

in committee this morning when this measure was considered, and I should like to know what reason was given for not increasing the rate on second-class mail.

**Hon. Mr. Haig:** No reason was given.

**Hon. Mr. Euler:** Certainly a reason was given: That the smaller papers would go out of business.

**Hon. Mr. Macdonald:** The smaller papers would be put out of business.

**Hon. Mr. Haig:** I did not consider that a reason. Why should the letter writers pay a higher rate of postage to keep the smaller papers in business? If, for instance, my law office is not a paying business, nobody is going to subsidize me to keep it going; and I do not hear of anybody being asked to help the grocer who cannot pay his bills. If it is the case that the small weekly newspapers require to be subsidized, why doesn't the government subsidize them directly? In that way we would face the question squarely. I repeat, why should letter writers be asked to subsidize the small newspaper business?

**Hon. William A. Buchanan:** Honourable senators, I hesitate to participate in this discussion, because it might appear that I had a personal interest in the subject. But I should like to mention my own experience as a newspaper publisher.

Only a very small percentage of the copies of my paper are sent to subscribers through the mail, and if there was an increase in that class of postage it would affect only a small proportion of the circulation. As was mentioned by one honourable senator in the earlier discussion, for that proportion of the circulation on which any increased postage was imposed, the increase could be added to the subscription rate.

I should like to remove from the minds of honourable senators the idea that as far as daily newspapers are concerned—and I would include the metropolitan newspapers in that class—only a small proportion of their circulation goes through the mail. The larger amount is distributed by newsboys, not only in the city where the newspaper is published but in the territory served by it. Even in the smallest hamlet in the area tributary to the newspaper I publish, the copies are distributed to subscribers by newsboys. How do the papers get to the newsboys? Usually by truck, express service or trains—not through the post office at all. It may be, of course, that other newspaper publishers in my category have not found conditions as I find them.

On the question of subsidies, some mention should be made of the monthly periodicals about which representations in regard to the

postal rate are continually being made. The companies concerned have argued that the higher rates go, the higher their subscriptions will be, and they have to compete with widely circulated publications from another country which come by express to the dealers in towns and cities.

I am not putting up a special plea for anybody. I am simply pointing out that in my experience only a limited portion of the newspaper circulation goes through the mails; and if the postal rates were increased it would not mean as much as some honourable senators may think by way of revenue to the department.

I emphasize, honourable senators, that I speak only for myself as an individual publisher.

**Hon. Thomas Reid:** Honourable senators, as one senator who took a stand along almost the same line as that taken by the Leader of the Opposition (Hon. Mr. Haig), I should like to say to the Leader of the Government (Hon. Mr. Macdonald) and to the Senate generally that there was not sufficient time while in committee to get all the information one would have liked on this exhaustive question of the cost of handling second-class mail. For instance, we received no answer as to why newspapers published in cities of not more than 10,000 population are distributed within a radius of forty miles free of charge. As was pointed out by the honourable senator from Lethbridge (Hon. Mr. Buchanan), a large proportion of newspapers come to readers by way of news carriers.

In my opinion, we are not facing the facts of this case at all. Certainly the government is not facing them in asking one class of people to help pay for something that should be paid for by another class. I strongly suggest that we delay the return of this bill to the House of Commons and investigate the whole postal system to find out exactly where the loss of \$15 million is suffered. We should know whether the loss is in respect to magazines, newspapers or other types of mail.

**Hon. W. D. Euler:** Honourable senators, I rise more particularly to direct my remarks to the statement made by the member from New Westminster (Hon. Mr. Reid). I was the Acting Chairman of the Standing Committee on Transport and Communications, which had this bill before it this morning for consideration, and I do not accept his statement that full opportunity was not given to every senator there to ask any questions he wished. In fact, the greater part of the morning was taken up with this bill. I should not like to think anyone felt that every facility was not given to all senators present