

*Supply—Post Office*

introduction to them which is to be found at page 351 of the blue book. Reference is made there to rental charges which should be paid to the Department of Public Works in excess of \$25 million a year, and charges which should be paid to the comptroller of the treasury for issuing cheques and for accountability procedures carried out on behalf of the post office. I should like to make some comments on postage rates at this point, and I sincerely hope on behalf of the publishers of Canada that my comments will bear fruit.

In speaking of the Post Office Department I should like to emphasize that for more than 25 years I was in daily and hourly contact with the department and I know of no more efficient division or department of government. I have never met an employee in more than 25 years contact with thousands of post office employees who was not efficient and not on his toes at all times. I have no criticism to make of the service. I know no man in the House of Commons who has had more experience with the service of the Post Office Department than I, but I should like to make some comments with regard to the financial statement and particularly with regard to rates.

The Postmaster General has advised us today that after accommodation which has been provided by the Department of Public Works is paid for—if cheques are exchanged on that basis—and after the comptroller of the treasury has been compensated, if we consider the cost of carrying franked mail through the post office, in addition to those charges, there will be a deficit of something like \$20 million a year. At some considerable length the Postmaster General pointed out that this deficit can be traced practically directly to second class mail. Second class mail, of course, is printed magazines and newspapers.

In the newspaper and magazine business in Canada it is generally recognized that the government of the day is conducting operations which are contrary to the best interests of Canadian publishers, but as hope springs eternal in the human breast we sincerely trust that at some time there may be relief on that score.

There are two items in the short comments I wish to make, directly attributable to the Post Office Department. This is not the time or place to refer in detail to the manner in which the Canadian government allows *Time* and *Reader's Digest* to bloodsuck the Canadian periodical industry at the moment. We believe that when the magazine bill comes forward—it has been on the order paper since

[Mr. Cowan.]

March 11—we will have time to speak on it. It was introduced on March 11. I do not know when the flag question first came up, but I am waiting for the March magazine item to come forward.

Then we have the Canadian government operating a radio and television service which is drawing off \$26 million in commercial advertising, of which Canadian publishers of newspapers and magazines should be getting a share. But these taxpaying commercial enterprises have to buck the national government for the advertisers' dollar, and we hope in time this situation will be corrected.

I should like the department to explain, if they can, why *Reader's Digest*, which is a monthly publication, has a rate of 1½ cents a pound to cross Canada when Canadian weeklies like the *Montreal Standard*, *Weekend* magazine, *Toronto Star Weekly*, and so on, have to pay 3 cents a pound for exactly the same service. I just leave the thought with the members of the committee that it is interesting that the postal service rendered to the *Montreal Standard*, *Toronto Star Weekly*, *Weekend* magazine and other Canadian weeklies costs 3 cents a pound, but this great, shall I say Canadian publication, *Reader's Digest*, gets the same service once a month for 1½ cents a pound. Then you have great complaints about the terrible deficit arising from the second class postal rates. Has anybody figured out what the contribution to that deficit is from periodicals that move at 1½ cents a pound compared with the Canadian weeklies that have to pay 3 cents a pound?

More important, I should like to draw the attention of the house to a question that has been aggravating the Canadian publishing world for some time. I listened to every word spoken by the Postmaster General with the greatest of interest, but I regret very much that he did not take any time to make a statement on the meeting of the world postal union held in Vienna, Austria, last month. I wonder how many members are aware of the fact that there are millions and millions of copies of American and other foreign produced periodicals moving through the mails of Canada every month for which the Canadian post office receives not a cent in payment. No wonder we have a \$20 million deficit in the Canadian postal service when we carry millions of periodicals thousands of miles free of charge.

This situation arises from the fact that as yet there has not been any international