

of newspapers and periodicals and publications of newspapers and periodicals mailed by news dealers.

• (4:10 p.m.)

Other proposed changes would restrict statutory rates to those newspapers and periodicals which—(a) have not more than 70 per cent of the paper devoted to advertising; (b) have a subscription price of not less than 50 cents per annum; (c) have a paid circulation of not less than 50 per cent of the total circulation, and (d) are registered for second class rates with the Post Office Department.

Another purpose of the amendment is to exclude from the statutory rate publications published as an auxiliary to, or for the purpose of, publicizing the main purpose or calling of the publisher. Excluded would be house organs, church bulletins, trade, fraternal, professional and other association publications.

There are now ten rate groups of newspapers and periodicals based on frequency of issue and size of circulation. Since neither factor is related to the cost, rate anomalies exist which cannot be explained within the context of postal operations. For example, a large weekly periodical is currently subject to a rate of 3 cents per pound, but a monthly periodical pays only 1.75 cents per pound. Furthermore, the number of rate categories is in excess of what is required for efficient administration and accounting.

The new legislation provides for three rate groups—(a) Daily newspapers, (b) Weekly newspapers, and (c) Other newspapers and periodicals.

At the moment, rates on newspapers and periodicals are bulk or pound rates covering an entire mailing. This results in sorting, transporting and delivering some newspapers and periodicals for as little as 1/20th and 1/30th of a cent per copy. The new minimum per item rate of 2 cents per piece will result in a more equitable distribution of postal charges among the users of second class mail and among all post office patrons.

The rate change for a daily newspaper, which includes all newspapers published more frequently than weekly, will be 5 cents a pound on the news content and 15 cents a pound on the advertising content.

The rate for a weekly newspaper will be 5 cents a pound, and if the weekly newspaper has a circulation of 10,000 or less and is published and mailed in a community of not more than 10,000 persons, 2,500 copies of each

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issue will be handled free of postage to non-letter carrier offices within a 40 mile radius of the place of publication. This weekly rate is recognized support of the little weekly newspapers which continue to play an important role in local news dissemination in rural parts of our country.

**Some hon. Members:** Hear, hear.

**Mr. Kierans:** The third rate, which applies to all other newspapers and periodicals, will be 5 cents per pound with a minimum charge of 2 cents per item.

I have spoken at length, Mr. Speaker, and I wish to thank hon. members for having listened to me with such care and attention. I am aware of their keen interest in the Post Office Department affecting, as it does, literally every Canadian. I am also aware that we are attempting to correct a situation which has been unchanged for 17 years and which, because of that long span, requires some relatively drastic steps.

This legislation will reduce the projected post office deficit for 1969-70 to \$40 million from the \$130 million it would have been without this bill. We will be back in the land of common sense and of equity, since it will mean that, with specified exceptions, users will pay for what they use and non-users will not bear a burden they did not create.

**Some hon. Members:** Hear, hear.

**Mr. Heath Macquarrie (Hillsborough):** Mr. Speaker, I listened with great interest to the minister's statement. It was more nearly adequate, of course, than the one he made on the resolution stage, not totally enlightening, perhaps, but helpful in that direction.

When I spoke on the resolution stage I expressed my views on Saturday closing and on the general question, which now seems to have become one of principle, of whether the Post Office Department, unique among departments of government, should pay its way. I begin today by congratulating the minister for changing his mind with regard to one aspect of the Saturday closing question. I said when we were discussing this subject on the resolution stage that by offering the people of Canada increased cost and decreased services he was giving them a double whammy. Since then he has flickered one eyelid and announced that some areas of Canada, some rural residents, will be excepted from his proposal. I am not one of those who are so unreasonable as to criticize a minister for not being willing to change his view and then, when he does