

good will and credibility when we look at some of Bell's operations. For instance, the rates we pay for telephones are governed by the rate group in which we live. That rate group is determined by the number of telephones in the area, the number of main phones plus extensions. In other words, the more phones and extensions in the area, the higher the rates. Consider, then, that Bell, in an apparently unprecedented burst of Christmas spirit, offered last November the installation of an extension phone free of charge. Many took advantage, not realizing the cost implications.

Let us consider, as an example, Northern Electric, a wholly-owned subsidiary of Bell Canada. It has received \$26 million in government grants, plus an effective tax rate of 9.8 per cent, and \$14.1 million in deferred taxes; yet that company managed to lay off 5,000 employees in one

Bell Canada

and a half years. In addition, Microsystems International, a Northern Electric subsidiary, received an interest-free loan of \$12 million from the federal treasury in July, 1969. In May, 1972, Microsystems announced it had built a new assembly plant in Malaysia and practically at the same time 50 persons were laid off in Ottawa. We must also consider the situation in respect of Tele-Direct, a subsidiary of the same company.

My time is running out. I should like to conclude this speech by saying that I feel the government ought to refute the decision by the CTC, and roll back the increase granted to Bell Canada. Indeed, many people in Nickel Belt would far rather see added to the words on the sign outside the Bell Canada office here in Ottawa, "Place Bell Canada"—"Under public ownership".

At 11 p.m. the House adjourned, pursuant to special order.
