

3 p.m. in order to obtain service. Only within the last couple of years has this been the case.

It seems to me that 24-hour mail service is possible and absolutely necessary between large cities. We have direct flights between these cities. Surely, it is possible to have 24-hour service for letters to be delivered within the bounds of a city without the necessity of all these gimmicks. After looking at the debates which took place in March of this year, it seems to me that current deficits have been stated to be the result of increased costs of labour, transportation, mechanization and modernization. I suggest that the current deficit is the result of inefficiency in the last couple of years. The Post Office has been inefficient in respect of these fields of transportation, labour, mechanization and modernization. That is why this type of bill we are considering today is required. This is the case in respect of not only the postal department but other departments of government. All these departments are lamentably lacking in morale.

Since the new minister assumed office there has been an improvement in the morale of postal employees. For this I respect the minister and give him credit. He has attempted to restore morale. The general record of this government in respect of labour costs, transportation, mechanism and modernization has been absolutely incredulous. The government can talk about increasing costs but we will never be convinced that an increase in the rates will help solve present problems. Such an increase will not improve efficiency. Perhaps this bill might have been more acceptable had there been a government policy statement that the increased rates would result in increased efficiency.

• (4:40 p.m.)

I repeat that the postal service is not such as to encourage anyone to give a blank cheque in respect of an increase in the rates. Questions must be answered regarding the post office. Are we to have an increase in postage rates and continue to have a decrease in postal service? This is a question which has not been answered. Has the delivery service been accelerated? It has not been in respect of parcel mail. In many cases a parcel will not reach the coast of British Columbia in ten days and sometimes longer. This is another question which has not been answered by the minister this afternoon. There would appear to be a difference between the 1970 deficit as stated in the annual report and as mentioned by the minister in his statement of March 29 in the House. The annual report states that the deficit is \$52 million. On March 29 in a speech the minister said:

I should like to make a few remarks regarding the point raised by the hon. member for Surrey-White Rock. The Post Office deficit is not \$52 million. Last year it was \$120 million and this year we forecast a deficit of \$113 million.

I cannot understand why the annual report would show the deficit as \$52 million and the minister would state that the deficit is \$113 million. This is another question which was not answered in the past and which has not been answered this afternoon.

We might take a look at some of the clauses of the bill. On page one, for example, in the first clause we see

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there is to be an increase in the commission of agents selling postage stamps. This commission is to be increased from 2 per cent to 5 per cent. We might ask what prompts this increase. Will we have better service as a result of doing this? The argument the government uses in respect of the increase is that it is needed to improve the service. In subclause (3) of clause one, we see that the Postmaster General may delegate certain powers and functions to departmental officials. Again I ask whether this will bring about more efficiency. What is the minister's responsibility to be now? So far as I am concerned, he must be responsible for the Post Office Department.

Then we see in clause 2, that the Postmaster General is to have the authority to change rates by regulation. The Postmaster General is to be given the power to tax without representation. The power to tax without representation is always risky no matter what department is involved. We have asked what is the volume of mail. This question has not been answered. We have asked about the income from this class of mail. We wonder what part of the business will be effected by these changes. Clause 3 is the clause which allows the increase, in two stages over a six-month period, on letter mail to eight cents. The present rate is six cents, as was pointed out by the minister, on one ounce for a first-class letter and this is to be increased to seven cents in July and eight cents beginning next January. Again, we have not been given any valid reason for this. Perhaps this type of increase might be justified if the government had proven itself in respect of the labour problems in the post office, in respect of transportation and so on.

The minister announced that once the bill is passed the government will increase third class mail rates. The minister will have this power. An increase in third class rates will affect many organizations. Other members I am sure will wish to speak on this. For example, charitable organizations are now paying five cents and this rate will be increased to six cents. Charitable organizations have a different enough job at the moment without being charged an additional cent for each piece of mail sent out. We might say that one cent is not much, but it is quite a bit. Again, we complain about the service deteriorating and at the same time are faced with an increase in rates. In the 1970 annual report we see that the volume of mail in 1968-69 was 4.9 billion pieces and in 1969-70 it was 4.8 billion pieces. It has gone down. The department has become very inefficient and the increase in rates will not deal with this problem. The mail must move. It moved before 1968, that is before the government started reorganizing things and I suggest it could still move.

There is no doubt that the service could be improved between cities, within cities and everywhere across the country. Many rural post offices have been closed. This practice has been stopped by the present minister but the damage has been done. If the confidence of the people could be restored in our postal department, then the government might have a right to come before us and say that since there is to be an improvement in service there should be an increase in rates to make the system a bit more viable. The minister stated that there has been a