

Railway Act

which he chaired the meetings of our legislative committee. I also express the deep appreciation of the House and the general population to the witnesses who took the time to appear before our committee and present us with their views on the Bill. It is regrettable only that some of them were not heeded.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my remarks on Bill C-4, an Act to amend the Railway Act, will be very brief. The principle is one of cost recovery, that the CRTC should be able to collect from telecommunications companies in the same manner as it collects from broadcasters. I think the cost recovery principle is a very appropriate one to apply. It is already used in broadcasting and it is, of course, the principle used by marketing boards.

I was pleased that the Government accepted the amendment to specify in the legislation that the collection of fees would be for cost recovery purposes and, therefore, could not exceed the amount that the CRTC actually spent for the regulation of the telecommunications companies. There was a fear that the CRTC, with Treasury Board approval, might use this as a means of making a profit at the expense of companies. The CRTC already collects more than it actually needs for the specific costs of regulation in broadcasting. This is not a very good principle and it should not be applied to telecommunications.

We are speaking of approximately \$6 million per year, not a very large amount of money. In collecting money from corporations, these regulatory fees are not really important. In order to have a decent taxation system, we must look for fair and effective corporate tax system. I worry a little bit about the Government being penny-wise and pound-foolish in pursuing \$6 million when billions of dollars escape collection through extremely liberal loopholes which are still available to corporations.

I do not think that the point made by the Liberal spokesperson about the control which the Treasury Board has over the determination of fees is at all well taken. The CRTC is not completely at arm's length from Government. Appeals are permitted to Cabinet on major decisions which it makes. In my opinion that is not a good principle, but it is one which the Liberal Party has supported throughout. It seems to me a little hypocritical to criticize a Conservative Government for permitting this non-arm's length relationship which has been standard in the industry for some time and was introduced by the Liberal Party.

I want to quarrel a little with the presentation of the cost recovery principle and the amount of money which will be collected. The Parliamentary Secretary referred to its purpose in deficit reduction saying that it would be needed for economic growth and job creation. These are all laudable goals, but it is not clear how they will be achieved. The Government is cutting back on job creation. We have also had cut-backs in scientific research, which is absolutely key to having a vital,

dynamic economy. There have been cut-backs in secondary education, which affects the people who will be entering the economy. In order to improve economic growth and job creation the Government must consider those who will enter the labour force and their skills and training.

We have no confidence at all that there will be good economic growth and job creation when bad decisions are taken apropos post-secondary education and scientific research. One cannot use as justification the collection of \$6 million which will not be spent on economic growth or job creation. The money is also not being used to reduce the deficit which is still increasing. The \$6 million which will be collected through this Bill is only equivalent to the cost of three Shamrock Summits. That is not even remotely the cost of the cost over-runs of the Prime Minister's own personal penitentiary at Port Cartier. With all the money which is being wasted by the Government, why should it receive extra money? How will the money be used? I am sorry to say the Government is not putting it into post-secondary education, scientific research or cultural expenditures where there can be a lot of job creation. It seems this very wasteful kind of expenditure is still being permitted.

• (1220)

To conclude, I would say I certainly support the principle of the Bill but I would have greater enthusiasm for it if I thought the money collected would be better spent.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will also be very brief. I want to talk about a specific concern of my constituents who are served by Northwest Tel, one of the corporations which will be obliged to pay these fees. Northwest Tel is a small Crown corporation which provides telephone service to the western part of the Northwest Territories, the Yukon and a small part of northern British Columbia. It is quite true, as the Hon. Member for Mount Royal (Mrs. Finestone) pointed out, that the fees will eventually be passed on to telephone subscribers. In general, if we take a global view, the estimated amount for fees is not onerous. It is only a fraction of 1 per cent. It can undoubtedly be easily handled. However, in the case of a very small company operating in remote areas, the chance exists that if, for example, a series of public meetings are to be held as part of the regulatory process in a number of remote communities, the costs might very well escalate. I have seen some of the paperwork the small company is obliged to go through in this regulatory procedure. It is nearly as onerous as the paperwork with respect to Bell Canada, CN and CP. Therefore, in proportion, the smaller company has to pay a larger amount of the costs, or the cost of regulating a small company in remote areas is disproportionately larger than in the case of large telephone companies.

This brings us to the question of how these fees are to be levied. This was brought up by the Parliamentary Secretary as well as by the Hon. Member for Mount Royal. If the method of assessing fees is to be that each telephone company has to pay in each year the cost of regulation for that specific