

Bell Canada Act

reorganization of Bell Canada concluded that Bell Canada, and other members of the Bell group, should continue to be prohibited by statute from holding broadcasting licences, including cable television licences. The Commission's rationale for this firm conclusion, which resulted from an exhaustive review of the arguments on both sides of the issue at a lengthy public hearing which preceded the drafting of this report, was a concern over the degree of concentration of control that could potentially arise in the Canadian Broadcasting Industry if subsidiaries of Bell Canada Enterprises were allowed to hold licences. Specifically at page 67 of that report, the Commission found as follows:

At this stage of rapid evolution in the communications industry, the Commission would be concerned with the degree of concentration that could arise in the industry if the Bell group were allowed to enter the broadcasting field. In this regard, it is noteworthy that, in 1982, the size of Bell Canada, as measured by the book value of its telecommunications assets alone, was in excess of \$10 billion, compared to assets of approximately \$1.2 billion for the entire Canadian private television, radio and cable industries.

The Commission would also be concerned if the Bell group were to enter the cable industry with the conflict of priorities that could arise in the group as between the development of the cable and the development of the telephone distribution systems.

● (1310)

The commission considers that the public interest is best served at this time by the separate and, to some extent, competitive evolution of the cable and telephone distribution as separate entities.

The CCTA is not aware of any compelling new arguments of public policy which were made before the standing committee by representatives of the Bell group of companies which should have resulted in that committee vacating the very specific procompetition recommendations of the CRTC in its report. They are, therefore, very surprised that the Hon. Member had recommended amendment to Clause 7 of the Bill in this way.

I, too, was very surprised when I looked at the results of the amendment of the Member for Leeds—Grenville (Mrs. Cossitt). As a result, I brought to the attention of the cable industry that any affiliate of Bell, such as a part of Bell Canada Enterprise, could potentially get into the broadcasting field.

The first and most obvious endeavour for any telecommunications company to get into would be cable, given the infrastructure which is already in place. The cable companies may in the future turn to telecommunication companies to provide carrier facilities, especially as the scope of services expands with the advent of new technologies. With the coming of fibreoptics conceivably the rewiring of metropolitan areas will bring about some very significant changes in the kind of services that we are going to have. I think it would bring advantages to both the telecommunication and cable sectors.

The intent behind the revision is to concentrate the power in the hands of a very few people and to dilute the powers of the companies to deal with competition. I do not believe that any

company under Bell Canada Enterprises should be allowed to compete in the communications and broadcasting field. Therefore, I urge serious consideration of the amendment which would prevent any part of Bell Canada, Bell Canada Enterprises or its affiliates or subsidiaries, from entering into competition in the telecommunication broadcasting undertaking or broadcasting receiving field.

[*Translation*]

Hon. André Ouellet (Papineau): Mr. Speaker, I would like to comment very briefly on behalf of my colleague, the Hon. Member for Saint-Michel—Ahuntsic (Mrs. Killens), who, as you know, is our consumer critic, and because of an accident, has had to stop temporarily her activities in the House of Commons.

She has asked me to support the amendment moved by the Hon. Member for Mount Royal (Mrs. Finestone), who expressed her concern, and I agree, about the excessive concentration that could occur now that Bell Canada Incorporated is apparently being allowed to diversify its activities, which means that in addition to having a monopoly in the telephone sector, it could get involved in cable, television and other related activities in the communications industry.

The Minister of Consumer and Corporate Affairs and Canada Post (Mr. Côté) recently tabled a Bill that substantially amends the Combines Investigation Act and provides a number of parameters whereby the Government, through a competition tribunal, will be able to judge whether takeovers or mergers involving Canadian companies are in the interest of a competitive market in Canada. Although it is clear that in order to compete on the international market, some Canadian companies must be large and powerful, it does not seem equally clear nor as important for certain companies who are providing services exclusively to Canada consumers to be as large and as powerful.

I think that in the cablevision sector, there are Canadian businesses that are active across the country and provide a satisfactory service to the Canadian public and to Canadian consumers.

I am concerned that a company of the size and strength of Bell Canada Incorporated would be able to use the merger process to get into an import area of communications like television.

I believe that the Parliament of Canada created Bell Canada and gave it a monopoly to ensure that the company would give Canadians one of the best telephone services in the world. And there is no doubt that Bell Canada fulfils that role to perfection, and that over the years, it has been able to provide Canadians with one of the best telephone services the world over. So much so that many other countries have asked Bell Canada to help them, with its technology, to set up similar telephone services. Because of its excellence, Bell Canada has been able to export its technology and know-how to other countries.