

*Postal Services Continuation Act, 1987*

1960's were not easy years. We went through a period of changes, of automation, and of course at that time we experienced very extensive labour disputes that were very wearisome for everybody. And it was a Liberal Government in 1981 that established the Canada Post Corporation, with three specific mandates, Mr. Speaker—first, to improve employer-employee labour relations; second, to improve services; and third, to reduce the deficit.

Of course, Mr. Speaker, those three mandates have equal priority. There were not one, two or three that had to be met by steps. But the three mandates were an overall mandate for Canada Post Corporation to provide Canadians with better services, reduce its deficit rather than constantly digging into Government coffers, and third, of course, to enjoy labour relations that would allow the Corporation to provide good services.

But, in 1984, there was a changeover in government, Mr. Speaker. And this Government, with a legitimate mandate from the people, decided once again to conduct a study of Canada Post Corporation. Indeed, in June 1985, the former Minister in charge of Canada Post Corporation set up the Review Committee to consider the terms of reference and productivity of Canada Post Corporation, which was to be known as the Marchment Committee.

• (1320)

Here we are in the House today debating a Bill which does away with the right to strike and forces the union membership back to work, yet the issue is not higher wages but job security. Mr. Speaker, the whole matter revolves around the privatization of Canada Post. From the outset, Mr. Speaker, I should like to focus on the danger and the problem which even the Marchment Committee envisioned if the Government were to give serious consideration to the possibility of privatizing Canada Post.

In the report—page 23 in French, page 20 in English—the committee looked at two privatization avenues. The first one was to sell Canada Post lock, stock and barrel, so then the whole thing would have been in the private sector. The committee did consider whether or not this would be practical, and I should like to read a paragraph concerning this option, on page 20 of the report.

"There is, however, one difficulty which the Committee is convinced could not be overcome at this time. The Post Office's continuing history of annual losses makes it an unattractive candidate for sale in its entirety as a going concern. Even if it were given away, the newly established corporation with no history of prior earnings would find it virtually impossible to arrange adequate financing in the private money markets. To turn the Canada Post over to the private sector and then provide the new corporation with Government grants and guarantees would hardly satisfy the objective of reducing the real and potential drain on the Treasury and, hence, on the taxpayer."

As indicated in this paragraph the committee clearly states that selling the whole Canada Post operations to the private sector was unthinkable. And then there is the second option. Here is the following paragraph on page 20, Mr. Speaker.

"The second approach to privatization is to sell it off in parts. No doubt, if the Government decided to withdraw from the postal business on a phased basis, there would be many bids to take over heavily populated areas which generate high postal revenues. However, areas of the country which are thinly populated and lack industrial concentration would be less attractive to business.

These areas do not now generate sufficient postal revenue to cover the cost of mail processing and delivery. Some form of transfer payments would be imperative to make servicing of such areas viable. Indeed, it may well prove necessary to keep a much reduced Canada Post in existence as the mail handler of last resort. Such a Post Office would, of necessity, be an ongoing charge against public funds. The Committee is of the view that so long as universality of postal service is accepted as a tenet of public policy, privatization by parts is not the most desirable solution. Far better to turnaround the present Crown corporation and make it self-sufficient. The Committee is convinced that this can be done.

Mr. Speaker, I would like to put on the record recommendation no. 10 that the Marchment Committee has made on the privatization of Canada Post: "That privatization not be considered at this time. However, if Canada Post fails by 1990 to achieve its objectives of service and financial self-sufficiency, privatization should then be re-considered."

Mr. Speaker, my colleagues may wonder why I just read that recommendation, which is found on page 20 of the Marchment report.

The fact is, Mr. Speaker, that a strike has been called and we have to debate back-to-work legislation for the postal workers precisely because the Government wants to privatize the Canada Post Corporation. The Government chose the second option discussed by the Marchment Committee, which was to do this progressively. The Canada Post Corporation presented its corporate plan in November 1986 following the instructions it had received from by the Minister of Finance in February 1986. The Minister had said: From now on, you will have to be self-sufficient and you will not receive one cent in subsidies after March 31, 1988, at the beginning of the new fiscal year. This is when the Canada Post Corporation developed an action plan in three specific stages. These are mentioned in the report.

First, Canada Post began with the rural regions. Everyone will remember this, and I am certain that the Conservative Members who represent a rural region will remember it because they travelled throughout the country and there were demonstrations, meetings and petitions. Since there was so much pressure, they went before the Committee which was discussing the corporate plan of Canada Post, and because of the number of Conservative Members from rural regions, the