

Supply—Post Office

particularly to mail subscriptions individually wrapped which go to individual homes. These mailed subscriptions are dispatched by large American publications which do not make use of the Canadian mailing rate, as a result of trucking their periodicals into Canada for mailing. These mailed subscriptions come into Canada and no compensation is paid to the Canadian Post Office Department, unless some arrangement was made at Vienna, Austria, on that point.

I would emphasize that in 1956 when the government of right hon. Mr. St. Laurent, of whose cabinet Hon. Walter Harris was a member, imposed a tax on two American periodicals, there were certain legalistic minds who protested to the prime minister of the day that it was impossible to impose this tax on these periodicals because it went against some international agreements. Mr. St. Laurent, who was aware of the problems of the Canadian publishing industry, went to Washington and flatfootedly told the American government he could not abide by the international agreements with regard to periodicals and that Canada was going to impose this tax on the American publications. The tax was imposed despite the agreements.

I hope the Canadian publishing world is not going to be told now that because this matter was not taken up at Vienna nothing can be done about it until 1969, when the next meeting of the world postal union will be held. If right hon. Mr. St. Laurent and Hon. Walter Harris were able to tell the American government they were going to impose an advertising tax on American periodicals, even though some people maintained it conflicted with certain international agreements then in existence, I say that we can tell the American government, the French government and the British government at this time that we would like to be compensated for the mileage over which we haul tens of thousands of pounds of second class material originating in their countries and destined to readers in Canada.

Mr. Winkler: Let us tax them.

Mr. Cowan: I am in favour of it. There is another point I should like to make. I have already congratulated the Postmaster General and I congratulate him sincerely because in the opening details of his estimates. But there are some items there for contributions to superannuation account, Department of Finance, \$8,510,500; an item for employee surgical-medical insurance premiums, Depart-

[Mr. Cowan.]

ment of Finance, \$1,170,100; and an item for employee compensation payments, Department of Labour, \$261,900. I am 100 per cent in favour, and all my life have fought for, superannuation for public employees; surgical and medical insurance and compensation for workers. However I submit that it is absolutely unnecessary for a government to set aside moneys in a funded insurance plan to cover any such scheme as superannuation, surgical and medical insurance programs and employee compensation through the Department of Labour.

After all, we are told there are only two certain things in this life, death and taxes. The government is going to be here as long as there are people. Millions of people cannot exist as a nation without a government. We do not have a funded insurance scheme for old age security, which most people call old age pensions. Its true name is old age security. If we do not have a funded scheme behind the old age security proposition, why do we have to build up a funded scheme behind post office superannuation? Why can the government not let this be paid as it is earned by the employee going on superannuation and living out his years?

This is a faulty approach to the handling of the problem of superannuation by government. It is apparent in the manner in which certain provinces are talking about the institution of a pension plan in their areas. A government, having the power to tax, does not need to build up a funded plan behind the superannuation account, the surgical-medical insurance plan or employee compensation. These things can be paid out of current revenues in just the same manner as old age security is paid now, and as pensions are being paid to the army, navy and air force personnel. These funds are not funded completely. It could be done in the same manner as the provincial governments pay teachers' superannuation when their schemes are not fully funded.

I should like to point out that the Postmaster General made a reference to the hon. member for Port Arthur, who is not here today and who over the years has made many comments on the operation of the postal service. In commenting on the remarks of the hon. member for Port Arthur, the Postmaster General asked if it would not be advisable to jack up the rates on the big publishers and thus hurt the small ones? The Postmaster General felt that if we were to jack up the postage rates, many of the small publishers would go to the wall. I am thinking in par-