

Oral Questions

Mr. Horner: Mr. Speaker, I would ask the Minister of Transport which criterion was used to judge the bids? Was it expected or projected sales, the percentage, or the minimum guarantee? Which one was used in the acceptance of the bids?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, minimum guarantees and percentages are both considered important and evaluated together in determining bids to accept. The over-all objective in the acceptance of bids is the maximizing of revenue under the contracts in question.

ALLOCATION OF SPACE TO CAR RENTAL COMPANIES—
ASSESSMENT OF VALIDITY OF SALES FORECASTS USED IN BIDS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, may I direct a further supplementary question to the Minister of Transport? Since car rental contracts were awarded largely on the basis of the optimism of a firm's sales forecasts in making its bid, with little emphasis on guarantees, and since the Ministry of Transport's estimate for total sales at each airport was far exceeded by the aggregate of the six successful bidders' forecasts, can the minister advise the House what measures were taken by his department to assess the reliability, indeed, the validity of the sales forecasts made by each firm before awarding the contracts?

Hon. Otto E. Lang (Minister of Transport): Mr. Speaker, the hon. member's preliminary remarks were quite wrong. Great weight was attached to the minimum guarantees because, logically, simple projections on sales have to be weighed and the minimum guarantee works out to be the confidence factor which the bidder has in his own sales forecasts. We did weigh those two things together in determining the specific bid result.

● (1410)

Mr. Mazankowski: Mr. Speaker, with the greatest respect to the Minister of Transport I think the figures will reveal that the heavy emphasis was placed on sales forecasts rather than guarantee. In view of the fact that the Ministry of Transport's specifications for tenders specifically state "a tender shall be disqualified if the department determines that the sales forecast is unrealistic", and in light of the admission by a senior MOT official to the effect that since there were so many bids submitted sales forecasts were not checked for reliability, can the minister inform the House as to whether the MOT's own regulations were adhered to with respect to unrealistic forecasts and, if so, just how this was done?

Mr. Lang: Again to try to be helpful to the hon. member, I would like him to recognize that the sales forecasts were not relied on in an important way in these calculations. The two figures considered to be particularly important were the percentage of revenue bid and offered by the particular bidder on the one hand; and the minimum guarantee which the bidder offered and agreed to on the other, and not a heavy reliance that the hon. member seems to think there was on the sales forecasts.

[Mr. Horner.]

THE CANADIAN ECONOMY

UNEMPLOYMENT—REQUEST FOR TABLING OF FORECASTS OF LEVELS IN QUEBEC AND ATLANTIC PROVINCES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to address a question to the Minister of Finance. The minister, in response to my leader's questions the other day, confirmed that his department has prepared unemployment forecasts showing that unemployment in Canada will remain at 7.5 per cent and possibly increase to 8 per cent in the next eight months. Will the minister now confirm that his department has also prepared forecasts showing that unemployment in the province of Quebec will rise to 11 per cent this winter and that unemployment in the maritime provinces will range between 12 and 15 per cent and if so, will the minister table such forecasts in the House?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, I would want to check the accuracy of those figures.

UNEMPLOYMENT—POSSIBILITY OF MEASURES TO REDUCE LEVEL

Mr. David Orlikow (Winnipeg North): Can the minister inform this House whether at the federal-provincial conference of finance ministers, now rescheduled for December, the government of Canada will be bringing forward new economic initiatives in order to avoid what will be the highest level of unemployment this winter since the depression?

Hon. Donald S. Macdonald (Minister of Finance): Mr. Speaker, at the moment we do not have a specific date in December. I have suggested, in response to questions that have been asked, that I would be glad to seek with the provinces to postpone the date of the conference if requested. However, at the moment it has not been changed. Any measures the government will be bringing forward with respect to the economy this winter will first be brought forward in this House.

UNEMPLOYMENT—REASON FOR ACCEPTANCE OF HIGH LEVEL IN QUEBEC

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct my final supplementary to the Prime Minister. Does the Prime Minister not feel that the unified and indivisible country which all members of this House desire is threatened by the very high levels of unemployment and, if so, can he indicate to this House why his government is prepared to accept such high levels which affect not only Quebec but other provinces in Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, that is not a question. It is a paraphrasing of the speech the Tory leader gave last night in Toronto.

Some hon. Members: Hear, hear!