

The hon. member for Winnipeg North Centre (Mr. Knowles) moves motion No. 4 as follows:

That Bill C-240, an act to amend the Post Office Act, be amended by deleting clause 3 of the said bill.

Is it the pleasure of the House to adopt the said motions?

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, with these amendments we come to the crunch of the legislation before the House. Except for this clause a good part of the proposed legislation in Bill C-240 is of the housekeeping variety. Here, however, the minister and the government of Canada are recommending a specific increase in the first-class mail rate which by December 31 of this year would mean that Canadians would be paying eight cents for a letter of one ounce or less both for local delivery as well as for delivery to any part of Canada.

The minister has circulated a considerable amount of background information to assist in achieving support, no doubt, in this House for his proposal, but also more than likely to soften the blow to the people of Canada who judging from the mail I am receiving on this matter are not at all convinced of this necessity. I notice in the background material the minister includes tables which point out that the cost of postage in Canada has not kept pace with the inflationary trend in other sectors of the economy. I am sure he is aware that the last time we had Post Office Act amendments before the House the basic amendment was much the same as the one now before us. It was an increase not only in the first-class letter rate but also right across the board.

If the present proposal should go through, it would mean that in respect of local mail—and a good deal of the mail in Canada is of the local variety—there would be an increase in cost of 100 per cent since 1968. In other words, it would increase from 4 cents to 8 cents in a comparatively short period of time. It should also be noted in a preliminary way that while the minister argues that this increase is necessary to deal with the deficits which have been growing in the past three years since this administration came into office, the fact is that the former Postmaster General when he amended the legislation said it was the dawning of a new age of greater efficiency in the operations of the postal department and that with a decrease in service, plus an increase in cost, we were moving the operation of the postal service of Canada into a position where it would be operating in the black.

The minister is using precisely the same arguments again this time. We have never seen any evidence based on past performance that would persuade us he will be any more accurate in his prognostication than was his predecessor. I do not agree with the fundamental argument that the Post Office Department must operate in the black. Postal service is one of the major communication services in Canada. I could not accept the thesis of his predecessor when he argued for a balanced budget in respect of postal service and increased the rates to such amounts that several weekly newspapers have gone out

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of business as well as other Canadian publications because of the exorbitant increase in distribution costs.

We heard the former Postmaster General argue for a balanced budget in respect of postal services and then speak in astronomical terms of the \$75 million to be expended on the Canadian Telesat experiment. There would appear to be a lack of consistency in this regard. For generations the postal service has been the basic means of communication. It has played a vital role in holding the nation together because it affects every single person. Telesat is in the realm of space technology which no doubt will play an increasingly important role as we move into the space age. My hon. friend behind me says it is up in the air, like this government. I agree with that.

At the moment the fundamental need is for an efficient, low cost postal service that will make it possible for Canadians everywhere to communicate readily and that will also assist Canadian newspaper and magazine publications, which find it increasingly difficult to compete with the United States, to continue to serve the needs of the nation. So in the first instance I move the deletion of the proposed increase by the Postmaster General (Mr. Côté) because it is flying in the face of what has always been a basic function of postal service, that is, to provide a cheap service to Canadians even if it is not entirely operating in the black.

● (9:50 p.m.)

There is another inconsistency in this matter. In this day and age of electronic communication the government quite happily subsidizes CBC to the tune of \$200 million and nobody raises the argument that broadcasting services in Canada should operate at a profit. As a matter of fact, since I have been a member of this House of Commons we have removed the radio and television licences which used to be more of a nuisance value than a revenue raising operation. We accepted the principle that it was in the interest of the Canadian nation that the state should sponsor electronic means of communication.

By the same token, why should this raise be necessary when the minister, according to his own pronouncements, has embarked on a reorganization of the Post Office Department that will bring about greater efficiency and greater productivity and, as a result, lower the costs of the service? According to this thesis, which was advanced by his predecessor, this should gradually bring the deficit down. I think that before the minister in the short space of three years again asks this House for a substantial increase in first-class postal rates, he should wait and see whether his new policy initiatives will have the desired effect.

One of the debating points which the minister makes is to refer to the recommendations of the Glassco commission. The Glassco commission, which was established by the Diefenbaker administration to look into the operations of the government of Canada, made the recommendation that revenues and expenditures of the Post Office should be related. That is a good proposition. Hon. members will find it enunciated at page 113 of volume 1 of the Glassco commission report. The report reads:

tolls should be fixed at levels that permit recovery of the total cost of each class of service.