

deduct about one-third, contributed by the War Tax.

Hon. Mr. DANDURAND: How is it computed at one-third? The amount of War Tax revenue must be very difficult to ascertain.

Hon. Mr. BLONDIN: It is a little less than one-third. That is the estimate that has been made by the Department. The calculation is a rather complicated matter. It is not absolutely exact, but I think it is fairly so.

Hon. Sir JAMES LOUGHEED: How is that imposed or collected?

Hon. Mr. BLONDIN: By stamps. Honourable gentlemen will understand that stamps are practically the only revenue of the Post Office.

I would draw the attention of honourable gentlemen to another phase of the question. Take the expenditure. The largest expenditure for the conveyance of mail. Of a total expenditure of \$28,000,000, the conveyance of mail by railway train and steamboat, cost \$14,900,000. Now, here is an interesting point. Of this total cost the newspapers are responsible for practically one-half.

Hon. Mr. ROBERTSON: Fifty-four per cent.

Hon. Mr. BLONDIN: Yes. That is more than half the cost. You are aware that three-quarters of the space occupied in the mail car is occupied by the newspapers, which pay only 25 cents per 100 pounds, whereas letters, which occupy one or two square feet, pay \$38 per 100 pounds. There is the unfairness of the situation. Though the newspapers are responsible for a large proportion of the cost of the administration of the Department, they pay practically nothing.

I have been obliged to refuse or defer the requests of people living in remote parts of the country—poor, hard-working settlers, but at the same time an asset to Canada. They would come to me asking for the establishment of a post office, but when I examined the cost in comparison with the revenue for a post office in a community consisting of 20 or 30 houses scattered here and there, I found it would mean a loss. It is necessary to hire a mail carrier to take the letters from the station and carry them miles away. That costs \$700, \$800 or \$1,200. Still it is the first duty of the Department to provide a mail service for even the poorest and remotest of our citizens. It is a humanitarian duty. One result of a deficit is that those citizens who are entitled

to that service must continue to be deprived of it. If the newspapers paid their proper share, not only would the revenue be increased, but there would be this further effect, that the postal service could be improved. When the Department was reorganized every source of expenditure was checked, and a rule was laid down for each branch as to when and how an expenditure would be sanctioned. The rural mail service, for instance, has proven to be a tremendous expense, sometimes unjustified. We had to lay down the principle that no rural mail delivery should be established except in places where the revenue justified it. The railway mail service had to be curtailed in order that the ever-increasing expenditure might be met and the Post Office Department might be prevented from becoming a sort of Canadian National Railway system on a smaller scale, piling up millions and millions of deficits. How can the Postmaster General ask a member of Parliament or any citizen of this country to forego a proposed improvement when that man can point to what is being done for the newspapers of this country?

For these reasons I am sorry that the Postmaster General has chosen this particular time, when the financial situation of the country is far from bright, to ask this House to consent to a retrograde step, undoing what has been, I think, a great improvement in the Post Office Department. Therefore I cannot approve of this Bill, and unless the honourable leader of the Government changes his mind, I will certainly have to move that the Bill be not now read a second time, but be read this day six months.

Hon. Mr. ROBERTSON: May I ask the ex-Postmaster General, is it not correct that since the increase of 1920 there has been a substantial increase in the rates paid by the Government to the railways for the handling of newspapers?

Hon. Mr. BLONDIN: Yes. I forgot to mention that point. I should add that the railway rates, which were 4, 6, 8 and 14 cents per mile, according to the space occupied in the car, have been raised to 16, 20, 25 and 36 cents.

Hon. Sir JAMES LOUGHEED: Doubled.

Hon. Mr. BLONDIN: They have been more than doubled.

The Hon. the SPEAKER: I will put the amendment first. It has been moved in amendment by Hon. Mr. Blondin that the Bill be not now read a second time, but be read a second time this day six months.