

IMPACT OF SALES TAX

Miss Pat Carney (Vancouver Centre): Madam Speaker, my supplementary question is addressed to the same minister. Do I understand that the minister is telling this House that there are no lay-offs in the construction industry as a result of his budget, when the industry cannot even bid on 1982 contracts because it does not even know what the impact of the sales tax will be?

Some hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Minister of Finance): No. I am saying, Madam Speaker, that I do not accept the premise of the hon. member's question, and it has not improved with the repetition.

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RAILWAYS

MODERNIZATION OF CROWSNEST PASS RATE

Mr. Les Benjamin (Regina West): Madam Speaker, I should like to direct a question to the Minister of Transport in light of his response yesterday, and some leaks and news reports last night and today. He spoke about deforming the Crow rate idea yesterday, and said he wanted to modernize it. Is the minister's version of modernizing the Crow rate the implementation of an updated Snavely report that would give the railways a 35 per cent return on equity investment for grain transportation? Is that his version of a modernized Crow rate? Does his version of a modernized Crow rate mean an increase in Crow rates charged to prairie grain producers?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, as a number of us have previously said, the cabinet is now discussing the subject, and the question to be decided is should it be a comprehensive system approach, or should it be a special project approach. This is the point we are at now.

If I took some rather passionate objection to a question yesterday it was because of the fact that so many people who claim there should not be any change in the western grain transportation system do so by raising the straw man that such a change would mean the total elimination of the Crowsnest rate system. I was simply reacting to that yesterday in saying that such would not be the intent, nor would it be the intent to leave the railways entirely free to do whatever they want, charging any price they want for transportation of grain. I was saying yesterday this was not the case, that if the Crowsnest rate is modernized it would be by way of replacing it by another statutory regime. Yesterday I was reacting against the deformation of that intent.

POSSIBILITY OF RATE INCREASE

Mr. Les Benjamin (Regina West): Madam Speaker, I do not want to be accused of being ungenerous to the government. I am always a very generous fellow and I will not abuse the

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rules by talking about misleading, prevarication, lying or anything like that, when just a simple explanation of stupidity will suffice.

Some hon. Members: Oh, oh!

Mr. Benjamin: The minister did not answer the question. Does Crow rate modernization mean an increase in the Crow rate? Does it mean implementation of the secret Snavely follow-up report, and that the railways will get a 25 per cent return on the investment of donations by the taxpayers of Canada for the rehabilitation of branch lines, and that they will make money on the grants that were given to them by the Government of Canada?

● (1125)

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, should the government decide to modernize the Crowsnest rate, this will be announced in due course. I was only reacting yesterday to the anticipatory deformation of what the policy might be.

Mr. Benjamin: Madam Speaker, obviously modernize means increase. The minister has not answered. We can only assume that is the answer.

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MARINE TRANSPORT

NEWFOUNDLAND FERRY SERVICES

Mr. Les Benjamin (Regina West): Madam Speaker, I would like to deal with another matter concerning Confederation bargains. The minister has ordered Canadian National to further affect transportation in Canada. Why has he ordered the reduction of south shore service, and the dropping of 42 ports of call from the north shore service and the cutting of ferry service between Sydney and Argentia as well as the north coast ferry service in Newfoundland? Is he trying to do for the Liberal Party in Atlantic Canada what Otto Lang did for them in western Canada?

Hon. Jean-Luc Pepin (Minister of Transport): Madam Speaker, that is a very strange supplementary question. It is an entirely different subject.

Mr. Broadbent: The answer was strange.

Mr. Pepin: If the answer was strange it is obviously because I am not in a position to give a clear-cut answer today.

Mr. Benjamin: You ordered it.

Mr. Pepin: The leader of the NDP should understand that, and I am quite sure that he does.

On the subject of the coastal service in Newfoundland, I would be in a position to—but I don't have time—explain the why of our decision to eliminate service to a number of ports in the area. The hon. member who claims to belong to a party of