

Adjournment Debate

● (2222)

[Translation]

Mr. Charles Lapointe (Parliamentary Secretary to Minister of Transport): Unfortunately, Mr. Speaker, we have the usual hotchpotch of the members opposite when they confuse everything, the rental of cars in airports related to an alleged scandal about Sky Shops as well as the presence of a Liberal candidate who as such should not be allowed to do any business in Canada. And the hon. member for Vegreville (Mr. Mazankowski) even seems to be shocked because we are reviewing our policy. It seems to me, Mr. Speaker, that it is wise to do so. As far as car rentals are concerned, it seems important to me that in Canadian airports we ought to encourage as much as possible the companies held by a majority of Canadian interests.

Coming back to the contract of the AFC Company Limited—

[English]

I should like to remind the hon. member that originally this lease was granted to AFC Limited in 1961 for a period of five years. It was renewable for two further terms of five years, each at the option of the concessionaires. The authority of the governor in council was obtained in 1971 to provide for a further five-year option to the lease, from 1976 to 1981, for the purpose of maintaining a sufficient period to amortize capital investments of \$350,000 which had to be made on an immediate basis to meet traffic demands. The rates payable by AFC under the lease were increased in 1976 for the five-year extension period.

When the matter was being considered in 1971, there were a number of unknown factors associated with the proposed opening of Mirabel in 1974. The consequent shifting of traffic was expected to make a somewhat unattractive climate in which to go to tender in 1976. In light of Transport Canada's requirement to meet an immediate public demand and the uncertainties posed by Mirabel, a decision was made to proceed with the improvements in the restaurant and to extend the lease to provide the lessee with sufficient time to amortize his investment. As a general policy, concession leases are granted as a result of public tender calls, and their terms reflect the period of amortization necessary for the successful tenderer to amortize his investment.

The question of disclosure of information has been of some concern to Transport Canada for some time. In consequence of this concern, a clause was developed and is now included in all concession tenders whereby the successful tenderer agrees that, in the concluding years of the agreement, the department may publish the total of the gross sales by outlet reported by the concessionaire in each year of the agreement for the purpose of public tender information. This provision has been included in all new concession agreements since the latter part of 1976.

A new airport concession tendering policy was approved in July 1976. The purpose of this policy is to ensure that local entrepreneurs and other interested parties are provided with

[Mr. Mazankowski.]

the opportunity to compete on an equal basis through the public tender process for the operation of concessions at Transport Canada airports. While this policy has not posed any major problems, it is being reviewed to determine where it can be improved.

● (2227)

ENVIRONMENTAL AFFAIRS—FORESTRY—CLOSING OF
GOVERNMENT LABORATORIES

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, this evening I want to pursue the issue of the reduction of moneys for, and the closure of, forestry research laboratories brought about by the federal government. I have raised this issue on a number of occasions. On October 19 I put the specific question to the minister, and I did so again today.

It is my contention that the government's restraint program is both arbitrary and irrational as it pertains to Canadian forestry services. What we have seen is that cutbacks and the elimination of important government services, because of the general restraint program, are having a devastating effect on the morale and the work of people in government forestry research laboratories.

Last August, out of the blue, the Department of the Environment was told to cut its expenditures by \$40.5 million, including \$11.7 million from its science support programs. This was a result of the general restraint program of the President of the Treasury Board (Mr. Andras). The closure of forests research stations is supposed to save the government \$2 million, and the transfer of two forests products labs to the private sector will supposedly result in another \$3.3 million saving. As I pointed out earlier today during the question period, because of tax deductions the saving in reality will only amount to about \$800,000. The key question before this House is, will the reduction in government research and development and the privatizing of government laboratories have a beneficial effect on the forestry industry of Canada?

Why is the forestry industry so important, Mr. Speaker? We find that one of every ten Canadian jobs is connected with forest products, and these products sell for \$12 billion, or 14 per cent of our over-all manufactured goods. In other words, the forestry industry is a crucial sector in Canada. Therefore, it is important that this industry be enhanced in any way possible.

One of the very important long-range effects on that industry is related to the level of research and development in this country. The private sector in the past has relied very heavily on government research and development. In reality, Mr. Speaker, when you look at the figures, the record of the private sector in research and development in forestry has been a very dismal one. For example, in 1975 the wood products industry invested only .31 cents per dollar of shipment revenue on research and development compared to 2.5 cents per dollar by the electrical products industry. As a result, this low research and development expenditure has meant a lower productivity and employment rate in the forestry industry compared to