

COMMUNIQUE

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Postal Banking to the Rescue in both Canada and the U.S.

For Immediate Release

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OTTAWA – A study of banks and payday lending companies in the United States and Canada shows a real need for a postal bank exists, especially in areas where post offices abound but few banks offer their services. The paper, presented at the 22nd Rutgers University Conference on Postal and Delivery Economics, argues that restoring postal banking in the 21st century would help support post offices while offering much-needed financial services and jobs.

“Why force people to resort to payday lending and pawn shops when a better option exists?” asked Denis Lemelin, National President of the Canadian Union of Postal Workers. The union has been campaigning for a postal bank.

Both the U.S. and Canada once had successful postal banks and they are a fixture in other parts of the world such as Italy, France, Switzerland and New Zealand. The federal government’s recent agreement with Canada’s largest banks to create more low-cost bank accounts supports the paper’s finding that accessible and affordable banking services are desperately needed.

Canadians currently pay some of the highest banking fees in the world, generating massive profits for the major banks, which reported profits of \$ 29.4 Billion last year.

However, those big bank branches can be hard to find in rural areas. Between 1993 and 2003, Newfoundland and Labrador lost 23% of their bank branches, creating what the paper calls a “banking desert.” Now 235 communities have a post office but no bank.

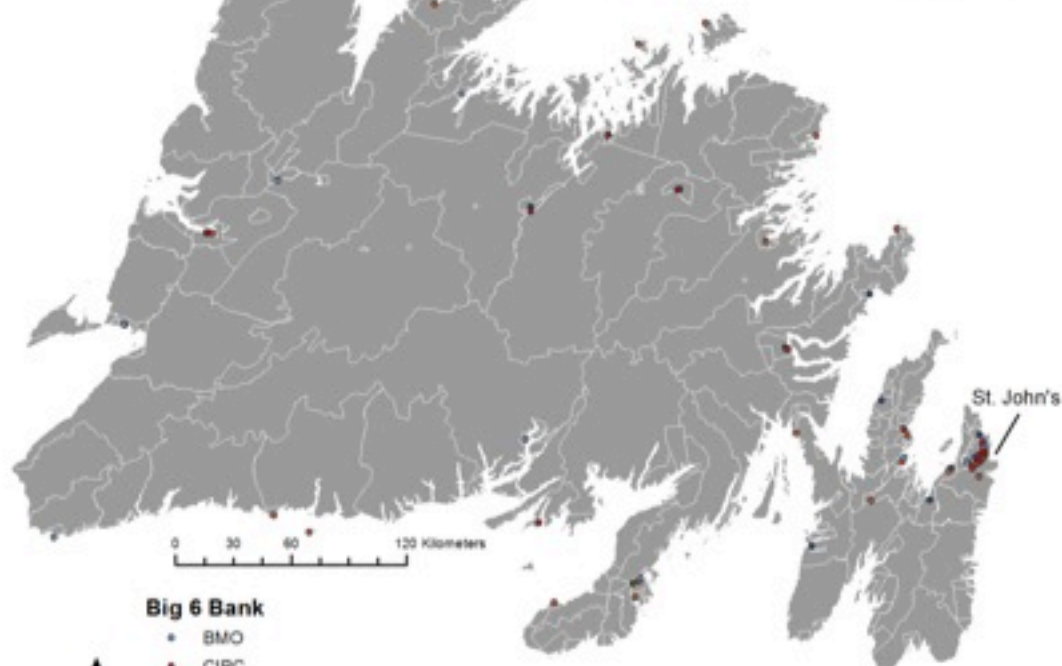
In the Greater Toronto and Hamilton Area, payday lenders “shadow” the banks, providing services such as loans and cheque cashing to lower-income residents excluded from mainstream financial services but at predatory rates.

Canada Post recently conducted its own study of postal banking, but refuses to share it with the public. However, Canadians seem to like the idea of postal banking, according to a poll from April 2014 where 64% supported Canada Post expanding revenue-generating services, including bill payments, insurance and banking.

