

Post Office Act

been told, appear to be too much and too quick.

We realize that the Glassco commission on government organization made certain recommendations concerning postal rates, but none of those recommendations suggested such sizeable increases in second and third class rates as the minister is projecting. The commission did recommend that revenues and expenditures in the post office should be related, and said tolls should be fixed at levels that permit recovery of total cost, but the commission found that the actual loss was mostly on second class mail, and the other classes were operating close to the break-even point.

I think the minister has gone overboard on some of these new rates. It appears that the loss on third class mail has been minimal. Therefore it is difficult to understand the action of the post office in providing a 66 $\frac{2}{3}$ per cent increase in this class. Again I say it is too much and too quick.

Let us look at the situation affecting the daily newspaper, that periodical which is all important to every Canadian. Everybody reads a daily newspaper in some form or another. The new rates will be five cents on the news portion and 15 cents on the advertising, and we must remember that daily newspapers have been paying about 30 per cent of their cost of delivery. The Postmaster General wants to jack this up to approximately 80 per cent, an increase of 165 per cent on the present rate. It is too much and too quick; and he wants this by April 1.

A lot of newspapers across the country have been conducting subscriber contests, increasing the number of their subscriptions for the coming year. Now they are in a position where they must honour their subscription rates, even though their postal delivery rates will be increased. In effect they are being asked to absorb this 165 per cent increase.

What will be the long-term effect on subscription rates? Normally they are now about \$15 per year. I am told they will have to jump to nearly \$25 per year, a \$10 boost. I ask the Postmaster General, what would one do if he received a notice of a \$10 increase for a newspaper subscription? I think one would be inclined to say, "Forget about it; I will get my news over the radio or television," two news media the operations of which this parliament subsidizes. What will happen is that newspapers will pass on this extra cost to advertisers, and they in turn

will pass it on to the customers who buy the advertised products. This government is responsible for throwing another log on the fires of inflation. This cannot do anything but increase inflation.

Let us compare what the Postmaster General is asking the other news media to do. Canadian magazines like *Maclean's* are going to be asked to step up their share of postal expenses by 136 per cent. *Reader's Digest* will have an increase of 100 per cent. But *Time* magazine, an American publication printed in the United States, which comes into Canada in competition with our own Canadian magazines, will be asked to increase its postal costs by only 59 per cent. I cannot understand this. Why should an American magazine get off as easily as that?

It would appear, Mr. Speaker, that whether we like it or not we will have to accept these increases that the Postmaster General has put before the house. With a majority government they will be carried. We will have to accept that, and everybody who goes into a post office to use Her Majesty's Mail service and buys a stamp will be obliged to take it at the new rate.

Businesses all across the country will have to absorb the increases. All customers of the post office will have to pay them, from the operator of a one-man business who mails out his month end accounts hoping they will be paid by return mail, so that he can meet his own already high bills in order to stay in business, to the large mail order houses, and even to the fellow who writes a letter to his sweetheart.

If we are going to have to pay these new rates we are entitled to better service. I am at a loss to know why the minister's predecessor and this government did not institute efficiency measures, did not step up productivity in the Post Office Department, and did not put into force those measures which the Postmaster General outlined on the resolution stage. Had all this been done, maybe we would not now have such large increases in the rates.

The Postmaster General said he would close down smaller post offices, amalgamate rural routes, establish distribution centres, instal mechanized mail handling, introduce containerization, have letter carriers use small trucks, and implement a new sorting system in large urban centres. I am sure he has in mind the zip code system which is used with great efficiency in the United