

Oral Questions

subject to the GST. This places co-operative businesses at a serious competitive disadvantage.

Has the minister considered the serious implications of such an unfair and discriminatory practice? If he has, what does he intend to do about it?

Hon. John McDermid (Minister of State (Privatization and Regulatory Affairs)): Mr. Speaker, I am pleased to inform the House that officials from the Ministry of Finance met with the co-op organization on June 6, I believe.

At that time we listened to their representations and asked them to put their concerns in writing. They agreed to do so. We have not received those as yet.

I can assure the hon. member that when we receive them they will be studied very carefully. We will co-operate—if I can use that word—with the co-ops in trying to solve any concerns they may have with the goods and services tax.

Mr. Ray Funk (Prince Albert—Churchill River): Mr. Speaker, I would like to direct my supplementary question to the Minister of Agriculture.

The Minister of Agriculture must know that co-operative businesses are a very important factor in the rural areas of this country which are particularly hard hit in these economic times.

Will the minister guarantee today that co-operative share capital will not be treated the same as memberships in a golf and country club? In other words, will the minister guarantee that the GST will not apply to co-op membership and co-op shares?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and Minister of Agriculture): Mr. Speaker, not only is the co-op movement very important to the agricultural industry, but the GST is very important to the agricultural industry. I hope the hon. member will get on the bandwagon and start supporting it because it means a savings of a quarter of a billion dollars in farmers' pockets on an annual basis. Why does he not stand up for farmers for a change?

CANADA POST

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, I have a question for the minister responsible for Canada Post.

Tenders are now being called to contract out postal service to 681 homes in the Renfrew—Dacre areas. This enlarged rural route is almost 400 kilometres long and is the result of the consolidation of five present rural routes. Considering the distance to be travelled and the number of customers, this arrangement is just plain silly.

• (1500)

What does Canada Post expect the mail contractor to do: use a CF-18 jet fighter to ensure that all the mail is delivered on the same day? Is Canada Post really committed to providing good service to rural communities? Or, is it simply going to continue to jerk people around?

Hon. Harvie Andre (Minister of State and Leader of the Government in the House of Commons): Mr. Speaker, Canada Post is managing its operations in a way to ensure that the service continues to improve as it has, to ensure that stamp prices rise less than inflation, which they have, as well as to return to the taxpayers of Canada a dividend on their operations which I will announce shortly.

The reality is that the kind of political interference the hon. member is talking about was the way it used to be under the Liberal administration. In those days Canada Post received a subsidy from the taxpayers of up to \$500 million a year. It is now providing those same taxpayers with a dividend because we let it manage.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, Canadian people are well aware of the kind of political interference that this government has afoot for rural mail carriers in this country.

Canada Post has said that over 5,000 rural post offices are scheduled for closure across Canada. Groups such as the Canadian Federation of Municipalities and others concerned with postal service in Canada have strongly advised against taking this course of action.