

*Mail Contracts*

for those contracts amounted to \$1,052,905 per annum. The per annum increase on these 1,143 contracts is, therefore, \$287,254. The increased cost of the contracts which resulted from tendering amounts to 37.5 per cent as compared with 30.78 per cent for the contracts under which supplements were given.

During the coming year it is calculated there will be approximately 1,600 mail contracts that will expire. We have not the right to grant supplements to those contractors and we are not asking for it. We will have to call for tenders. If there is a supplement payable, the contract will include the supplement if this legislation is accepted by this house.

**Mr. T. L. Church (Broadview):** These renewal contracts come under a public utility, the Post Office Department, and are no doubt very necessary. Rural mail deliveries are necessary. I wish to ask the minister a few questions, but I shall not take up more than two or three minutes. Would it not be well for the minister to follow a different method of financing these renewals? The Post Office Department has a surplus. In the city of Toronto, it is over \$16 million and in the city of Montreal approximately \$15 million. No doubt the mail order stores contribute to that to some extent.

This is a public utility with a large surplus. Would it not be better to return some of this money to the people? Would it not be well to follow the example of the present Minister of Finance (Mr. Abbott), who last night did something for the working class of the country in the announcement he made? There may be a difference in how it was done, but at least something was done. The minister has done fine work under the present contracts. There is a surplus and I think the minister should put it in the estimates. Whenever other public utilities such as the Bell Telephone Company, the City Gas Company or any of the others have a surplus the people are entitled to some reduction in rates. Since the Post Office Department has a surplus, I think the people are entitled to a reduction in postage rates. The benefit of the surplus has not been passed along.

There should be some other functions for the Post Office Department to perform. In England this department has many additional functions which are of benefit to the people. I appreciate what the minister has accomplished, but after all, the post office is a public utility. Service should be given to the people at cost and they are not getting it. If there is another way of financing it, it should be put in the tax rate so that the people would receive the benefit of improvement all along the line.

[Mr. Bertrand (Laurier).]

**Mr. Bertrand (Laurier):** Mr. Speaker, for many years the Post Office Department has had a large surplus. I am sorry to say that this year the surplus is evaporating. We were very happy to do it, but this year we have been obliged to increase salaries—

**Mr. Deputy Speaker:** I should point out that we are not in committee, and I do not think the minister wishes to close the debate at this moment. I would suggest that the minister either close the debate or answer questions when we are in committee.

**Mr. Gordon Graydon (Peel):** In accordance with your ruling, Mr. Speaker, that the minister should not answer questions on second reading, since if he did he might close the debate, I want to take this opportunity of saying a word about the legislation now being considered. The question of the rural mail courier has been a vexing one during the years in which most of us have sat in this parliament. It has, of course, become an even more vexing one owing to the economic situation and the changes in Canada during the period of the war as well as to the increased cost of living.

I have no doubt that the Postmaster General has on his record hundreds of cases in which, had there not been some method of increasing the revenue to the rural mail courier for the carrying of mail to the rural residents of Canada, many of the bondsmen of those contractors would have found that they had a rural mail route on their hands. The minister, in his great wisdom or otherwise, decided that a supplementary sum should be paid to certain contractors when it was shown that those contractors could not proceed with the work under the present contract for which they had tendered and which had been accepted.

At this stage I want to refer to the conditions which made this legislation necessary. It was the failure of Postmasters General to face up to the problem of the rural mail courier. Since I came into the house in 1936 that problem has never been faced. I am wondering whether this bits-and-pieces legislation, which has been brought down from time to time, is not in a sense an attempt to cover up the mistakes of previous years. The mistakes to which I am referring are these. We have allowed to develop in the rural areas a condition which seems, strangely enough, to be overlooked by the government. It has been neglected all through these years, and we have allowed His Majesty's mail to be carried at a ridiculous price, particularly at a time when other people in the government service are well paid. That is the bedrock foundation of all the problems which make this legislation necessary.