

Government had to soften its approach, but it never abandoned its plan of closing as many rural post offices as possible because they are not profitable.

The second option was to install superboxes everywhere so that Canada Post would be able to leave mail delivery to sub-contractors, and this resulted in a lettercarrier strike in June. The strike lasted ten days and there were acts of violence. And at the request of all parties, a mediator was appointed and it took him two days to settle the matter.

The third option, Mr. Speaker, is privatization, that is selling postal stations of franchising to the private sector. As indicated in the Marchment Report, that option is not workable, it is not a good idea. But it is being done precisely because it is easier to transfer postal services to the private sector because in urban areas there are many people and businesses and it will therefore be possible to maintain the service. That is why two strikes occurred within the past three months and that is the reason for the present one, Mr. Speaker.

Therefore, when you say that the minister provides in the legislation for the appointment of a mediator and arbitrator afterwards, it should be noted as well, Mr. Speaker, that at the same time the mediator is given the mandate to say: You must pursue bargaining according to the report of the conciliator who at that time agreed with Canada Post Corporation, which was entitled to sell those postal stations. That is not bargaining, that is not mediation designed to get both parties together and settle the matter after assessing all the facts, and to ask the non-partisan mediator to make recommendations, Mr. Speaker. He has practically no power beyond that objective which the government has set to privatize Canada Post Corporation.

If it wants to sell the Post Office to the private sector, the government can do it, but they must hold a debate on this matter in Parliament and also consult the people who have elected them.

Mr. Speaker, we must not forget either that under the Canadian Constitution, the federal government is responsible for postal services throughout Canada.

In Section 5 of the Act establishing Canada Post Corporation, it is clearly indicated that the Corporation is responsible not only for organizing but also for operating a postal service throughout Canada. Therefore the government, which wants to cut services in order to reduce the benefit, as Canadians already know, has enabled labour relations environment and the postal service to deteriorate and be at a standstill. Mr. Speaker, Canadians had regained confidence in their postal system, but they are back to square one, Mr. Speaker, and the fault lies with the Government whose indirect and hidden intention is to privatize the Canada Post Corporation.

Mr. Speaker, one can find confirmation of my assertion that Canadians had regained confidence in the Canadian postal service by referring to the financial report of the Canada Post

Corporation which was presented not long ago, in June, I think.

• (1330)

[English]

The current revenue sources of Canada Post were clear in its report. Not only has the volume in dollars increased, but the volume of mail has increased. This indicates that Canadians want to use the services of Canada Post.

Since February 1986, and especially since November 1986, when we finally saw the business plan of Canada Post which was dictated and approved by the Government, we have seen a gradual destruction of the Canadian postal system that had been rebuilt in the five years from 1981 to 1986.

For example, its financial report indicates that in 1986-87 mail service generated almost 93 per cent of Canada Post's revenue, with first class mail being responsible for about 59 per cent. Second class mail is composed primarily of publications including newspapers, magazines, and books. The volume of revenue for this category remained relatively constant from previous years. Reserves from this source made up 9.5 per cent of the total in that year.

Third class mail includes both addressed and unaddressed bulk mailings of advertising material, direct marketing offers, and publishers' books. Revenue in this category showed a slight growth in 1986-87 and comprised 10.5 per cent of the total revenue.

Although often cited as a growth area of service, electronic mail has not yet realized its predicted potential. Indications are that it still provides a relatively modest contribution to the corporation's revenue. Why is this? It is because the Government decided to abandon future growth in the electronic mail sector.

Other services made up 7.3 per cent of the sales of philatelic products such as commemorative stamp and souvenir stamp collections. We must also take into consideration the sale of miscellaneous items amounting to \$18 million and so on.

Canada Post can be vital and it can balance its books. If the Government would let it follow the mandate which was given to it in 1981, we could have better services and the good labour relations which existed in the five years before 1986.

Canada Post has a means of increasing revenues. For example, it has over 4,000 trucks and post offices in prime downtown locations. Why does it not sell advertising space as is done in other countries? It would bring in millions of dollars of revenue to Canada Post. It would not cost a penny because the advertising company would take care of the operation. Switzerland does it. Why cannot Canada Post do it?

We have asked Canada Post to do that, and it indicated that that would cheapen its corporate image. What kind of corporate image does Canada Post have today? It is not even able to deliver mail.