

to misdirect the mail, and so on. The facts are entirely different. The facts show that there is a great deal of difficulty about delivering mail because the management of the Post Office Department, in their wisdom or lack of it, have convinced the government and the minister that what we needed was a modern, high speed, efficient system for sorting mail and that the way to bring this about was to install highly-automated machines with computers. This was done in Toronto, through which city, I am told, 70 per cent of the mail for all of Canada has to pass. The fact is, it took close to two years before the difficulties, the bugs in the new, highly sophisticated and complicated system, could be worked out. So great was the disruption that they were taking car loads of letters from the buildings in Toronto, shipping them to Cornwall, having them sorted by hand in the old manual way, and bringing them back to Toronto. The workers were being blamed because the mail delivery was slow and inefficient though in fact it was slow and inefficient because of the decision of the government and the senior management of the postal service to adopt this highly sophisticated system without arrangements for proper back-up and support.

I hope those difficulties have now been eliminated, and I hope the system will work as well as some claimed it would work. I hope the relationship with the employees will be better than it has been. But we still have problems. We have problems because, in our free enterprise system, governments do not want to plan. This government does not want to plan. So we have a situation in which the left hand does not let the right hand know what it is doing. On the one hand we have invested several billion dollars in setting up a very modern, supposedly rapid and efficient mail service, while on the other hand we are encouraging competition, encouraging the private carrier.

The hon. member for Brandon-Souris, spoke about the couriers and the United Parcel Service. I wish to talk for a few minutes about the United Parcel Service. I do not think there is any department of government which comes closer to more people in Canada than the postal service which is charged with the responsibility of delivering all sorts of mail, such as private letters, business letters, advertising, books, parcels, you name it, to every person in Canada, no matter how distant and isolated they are from the main centres. Delivering mail or parcels to mining or rural communities, to the high Arctic where the population is scattered and distances are great, is expensive. It is a money loser. The private carriers have no intention of serving the people in those areas. What they are doing successfully, and more successfully each year, is moving into the areas where there are large concentrations of people and skimming off the best customers in the most profitable areas. If that is permitted to continue, it will mean the destruction of the postal system as we have known it and it will mean increasing deficits for the Post Office rather than the elimination of the deficit about which the minister has spoken and which this bill is supposed to bring about.

We need only look at our neighbour to the south, the United States, to learn what the United Postal Service has done in that country. At a hearing held before the Ontario Highway

### *Canada Post Corporation Act*

Transport Board in June of 1978, a senior official of the Post Office Department appeared before the board and urged the board not to grant United Postal Service a franchise to operate in Ontario. James Corkery was then the deputy postmaster general. He told the board that between 1962 and 1976 the U.S. postal service saw its volume of parcels drop from 792 million to 385 million, while UPS increased its volume from 182 million to 950 million in that period. He said that the Canadian Post Office here would not repeat the mistake made in the United States of not realizing the threat posed by UPS until it was too late. That is what he said, but in fact UPS has expanded its service. It has purchased two companies in Quebec, and I am sure it will try to operate in Quebec. It has now received permission from the Ontario board to operate in Ontario. A prominent California lawyer, Michael Khourie, who fought and won an anti-trust case against UPS in 1971, predicts that if UPS gets a foothold in this country, they will take over the small parcel delivery business in Canada. If they do that it will jeopardize the financial viability of the Post Office and it will destroy the financial viability of CN-CP express because UPS will concentrate on giving fast and cheap service, probably at a loss in the initial stages, to the vast majority of the customers living in the Quebec City-Windsor corridor, if they get permission in Quebec City. That is what they have done in the United States.

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After they have destroyed the parcel services of the Post Office and CN-CP express, they will have an "open sesame" to charge whatever they can. Destroying the ability of the Post Office and CN-CP express to serve customers on whom they can make a bit of money, will adversely affect to a very large extent customers who live in sparsely populated areas in the rest of Canada.

I urge the government to proceed with this bill and set up a Crown corporation for the Post Office. In the field of parcel delivery, I urge the government to do what it has talked about doing with the provinces in terms of the constitution. They should get together with the provinces and point out that the destruction of the ability of the Post Office to deliver parcels will have an adverse effect on the Post Office and on service to the tens of thousands of people who live in small towns and villages in Ontario and Quebec. I suppose if UPS is successful in Ontario and Quebec, it will eventually move across the other eight provinces of Canada, as it moved to take in every state of the United States.

We urge the minister to establish this Crown corporation to operate the Post Office and to learn from the mistakes of the last 12 to 15 years. The board should ensure that the new corporation uses common sense, that it does not buy every new technology which comes along in the hope that somehow there is a magic solution to the problems of communication which are changing so rapidly with new discoveries almost every day, if not every week. It should ensure that the corporation uses some common sense and humane feelings in its relationships with employees. It should try to deal with employees not just once a year in terms of collective bargaining; it should try to