

*Supply**[English]*

"These matters are still being negotiated"—I have said that already—"and I hope that a satisfactory settlement will be reached". I said that too. "If not, we will look at other means." I was thinking about that. "The Regina multi-modal project is strongly supported." The hon. member for Regina West said that very well indeed. There will be more discussion on this project, interest in which is shared by a great number of people, including the present speaker. We will do whatever we can to help.

An hon. Member: You have about two weeks left.

Mr. Knowles: Don't forget Winnipeg.

Mr. Pepin: I said during question period that the president of CP Rail was coming to see me again on May 29.

Mr. Benjamin: Take your gun out next time.

Mr. Pepin: I will give him a candy bar! On Regina airport, on June 13, 1978, the Minister of Transport and Saskatchewan minister of municipal affairs announced acceptance of the recommendation of the Regina airport study. The study recommended extension of the air terminal building, land acquisition and development of the runway and a taxiway complex. The current status is this.

Action is now under way to incorporate the major changes recommended by the study into a detailed master plan for the development of the airport and this master plan is anticipated to be complete by August 1980. Meanwhile, concepts for the extension of the air terminal building have been prepared and reviewed by the airlines and the province and the required program approval documents are now being prepared. Design completion is scheduled for 1981-82, provided the necessary approvals are obtained. Construction would commence in 1982-83, with completion of the facility expected in 1984-85.

Mr. Benjamin: One quick point, Mr. Chairman. The minister referred to the use of UTAP for the rail line relocation. We must remember that the Saskatchewan allocation for UTAP is \$8 million for the entire province. It would hardly be fair for the provincial government to use all of that in one place, leaving out other places in the province that require funds under UTAP.

Can the minister tell us if there has been a quick decision in the last few days or if there will be in the next few days to implement the Hall report recommendations pertaining to the Crowsnest rate and the compensatory rates, because this ties in with the whole matter of rail line rehabilitation, the upgrading of rail lines generally and obtaining more railway equipment.

According to the wire story I have, Canadian Pacific says that the three hundred and some million dollar construction project in the Rocky Mountains will remain frozen until Ottawa agrees to revise the freight rates on grain shipments. The CP vice-president went on to say that the company would not finance the project without assurances it would not have to

continue suffering heavy losses on its grain shipments. If the government would implement the Hall commission recommendation on the Crow rate, that matter would be solved right then and there.

The point is that CP has again acted as though it and not the government is running the country, blackmailing the people of this country, holding us up to ransom. They have a record over the past number of years of refusing to buy railway cars, not just for grain but for other commodities. The hon. member for Medicine Hat can talk about the 50 per cent shortage of stock cars.

CP refused to rehabilitate railway cars until a previous minister of transport had to make them get involved. They refused to properly maintain their rail lines and railway equipment and to provide year round service on branch lines.

Their profits last year were something in the order of \$258 million. In addition, they received another \$200 million in deferred corporate taxes last year. They now owe the people of Canada almost a billion dollars in deferred corporate taxes and they will not fix their tracks. Is the minister going to allow Canadian Pacific to operate in that manner? Is he going to enforce section 262 of the Railway Act, which states that the railways shall provide suitable accommodation for all traffic offered? That means tracks, roadbeds, equipment and everything else.

The Crow rate issue hinges on this. If the government would implement Mr. Justice Hall's recommendation, there would not be a new expenditure by the government. They could quit paying branch line subsidies and paying for rehabilitation of rail lines and other subsidies. Almost all of it that would go into the difference between paying the Crow rate and the compensatory rate would be money that has already been spent on other things. Then we could make the railways perform, make them fix the tracks and buy equipment.

I would appreciate if the minister could give us a breakdown of what rail lines and branch lines on the prairies will be rehabilitated this year, CP and CN, for \$71,350,000.

My final question is on the matter of the awarding of the air route from Toronto to Halifax to CP Air. Many members have received representations from a lot of groups and individuals in Nova Scotia protesting that, asking that the government reverse its decision and give it to Eastern Provincial Airways. I recall a previous minister of transport, Mr. Marchand, announcing the division of air routes. I described him as a fifteenth century pope dividing the world between Portugal and Spain. He was dividing the world between CP and Air Canada.

CP does not need this route. This award would be harmful to Eastern Provincial Airways, jeopardizing some of the local routes Eastern Provincial Airways operates at a loss, cross-subsidizing from routes that are profitable. Will the minister advise whether the government will agree to reverse the decision of the board and award the Halifax to Toronto route to Eastern Provincial Airways?