

I want to point out today that Canadians generally and voters in the metro Toronto area particularly understood the flaws in the deal were enough to reject it, and they did so massively. That is one of the major and principal reasons why the Liberals took every seat in metro in that election last fall. If no one else understood it, the voters knew a tender process is generally designed to provide a winner and some losers. The previous government cooked up a process which produced a winning loser and losing winner. Rather than permitting the merger of a financially strapped winner with a wealthy loser, as it turned out, a new tender call obviously would have been what was appropriate.

● (1530)

One of the hired guns for the consortium has described Bill C-22 as an act worthy only of a banana republic. I contend quite the contrary because Bill C-22 provides for the correction of actions that are characteristic of what goes on in so-called banana republics.

[Translation]

The government is firmly committed to reject the ways of the former government. This transaction is riddled with interference by lobbyists, favouritism, behind-the-scenes wheeling and dealing, manipulation of legitimate private interests and disregard for public service impartiality. As a whole, it is unacceptable.

The government intends to protect the country's interests and the taxpayers' dollars. We believe that matters that can jeopardize our economy and our competitiveness as a country should be negotiated under a transparent and accessible process.

In legislating an end to these agreements, the government took several factors into account: the need for a quick decision on future requirements at Pearson, once these agreements were set aside; the government's commitment to put public interest before favouritism and the quest for excessive profits; and the fact that the private sector would have gained control of one of the most important assets in the field of transportation by means of an arrangement that would have generated unreasonable profits for a favoured few.

[English]

On July 13 I announced a national airport policy that would ensure the existence of a safe, efficient, competitive network of airports across the country and would be managed in the best interest of Canadian taxpayers and the travelling public.

However the opportunity to benefit from the advice and competence of dedicated people representing regional and local interest is being denied to Lester B. International Airport, owing to the cloud that these agreements cast.

Government Orders

There are some in this place who would have us believe that if the matter is before the courts for years somehow we could do what would be done in the other airports across the country through Canadian airport authorities. One would have to be very naive to think that any group of citizens would take on the operation of terminal 1 and terminal 2 while all the threat of litigation and all that could imply hung out there for months and in fact years, knowing the size and the magnitude of the problem.

Terminals 1 and 2 at Toronto Pearson airport need upgrading. I agree with my hon. friend opposite on that. The parking garages are in a deplorable state. Safety and security are being put in question. The list is long of what has to be done at Pearson. The opportunity to provide travellers with newer, safer and more modern services is being denied to users of Pearson.

We have stated time and time again that it is our intention to treat the T1 T2 Limited Partnership in a fair and equitable manner considering the circumstances. We have recognized that not all the partners were involved to the same extent in this flawed process and that private sector companies not part of the consortium should not be unduly penalized.

We have asked that the partnership submit their out of pocket expenses as well as those of third parties. We wish and we undertake to see to it that all parties are repaid funds they have spent consistent with good business practice, but we will not compensate for lobbyist fees and charges.

● (1535)

I am aware of the need for public accountability on the matter. I know members of the House of Commons, the Auditor General, the public accounts committee and the interested parties, the people who have the taxpayers' interest at heart, will review whatever decision is made by the government to pay those legitimate out of pocket expenses. I welcome that thorough review because I understand my responsibilities in the matter.

Members of the House of Commons must understand that the out of pocket expenses were for financiers, planners, engineers, managers and designers. Not a single dime was spent on steel, concrete, lumber, escalators or other services normally associated with airport operations. Clearly the out of pocket expenses did not enhance the value of the property or provide any benefits to the taxpayer or the traveller.

Responsibility to the taxpayer and fairness toward T 1 T 2 Limited Partnership and third parties is what Bill C-22 is about.

Let us take a look at the amount of the bill the Tory majority of members in the other place want to foist on Canadian taxpayers. The consortium has replied to our request for its appropriate out of pocket expenses by submitting claims to the Canadian people for approximately \$445 million. Of this amount, \$415 million represent loss of profits to the consortium or its partners in various third party capacities. The consortium is not interested