

*Supply—Post Office***SUPPLY**

The house in committee of supply, Mr. Lamoureux in the chair.

## POST OFFICE DEPARTMENT

1. Postal services including Canada's share of the upkeep of the international bureaux at Berne and Montevideo, \$208,861,000.

**The Chairman:** Order. House in committee of supply on the estimates of the Post Office Department for the fiscal year ending March 31, 1965, vote No. 1. Shall this item carry?

**Some hon. Members:** No.

**Hon. J. R. Nicholson (Postmaster General):** Mr. Chairman, first I would like to say how sorry I am that my parliamentary secretary, the hon. member for Hull, who was to have been with me today, is in hospital. I wish him a speedy recovery and I know the other members of the house join with me in this wish.

**Some hon. Members:** Hear, hear.

**Mr. Nicholson:** When the estimates of the Post Office Department, or any other department of government, are presented for consideration in the committee, it is customary for the minister concerned to make an introductory statement outlining the work of the department or, perhaps I should say, more frequently emphasizing the achievements of the department. He usually follows that with a forecast for the year covered by the estimates. Such a course, as time has shown, has much to commend it. Usually the accomplishments mentioned are factual and in most instances the performance has been reasonably good and therefore the compliments are justified. Having done a little research in the few months in which I have had the office of Postmaster General—incidentally most of that research has been confined to *Hansards* of recent years—I find there have been remarkably few suggestions that our postal service in Canada is not, on the whole, doing a good job. To anybody who studies *Hansard*, it would appear that year after year the ministers and hon. members have been in agreement that the department does a really good job, frequently with some minor reservations—because there is always room for a little politics in the estimates of a department such as the post office. For years the Post Office Department has been recognized as one that works hard and efficiently and does the best it can with the resources at its command.

There has been some criticism that I have noticed, criticism not usually directed to the [Mr. Speaker.]

department itself but rather to the policies that the department is called upon to administer. I refer to the fiscal and economic policies, primarily the rates that are charged for different classes of mail. I might say that in presenting the estimates for the department this year I will try to be perhaps more factual, if I can, and perhaps a little more analytic than at least some of my predecessors. I propose to give the committee the financial facts and then, rather than be eulogistic myself, leave it to the committee members to say whether the department is in fact doing a good job. I do this because of remarks that were made by several hon. members earlier this session in the course of the discussion of the resolution contained in item No. 12 on the order paper. Then I propose to refer to some of the comments that were made at that time upon the fiscal and economic policies of the department.

I think this is fitting, and in doing so I should like to pay tribute to the good work that is being done by certain members of this house. I do not think I would be out of order if I referred to the work which is being done by the hon. member for Danforth, whose comments on the reports of the Post Office Department of the last year or two and the report of the Glassco commission show that a lot of research has been done and that some constructive thinking has gone into his speech last April. It is his remarks and the remarks of other hon. members, which have prompted me to take the line I am following here this afternoon.

Over the years, Mr. Chairman, the annual reports of the Post Office Department, one or two of which I have here, have reported either a small paper deficit or a small paper surplus. These reports vary from a reported deficit of some \$4,700,000 in 1960-61 to a reported surplus of roughly \$3½ million in 1962-63. If you take the published annual reports for the last ten years, perhaps longer, to all intents and purposes the Post Office Department seems to have been operating very close to its stated objective of a break-even basis. But, Mr. Chairman, the hard cold facts from a straight accounting standpoint show something else. The financial statements recording these small alleged surpluses or small alleged deficits are not accurate. I say small because they are relatively small in relation to the annual budget of the department. There are budgets for expenditures ranging in the vicinity of \$250 million a year, and when you get down to amounts such as I have mentioned the surpluses or deficits are relatively