

municipalities he, being unable to make all presentations personally, had on occasion requested members of this House to present cheques on behalf of himself and the department.

Since the inception of this program the Canadian government has given over \$38 million in grants to municipalities. That figure represents 38,000 new housing units for Canadians. I think it is important to underline the point that in applying for grants under this program all eligible municipalities are equal. Whether a municipality is represented by an hon. member opposite or by a government member, it is treated fairly and on the merit of its application.

The procedural change in this regard was discussed at a weekly meeting of the minister and his officials on September 6, 1977. A follow-up memo was sent from the president of CMHC on September 12. This was the first and only memo sent to the minister on this subject. I would like to read to the House the contents of this memo, which are as follows:

At our last weekly meeting of September 6, you asked to establish a procedure for the delivery of the municipal incentive grant payment cheques. It is understood that the minister's office will advise CMHC of those cheques with which it will be involved. The corporation will send those cheques to the minister's office together with the date by which it is committed to provide the cheque to the municipality. The minister's office will arrange for transmission of the cheques to the municipalities concerned.

This course of action will permit you to make the payment in any way considered appropriate. It will also be required that your office establish procedures to receive and transmit cheques.

I should remind you that this course of action would not apply to British Columbia where cheques are transmitted by the corporation through the provincial government.

The memo was signed by the president of CMHC and dated September 12, 1977. I think it becomes obvious—

**The Acting Speaker (Mr. Turner):** Order, please. I regret to inform the parliamentary secretary that his allotted time has expired.

POST OFFICE—SUGGESTION POSTAL RATE INCREASES  
POSTPONED UNTIL LEGISLATION INTRODUCED

**Hon. W. G. Dinsdale (Brandon-Souris):** Mr. Speaker, I raised a question on February 14 with respect to the further move of the government through the Postmaster General (Mr. Lamontagne) to increase postal rates illegally. It is a process which began back in 1968 when the postal rate was four cents. At that time the postmaster general was the Hon. Eric Kierans. He proceeded as is prescribed in the Post Office Act to increase rates by amendments to that act. We have had five postmasters general since that time, and in 1974 when it became necessary again to raise postal rates, this question was specifically asked of the then postmaster general, the present Minister of State for Urban Affairs (Mr. Ouellet). He still recognized the validity of the Post Office Act when he said:

● (2212)

Rates of postage for domestic letter mail are set out in section 10 of the Post Office Act. Changes in these rates, therefore, are possible only by act of parliament.

*Adjournment Debate*

Then we came to the time of the Hon. Bryce Mackasey, the gentleman who started the present illegal activity. In a statement in the House on May 21, 1976, he said:

For some time I've insisted that any increase in postal rates shall only come after I'm satisfied that the Post Office has achieved a satisfactory level of efficiency. . . . Recent surveys indicate that the level of service achieved by the Post Office is becoming more and more acceptable to the Canadian people.

That was back in 1976, two years ago, and, I am sure everyone will agree, was a gross misstatement. The then postmaster general went on to state:

Post Office customers have been asking for a definitive statement on just when rate changes will take place so that they can undertake their own planning. We intend to introduce changes to the Post Office Act which will deal with this question in its entirety.

Mr. Mackasey recognized the legal procedure and what was necessary. He went on to say:

Meanwhile, there are certain interim measures we must take now in order to give as much notice as possible to allow post office customers to plan ahead.

To this end, under the authority of the Financial Administration Act, I am introducing an interim change in the basic First Class postal rates on September 1, 1976, from 8c. to 10c. and a further increase in this rate on March 1, 1977 from 10c. to 12c.

That was when we moved into the slippery margin of illegality in respect of these matters. Let me just demonstrate further the evidence to this effect. It is conclusively shown by the Post Office Act itself, in section 10, 1970 RSC, which states as follows:

The rate of postage on each letter posted in Canada for delivery in Canada is six cents for the first ounce or fraction of an ounce, and four cents for each additional ounce or fraction of an ounce.

That is specifically stated in section 10. There was an amendment to section 10 in 1971, and I remember the debate in parliament which reinforces that same viewpoint. Section 10(1) states:

The rate of postage on each letter posted in Canada during the period commencing on the 1st day of July 1971 and ending on the 31st day of December 1971 for delivery in Canada is

(a) seven cents for any letter weighing one ounce or less;—

It specified an increase in January 1972 to eight cents, but all within amendments to the Post Office Act.

We then come to the report of the Statutory Instruments Committee which roundly condemned the government for acting illegally in the matter. The joint chairmen were Senator Eugene Forsey, an eminent constitutional authority, and representing the House of Commons was Mr. Robert McCleave, now a distinguished judge in his native province of Nova Scotia. They jointly brought in a condemnation of the government for its illegal action in this regard.

Notwithstanding this, the postmaster general of last fall, the Hon. Jean-Jacques Blais, made an announcement in this House that there was to be a further increase under the Financial Administration Act. That was notwithstanding the fact that he himself, when before the parliamentary committee last spring in replying to Mr. McCleave, suggested the Post Office Act should be amended in order to legalize the situation. He said: