

Adjournment Debate

● (2217)

for co-ordinating forest research and development in Canada, and on important problems relating to the consumptive and non-consumptive use of Canada's forests. He also discussed with the council the need for a thorough-going review of forest research in Canada.

Since such a review would include the issues raised by staff members of the Forest Management Institute in their telex to the minister, it would not seem necessary to establish the kind of task force suggested by FMI staff.

AIRPORTS—FOOD AND LIQUOR CONCESSION AT DORVAL

Mr. Don Mazankowski (Vegreville): Mr. Speaker, the question I wish to raise tonight has to do with the monopoly which appears to exist in the food and liquor concession at Dorval airport. While I raise this specific question I would like at the same time to open up the whole question of the government's method of tendering for airport services and concessions. This issue is not new. We have heard about Sky Shops and duty-free stores. We heard about the car rental fiasco of 1976, and now we have reference to this rather extraordinary monopoly involving a firm known as AFC.

The airport business is big business. In the year 1977 some 13 million passengers went through Canada's seven major international airports particularly at Toronto, Montreal, Vancouver, Edmonton and Winnipeg. Given this huge potential, one would hope and expect that the government's tendering policy would provide not only the best service but also a fair return to the Ministry of Transport and a climate in which an open and fair opportunity for all those who may be interested in tendering for this business is provided.

This does not, however, seem to be the case. After 14 years the Ministry of Transport finally changed its policy with respect to car rental concessions in 1976. Two years later and with lawsuits of almost every description being filed against the Ministry of Transport and the minister himself for breach of contract, we are now informed that there is going to be a policy revision in this regard later this year.

In 1976, at the time the minister outlined the new policy, he promised open, competitive access for Canadian firms to the car rental business at Transport Canada airports. Regrettably, this has not come to pass. Budget Rent-A-Car, for example, in its call for unrestricted tendering for car rental concessions, called the present distinction between open and domestic bidders artificial and discriminatory. Holiday Rent-A-Car has complained that Canadian rental systems do not provide open access to airports nor the opportunity to compete on an equitable basis. Mr. James Tennant, vice-president of corporate development of Holiday Rent-A-Car points out that MOT did not accept realistic bids in 1976. They accepted Host's bid, which was unrealistic, and not Holiday's. Since then Host has only paid a small portion of its rental. Why Host is withholding payment and is still allowed to operate continues to be a mystery.

In July of this year MOT sued Host for \$863,679.96, which represents the total arrears on monthly payments. From July to this date, this amount probably exceeds \$1 million. Explanations are not forthcoming. Other competitive companies are infuriated, and it is passing strange that Host was one of those companies which did not complain about the car rental policy in 1976. In the midst of all this it continues to do business at Canada's airports without paying the rent.

Why the minister has not invoked section 27 of the tender contract, thus cancelling the contract, nobody really knows, nor is an explanation forthcoming. This issue is further clouded by the fact that the minister's brother-in-law is a member of the legal firm representing Host. Also, he happens to be a federal Liberal candidate in the forthcoming general election.

Conflict throughout MOT in its tendering policy is the rule rather than the exception. What is happening is that it is opening up more suspicion, causing cynicism and casting doubt upon any measure of fairness. In short, it creates doubt about the integrity of the government.

I now turn to the example of AFC. Apparently this firm has had a 20-year monopolistic lease to operate a food and liquor concession at Dorval airport. Today there seems to be a debate within MOT as to whether tenders might be called when that concession's contract expires in 1981. If tenders are called, it is my understanding that AFC is under no obligation to release its financial rent or sales figures to potential tender bidders. This gives an enormous advantage to AFC, and any semblance of equity is thrown out the window.

This issue raises several questions. First, why is there some doubt on the part of MOT as to whether or not to call tenders? Why is MOT not in a position now to state categorically that it will call tenders? What about AFC and its near bankruptcy in 1962? Was MOT satisfied that it had to negotiate its contract for lower percentages and cuts in revenue? It would also be of interest to know what provisions the tender contract has which provide for a company to renegotiate if that concessionaire has financial problems. Does MOT feel that it is fair to other competitive bidders? Was MOT satisfied that it gave AFC Limited \$76,352 in an effort to streamline AFC's operation and to make it more efficient?

What about the precedent that is established here? We are now told MOT has a clause in its new contract requiring disclosure of sales figures, but AFC's contract predates this. Does AFC predate the new clause because of the many contract renewals given to it without calling for tenders? We had a renewal for ten years in 1961 and another renewal for another ten years in 1971. One wonders what legislative or moral authority allows MOT to renew the contract continually without tender. One would have to assume that it if goes on ad infinitum, AFC could always predate the new clause in its contract. These are questions which should be answered categorically and unequivocally. I hope the parliamentary secretary will be in a position to do just that this evening.