

Post Office Act

how they can justify such an enormous increase of 300% in their charges and which will have to be borne by farmers all across Canada.

Would the minister mind commenting on the position taken by one of the leading weekly farm newspapers of western Canada? I am sure the other western weekly farm newspapers will go along with the position that has just been outlined. Also, would the minister mind commenting about the *Western Producer*, a newspaper which has been financed by the Saskatchewan wheat pool for a number of years. How has the minister arrived at his figures? The newspaper people want to know that. They want to come before a committee and hear the facts.

Mr. Kierans: Several weeks ago one of the editors of one of the weeklies came down to see me and I explained in great detail that we did not consider second class mail a marginal operation, as the *Free Press Weekly* and other newspapers seem to suggest.

The newspapers say that we, the post office, are calling at private homes anyway, and delivering first class mail, so why not deliver the weekly or daily newspaper at the same time. It is not an extra charge, since the postman is going to the home anyway.

That is not the way we made our cost analysis. We have marginal operations in the post office but they do not come under first class, second class, third class or fourth class mail. Marginal operations come under selling postal money orders or running a postal savings bank. These operations are marginal to the business of transporting mail.

The *Free Press Weekly* and other associated newspapers in the *Free Press Weekly* publications chain may suggest that it costs us nothing to carry a paper, but I suggest to the hon. member that he take a look inside a postal carrier's bag. The carrier may have 100 first class letters in the corner of the bag, the rest of the bag being taken up with *Free Press Weekly* publications.

Actually, I think P.S. Ross and Partners, and others who pursued the subject, were too kind to the publishers who used the second class mails. Consider a newspaper like the *Toronto Star*. We send it to Vancouver for one third of 1 cent, and the *Toronto Star* may weigh as much as 2 pounds. At the same time it costs 5 cents to send a first class letter the same distance. When hon. members suggest these facts have no bearing on our overhead I say that the entire sorting process inside the post office must be considered. For one thing, there is a difference in the way

that letters and newspapers must be handled. A great volume of letters can be handled in a relatively confined space; but newspapers you must spread out horizontally. This takes up a great deal of room, and many more people are required to deal with them and to carry them.

In my view the figures which have been quoted are not unjust. They confirm what has been found in studies. I said in the house last night that the *Free Press Weekly* paid us \$112,000 in postage last year. I say again that it cost the post office \$1,623,000 to deliver 22 million copies of the *Free Press Weekly* through heat, snow, slush, rain and what have you. For that we were paid \$112,000 from the *Free Press Weekly*.

Mr. Woolliams: Did the minister work out his figures on a pro rata weight basis?

Mr. Kierans: No, it was on a per item basis. We considered a first class letter and a second class newspaper as an item.

● (4:10 p.m.)

Mr. Woolliams: In other words, it was not on a weight basis. Then the argument about a letter taking an inch of the bag and a newspaper taking 20 inches does not hold water.

Mr. Kierans: What I wanted to say is that a post office bag with a thousand letters in it is worth \$60 to me. A post office bag with 100 newspapers in it would be worth 60 cents.

Mr. Woolliams: Would the minister explain this to me: the government is subsidizing the C.B.C. to the extent of about \$145 million a year. In this connection we have heard all the arguments about safeguarding Canadian culture. If it is proper in the one case to provide this bonus, why is there such reluctance to do so in the case of the weekly and daily newspapers? Can the minister put forward any logical argument, because the position he is now taking savours of discrimination?

Mr. Kierans: The hon. member may have provided an excellent argument for reducing the deficit of the C.B.C. but not one for maintaining the deficit of the Post Office Department, which is my responsibility.

Some hon. Members: Hear, hear.

Mr. Woolliams: Then I assume that when the estimates of the C.B.C. come forward the Postmaster General will stand up and say: I fought the cabinet in connection with these