

Bell Canada Act

uine expectations of Bell in a regulatory sense. The service provisions in this Bill are scarcely commitments at all. Indeed, there is very little that commits Bell to staying in the telephone business at all, if it finds it profitable to get out of it.

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On April 28, 1983, the Bell reorganization went into effect at the Bell annual meeting. The chairman was kind enough to hint only at future rate increases. He did not announce any at that time. The next announcement on July 27 was even better for Bell. The new company reported an increase in profits of 40 per cent for its first quarter as an unregulated holding company. With this kind of income the acquisitions of Trans-Canada Pipelines, Daon Development, British American Bank Note, Ronalds-Federated and Case Hoyt were not far behind. The year-end income in 1984 was \$1 billion, the highest of any corporation.

We should ask ourselves, and I think the people of Canada have a right to ask themselves, what benefits do the telephone users of Canada get when Bell Canada buys a controlling interest in TransCanada Pipelines, Daon Development, or the British American Bank Note? That may be good for the shareholders and the management of Bell, but it really does nothing for the people of Canada.

On the telephone subscriber side it has been different, much different. A major campaign was started for user-pay charges on local calls and much higher basic telephone service rates combined with deregulation of long distance service. Those proposals have been put constantly before the public in a campaign to make these changes seem inevitable. We see that almost every day in the kind of campaign which Bell and other telephone companies are conducting.

Bell Canada Enterprises, according to its own executive vice-president, is "always willing to look" at a deal. The public is beginning to feel that in the deal-making they have been had. In sum, Mr. Speaker, what has the Bell reorganization accomplished? Let us ask ourselves some of the questions which must be asked on behalf of the Canadian people. Has it created more jobs? Takeovers do not create jobs. They often result in their elimination as the company taken over is rationalized by its new owners. Bell has already cut jobs since 1980.

Has it resulted in lower rates or better service? Telephone rates have continued to rise. Phone centres and increased service charges mean that a visit from the telephone repair or a serviceman is a very expensive rarity. Bell is eliminating these jobs.

Has it created more research and development in Canada? This particular Canadian Holy Grail ought to be foremost on the mind of this Government. Yet, Bell's subsidiary Northern Telecom's record in Canada in recent years leaves a great deal to be desired. Between 1976 and 1980 Northern Telecom's Canadian workforce in Canada declined, although company sales doubled. At the same time, Northern Telecom's U.S. workforce grew from 2,940 in 1976 to 18,805 today. The new jobs by this Canadian-owned, Canadian-supported, Canadian-

subsidized company are going to the United States, not Canada. Since the Canadian workforce is now about 23,500, there is strong speculation that this joint Bell Canada Enterprises and Bell Canada subsidiary is really headed for the United States, and Canada will ultimately be another small market to them. This is hardly what the Government has in mind when it talks about world product mandates and high-tech futures. Yet this Bill does not set down any research and development commitments for Northern Telecom because this opportunity was missed in the long inquiry conducted by the Restrictive Trade Practices Commission between 1977 and 1983.

Instead, we are stuck. We are stuck with what Bell Canada Enterprises will give us because the Government opposite has not ventured beyond the incentive agreements it makes with all large companies. We are stuck with Governments that have no sense of what a telecommunications policy should be and are prepared to let Bell escape while they think about one. In short, there is little in the history leading to this Bill that is far-sighted, visionary, or even commendable. It is truly a shell, a shell which legitimizes what Bell accomplished in the face of any regulatory or legal challenge almost two years ago.

This Bill is simply a recognition of how much Liberal and Conservative Governments defer to corporate power. The Government opposite, the one which said it has a mandate for change, has had every opportunity to examine and change this Bill. Bell Canada has given it reason to take another look at its operations with the provocative actions by Bell Canada International in acquiring subsidiaries of the Cable and Wireless Company in Britain.

Bell Canada International announced that it was its policy not to have a union representing the workers at one of these companies in Great Britain. This is a company with its head office here in Canada operating in a country for which the Prime Minister has so often expressed his support and friendship. In announcing that policy Bell invoked the first strike in the history of the company in Great Britain and gave Canadian companies an international black eye. Surely a Government headed by a labour lawyer who knows the value of consensus would wish to think again about Bell Canada Enterprises and how it operates. The Government is not really going to do it. It has simply done what it said it would do while in opposition and split the old Liberal Bill C-20 into two Bills, C-20 and C-19, this one. Only the most minor changes have been made.

We believe major changes should have been made. The changes should have awaited the statement of a national telecommunications policy which the Prime Minister promised while he was Leader of the Opposition.

When we have the opportunity, we will deal with some of the specific shortcomings of this Bill. I want to conclude by putting on the record what has happened to Bell Canada in the last few years. If we begin in 1981, Mr. Speaker, and these figures are taken from reputable financial reports Bell Canada had a profit of \$555.5 million. In 1982, its profits were \$615.4 million, up 10.7 per cent. In 1983, profits were \$829.8 million, up 34.8 per cent, and in the first quarter of 1984, its profits