

Post Office Act

view. When this power has been delegated, a postmaster in Orillia or in Shippegan, Nova Scotia can witness testimony by a claimant that he has lost a money order, or if he wants to lay a claim under the Bankruptcy Act on behalf of the post office and file it with a trustee, he would be empowered to make such an affidavit and swear to it. This is a simple administrative change which will reduce some of the frustration and improve administration.

Mr. Hees: Can the hon. gentleman answer the question I put to him. I asked him why newspapers were charged 15 cents a pound on advertizing while magazines were not and the minister said it was because newspapers were not facing the same intensity of competition as were magazines. Does he not consider that there is fierce competition between, for example, the *Toronto Star* and the *Toronto Telegram* or between the *Ottawa Citizen* and the *Ottawa Journal* which are fighting tooth and nail against each other?

Mr. Kierans: But the newspapers in question are all paying the same 15 cents, so the competitive position vis-à-vis each other does not change.

Mr. Hees: But are not all newspapers in Canada fighting tooth and nail against the radio and television stations for the advertizing dollar?

Mr. Kierans: We do not carry radio or television messages. We do carry newspapers which weigh up to one pound, for which we get as little as one third of one cent.

Some hon. Members: Hear, hear.

Mr. Hees: Again I ask the minister whether he considers that the competition faced by Canadian magazines is as tough as that which the daily newspapers face, when they have to fight radio and television competition for the advertizing dollar? The answer is obviously, no.

Mr. Woolliams: May I ask the minister one question arising out of something he said? He talked about a subsidy to the publishers, and gave a definition of subsidy. Is it not fair to assume that the subsidy is really not paid to the publisher at all, but is actually directed to the consumer? Its benefits are received by subscribers either to daily or weekly newspapers, if there is in fact a subsidy paid. This is the point which is made by some of the leading newspapers in Canada, both daily and

weekly. Would the minister not agree in this regard?

Mr. Kierans: No, I would not agree. In point of fact we carry a newspaper which costs 6.81 cents to deliver, and at the present time we recover less than 1 cent. As it is we are only demanding 2 cents as a minimum, and this still leaves a subsidy of \$39 million to the entire class. If the newspapers choose to pass it on, that is their responsibility. I do not know what they will do.

I might point out that when we go to buy a newspaper we pay 10 cents a copy, whereas a subscriber might be able to buy it for as little as \$10, \$12 or \$13 a year. This is a policy which the newspapers have adopted, so as to acquire additional circulation in order that their advertizing rates can be increased. If they want to continue to do that, it is their responsibility. But my responsibility is to see that we make some kind of an appropriate charge for the work we are performing.

If the hon. member wishes to argue that the newspapers have simply been passing this benefit over, and that we should therefore continue these uneconomic rates because the consumers are getting the benefit of them, why should the postal services make any charge for anything? Why should there be any pricing policy at all?

Mr. Hees: The minister answered my original question by saying that the magazines are up against much tougher competition for advertizing dollars than are the newspapers of Canada. I ask him: Does he consider that the dailies face less competition from the television and radio media than the Canadian magazines which compete with magazines from the United States?

Mr. Kierans: The advertizing dollar is divided in a number of different ways. What has changed in Canada is that a greater proportion of it now goes to television and radio. This affects newspapers, it affects magazines and it affects the third class mail. The particular position of the magazines is not one in which the daily newspapers find themselves. Like the newspapers, the magazines have this struggle for their percentage of the advertizing dollar. The situation is now improving to a fair extent, though, and this bill will as a matter of fact be, on balance, of genuine help to the magazine industry because of the effect of changes in the third class mail as a result of which the advertizing man will have to ask himself: How much of my dollar will I place