

Adjournment Debate

POST OFFICE—STEPS TO INCREASE COMPENSATION OF RURAL MAIL DELIVERY CONTRACTORS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, over the years in my responsibility as Member of Parliament for Fraser Valley West various problems associated with rural route mail contractors have come to my attention. In certain instances practices relating to tendering and to contract terms have caused frustration, and in other instances real hardship. To be more explicit, Mr. Speaker, because of the nature of tendering, in order to secure a contract often unrealistically low bids are submitted to and accepted by the Post Office Department. Only after the successful bidder has experienced the realities of daily hours demanded, costs required, and the inflation factor, to perform the mail deliveries in a satisfactory manner does he become fully aware of whether or not his bid accurately reflected a fair return for his financial investment and effort.

Should the contractor discover that he has underbid, the contract he has signed makes impossible any upward revision for two years following the signing date, save under exceptional circumstances as laid out in the contract. In a riding of extreme growth, such as Fraser Valley West, the limitations of the contract can so restrict the contractor that long before the termination date his number of stops might have doubled compared with those at the date of signature, with little or no corresponding increase paid for the extra work. In contrast, all construction contracts with the government contain escape clauses to deal with unforeseen circumstances.

The implication involved in the points I am attempting to make is that in some cases at least the local, rural mail contractor is subsidizing the Canadian Post Office Department. Certainly my information leads me to believe that rural contractors, and perhaps subpost office managers, are the only group in the postal delivery system that have no collective organization to bargain on their behalf with the government. The lack of such an organization has perhaps contributed to the fact that rural contractors generally have fallen behind the letter carriers and postal workers in coping with the rising cost of living.

● (2210)

Because I felt this to be of vital interest to many people in my riding, I went into it in some detail. About a month or six weeks ago the minister suggested that all members representing rural or semi-rural ridings should write to him and suggest methods to make the situation of the rural mail contractors more equitable. There are some 23 rural contractors both centrally and peripherally in my riding. I met with them, and I have a number of recommendations that I would like to deal with now. Because they are not organized, contractors suffer from the tender system and from inflation. They do not enjoy the fringe benefits afforded the organized section of the postal system such as UIC, transportation to points of delivery or uniforms.

One recommendation is that they be paid an hourly rate which might be equivalent to that of postal clerks, which at the moment is roughly \$4 an hour. That should be part of any future formula considered by the Postmaster General (Mr. Ouellet) and his officials. Another recommenda-

[Mr. MacGuigan.]

tion relates to car allowance. These allowances are decided locally and vary from 12 cents to 20 cents a mile. I recommend a more generous car allowance, perhaps 25 cents per mile plus the additional 30 per cent insurance cost which must be met because the vehicle is used for business. It might be noted here that these people must be bondable; it is a responsible job and an important one.

There should be a fixed formula for the growth factor within a route. It is also seriously suggested that when a route has reached a certain size, it should be split. Perhaps the size should bring in about \$10,000, or an average living wage. We should stop thinking of this as a part-time job, because in many cases it is not. It amounts to a full-time job because people have a substantial investment in the vehicles necessary to do the work. They also have duties additional to those of letter carriers because they have to sell stamps and money orders and take out parcels.

The matter of Saturday delivery was also mentioned. However, I am not certain that their customers would accept the deletion of Saturday delivery. Nevertheless, they are not recompensed for the extra time compared to other postal clerks or mail carriers. I think we should have an established tender floor in which no one could underbid. Because of the nature of the tender, too many people underbid and then find that they cannot fulfil the contract on those terms. If morale is low, even on the "mail must go through" theory they feel they are being exploited.

On May 7 I asked the Postmaster General a couple of questions about this matter. I know he has been considering the question very seriously and I am certain that the rural contractors, in my riding at least, look forward to his response.

[*Translation*]

Hon. André Ouellet (Postmaster General): Mr. Speaker, I am extremely sympathetic to the problems currently encountered with respect to some rural mail. And I am in perfect agreement with what the hon. member said and the suggestions he made seem to me to be very appropriate.

However, I would like to remind him that those businessmen are bound by contract with the department and that contract was indeed awarded following the calling of public tenders. So they themselves originally set the amount of the contract. However, it is true that during the period of the contract the contractor can file an application to have his rates adjusted.

Unfortunately, we found that too often the contractor who has to file that application himself does not do so or does so too late and several contractors do not benefit as they could from an increase in their rates. So there is clearly room for improvement and I am prepared to ensure that we will soon come up with a new formula for adjusting rates which will be much more understanding and much more realistic.

Secondly, we will be prepared very soon to base the rates on amounts in line with those paid to members of the Postmasters Association.

Thirdly, it is also our intention to assess all routes as soon as possible in accordance with the new formula I referred to, and we will then make the necessary adjustments so that contractors receive the rates they deserve.