

Adjournment Debate

● (2217)

I fully agree. We have already bitten the bullet on that. We are preparing some amendments and we are going to remove all questions of doubt.

Notwithstanding his promise, he has not done that. As a matter of fact, he approached me last fall and indicated that he was going to introduce amendments to the Post Office Act making it possible to increase the rates from 12 to 14 cents. Having made that announcement to me privately, he then stood up in the House and proceeded on the former illegal basis. The Post Office Act is to legalize what was once illegal with respect to mail openings. Perhaps we will have something further to say when that takes place. Not only has it been done illegally, but it has been done without consulting the major users of the postal system. I have had conversations with representatives from Comac Communications. A letter was sent from their office on December 8, 1977 which arrived in Ottawa on December 20, 1977. That is typical of Post Office delivery.

The Acting Speaker (Mr. Turner): I regret to interrupt the hon. member but his allotted time has expired.

Mr. Ed Lumley (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Postmaster General (Mr. Lamontagne) would like to reassure the hon. member for Brandon-Souris (Mr. Dinsdale) that the announcement by his predecessor that increases in mail rates, and in particular the rate of first class mail, would become effective on April 1 of this year was taken in the best interests of both the Canadian public and the well-being of the Post Office itself.

At the time of the announcement it was stated that the increase was warranted, in the light of the fact the Post Office was headed towards an estimated deficit of \$717 million in the 1978-79 fiscal year. Cost increases in transportation, energy and labour, and inflationary pressures in general, have resulted in an ever-increasing deficit. It would have been folly to have allowed the deficit to increase uncontrolled. As his predecessor argued in the House, the government used provisions of the Financial Administration Act, namely section 13, to achieve a measure of control on these rising deficits.

The extra revenue generated by the increases will total about \$126.5 million. Most of this will come from corporations and little directly from the pockets of the individual taxpayer. Without the announced increase, the Post Office could be operating at a deficit of about \$717 million. Surely the hon. member would agree that the current postal deficit is being too heavily subsidized by the Canadian taxpayer. The taxpayer is paying a higher percentage of postage costs, and the postal user is paying less. Clearly it is time that we began to restore the balance. The hon. member will understand the government's reasons, reasons which involve operating the Post Office along lines as close as possible to business practices, while still serving Canadians as efficiently as possible.

While first class letter rates for a one ounce letter will go from 12 cents to 14 cents, we can still say with some satisfaction that expressed in Canadian dollar equivalents the Australians and the French pay 21 cents for a first class letter, it

[Mr. Dinsdale.]

costs 16 cents in Great Britain, and 14 cents in the United States. Remember that no increase in first class letters was announced for nearly five years, from January 1, 1972 to September 1, 1976.

When the previous postmaster general made his announcement last year, he said that customers would get sufficient advance notice of the rate adjustments to accommodate their business planning. That is why the increases have been delayed until April 1.

I trust the hon. member understands that we do not increase postal rates lightly, but only when imperative if the Canadian taxpayer is to be well served.

FINANCE—REQUEST FOR ASSURANCE CANADIAN STEEL EXPORTS TO UNITED STATES NOT HAMPERED BY TRIGGER PRICE SYSTEM

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, on February 7 I raised a question and an issue with the Minister of Finance (Mr. Chrétien) concerning the threat the American trigger price system would be to Canadian steel exports to the United States. This system would apply a duty on all imported steel to the United States in order to make foreign prices equal to American steel prices. The price of Canadian steel is lower than steel of the United States. That is not because we are dumping our steel in the United States; it is because our steel industry is more efficient and has lower costs, including lower labour costs.

The minister said in reply to my question that the Canadian government was discussing this issue with the United States, but that no agreement had been reached. I should like to know whether the minister can now report progress on this matter, and if not will he pursue it with the utmost dispatch and vigour?

My second question was related to the point that the United States trigger price system will necessarily divert foreign steel from areas such as Europe and Japan away from United States markets, thereby posing the threat of dumping in Canada. The minister had no answer to my concern expressed on February 7 referring to this issue. Algoma Steel has already brought to the attention of the government the problem of Japanese steel being dumped in Canada, especially in British Columbia.

● (2222)

I made many representations to the minister about the threat that dumped steel poses to the Canadian steel industry and the 40,000 workers employed in that industry. As well, there are 9,000 steel workers in Sault Ste. Marie alone who are very concerned about unfair foreign competition and the threat this poses to their future employment. I believe the minister has something positive to report on my second concern about steel being dumped in Canada. I hope that this will mean the government will be able to act quickly to stop any dumping resulting from the trigger price system.