

I can go back to *Hansard* for 1957—I go back only to 1957 because as a relatively new member those are all the *Hansards* they would give me—and on March 8, 1957, I find Mr. Regier, the then member for Burnaby-Coquitlam, raised this question. The hon. member for Winnipeg North Centre (Mr. Knowles) raised the same question, and asked who benefited from this particular subsidy on second class mail. Of course, the chief beneficiary, the one who is being subsidized by the Canadian taxpayer, is the giant newspaper chain in Canada, as well as magazines like *Reader's Digest* and *Time*. I do not believe, by any stretch of the imagination, that we could consider these people really need the taxpayer's help. I feel that the fellow who is working in the shop might have just cause to feel somewhat upset when he knows that some of his hard earned money is going in this particular direction.

I am always rather surprised to see that these champions of free enterprise do not come annually to the minister with a cheque in their hands and say, here, we wish to reimburse you for the subsidy you have provided us because we do believe in this free enterprise system. It is particularly galling when these newspapers add insult to injury by talking about the perils of the welfare state and the perils of subsidies in some of their editorials. This is particularly true when they refer to old age pensions. In the light of the government's concern about its inability to find money to increase old age pensions in Canada, I think this might be an excellent place for it to start. They should take a look at this particular leakage of government money and perhaps do something to correct it. I suggest the thing to do is increase the rate. As I pointed out, the minister has a great opportunity to be a hero. I would be delighted to see him become a hero. Perhaps he should close this gap, take the amount of money over to his colleague, the Minister of Finance (Mr. Sharp), and give him a down payment on increases in the old age pension.

• (10:10 p.m.)

[Translation]

Hon. Jean-Pierre Côté (Postmaster General): Mr. Speaker, as so ably put by the member, this is the first recommendation of its kind the Auditor General has made since I have been appointed Postmaster General.

I might say to the hon. member that I could make in my Department many changes which

Proceedings on Adjournment Motion

might win me the title of hero in some quarters, and that of zero in others.

I must say that upon reading the recommendations in the Auditor General's report, I asked my officials report, as soon as possible, on the surveys they had already carried out or those they expected to undertake, in order that we might know what decisions should be taken and what policies should be implemented.

I understand a committee has been sitting for several months now and that officials are considering suggestions made by the committee.

As we all know, postal rates have to be approved by parliament and can be changed only by parliament.

When preferential rates were approved for newspapers over 20 years ago, one of the reasons for it was, I think, that newspapers were perhaps the only public medium of information at that time. That is why a preferential rate was established. But I do not think that reason stands today. However, there may be others.

Since the matter of increasing the second class rate was raised a few years ago, a lot of opinions were expressed and, most likely, they were contradictory opinions.

However, I believe that what we must try to set up is a policy which will ensure a sound balance. I think we should wait for suggestions before taking action.

The hon. member knows very well that this question is one of government policy and that such policy is usually announced only when the government is ready to bring the legislation before parliament for action.

MUNICIPAL LOAN DEVELOPMENT FUND— INQUIRY AS TO EXTENSION OF PERIOD

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, this afternoon I put a question to the Minister of Finance. I believe he is not in the house tonight but he will have a worthy representative in the person of his parliamentary secretary, the hon. member for Saint-Maurice-Lafleche (Mr. Chrétien), from whom I would like to get details, or better, a statement concerning a problem which proves to be of major importance for municipalities.

One knows that in 1963, as shown in the Statutes of Canada for 1963, chapter 13, a very beneficial piece of legislation was adopted to enable the municipalities to borrow money for municipal works.