

Members of the Panel:

As I understand the matter, your Panel is considering the question of whether Canada Post should continue to have an exclusive privilege to handle addressed letters or should the letter market be open to competition. The uncomplicated inference from this question being that the exercise of this privilege, allows for the possibility that Canada Post could set rates for postage at a level which would generate enough financial return to provide postal service for every person living inside Canadian boundaries, and that competition can be understood to mean competition from private, commercial letter delivering services that are operated on a profit yielding basis. Let's be clear here, that the question of major interest to me, as a citizen, is the setting of the postal rate for Lettermail, as defined in the Postal Prices Bulletins issued from time to time [ see: [www.canadapost.ca/postalguide](http://www.canadapost.ca/postalguide)].

It is, perhaps, useful to consider some historical perspective:

Universal "penny" postage was introduced for the first time, in any jurisdiction of the "modern era", by Act of Parliament in Great Britain in 1840. Prior to that time, the situation for the delivery of written communication over any distance, in Britain or elsewhere, was complicated, expensive and prohibitive, for the general public. The introduction of a means of pre-payment, through the purchase and affixing of a stamp to the item being delivered, and a pre-payment which was set low enough to be available to almost everybody, produced a profound change in the internal cohesion of the realm - written communication was available to everyone, anywhere, at all times [see for instance: "The British Post Office; a History" by Howard Robinson, Princeton University Press (1948)].

With these matters as background, we consider the value to the society in this country of having a policy in place which provides for Universal "Penny" Postage for lettermail, not in the early nineteenth century, but at the beginning of the twenty-first century.

First of all, a network for postal services in this country has to cope with distances which are among the largest encountered on the entire Globe, which means that, inherently, it is very difficult to provide services, on a profit making basis, over the whole network. There has, for some time, been an illustrative example of this kind of situation in Canada, in the withdrawal of airport services to remote communities, because their locations involved routes regarded as commercially unprofitable. In other areas ( e.g. banking ) there are instances of an increasing trend to curtail services to more remote communities, where there is no commercial incentive for an enterprise, to supply them, or the incentive is not regarded as being consistent with the financial targets set by commercial enterprises.

Competition for Lettermail delivery from private commercial delivery services, operating for profit, will only consider situations where these services can be assured of a reliable market, and also, given the current, prevailing operational market philosophy, a market which is able to support growth in traffic density through the use of increasingly expensive "enhancements" of services. This is likely to concentrate the operations of such

delivery services around centres of increasing levels of sophistication and population growth, and to diminish it elsewhere. Thus it seems rather likely that operating postal services as profit generating entities will result in diminishing the size of the postal network, and also making it accessible only to those customers who can readily absorb or "pass on" their postage costs to customers of their own. This will undoubtedly work for those able to afford the going rate, but there is another issue to be considered - quoting from the historical paragraph above: " the cohesion of the realm".

In the Great Britain of the pre- 1840's, the only means of sending a reliable message beyond a person's local horizon, was by a written message, usually with the aid of a horse, and the sending of such a message was based on the assumption that the recipient would be able to read it - a skill that was only beginning to be more widely distributed in that community. Today, there are a large number of electronic communication systems not dependent on the written word, and there is one which uses the written word (some of the time rather badly) and is universal around the Globe - e-mail. Why can't communication among the people in Canada make use of these systems to provide the "cohesion of the realm" without bothering with what happens to Lettermail? .

The answer to that question, is that there has to be a basic communication system in place which provides for the delivery of messages in a number of categories which fill important needs for the members of the nation's population, wherever they may be located within its borders; important in the sense that they can affect personal access to shelter, livelihood, family cohesion etc. - the essence of "the cohesion of the realm". Some of these Lettermail categories are:

Documentation bearing an original signature which is required for effecting the implementation of some agreement, action, etc.

Documents which are required not to be in any electronically formatted condition.

Any documents in situations where the sender does not have electronic formatting available because of some restraint or malfunction - including financial hardship, temporary or otherwise.

Documents which are not suitable for being copied to provide some electronic format

For a functioning community inside the borders of Canada, services to provide Lettermail for categories of these types should be available at minimum cost - the current schedule of Lettermail charges being one possible model for the system. I am not in favour, however, of a continued effort to operate Canada Post with the aim of achieving zero cost, or some profit. Currently, Canada has one of the most loosely bonded federations in the world, and it should be a justifiable charge against the Federal Government to provide universal postage at a level that is affordable to people with limited financial resources - " Penny Post", to strengthen that bonding. The financing of the armed forces is not done on a "break-even" basis, and while the military is a much more dramatic symbol of a Federation, its effect is weakened if the nation it is designed to protect, does not have

other institutions which contribute to national cohesion - such as universal "Penny Post".

I leave others to deal with the matter of commercial mail delivery providers from the U.S.A., who may be competing with Canada Post for mail delivery services, and whose operations within Canada would raise questions concerning the U.S. Patriot Act. The paragraph preceding this one, would indicate my reaction to that possibility.

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