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For more information, please contact Aalya Ahmad or Kevin Matthews, CUPW Communications at 613-327-1177 or 613-293-5407 or visit www.savecanadapost.ca.

Newfoundland and Labrador Big 6 Banks



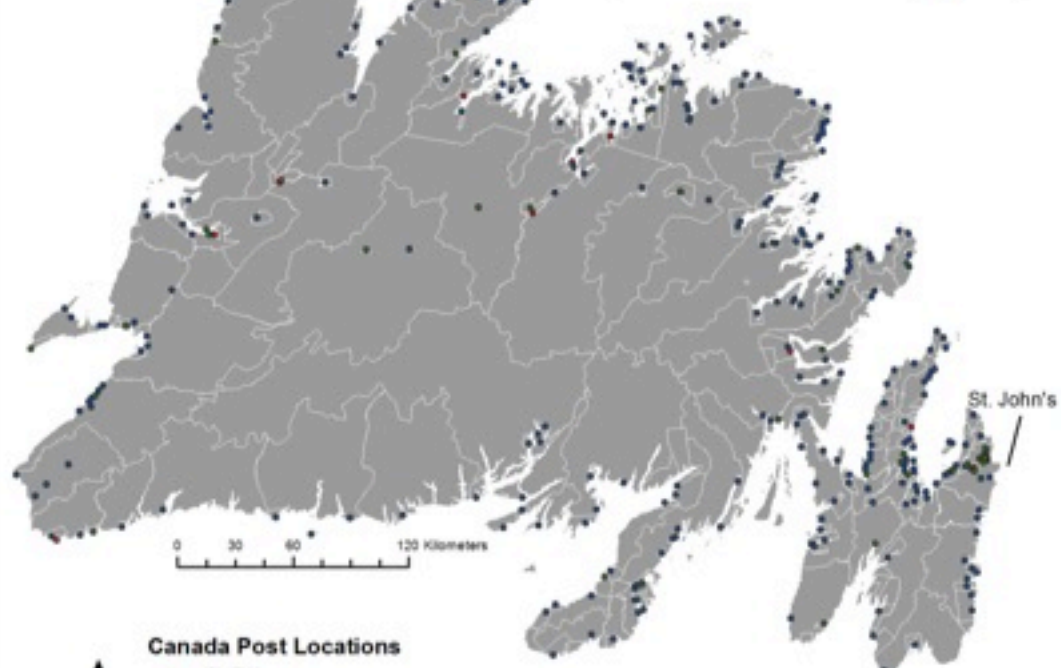
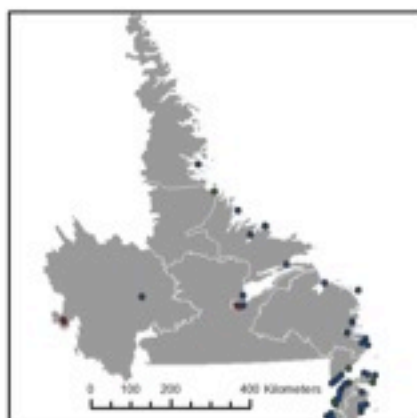
Big 6 Bank

- BMO
- CIBC
- RBC
- Scotiabank
- TD Canada Trust
- Municipalities

Note: National Bank has no branches in Newfoundland or Labrador.

Data Sources: Statistics Canada, Census 2011 (Geography Files);
Online Branch Locators for each bank (branch addresses);
Google Maps Engine (Geocoded Addresses - KML)

Newfoundland and Labrador Canada Post Locations



Canada Post Locations

- CUPW
- CPAA
- Other
- Municipalities

Data Sources: Statistics Canada, Census 2011 (Geography Files);
CanadaPost.ca (Post Office Addresses); Google Maps Engine (Geocoded Addresses - KML)