

*Private Bills*

approved by the Board of Transport Commissioners which, as the honourable senators know, has since become the Canadian Transport Commission.

It was originally agreed that this company should have the power—and that power was granted in the amendment of 1968—to sell or acquire additional property and to modernize its operations. The measure provided in the main that the company would, if necessary, be able to dispose of its undertaking. I understand that since that time the company has been able to sell all its stock, except four shares. These four shares are held by an estate and there is a small difficulty, not from a financial but a legal point of view, in transferring them. The remainder of the company is owned, operated and totally controlled by Quebec Telephone. I am sure that many people in the province of Quebec believe that Quebec Telephone is a provincial agency. This is not true, of course. Quebec Telephone, like British Columbia Telephone, is owned by Anglo-Canadian.

It is interesting to note that Anglo-Canadian is the Canadian counterpart of a number of subsidiary companies under the control of General Telephone and Electronics Corporation which hon. members will find, if they read Moodie's Public Utility Manual, is really a holding company with subsidiaries in many countries.

In July, 1966, General Telephone purchased Anglo-Canadian Telephone Company and made it a wholly-owned subsidiary. They acquired the controlling interest in Quebec Telephone Company, with 119,000 telephones. In 1967 General Telephone, together with a controlled subsidiary, Anglo-Canadian Telephone Company, controlled 50.24 per cent of British Columbia Telephone Company and 53.07 per cent of Quebec Telephone Company, with 835,000 telephones in British Columbia and approximately 126,000 telephones in Quebec as of the end of December, 1967. This indicates, Mr. Speaker—and I know that you have a great deal of knowledge of corporation law—a great difference between what this bill says and what is the fact.

• (4:10 p.m.)

If this bill is passed this company will retain an inter-provincial charter, and it will be operated by a company which almost totally owns its assets. Again, that company will be controlled by a 53 per cent ownership in the Anglo-Canadian Company which in turn is wholly owned by General Telephone and Electronics Corporation in the United States. So, we are not really dealing

with a small rural telephone system which needs to be upgraded and brought into another area. This is a major corporation power play in which we are involved, and we should look at it in that light. It may be advantageous for us soon to think about the amalgamation of all our telephone services in Canada, not for economic reasons in particular but so as to bring together all the telephone systems that have linked up the various rural municipalities in the past.

In last night's Ottawa papers I noticed, as I am sure other hon. members did, a small announcement proposing that the shareholders of a company meet and make a decision concerning the sale of the Lever River Telephone Service at Masson, Quebec. I am sure that this also is a very small telephone company. They mention that they have only several thousand subscribers, and quite often the subscribers of this type of telephone service are also the shareholders in the company. We have hundreds of these small companies all across the nation and they are being gobbled up either by Bell Telephone Company, by General Telephone or by the American Telephone and Telegraph Corporation. My colleague says these are good shares to buy. Frankly, I would say that the shares of any of these telephone companies are good because they almost have the right to print money, and when they come before us to ask for an increase in rates they can always justify their request.

The house will remember that when we reduced long distance rates because of automation, very shortly thereafter we found that the company had increased the rates of the subscribers because their income had been lowered in one area and they had a need for profits in another.

Surely, members of parliament are aware that there are many disadvantages in allowing three major corporations to get involved in our Canadian telephone service. I think that this is where the difficulty arises. Anyone who has travelled very much across Canada would agree with me that there is no country in the world that is as well equipped to handle telecommunications as is Canada. This is something of which everyone in Canada should be proud. On the other hand, in the United States where the telephone companies have operated on a dog eats dog basis, it is very difficult to make connections with certain types of telecommunications equipment between one system and another.

It may be that the type of conversion of all systems in Canada makes it possible to make