

GOVERNMENT ORDERS

POST OFFICE ACT

AMENDMENTS RESPECTING STAMP AGENTS' COMMISSION, LETTER MAIL PREPARATION ARRANGEMENTS, EXTRAORDINARY SERVICES, MEMBERS' MAIL, ETC.

The House resumed consideration of Bill C-240, to amend the Post Office Act, as reported (with amendments) from the Standing Committee on Transport and Communications.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, before five o'clock I had made a few remarks in respect of the motion of my colleague relating to the increase in the cost of first-class mail. I indicated that with the new improvements suggested by the minister and his associates at the committee hearing, this increase was premature. The necessity for improved services in the Post Office was exemplified by the Postmaster Generals' colleague, the Minister of Industry, Trade and Commerce (Mr. Pepin), when he explained his reasons for designating two types of census form collection. He indicated that because mailing services are not what they should be, people in rural and small urban areas had to have their census forms picked up by those involved in taking the census.

A great deal of criticism about this practice has been directed at the Minister of Industry, Trade and Commerce. I felt the criticism directed at the then Postmaster General was unwarranted. There were complaints in my part of the country that because of the mail service, census returns were not being received as quickly as possible. In addition, there were complaints that people were not picking up their forms or receiving them on time because of the inefficient mailing service. On the basis of these complaints I suggest an increase in postal rates is premature. It should be delayed until the new regulations are brought into effect in the Post Office Department. At that time we may find it unnecessary to raise first-class postal rates.

This increase may increase the pressures on our economy and create greater inflation in respect of people on fixed and low incomes. I hope that when the vote is taken hon. members will realize the importance of curtailing an increase in postal rates and will vote in favour of my colleague's motion.

● (8:10 p.m.)

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I would like to take this opportunity to express my opposition to clause 3 of the bill which will raise the first-class mail rate at the end of this month to seven cents per letter and on January 1, 1972, to eight cents per letter. The amendment moved by my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), and the amendment moved by a member of the official opposition are an attempt to keep the rate at the present six cents level. There are a number of reasons for this and I think they have been covered in the debate we have had over the past couple of weeks.

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I think one of the prime reasons is to try to contain inflation, but here the government is increasing by one third the first-class mail rate as of January 1, 1972. When we look back we see that two years ago we were in exactly the same position when we were debating amendments to the Post Office Act to increase postal rates. We were told then that most of the deficit would be wiped out. But here we are today with a bigger deficit than ever. Apparently the vast increases which were made at that time were not sufficient to do the job, and we are again increasing postal rates.

Mr. Dinsdale: It is a bottomless pit.

Mr. Harding: There is something that is not in this bill. I understand that at the end of the month there will be an increase of one cent in the third-class mail rate. This is allowable under the regulations which exist. This increase is too large. One cent does not sound very much, but many small publications which are forced to spend a tremendous amount of postage will be hard hit by the increases which are contemplated for the middle of this year and, as I mentioned earlier, there will be further increases at the end of the year.

I read the records for last year and found that we are already heavily subsidizing the mail service.

We find that *Reader's Digest*, for example, as of two years ago was paying 31.3 per cent, less than one third of their mailing cost, and we were subsidizing them for the balance. *Time* magazine is another example of this: they pay about 34.7 per cent. The Canadian people are subsidizing these two magazines, which are not primarily Canadian, to the extent of \$1.5 million a year. As long as we have legislation on the books which allows this sort of subsidization to take place, I have no intention of voting for an increase in first-class mail rates which will adversely affect Canadians who cannot avoid paying them. The minister should accept the amendment which my colleague has moved and allow the rate to remain at six cents until discrepancies such as I have mentioned are removed.

[Translation]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, motions Nos. 3 and 4 have the same effect. They would not give rise to any increase in first class postal rates and this would automatically prevent any increase in third class rates.

I have already put forward many arguments, both in the House and in committee, to justify this increase in postal rates, and I not intend to repeat them. However, I must say that although the Post Office Department represents an essential service for all Canadians, it must help maintain the economy at a certain level.

[English]

The only solution to our adverse financial position lies in a better correlation between postal rates and the cost of providing postal services to the people of Canada. So far as the argument that we should improve service before we increase rates is concerned, we did just that. Since last October we have a better and faster money