

Post Office Act

second class mail rates or the subsidy to the publishing industry have resulted in a tremendous increase. I should like to emphasize, however, that when you recover a relatively small proportion of your costs, a normal increase in rates is obviously not going to keep pace with a normal increase in your costs which would be, in some cases, as much as ten times as high. Therefore, having taken account of these various changes I will ask a colleague of mine to move an amendment with respect to paragraphs (a), (b) and (c) of subclause (2) on page 4 of the bill.

● (4:00 p.m.)

Mr. McIlraith: In accordance with the remarks of the Postmaster General I desire to move that we strike out subparagraphs (a), (b) and (c) of subclause (2) on page 4 of the bill. Accordingly I move:

That Bill C-116, An Act to amend the Post Office Act, be amended by striking out lines 24 to 34 on page 4 thereof and substituting therefor the following:

(a) on a daily Canadian newspaper,

(i) for the portion thereof not devoted to advertising, four cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, four and one-half cents a pound during the period commencing October 1, 1969 and ending March 31, 1970, and five cents a pound thereafter; and

(ii) for the portion thereof devoted to advertising, nine cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, twelve cents a pound during the period commencing October 1, 1969 and ending March 31, 1970, and fifteen cents a pound thereafter;

(b) on a weekly Canadian newspaper, four cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, four and one-half cents a pound during the period commencing October 1, 1969 and ending March 31, 1970 and five cents a pound thereafter; and

(c) on all other Canadian newspapers and Canadian periodicals, four cents a pound during the period commencing April 1, 1969 and ending September 30, 1969, four and one-half cents a pound during the period commencing October 1, 1969 and ending March 31, 1970 and five cents a pound thereafter.

The hon. member for Gaspé seconds the motion.

Mr. Woolliams: Mr. Chairman, does this mean that the increase in expenses has been spread over one year?

Mr. Kierans: The bill does not come into effect until February 1. The newspapers knew about the changes. From the beginning of this month they will have 18 months in which to act. I can tell hon. members that some newspapers have written to their subscribers advising them not to take out subscriptions

[Mr. Kierans.]

for more than three years until everything becomes clarified.

Mr. Woolliams: In view of the minister's statement last evening about farm newspapers, and particularly in view of his answer to do with the advisability of bringing this matter before a standing committee for further investigation, I think it is proper for me to read the following extract from an editorial in the *Winnipeg Free Press*:

Publishers of the *Free Press Weekly*, Canada's leading farm weekly, denied entirely the statement of Postmaster General Kierans that his department is heavily subsidizing their publication.

This has to do with farm papers.

Mr. Kierans' statement is 'Quite irresponsible and utterly misleading'—

That is not my statement. It appears in the *Winnipeg Free Press*, according to the publishers.

Mr. Kierans does not explain how he arrives at this conclusion—

That is why we are asking that this matter be referred to a committee so that it can be looked into.

—or what arithmetic he employs to substantiate such a ridiculous charge. To say that his department is out of pocket by a million and a half dollars each year by delivering the weekly paper through the government monopoly on mail service is quite inaccurate. If the post office is out of pocket on this account it is nothing like the figure Mr. Kierans claims.

Last year the *Free Press Weekly* paid the post office \$112,000 for postage. If the paper ceased publication as the *Family Herald* and many other farm papers have been forced to do in recent years, it could only result in a further loss of revenue to the post office.

Mr. Kierans in arriving at his conclusion does not explain what he charges up against these expenses.

We don't know. Nobody knows.

Similarly according to figures released by Mr. Kierans' department he tries to argue that it costs his department more to deliver a farm paper in rural areas than it does to distribute national magazines in city areas, where large organizations of sub post offices and extensive letter carrier staffs are involved.

Mr. Kierans is well aware but failed to state that all remaining farm papers in Canada including the *Free Press Weekly* operated at a loss last year.

This serious situation in Canada is largely due to the heavy loss of advertising revenue to the broadcast industry in recent years,—

The minister has not taken this aspect into consideration in this bill.

—which this government year after year subsidizes to the tune of well over a hundred million dollars.

When the government talks of the need to hold down prices and wages, it is hard to understand