

Hon. Mr. GORDON: I understand that Canada has subsidized the newspaper publishers to the extent of nearly a million dollars by carrying their papers at such a low rate, and this is all the result of the false system which has been in vogue. I honestly believe that if the people of Canada, and the majority of members of Parliament, were seized of the fact that this was a subsidy and nothing else, the matter would not have gone along as it has done. At this particular time, when we are faced with deficits, when our taxes are large, when transportation charges are not coming down, and when the cost to the Government for this particular service is increasing, why should a reduction be made of from one and a half to one and a quarter cents a pound?

I am informed that in the United States the charge on newspapers is now a minimum of two cents, and goes up to a maximum of ten cents per pound, in a country whose population is so dense, and where transportation costs less than it does here. I believe also that Great Britain charges from two to four cents per pound; I think the publishers have to attach a one-cent stamp to every copy, and that would amount to at least four cents a pound.

Hon. Mr. BLONDIN: The average is between 7 and 8 cents.

Hon. Mr. GORDON: I have here a statement which was prepared by the Secretary of the Post Office Department, which perhaps covers some points that were not given by the ex-Postmaster General:

According to statistics taken in August, 1918, the total weight of newspapers carried by post is 87,501,490 pounds per annum. The sum collected for newspaper postage last year amounted to only \$291,104. Newspapers now occupy 60 per cent of the floor space required for the transportation of the mails.

As this is paid for by the car mile it means that for railway transportation alone papers cost the department over \$2,000,000 per annum. This cost is for carriage alone and does not include a single cent for transfer to stations, transfer between trains and stations, sorting and distribution at the office of posting and on trains, mail courier service, handling and delivery at post office of destination, etc. The total expenditure for the carriage of mails and the cost of mail bags during the fiscal year 1918 was \$8,293,515.24. Sixty per cent of this amount, or \$4,976,109.15 might therefore be charged to newspaper service, in addition to a percentage of the salaries of postmasters and other post office employees, which it would be difficult to apportion.

In the last analysis the question is one of transportation. The department pays for the carriage of mails across the country by the car mile, and every car added means a very considerable amount added to the cost of transportation.

In view of these facts, and of the exceptionally low rate which the newspapers are

now enjoying, I contend that the time is most inopportune for allowing this Bill to pass, and I will move:

That this Bill be not read the second time now, but that it be read the second time six months hence.

Hon. Mr. DANDURAND: Honourable gentlemen, I have received no special memorandum from the Post Office Department explaining this reduction, but in reading the Debates in the other Chamber I noticed that the statement was made by the Postmaster General that the representations which came to him were mostly from the small newspapers, which claimed this reduction because they were otherwise already labouring under considerable difficulties, being taxed in divers ways by the federal government. That would appeal more to me, than the statement that the large newspapers are the principal beneficiaries. I have not heard that the large dailies of the country were in dire straits, but I have always been under the impression that the country newspapers were having considerable difficulty in maintaining themselves.

Hon. Mr. GORDON: Is it not a fact that the country papers to which you refer get free transportation within a radius of 40 miles?

Hon. Mr. DANDURAND: Yes, the weeklies within that radius are getting free transportation; but there are even weekly papers which cover a much larger area, and there are papers that are not weekly that come under this taxation that use the mails to a considerable degree, and that claim that the rate for one and a half cents is a hardship. It is suggested to me that I should withdraw this Bill. My right honourable friend (Right Hon. Sir George E. Foster) will realize that my mandate is to submit the Bill, to the Senate and it is for the majority of this Chamber to decide as to the merits of the proposition.

Hon. Mr. TANNER: There are only a few large newspapers, such as the Montreal Star, but I think it only fair to say that I think the publishers of the smaller papers have been asking for this relief. A year ago I was present in the office of the Postmaster General when about twenty-five newspaper men made the representations upon which I presume this Bill is founded. It is fair to them to say that they did not complain of a reasonable increase in the rate, but they asked that the Minister should graduate the rate of increase so that it would not come upon them as suddenly as was proposed by the Act of 1920. Previous to that Act I believe the rate was less than three-fourths of one cent.