

Government Orders

Liberal members rise one after another to defend this bill which we think is completely unacceptable. We think that the very principle of privatizing Pearson Airport is questionable.

The unethical nature of this affair and the shady dealings surrounding the signing of the contract to privatize Pearson Airport have been brought to light. My colleague from Hochelaga—Maisonneuve this morning raised a very interesting question: why were they so keen on privatizing Pearson Airport?

It was and still is the most profitable airport in Canada. In 1993, it generated profits of about \$23 million, according to what we were told. So why privatize it, especially since the approach proposed by the Conservative government at the time was to entrust airport administration to local authorities, to turn the administration of airports over to those people who were most aware of the needs of the region. Even so, and in spite of its own airport management policy, the government decided to go ahead and privatize Pearson Airport.

● (1240)

We saw how swiftly they proceeded with the privatization of Pearson Airport, and called for tenders within 90 days for the contracts to manage Terminals 1 and 2. As of 1992, only two bids had been received, one from Paxport and the other from Claridge, which already managed Terminal 3. The government awarded the contract to Paxport, without even bothering to check the financial stability of the company.

What happened next? Paxport was forced to merge with Claridge. Yet, Paxport had been the preferred choice precisely so that Claridge would not have a monopoly over the management of the three terminals. Finally, the two companies merged under the name of Pearson Development Corporation, and a contract with the consortium was concluded within one day, at the very end of the election campaign. Up to then, the Liberal Party had kept relatively quiet about the deal.

Considering the public's reaction, the Liberal Party promised to cancel the contract as soon as it took over the reins of government.

There was then some consensus among the public, the media, the Liberal Party, the Ontario Government and the Bloc Quebecois that this deal, which was especially profitable for the parties concerned and especially harmful to passengers, had to be cancelled. It was said that the Pearson Development Corporation intended to raise passenger fees from \$2 to \$7, which would have generated additional revenues of \$100 million.

The first logical thing for the government to do would naturally have been to cancel this deal without any compensation whatsoever and to undertake a serious, independent and open public inquiry into the circumstances of this deal and into the role played by lobbyists. Such an inquiry could have helped

to distinguish stakeholders who acted in good faith from those who did not. And it could have allowed us to eventually compensate, if need be, parties who are entitled to compensation and to do so according to a public and open process.

The government might also have ensured that this never happens again by amending the Lobbyists Registration Act, thus allowing greater control of lobbyists. It might also, as the Bloc Quebecois keeps proposing in this House even if its proposition is never taken up by the government, have passed an act on the funding of political parties similar to the one in Quebec, which stipulates, first, that only voters have a right to contribute money to political parties, second, that there is a maximum contribution not to be exceeded and, also, that any donation in the amount of \$100 or more must be made public.

Of course, such an act would prevent any suspicious collusion between major corporations and old federal political parties. Any new attempt on the part of the government to interfere in the Pearson Airport situation should be based upon openness, integrity and co-operation between all three levels of government and the various local groups involved.

● (1245)

Instead, after the election, the government decided to proceed with an internal inquiry, led by a former treasurer of Ontario, Mr. Robert Nixon, a very respectable man, I agree, who came to some very harsh conclusions about this famous contract signed by the previous government. Despite all of this, the government introduced Bill C-22, which leads us to believe that it is payback time for its old political friends.

Clause 9 of Bill C-22 states that there will be no compensation for any loss of profit or any fee paid for the purpose of lobbying. But in clause 10, the Minister of Transport is given the authority to provide, as he sees it, any compensation he considers appropriate to businesses he feels are entitled to be compensated.

In conclusion, I just want to add that section 8.6.3 of the request for proposal clearly stated that the companies would not be compensated. It said that all costs and expenditures incurred by the bidders for the preparation of the proposals are payable by the bidders. The government will not be obliged to cover these costs and expenditures, or to reimburse or compensate promoters, under any circumstances, including the refusal of the proposal and the cancellation of the project.

If those companies were aware, at the time of the tendering process, that they could not be compensated, why are they now expecting compensation from the government? This is unacceptable, and we will continue to oppose this measure and to use all our allotted time to stop this bill from being passed and get to the bottom of this.