

Adjournment Debate

realize that we have a major problem. The Canada Post Corporation is having serious difficulties. However, can these problems be solved by systematic increases? Not too long ago, rates went from 32 cents to 34 cents, and one year later, they are going up from 34 cents to 36 cents.

I remember in June 1985, when the Minister in charge of the Canada Post Corporation—which already has had three Ministers in two years—said he would never have approved another increase unless Canada Post Corporation had improved on production. There, Mr. Speaker, lies the problem. To date Canada Post Corporation has shown no sign of improvement. One only has to recall the problem of the superboxes, the way their installation was managed and the waste of money in this whole affair.

Therefore, Mr. Speaker, how can we today ask our small businesses to keep paying more for less service? It might be letters that do not arrive on time or with unacceptable delays. This is very easy. All Canada Post has to do is put in an application in the *Canada Gazette* and 60 days later it has the authority to increase postage rates from 34 to 36 cents. Would private businesses for instance be authorized to increase their rates so easily, Mr. Speaker?

So I feel we have a very serious problem there. The Government, and the Minister in his answer keeps hiding behind the Marchment Report. In the Marchment Report indeed there was a very important recommendation which was ignored. The key to the whole report, the key to any post office reform was to give five more years to Canada Post in order to balance its books. Instead, the Minister of Finance (Mr. Wilson) responded very clearly: You will balance your books by 1988. Because of this very specific order of the Minister of Finance, the Canada Post Corporation has increased the price of stamps by 2 cents and the price of all its other services, registration, for instance, by 10 percent. In addition, services have been reduced, superboxes are being installed throughout the country, rural post offices are being closed, and so on.

We now have a new Minister. Late yesterday evening or this morning, he said that what is important is the service and not to reduce the deficit. I hope that we shall learn his true intentions soon and find out whether he will specifically order the Canada Post Corporation to provide home delivery to all Canadians and to maintain the existing level of service in rural areas.

For us, the post is an essential service and it must remain so.

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): A moment ago, Mr. Speaker, my colleague mentioned the Marchment Commission which toured the country.

When the recommendations were made to the Government, there were 29, and the Government has adopted 28 of those 29 recommendations. I should think this would go a long way towards meeting the needs of Canadians.

In addition, Mr. Speaker, my colleague referred to a notice published in the *Canada Gazette* concerning the increase in first class mail from 34 to 36 cents, a notice which must be posted for 60 days.

Ordinarily, what are the responsibilities of Canada Post management during this period? Ordinarily, they should be listening to what Canadians have to say about this, meet with their clients, and give serious consideration to the views expressed to them. Once this period is over they will be in a position to make a final recommendation to Cabinet.

● (1820)

[*English*]

Canada Post's objective of reaching the operating break even point by the end of the next fiscal year is not an impossible task. The Post Office Department had surpluses in most of the first half of this century, and post offices in other countries record profits. The Government will increase its equity through a capital contribution this year and next. After that, however, the corporation will be responsible for raising its own capital. Operating to make a profit is the most effective way to ensure that Canada Post is efficient and effective.

Canada Post will not reach the break-even point on the backs of its customers, the Canadian public. The corporation is moving to reduce its costs through greater efficiency. This means machine sorting more mail by using modernized and new mail sorting equipment, working with envelope manufacturers to have better standardization in their products, and better mail preparation by large volume mailers who generate the majority of the mail handled. It also means reducing overheads, including reducing the size of the senior executive group and cutting back on costs not related to moving the mail. The corporation is also working to increase its revenues through increased mail volume. In the past four years, volumes have grown by 16 per cent.

[*Translation*]

Canada Post wants to work with its clients to improve the service and reduce the its deficit.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.24 p.m.