

third amendment would delete clause 4 on page 8—the clause which is consequential to the aforementioned clauses, 5.2 and 5.3. A further amendment would delete the words “and 2” in line 6, clause 6, page 9. The result of these amendments would be to withdraw the request in the bill for a letters patent procedure and a negative resolution procedure as a future means of amending Bell Canada’s basic charter. The amendments would also withdraw the request for certain ancillary powers sought through the application to Bell Canada’s charter of Section 16 of the Canada Corporations Act.

Finally, the amendment would withdraw the request in the bill that future individual common stock issues of the company not require CRTC approval. The effect of the latter amendment would be to continue the present requirement that each stock issue be approved by the CRTC. Those are the proposed three principal amendments. I believe they will overcome the main objections expressed in various parts of the House in varying degrees.

What will remain in the amended bill are two important matters. The first is the company’s need and request for a new, higher ceiling for equity capital to assist in financing new construction and the new equipment program in the years ahead. It is a requirement of the bill that parliament give assent to new and higher capital ceilings for common stock issues—before they can be made. There also remain certain provisions for greater financial flexibility suited to today’s market conditions, for example, the right to split common shares and create classes of shares.

I trust, Mr. Speaker, that these explanations and assurances will assist the House in coming to a decision with respect to the amendment to the second reading motion, which is before us. I would hope that the amendment would be withdrawn and that we could then come to a conclusion of second reading this afternoon and that the House would agree to move the bill to the Standing Committee on Transport and Communications.

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I welcome the intervention by the hon. member for Scarborough East (Mr. O’Connell) on behalf of Bell Canada and his commitment to move in committee the amendments that he described. I consider the amendments that will be moved a tremendous victory for my party and those in the Creditiste party, who assisted us in debating the bill for over a year, because we felt that the provisions in the bill were not in the public interest. I think it is a great achievement, despite the charges in the past that we were filibustering, that Bell Canada has finally come around to our point of view and has agreed to drop the offending clauses from the bill.

I would remind the House that this bill began as a bill called S-2 in the Senate. Indeed, it was passed with only one day’s debate in the other place back in December, 1976, which says something about the degree of scrutiny of legislation in that chamber. The bill was sent to the House of Commons in January, 1977. Once the members of the New Democratic Party saw its contents, we were determined that the bill would not go through this House unamended. As a result, we have

Bell Canada

delayed it until proper amendments were forthcoming from Bell Canada.

Why did we object to this bill, Mr. Speaker? We found that it was not just a bill, as was first claimed, to increase the capitalization of Bell Canada from \$1.75 billion to \$5 billion, but that it contained many more significant clauses that would have, in our opinion, ended effective parliamentary scrutiny over this giant monopoly. If Bill C-1001 were passed as it was originally written, the effect would be that Bell Canada would not have to come before this House of Commons and be subject to debate on its performance and obligations. It would have been merely through a negative resolution procedure which would not have allowed for thorough debate such as we have had today. The bill in its original form would have allowed Bell Canada legally to own companies not related with telephone operations.

I regret to say that Bell has been moving in this direction in an indirect and quasi-legal way on a limited basis in the past. This is in contravention of its act of incorporation, an act of this House of Commons. So this bill would have given Bell that freedom to move into non-telecommunication fields. We maintain that Bell’s ownership of non-telephone related companies would be against the public interest. We maintain that Bell was given a monopoly position by parliament on the clear condition that it would not invest in other fields. Bell Canada was trying to change this position through this bill we have before us. If it had passed in its original form, Bell, unlike any other company in Canada, would have retained its monopoly position in telecommunications in certain provinces and, at the same time, been allowed to own other businesses not related to its monopoly service.

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Bell, in our opinion, by looking at its act of incorporation, was charged by parliament to provide good telephone service at reasonable prices. Our submission was, and still is, that if Bell is allowed to own other businesses not related to telephone service, then the telephone subscriber in the long run would face higher rates and poor service. The reason for this is quite obvious. Telephone subscribers would begin to subsidize Bell’s non-telephone business ventures—and if anyone cares to go through the debates on this issue in past records of *Hansard* they will be able to see examples of this that we have brought out. Indeed, the people who I think would be affected most detrimentally would be those rural subscribers of Bell Canada who today have had a very bad deal from the company. We have given example after example of rural subscribers who have faced year after year of multi-party lines and who have faced exorbitant charges to get telephone service to their areas. Bell has a lamentable record in improving rural service, and our fear is that if it moved into other business ventures, rural service would become even worse.

We know how Bell Canada pleads poverty year after year and how it asks for rate increases and how, despite our regulatory system which is to protect the consumer, Bell