

Post Office

Office Department to the effect that it is legal to raise the postal rate from 12 cents to 14 cents under the provisions of Section 13 of the Financial Administration Act rather than by amending the Post Office Act and giving parliament the chance to say yes or no.

The wording of Section 13 is such that I do not see how any Department of Justice official or anyone who has respect for law can say it gives the governor in council the right to raise postage rates without bringing a measure before parliament. The section reads in part as follows:

13. Where a service or the use of a facility is provided by Her Majesty to any person and the Governor in Council is of opinion that the whole or part of the cost of providing the service or the use of the facility should be borne by the person to whom it is provided, the Governor in Council, on the recommendation of the Treasury Board, may

(a) subject to the provisions of any Act relating to that service or the use of that facility, by regulation prescribe the fee or charge to be paid by the person to whom the service or the use of the facility is provided.

The section goes on to a paragraph (b) which says more or less that same thing except that in certain circumstances it can be done by a minister. The first part says it can be done by order in council, and the second says it can be done by a minister.

Surely the section from which I have read is there for use in case of an emergency, for cases in which, for example, certain services were being provided free of charge and it is thought a fee should be imposed. The postal service is not something new in Canada. It is not something which is logically subject to emergency consideration. After all, Canadians were already paying 12 cents before this order in council was passed to raise the rate to 14 cents. It seems to me the method employed by the government is a blatant abuse of the provisions of Section 13 of the Financial Administration Act.

An hon. Member: That is what the committee said.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, that is what the committee on statutory instruments said. And anyone with any respect for the law would surely agree that the action the government has taken is an abuse of the section of the Financial Administration Act to which I have referred. This being the case, I believe the motion before us should be passed and that we should be able to read what the Department of Justice had to say in justification of the action taken by the Post Office Department.

I said I would ask your indulgence for a moment or two, Mr. Speaker, while I related a bit of history. Sometimes we in the New Democratic Party do not like being the third party in the House; we would prefer to be the second party or the first. But one of the advantages of being the third party is that we can look objectively at the other two and see how alike they are. I remember that six days after the election of 1962—the election was held on Monday, June 18—I was sitting in my home in Winnipeg watching the television news. Who should come on but the Prime Minister of Canada, the right hon. member for Prince Albert (Mr. Diefenbaker), to tell us that because of serious economic conditions which had developed during the campaign certain steps had to be taken.

[Mr. Knowles (Winnipeg North Centre).]

An hon. Member: That was the floating dollar.

Mr. Knowles (Winnipeg North Centre): We had dollar problems and all sorts of problems which somehow did not surface during the campaign. But something had to be done. So what did the then Prime Minister announce on June 24? It was to the effect that there was to be a 15 per cent increase in customs duties on a whole range of products. Well, I had been mixed up in things around here for a long time, and I sat in my room and thought: that is impossible. The Prime Minister, I thought, cannot amend the Customs Tariff by order in council.

Mr. Dinsdale: It had been done before.

Mr. Knowles (Winnipeg North Centre): Don't give me that line. Doug Abbott did announce by radio certain increases which would come into effect subject to a vote in parliament, but these increases were to come into effect immediately. How did the prime minister and the government of the day achieve this?

Mr. Dinsdale: Doug Abbott—

Mr. Knowles (Winnipeg North Centre): Just a moment. You are not going to get out of this by referring to Doug Abbott. This is what the Tories did. They did it by an order in council based in part on the Financial Administration Act and partly on the Customs Tariff itself. You see, under the Customs Tariff there are three different columns—the general tariff, the most favoured nation tariff, and the British preferential tariff. And though the Customs Tariff does not give the government the right to change rates it does give the government the right by order in council to move certain products from one of those columns to another. When this is done, of course, rates are changed. The trouble was that the extent of the change in such cases was too great.

The effect of moving products from one column to another was to increase the rates by 25 per cent or 30 per cent. The government wanted to increase the rates by only 15 per cent. So it made use of a double-barrelled order in council. It said, "Under the provisions of the Customs Tariff certain items will be moved from one column to another, then, by virtue of a provision in the Financial Administration Act which gives the government the right to remit any fee which a person has paid, the tariffs which have been thus increased by 25 per cent or 30 per cent will be reduced again to 15 per cent." It was ingenious, if not devious. At any rate, it went into effect.

Some time later in 1962 parliament reassembled and this was one of the first things we began to talk about. We in the NDP raised the issue, and so did the Liberals in those days. Oh, they were hot about this subject. This was a denial of the rights of parliament, and so on, they kept telling us. Well, the government secured a ruling from the Department of Justice that the action it had taken was legal and appropriate. When I moved that that ruling be tabled, I got no further than my friend is getting with his motion today. Oh, the government did not need to table the ruling. We had to take not only the