

homes across this country. Surely the minister is a competent man and can devise methods of getting rid of deficits. I am sure he can devise something a great deal more equitable than what he is proposing tonight.

• (9:10 p.m.)

I await, with a good deal of interest, an explanation in respect of this strange and mysterious subsidy which I consider to be completely unjustified.

**Mr. Kierans:** Mr. Chairman, the hon. member has raised a number of points which I should like to explain. I hope I do not forget one or two of them. He has suggested that I feel it is absolutely necessary that the post office operate in the black. The fact is, as all of the evidence shows, that the post office, with the best intentions in the world, is going to have a deficit of \$39 or \$40 million next year.

It is my belief the post office should charge those people for whom it renders service. As a fact, the hon. member for Three Rivers said yesterday very clearly that this is not a tax, that it is—

**An hon. Member:** Oh, oh; Trois-Rivières.

[Translation]

**Mr. Kierans:** The hon. member for Trois-Rivières (Mr. Mongrain) said yesterday that it was not a tax but rather charges.

[English]

These are charges to the people who are using the services. They are not like taxes which are imposed and where an individual has no alternative but to pay them. These people can choose not to use the services. If they use the services of the post office, the post office wants to be paid something approaching an appropriate cost.

The *Reader's Digest* and *Time* magazine cannot be compared to newspapers, because they are not in the same class. Let us compare them with the class of publications in which they belong, which includes all magazines, weekly and urban newspapers. Without selecting 1, 2, 11 or 12 out of this class, the average cost is 33 per cent. It so happens that the cost of handling *Time* magazine is above that average and the cost of handling *Reader's Digest* is below that average. These magazines are all assessed according to the format, the weight, the circulation and so on. It happens that the two of them cost 31.3 per cent and 34.7 per cent, yet they come out

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exactly even. There is no discrimination in favour of or against them.

Let me make it quite clear that we do not compare magazines with newspapers. I cannot single them out and put them in the newspaper class, because they are not in that class. I have listed them separately because they have specific Canadian editions and are published in Canada on a pattern very much different from other publications. This is an issue I am quite willing to discuss, but we are forgetting something.

I made an announcement earlier this day that a colleague of mine would be presenting an amendment. This amendment will have the effect of stretching out the rules which most people seem to feel are too severe. We intend to stretch out these increases over a period of time, specifically over another year. This will apply particularly to the rates in respect of newspapers, mainly weeklies. The remarks of hon. members would indicate that this class of publication is in a particularly perilous situation financially. These publications pay only 9 per cent of the cost of carrying them. This is now only going to be 13.5 per cent of the cost. I submit with all deference that the people of Canada should know that they are paying subsidies, and that is what these are, in one way or another.

It is true that the hon. member mentioned a number of names of publications. He referred to the national machinists union publication. This union distributes approximately 40,000 copies, once each week, across Canada. It is published in Washington and there is some editorial comment added for Canada. The computation of this is 40,000 copies, 52 times a year, or approximately 2 million copies. We were receiving from \$9,000 to \$10,000 for carrying these copies. I asked them what they charged for their weekly publication or bulletin and I was informed that it is \$1 per year. They said it was very worth while and that it contained a number of articles of interest to all members. I suggested the net effect of this charge would allow them to recover their entire stamp bill by adding 83 cents to the annual cost. Is that labour union publication worth \$1.83 for 52 copies a year? I think it is.

The hon. member mentioned a number of farm publications, including *Farm of the Week*. Representatives of that publication have been in to see me. The actual cost of carrying *Farm of the Week* for a year is \$150,115. And this is an audited cost as a result of a four year study by people inside