

*Post Office Act*

publication to truck from Toronto to Montreal those magazines going to provinces outside of Ontario. In addition to that \$36,000 or more which the passing of this bill will save *Maclean's* magazine, there is another \$9,000 a year which *Maclean's* magazine will have to continue paying for trucking from Toronto to Montreal its issues which are addressed to subscribers in the province of Ontario. As was made clear yesterday, although this bill will make it possible for the issues going to other provinces to be mailed from Toronto, and that is the main purpose of this bill, that change will not be possible in respect of issues mailed to subscribers in Ontario. In other words, for this magazine there is a total sum of \$45,000 a year at present involved in trucking charges, \$36,000 of which will be saved by the passing of this bill, if it is passed.

**Mr. Diefenbaker:** What is the source of those statistics?

**Mr. Knowles:** The hon. member for Prince Albert (Mr. Diefenbaker) asks where I obtained these statistics. I have them under my hand in a letter from a gentleman who represents both the Periodical Press Association and *Maclean's* magazine. The same gentleman and I had an interview with regard to the matter and subsequently we had an exchange of letters. The figures I am giving are figures I have taken from the letter which is now under my hand.

I just want to say this, Mr. Speaker. *Maclean's* magazine can readily and easily save this entire sum of \$45,000 a year in a very simple way. All they have to do is to discontinue the acceptance of liquor advertising, whereupon they would be able to print, publish and mail all of their copies from the city of Toronto. What *Maclean's* magazine wants to be assisted in doing is to get around the provision in the Ontario liquor control act against the publishing of liquor advertising and, at the same time, to have the benefit of the cheap postage rates which obtain for magazines and periodicals, as provided in the Post Office Act.

Yesterday when we were debating this matter the Leader of the Opposition (Mr. Drew) "caught me out" at one stage. He said at one point that there are no cheap rates provided by the Post Office Department. In a quick reply I said I agreed with the Leader of the Opposition and that I had used the term relatively. A moment later I realized that I should not have agreed with the Leader of the Opposition. While it is true that there are no cheap rates on first-class mail, especially since the recent increase in letter rates, nevertheless there are cheap

[Mr. Knowles.]

rates provided by the Post Office Department for magazines and periodicals. My statement in that connection stands.

However, Mr. Speaker, as I say, *Maclean's* magazine wants to have the privilege of circumventing an Ontario law and at the same time to get the advantage of these cheap rates. As I see it, that is the main purpose of this legislation; its purpose is to facilitate a firm in its desire to get around a provincial law. It is for that reason that we voted against this measure yesterday. So far as the members of this group are concerned, that is the issue. As I see it, *Maclean's* is like the king in "Hamlet": It wants to be pardoned and yet retain the offence. It wants to be excused from complying with the law of the province in which it operates and yet at the same time it wants to get the advantage of these cheap rates provided for periodicals and magazines without paying the penalty which it now has to pay in trucking its issues from Toronto to Montreal. That is what this bill really is, namely an attempt to assist a firm, by federal law, to get around the provisions of a law in the province in which this firm operates. The members of this group think that legislation of this kind should not be brought before this house.

May I also indicate to the Postmaster General (Mr. Cote) that if this law goes through, I will expect an accounting next year with respect to this matter, bearing in mind the wording in the bill which says that no provision granted under this amending bill shall adversely affect the postal revenues. I have in mind in particular the point I made yesterday, namely that all issues of *Maclean's* magazine destined for the provinces of Quebec, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland are now being trucked to Montreal and carried by the Post Office Department from Montreal to their destinations in those five eastern provinces. If, under this new arrangement, the Post Office Department has to carry those magazines the additional distance from Toronto to Montreal, it seems to me that is something that is going to adversely affect the postal revenues. I would hope that that section of the bill will be observed. If there is that additional cost to the Post Office Department for carrying those issues that extra distance from Toronto to Montreal, I hope that the additional cost will be charged back to any publication getting such an advantage.

There is just one other word I wish to add, Mr. Speaker. This bill came to us by what has sometimes been referred to as the back-door method; it came in from the other place. That fact means that if it is now given third reading, all that is required is royal assent.