

Bell Canada

charged by Bell, and did it regard these rates as proper in view of the ability of the equipment used to last certainly longer than the quick write-offs allowed under our Income Tax Act? While speaking to a Bell representative, I asked him this question but really he could not give me an answer. Many members of this House were lobbied by Bell representatives in connection with this hearing. Let my speech tonight be an answer to some of their lobbying.

Basically speaking, Bell Canada has done a good job for us in Canada. It has provided good service. It has provided perhaps the best telephone service of any country in the world. I am told that Canadians use the telephone more than people in any other country. The telephone is pretty important to us. Indeed, as Members of Parliament we sometimes feel that we have telephones on our ears. The whole review process of corporations—

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but his time has expired.

• (2250)

Mr. John Rodriguez (Nichel Belt): Mr. Speaker, I listened this evening to the speech of the hon. member for Saint-Michel (Miss Bégin) and it sounded much like a speech written by the recently elected president of Bell Canada, Monsieur Grandpré. One of the things that concerned me very much was the statement earlier today that the CTC is an independent body, yet the Prime Minister (Mr. Trudeau) suggested he wanted to get this commission free of political interference and pressure. This seems like a strange position for one to take, considering that the commission was appointed by the government and that its president is a former cabinet member.

In view of the fact that this government does have authority to roll back the rate increases awarded to Bell Canada by the CTC, I think morally the government should do so. After all, which is the most important: the commission appointed by this government, or the elected representatives of the people of Canada? Surely we should decide which is to make the decisions in the public interest.

Bell Canada went before the Canadian Transport Commission to receive approval of its application for rate increases in 1973 and 1974. The CTC should not have granted these rate increases, when we consider the kind of complex questions raised regarding monopolies, profits, service, communications, corporate responsibility and the cost of living.

In the first instance, Bell Canada sought rate increases on the plea of poverty. Their argument was something like this: Profits have risen but they have not risen high enough to satisfy the investors; therefore, the company is encountering increasing difficulties in raising in the money market funds it needs for the capital expansion that must be undertaken.

The figures show that Bell Canada's profit for 1971 was \$147 million, up from \$108.5 million in 1967. In the last ten years, total profits were \$1,021,135,000. Between 1962 and 1971, profits increased by 125.6 percent. It should be noted that Bell Canada has \$233.6 million in deferred taxes owing to the Canadian people. According to the publication "Corporations" with a directory of Canada's top 100

[Mr. Blenkarn.]

companies excluding government-owned corporations, Bell Canada is number one in rank by assets, number one in rank by net income and third in rank by sales.

If the investor is not satisfied with Bell Canada's financial position, what precisely does it take to satisfy him? Should it be the role of the older citizen to pay through the nose for an ordinary telephone service, a public utility, in profit terms, thereby increasing its justification for an over-all telephone rate increase in order to satisfy the investor? I do not think that is right.

This brings me to the issue of what price we should pay for our telephone service. A comparison of telephone rates in other provinces shows that while people in Ontario and Quebec pay an \$11 service charge for the installation of an ordinary, black telephone, Albertans and British Columbians pay \$10. In Saskatchewan and Manitoba, where the telephone companies are government-owned, the same service costs \$2 to \$3. At the same time, the average monthly rate for a phone in Ontario and Quebec is \$6.10 but B.C. residents pay \$5.55 per month, Albertans pay \$3.35, while Saskatchewan subscribers pay \$4.15, and Manitobans \$3.90.

Keeping in mind these figures, consider that among the many increases Bell has been awarded by the CTC is an increase in the installation charge from \$11 to \$22, as well as increases in monthly rates and long distance calls, pay phone calls will be doubled to 20 cents and operator assistance will cost 25 cents per call if the number is in the directory.

In theory, the rates of Bell Canada are governed by the people of Canada. But Bell Canada, being a public utility monopoly, is required by law to present an application for rate increases for approval by the CTC, which is a government agency. The public, then, has the right to object to or support the application. Citizen interventions should bear weight with the CTC, yet in 1973 the Canadian Federation of Mayors and Municipalities, the Association of Ontario Mayors and Reeves, the Ontario Municipal Association, the governments of the provinces of Ontario and Quebec, and some 200 municipalities in the provinces of Ontario and Quebec, among others, made representations against Bell's rate application; and still Bell Canada has had its application approved by the CTC.

The same was true in 1969. For those most severely affected by rate increases—that is, those on fixed incomes, pensioners, the unemployed, low income earners and small businessmen—the difficulties of being adequately represented at rate hearings are virtually insurmountable. It is also intriguing to note that prior to 1969, Bell had made application for a reduction in rates of certain long distance calls. By 1969, however, the figures show that 99 per cent of all households in Ontario and Quebec had acquired telephone service. Then Bell applied for rate increases in 1969, 1970 and 1971, as well as for 1973 and for 1974. Bell is, consequently, now in the position which enables it to make exorbitant demands, secure in the knowledge that few subscribers will give up their telephone and that there is no competing company to whom those in disagreement with rates and service can turn for a telephone.

Although Bell has gone to great pains to justify its application for rate increases, it strains both the public