatist interest. This has been the case since corporatization began in earnest after 1968.

The Public Interest is not served by following the dictates of the the World Trade Organization, the World Bank, the Universal Postal Union, the Direct Marketers Associations, Corporate Executives or any other vested interest group or corporation which expects to profit at the expense of the People of Canada.