

upholding the public interest under the National Transportation Act.

The government's reason, stated by the minister, for delaying implementation of the increases, is the need for integration into a telecommunications policy. This is beside the point. What is at stake and at issue is the government's failure to curb inflation and the commission's failure to act in a way which satisfies the public and ensures that the public interest is being upheld. Surely at this point the time has come when the government, as an absolute minimum, must outline price guidelines, at least for those sectors directly controlled by the federal government.

Some hon. Members: Hear, hear!

[Translation]

Mr. David Lewis (York South): Mr. Speaker, I join with my colleagues in welcoming the minister's statement, and I do so with pleasure. The decision taken by the government precisely coincides with the suggestion I made in my motion of last Monday, and I congratulate the government wholeheartedly on the decision which the minister has just announced.

[English]

Mr. Speaker, I hope that this is merely the first step toward the eventual rescinding of the unjustified and unconscionable acceptance by the Canadian Transport Commission of the application of Bell Canada. There have been many instances in the last while indicating that the way in which the commission functions, the way in which it has organized itself, makes it, judging from the results, impossible for that commission really to represent the interest of the Canadian people. In every case they are bamboozled by the kind of bookkeeping that the large corporations do into accepting the arguments that the corporations present to them.

• (1120)

It is my conviction, Mr. Speaker, that Bell Canada is fudging its real profits. Like other such large conglomerates, it simply is not telling the Canadian Transport Commission, the people of Canada and the government the truth about its profits. It is time the people of Canada, the CTC and the government made that giant corporation tell the truth about its profits and stop gouging the people of Canada.

Some hon. Members: Hear, hear!

Mr. Lewis: The fact is, Mr. Speaker, that Bell Canada will not tell the commission what retained earnings there are in its many affiliates. I understand from my colleagues who are members of the standing committee that Mr. Benson, the chairman of the commission, said yesterday afternoon or evening that the commission is not permitted or does not think it has the right to look into the earnings of the affiliates of Bell Canada. I say to you, Mr. Speaker, that is a silly situation which is against the interests of the people of Canada. Bell Canada has a fully owned subsidiary like Northern Electric and we ought to know what the relationships are between Bell and Northern, what they cook up between them at the expense of

The Prime Minister

the people of Canada. For the CTC to say it does not have the authority to look into that is to me an abrogation of its elementary duties.

Furthermore, I indicated in a letter I wrote to the minister yesterday that if you take the retained earnings of Northern Electric into the profits of Bell, as one should, then you have \$8 million last year and probably \$10 million this year, and if you were to make Bell add to its profits what it should add, namely, the \$60 billion or \$70 billion in deferred taxes which it may never pay, the actual rate of return would be 1 or 2 per cent more than it was.

I congratulate the minister and the government for having taken this step. I appeal to the government to follow it up by rescinding the decision of the CTC, all the time remembering that there is another application before the commission demanding even larger increases than the ones which the commission has so far studied. As far as my colleagues and I are concerned, we will simply not tolerate any further enlargement of the powers and wealth of Bell Canada.

[Translation]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, the Bell Canada application for an increase in rates seems to be into a purely political issue.

I have just heard the leader of the New Democratic Party (Mr. Lewis) state that Bell Canada refuses to reveal its profits, to indicate how much money is coming in, how much is going out, that the company is deceiving the people etc.

Bell Canada is a big corporation, everyone knows that. We have in Canada what we call antitrust legislation. Those acts apply to Bell Canada as well as any other big corporation.

Bell Canada filed its application with the Canadian Transport Commission to satisfy its shareholders who, as far as they are concerned, want a return on their investment because if their investments in Bell Canada are not profitable, these shareholders will sell them, and invest their money elsewhere.

That is not the only point, Mr. Speaker. They are calling for increases of 5 to 7 per cent. Well, that is shocking, according to those who want to play politics with private corporations throughout Canada. No consideration is given to the quality of services supplied by Bell Canada or other private corporations.

I have made close comparisons with what I have seen throughout the world. When I was in Moscow, and I mention this for the information of the hon. member for York-South (Mr. Lewis), it took me 29 hours to put a call through from Moscow to Ottawa.

You had to go through not private companies, but officials who are like the hon. member for York South.

I am not going to be hypocritical; I am not going to mince my words to tell the hon. member what I think. Just wait and see.

Mr. Speaker, I am just back from Jamaica; I stayed at Ochos Rios just 75 miles from Montego Bay where the telephone service is provided by a subsidiary of Bell Canada. I called Ottawa and it took me exactly three