

*Post Office Act*

**Mr. Côté (Longueuil):** At this point?

[*Translation*]

**The Acting Speaker (Mr. Laniel):** Will the minister allow a question from the hon. member?

**Mr. Côté (Longueuil):** Yes, Mr. Speaker.

[*English*]

**The Acting Speaker (Mr. Laniel):** The hon. member for Halifax-East Hants.

**Mr. McCleave:** Does not the third class rate also embrace solicitations by charitable organizations?

**Mr. Côté (Longueuil):** It depends on how the solicitations are made. If it is by sending circular letters to people, then that kind of mail is included.

The effect of the rise in postage rates on the general public would be marginal. The department estimates that the average cost per person per year would increase approximately 25 cents on July 1, 1971 and 50 cents on January 1, 1972. We are seeking the hike in two stages to lessen the impact of increased mailing costs on business.

The new letter rate schedule, because it calls for reduced charges per ounce for successive weights up to one pound, better reflects the relationship between our prices and our costs. The facts are that the Post Office's costs of handling lightweight letters do not increase in direct proportion to their individual weight. The new rate structure reflects our intention to move away from traditional concepts and to orient our rates towards more realistic market and economic considerations. As hon. members will notice from the bill, the increased rate for letters weighing over seven ounces will be slightly smaller.

● (4:30 p.m.)

In the case of the letter packets over one pound, cost do rise in proportion to the weight and distance over which such items are conveyed by air. In this regard, we are asking for the authority to regulate the rates for letter mail over one pound. I am convinced that a zone rate structure would bring greater equity in the rate levels for these heavier letter items, and would afford those who wish to use air service the same advantages they enjoyed before air parcel post was abolished in 1969, that is, more equitable rates which take distance into account.

[*Translation*]

It is estimated that the proposed adjustments in our domestic rate structure will yield some \$37,140,000 in the current fiscal year and \$80,720,000 in the 1972-73 fiscal year.

You will have noted that we are seeking authority to provide rate incentives to large customers who are willing to prepare their letter mail under conditions which would reduce our costs. In brief, what we are proposing is simply an extension of the rate incentive principle introduced in 1964 for quantity mailings of third class articles.

[Mr. McCleave.]

To be eligible for the incentive letter rates, the mailer would have to comply with clearly defined conditions and standards of mail preparation and mailing procedures, including the posting of mail at times which would reduce Post Office costs by helping to level out production peaks and valleys. In no case, would the benefit to the mailer exceed the net reduction in costs to the Post Office. Details of this program, as it applies to first class mail, will be announced later following further consultation with regional and district office management as well as with the postal unions.

I trust that what I have said has given you an insight into the nature and objectives of the changes in the Post Office Act proposed in this Bill. In concluding, I wish to stress that, if the Post Office is to maintain its present level of contribution to the Canadian economy, the only solution to our adverse financial position, lies in a better correlation between postal rates and costs of providing postal services to the people of Canada.

**Mr. Louis-Roland Comeau (South Western Nova):** Mr. Speaker, I have listened attentively to the minister's statement, explaining why his department feels it must increase postal rates in Canada.

[*English*]

The reasons given by the minister for the increase in rates do not satisfy me, and I am sure they do not satisfy members of my party. The highlights of the bill include an increase in the rate for first class mail and the establishment by regulation of the rates for letter mail. Let me say to the minister that if he could assure the House this surcharge on industries and private individuals would be used to restore the reliable postal services once enjoyed by the Canadian people, I am sure most Canadians would accept it. Until such an assurance can be given, it is unjustifiable for the government to come to Parliament asking for an increase in rates. If the increased revenues are to join the millions of dollars in the bottomless pit of Post Office deficits, then again we are opposed. While there are frequent airline services between most Canadian cities, I am opposed to such increases.

As long as first class mail takes several days to get from Toronto to Montreal, from Saskatoon to Calgary and from Halifax to Moncton, or from one city to another in this country, I am opposed to this increase. This is what is happening. Mail leaving Ottawa addressed to my riding in Nova Scotia took two days when I first came here. In order to have people receive mail in my riding on Tuesday I must post it on Wednesday afternoon of the preceding week. This is absolutely ridiculous. Until Canadians receive the type of mail service they deserve, the government has no right to come to Parliament asking for an increase in rates.

A recent device has been advocated in relation to posting mail before 3 p.m. This is one of a number of gimmicks adopted by the postal services. This is a manipulation by the public relations branch of which the minister spoke so highly. He suggested this procedure would give improved service and, in turn, improve public relations. There never was any need to post letters before