

*Adjournment Debate*

Canadian national system, Holiday Rent-a-Car, would not be eligible to apply in relation to key airports in the country and that, in fact, the only Canadian national system could not long survive. In fact, that is exactly what has happened in this last year. Because Holiday Rent-a-Car was not able to apply for positions at the Vancouver, Toronto and Montreal airports we no longer have a Canadian-owned national car rental system today. In fact, the Holiday Rent-a-Car system has essentially gone belly-up. Most have sold out to Thrifty's or Hertz and a few are left hanging on as independents.

Essentially, Government policy destroyed a small Canadian car rental system. What we have left is car rental systems owned by foreign multi-nationals. This comes from a Government which paid a great deal of lip service during the last election to taking Government regulations out of the marketplace, and allowing a freer market to exist by giving encouragement to Canadian industry. It is a shame to see that the actual results of its policies has been the suppression of the Canadian car rental system.

Some 80 per cent of the car rental business is done out of airports, which is now totally controlled by foreign-owned multi-nationals. The small independent car rental companies are being strangled to death.

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This is a situation made worse by the new policies put into effect by the major airline companies. For example, the Aeroplan which Air Canada operates is attracting most of the car rental business to the national and international chains. Small companies which are not part of a national chain are not eligible to participate in the Aeroplan. Therefore, only companies which provide a national service are allowed to participate in the Aeroplan. Small independent locally-owned and Canadian-controlled companies are not eligible and are being squeezed out.

It is also interesting to note that Budget Rent-a-Car has now become the largest of its kind in Canada. All the regulation changes, and even counter space, which Budget Rent-a-Car requested have been given to it. I must express concern and some suspicion that there might be some political connection between this Government and Budget Rent-a-Car. It may be that at some time in the future when someone writes his memoirs we might get the full story of why Budget Rent-a-Car was allowed counter space at the Toronto airport and why it was given all of the changes in regulations it asked for, because those regulations which were allowed to stay in place killed the major Canadian competition so that today we have Budget Rent-a-Car as the major car rental agency and we have no Canadian car rental system left.

**Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport):** Mr. Speaker, I think it is a little strange, and I am not all that certain it is a wise use of the chamber's time, to be discussing a matter which was thoroughly dealt with and which, I believe, took up some considerable amount of time both in the House, in the Senate and in the Standing Committee.

However, notwithstanding that, I can refer the Hon. Member to the very ample explanation given by the Minister of Transport (Mr. Mazankowski) a little over a year ago in response to the Hon. Member for Regina East (Mr. de Jong) on November 22 and on November 29 in committee. At the same time Hon. Members availed themselves of an opportunity to meet for an extended period with the Minister to discuss this matter. Indeed, I myself responded to the Hon. Member at some length in this very chamber.

The Hon. Member should rest assured that every possible effort was made to accommodate Holiday Rent-a-Car within the parameters of the policy—and I think this is most important—without being unfair to other bidders.

The car rental policy was carefully scrutinized by this Government in 1979 and, after consultation with industry, a workable and fair policy was in fact developed and put in place. I might also add that during the time of the previous Government an extensive review of the policy was conducted over a two-year period. I do not, therefore, believe that any useful purpose would be served by the Hon. Member's request that this matter be referred to a Standing Committee on Transport at this time.

TRADE—CANADA-UNITED STATES NEGOTIATIONS—PRIME MINISTER'S SPEECH IN CHICAGO. (B) MAGAZINE PUBLISHING INDUSTRY

**Ms. Lynn McDonald (Broadview-Greenwood):** Mr. Speaker, the question I raised on December 5, which I wish to expand on this evening, concerns cultural sovereignty for Canada and free trade. The question was directed to the Minister of Communications (Mr. Masse) and he gave the best answer I have ever received in this House on the issue. He referred to the Prime Minister's assurances which were given in Chicago that anything concerning cultural sovereignty would not be on the negotiating table. I wish I could be more relaxed and confident that this very good answer is really the answer of the Government because we are still receiving messages of a different sort from the Secretary of State for External Affairs (Mr. Clark).

Recently a meeting was held with leading representatives of the cultural community with the Secretary of State for External Affairs. It was thought at the meeting that the idea was adequately put across that they did not want to have any part in negotiations for free trade. They thought that that had been well understood. However, the Secretary of State for External Affairs was quoted after the meeting as saying: "They are prepared to work with the Government in negotiations as we prepare our case".

As a result of that statement, or misunderstanding, a very noted writer, Graham Gibson, who was part of that delegation replied that they all tried, apparently in vain, alas, to persuade Mr. Clark that cultural matters must not be negotiable. Moreover, he said, if the Government did place culture on the bargaining table, it would encourage concerted opposition from our community. We have very little to gain and, most probably, much to lose if Canada allows cultural matters to be