

Supply—Post Office

either non-delivery or slow delivery of mail. Having said that I must in fairness to the department point out that this figure has remained reasonably stationary over the past several years, and is an indication that the department is not losing ground in this respect and indeed may be gaining some ground, because their volume has increased.

Looking at the post office from the over-all point of view, one matter that disturbs some of us is their failure to compare their operation with the operations of other countries which have similar problems relating to postal service. On a number of occasions we asked the question as to how this situation compared statistically or actually with the experience in the United States, and without exception I believe we were told that the department had not obtained comparative figures and did not think they had any validity.

I would suggest to the department and to the committee that as so many of our problems in Canada and the United States are similar, and because a great deal of work has been done in Canada in collecting statistics in connection with postal operations, it would be a good thing if certain of those statistics were compared with the experience not only in the United States but in other countries, so we could measure the efficiency of our department as against that of other departments.

It is evident to many of us that this policy of having a sizeable profit each year for the Post Office Department, according to their own system of accounting, means that a profit is being made on services rendered the Canadian taxpayer. I do not think many people, certainly not myself, would recommend the operation of the post office at a loss, book-keeping or otherwise, but we find that in three of the last four years there has been shown a profit of \$6 million a year or over and a deficit in only one year of some \$2,500,000. That would seem to indicate that we are burdening the taxpayer with postal charges which are in excess of what it is necessary to charge.

I make this point not only with respect to the future but I would harken back also to 1954, when we on this side staged quite a battle against increases in the postal rates. The statistics show that had the old rates been continued we would have been operating at something of a loss; but in 1955, the first full year we can examine, the new rates produced a surplus, as shown in the Postmaster General's annual report, of \$7,700,000. I suggest that certain rates, whether for local, out of town or other classifications of mail, were probably raised disproportionately high.

[Mr. Hamilton (Notre Dame de Grace).]

There does seem to be a continuing desire among people to whom I have spoken that consideration be given to returning to the two a day mail service in at least the major centres of this country. That can be coupled with the desire of many smaller localities where there is no house delivery at the present time that they be furnished some measure of house delivery, even though not on a two a day basis but certainly a minimum service of once a day. In the committee we examined a proposition to introduce a two a day mail service on a five-day basis in all centres where deliveries are now provided and the department produced a statistical analysis showing that this would increase their costs by approximately \$3 million at the present time, leading to an eventual increase of in the neighbourhood of \$3,700,000, if my memory serves me right.

As was pointed out in the committee, that does not necessarily take into account all the factors. There is a suggestion that with a five-day week a man would remain on the same route throughout the year, and the efficiency of this department might be noticeably increased. In any event it is possible to say that the establishment of a two a day delivery service on a five-day week basis across the country would still leave the department with a substantial profit, and it is quite conceivable that something could be applied to the extension and betterment of delivery services in centres where none are now provided.

I must express my regret that the minister has not provided an opportunity for the committee to inspect the new electronic sorting equipment we inquired about at the time the departmental estimates were being considered. At that time this equipment had cost something over \$700,000 to develop and research, but it was temporarily out of operation. They were awaiting a few parts from a manufacturer, at which point it would go back into operation again. The minister will perhaps remember that an undertaking was given at that time that as soon as it was in operation the committee would be invited to have a look at it.

That was almost three months ago, and what worries me is whether we have paid out an amount which is rapidly approaching \$1 million for a machine which has not been brought to the point of operation during a period of three months so those of us who are interested could see it. I wonder if when this machine goes into operation and a few parts are again needed, it will be laid up for another period of three months.

I certainly support the idea of modernizing as many functions of the post office as can be