

contrary, the CRTC could be under a lot of pressure. A company could say: "If Parliament has not said that we cannot do it, you do not have a good reason for saying 'no' when an application is made".

In committee I asked representatives of the CRTC what they would do if they received an application. Mr. Lawrence, speaking for the commission, said the following:

The commission holds public hearings. In the course of those public hearings, we hear arguments that often determine an issue . . . In this case, we would be looking for what interveners would tell us about how we should conduct ourselves in this situation. A situation was posed to me and I said I thought Bell might say, on public policy grounds, that the commission should not refuse a licence or refuse allowing BCE or an affiliate into that cable market.

Clearly the commission is anticipating that it might get this kind of proposal and that it would be very hard to say "no". We need some direction in the legislation.

The commission would be left having to decide under a great deal of pressure from an extremely powerful corporation saying that Parliament had not said that the commission could not do it and that it was a change in legislation from the old Bell Canada Act to the new one which clearly allowed them the opportunity to enter that market.

I think the Government is talking out of both sides of its mouth on the issue. We are not entirely clear what it wants. The Standing Committee on Communications and Culture is concerned about seeing that the lines of division are kept clear, yet we are aware that with technological change there may be new elements in the situation which will have to be taken care of. We need some long-term telecommunications policy to address the issues.

Hon. Flora MacDonald (Minister of Communications): Madam Speaker, two amendments have been put before the House at report stage of Bill C-13. The first one, in the name of the Hon. Member for Mount Royal (Mrs. Finestone), deals with the question of whether or not those who control the means of delivering a message, that is telephone companies, should also have the liberty of controlling the message itself. That is the gist of her amendment.

• (1610)

It has been a long-standing principle of communications policy in Canada that these two areas should not be mixed. Consistent with this policy, Clause 7 of Bill C-13, prohibits Bell Canada, the telephone company, and any person controlled by Bell Canada company from holding a broadcasting licence. I have also taken steps—this was indicated to the committee when I met with it on May 1 and subsequently reaffirmed, as stated by the Hon. Member for Mount Royal (Finestone), in a speech that I gave to the cable associations of Canada—to request the Governor in Council to issue a directive under Section 22 of the Broadcasting Act that will clarify the role of telephone companies and their involvement in broadcasting. That directive allows the flexibility that is needed in a situation like this. It allows the situation to change as we go into the further development of telecommunications

technology, it allows for a response that is flexible to the exigencies of the time. It also gives, I may say, the CRTC the policy guidance that it requires and that it has requested. When I spoke to the committee and later to the cable associations of Canada the response was, I think, quite favourable in following this path. I believe that this message of addressing the issue of the broadcasting prohibition meets the concerns that have been raised.

I would remind you, Madam Speaker, that the CRTC has broad powers under the Broadcasting Act, and obviously with regard to any directive, to evaluate applications for broadcasting licences. The commission must be satisfied that the application is in the public interest before granting a licence. I expect that any application for a broadcasting licence from Bell Canada Enterprises or any of its subsidiaries would be fully addressed by the commission, and that any potential problems or conflicts could be dealt with through the licencing procedure. For that reason the Government cannot support the amendment as proposed by the Hon. Member for Mount Royal.

With regard to the second amendment that has been put forward by the Hon. Member for Broadview—Greenwood (Ms. McDonald), I would say that the CRTC already has very broad powers under the Railway Act and the National Transportation Act to require that information be provided for regulatory purposes.

Moreover, the CRTC is granted the powers of a superior court in respect to the appearance of witnesses, the production of documents and such other matters as are necessary in the conduct of its regulatory business. These are very extensive powers, Madam Speaker. Clause 12 as currently drafted reinforces these powers as they apply to the persons that control the company, Bell Canada Enterprises. In other words, the Bill as currently drafted permits the CRTC to request information from any BCE affiliate, so long as the information is relevant to the regulation of Bell Canada. Moreover, the Bill provides that the CRTC may determine what information is relevant and request it in any form.

The proposed amendment would radically extend the commission's powers beyond those provided in Clause 12 to include all the unregulated activities of BCE subsidiaries, many of which are completely unrelated to the activities of Bell Canada. This could open the way to what you might call fishing trips, requests for information that are irrelevant to the regulation of the telephone monopoly. This means that many of the internationally competitive activities of BCE subsidiaries would be exposed to regulatory scrutiny. Only Canada's competitiveness in international markets would benefit from this exposure of BCE affairs in this way.

The logic of the Bill is precisely to leave the competitive affiliates of BCE unregulated, while ensuring the CRTC has the power to regulate the telephone monopoly. The powers in Section 12 maintain this balance and ensure that the commission can gain all the information it needs to regulate the monopoly.