

## POST OFFICE

## POSSIBILITY OF REORGANIZING INTO CROWN CORPORATION

**Hon. George Hees (Prince Edward-Hastings):** I, too, have a question for the Postmaster General. In view of the successes achieved by the United States and United Kingdom post offices after their reorganization into semi-private and Crown corporation types of organizations respectively, is the Postmaster General considering either option for resolving the present chaos in the Post Office which is making delivery by Pony Express seem fast by comparison?

## REQUEST FOR TABLING OF STUDIES SHOWING PROFITABILITY OF POSTPAK—REPRESENTATIONS FROM TRUCKERS

**Mr. Dan McKenzie (Winnipeg South Centre):** Mr. Speaker, I have a question for the Postmaster General. In the light of the hon. gentleman's assertions that Postpak became profitable last December, despite the fact that his officials have been claiming that it was always profitable, will he table the studies which show its profitability?

**Hon. J.-J. Blais (Postmaster General):** I am very pleased the hon. member for Winnipeg South Centre has drawn the attention of the public to one of our very successful programs, Postpak, which is making the Post Office an even more competitive enterprise and is, in addition, providing extra revenue, thereby reducing the obligations upon the taxpayers of Canada.

**Mr. McKenzie:** I suggest the Postmaster General should read his mail from the trucking organizations. Has he studied the claim of the Canadian Trucking Association that the only reason Postpak is profitable is the cross-subsidization which is forcing many truckers out of business because of unfair competition from the Post Office—as if unemployment in this country is not already high enough?

**Mr. Blais:** Yes, I have read the brief and I am very pleased that they are feeling the rub of competition. We are in competition with private enterprise in a number of ways in the Post Office and we are competing very effectively indeed.

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## INCOME TAX

## POSSIBILITY CASH ADVANCES ON FARM STORED GRAIN WILL BE TAXED

**Mr. S. J. Korchinski (Mackenzie):** Mr. Speaker, my question is addressed to the Minister of National Revenue. In view of the recent indication that her department will be levying income tax on cash advances on moneys which are given where interest is not paid, may I ask whether this is to include cash advances on farm stored grain and other agricultural products, or are these to be excluded?

## Oral Questions

**Hon. Monique Bégin (Minister of National Revenue):** I will look into the matter and report to the House or directly to the hon. gentleman as soon as possible.

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[Translation]

## TRADE

## PROPOSAL TO BUILD RAILWAY IN VENEZUELA—MINISTER'S POSITION

**Mr. Yvon Pinard (Drummond):** Mr. Speaker, my question is directed to the Minister of Industry, Trade and Commerce. Having returned from South America, can he tell the House about the results of his representations in favour of Canada with regard to the construction of a railroad in Venezuela?

**Hon. Jean Chrétien (Minister of Industry, Trade and Commerce):** Yes, Mr. Speaker. Last Friday, I met the president of Venezuela, and as a result of that meeting Canada has been invited to form a consortium with Spain to build a railroad in Venezuela. We have been chosen as main contractor for the construction of a 700-kilometre railway which should cost about \$1 billion. As you know, that is the first phase of a 3,000-kilometre railway which will mean a lot of work for the locomotive, track and car industry in Canada, as well as for Canadian technology since the railway will depend on North American technology and will be designed by Canadian experts.

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[English]

## POST OFFICE

## LEGALITY OF SALE OF NON-PHILATELIC MATERIAL—USE OF FINANCIAL ADMINISTRATION ACT TO RAISE RATES

**Mr. Bruce Halliday (Oxford):** Mr. Speaker, my question is for the Postmaster General. In view of the failure of the Post Office to heed the recommendation of the Auditor General to bring forward enabling legislation to sell non-philatelic material, a recommendation made because of the Auditor General's belief that the Post Office is acting above the law, does the hon. gentleman still claim that section 13 of the Financial Administration Act gives him the power to raise postal rates by regulations?

**Hon. J.-J. Blais (Postmaster General):** I fail to see the connection between the two aspects. Yes, I do feel that section 13 of the Financial Administration Act permits us to raise the rates by order in council. In answer to the first question, we have reviewed this matter, we have examined the recommendation and legislation is being prepared. But we still feel we are entitled to sell a limited number of non-philatelic items which, of course, include postage within the transaction which is being made.

I should like to indicate, as well, with reference to a previous question involving the assured mail program that the term