

distance services? Are they not in competition with some of these other value added services which are now offering long distance services to corporations or are allowing companies to use American long distance networks to get around Canadian long distance rates? In other words, competition exists there as well. Are telephone companies not in actual or potential competition with messenger services, with telegraph services, with people going down the street and knocking on their neighbours' doors, or with somebody in an office going down to the next floor to talk with a business supplier rather than getting in touch with him by telephone? Are they not in competition, for that matter, with Canada Post which also offers many services in that particular area?

We do not know what definition the courts might apply to this particular area, but competition, either actual or potential, exists. The Parliamentary Secretary and the Government are opening this particular area of uncertainty with a vengeance. I have an explanation for that. I believe that the Government quite deliberately and quite ideologically is out to do everything possible to frustrate public enterprise. I believe that if there is a hidden agenda, it is in the fact that the Government has systematically shown that it will not deal equally with corporations which happen to be publicly owned if they are Crown corporations of a province. We saw that earlier on in the life of the Government.

[Translation]

We saw that very early in the life of this Government, following the September 1984 election, in the way the Department of Regional Industrial Expansion dealt with the Domtar company in the province of Quebec. After having granted all sorts of supports to private pulp and paper companies in the province of Quebec, the Government refused to provide the same treatment to Domtar. Why? Because Domtar was controlled by the Quebec Government, either through the *Société générale de financement*, the *Caisse de dépôt et placement*, or the *Caisse de retraite*.

We are left wondering, Mr. Speaker, why this Government is so prejudiced against Crown corporations or commercial corporations controlled by a provincial Government. I believe it is because of their ideology and that through Clause 21 of Bill C-91, the Government demonstrates once again that it is prejudiced against Crown corporations, because this Clause, as introduced by the Government, threatens provincially-controlled Crown corporations or commercial corporations with all sorts of uncertainties, because it will affect all corporations controlled by Her Majesty in right of a province where there is actual or potential competition with others, supposedly the other corporations of the private sector and even perhaps other Crown corporations.

And as I said, Mr. Speaker, this actual or potential competition probably exists for all Crown corporations and all corporations controlled by a provincial Government. I suggest, therefore, that this is a measure deliberately introduced by the Government to allow the Federal Government to come in through the backdoor in an operational area which has been

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traditionally a provincial responsibility. If you, as a Conservative Government, really meant what you said when you promised a reconciliation with the provinces, you will have either to accept the amendment moved by my friend the Hon. Member for Nickel Belt (Mr. Rodriguez) or give up this Clause altogether.

• (1550)

[English]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I must say that the clause before the House disturbs me. I am glad my colleague brought forward an amendment to clarify it. What I find disturbing about the application of federal competition legislation to Crown corporations is illustrated by the example of the Manitoba Telephone System.

We are all aware that very large communication companies want to open up the field of communications, particularly in the area of telephone services, to competition. They promise as a result of this lower rates and better service. We know that this type of move to competition has already taken place to the south of us in the United States.

What we in the New Democratic Party are disturbed and worried about is that, if this area were opened up to competition, you would have increased rates and fragmented and less service for ordinary people in the city and towns. Right now Manitoba Telephone System, by virtue of the fact that it has a monopoly, is able to use some of the revenues from long distance calls which are undertaken and paid for by large companies to subsidize the local service. This means that a local telephone service is able to supply service at a much more reasonable rate than if those revenues were lost through opening it up to greater competition. This has real implications, particularly for those people on low incomes. Many people cannot afford to have telephones. Many people on social assistance cannot afford to have telephones, yet telephones are a basic necessity in a modern society. Any action taken by the Government that may lead to greater competition in this sector could and probably would result in increased rates thus making it much more difficult for poor people to have this basic service.

We received a copy of a letter which was sent to the Minister of Consumer and Corporate Affairs (Mr. Côté) which outlines the concerns of the Manitoba Government. I want to put this letter on the record. The Minister in Manitoba, in referring to the legislation before the House, said that he was concerned with two aspects of the Bill. In part his letter reads:

1. The legislation does not ensure that the regulated activities of Crown corporations such as the Manitoba Telephone System (MTS) are adequately protected from review under this Act.
2. The legislation provides a mandate to an agency of your department—

That is the federal Department.

—to intervene on its own initiative on policy matters before federal and provincial boards and commissions.