

been preferable, under the circumstances, for the CTC, bearing in mind the cost of living as I said before,—

[*English*]

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

Mr. Don Blenkarn (Peel South): Mr. Speaker, recently we had the decision of the Canadian Transport Commission in connection with the application by Bell Canada to increase its rates. That decision was made without even the benefit of a white paper. The president of the Canadian Transport Commission gave us, when he was minister of finance, the “glories” of our present Income Tax Act. Now the commission has authorized Bell Canada rate increases which are really suspect. I hope in the few minutes allotted to me to outline some of the suspicions many of us have in connection with these increases. I should like to repeat the promise given to this country by the leader of our party, namely, that he would make sure the present commissioner was returned to his accounting practice so he could enjoy the benefits of the act that he foisted upon the people. As time goes on we will have to develop a proper board system for reviewing prices, not only of companies like Bell Canada but rail rates as well. Prices of other monopolies or quasi-monopolies will have to be reviewed, in the public interest. It is important that a tribunal system be organized so as properly to administer this kind of review.

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Our judicial procedures are based upon the adversary system of justice, where an independent tribunal listens to argument presented on one side by a litigant or proposer and to argument presented by those on the other side, and thus arrives at a decision. In matters as complicated as telephone rates, indeed in matters as complicated as freight rates, the public interest cannot be protected by ad hoc representations, even by authorities as powerful as the province of Ontario or the province of Quebec. These matters are so complicated that the public interest must be protected by independent action which presents the public's case to the inquiry, so that the public can draw out, under the light of proper cross-examination and the presentation of relevant facts, what is the true position of the person or corporation that is applying for a rate or price increase. This is a matter the government will have to consider. This is one of the reasons the suggestion that this particular rate increase must be suspended, at least for the present, is valid.

At this point I want to deal with several questions that were raised during the Bell Canada hearing which indicate to me and to others in this House that there is something seriously wrong with the increase awarded. A great deal has been said about modernization of equipment, the cost of expansion of service, the necessity that shareholders receive a fair return on their money, and that investors are induced to lend money to this corporation on the basis that the corporation's charges will justify such investment. I appreciate those remarks, and I think that even the members of the party to my left can understand that obviously this corporation must earn a sufficient return in order to pay its debts and to pay for the use of

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Bell Canada

money at its command. However, I should like to present some matters and questions that occur to me in connection with the decision made by the Canadian Transport Commission.

First of all, this corporation has a quasi-monopoly on television cable distribution in many of our communities. This television cable service is rented to a TV company or cable company for a limited period of time and then the contract can easily be terminated. There is no requirement that the use of Bell facilities can go on and on. Speaking to television cable companies, I am informed that the monopoly aspect of Bell in regard to this service causes serious concern. Secondly, Bell has spent a great deal of money through its many subsidiaries on research and development. This research seems to have been charged to Northern or to one of the other subsidiaries, but really it is charged against the regular telephone cost to every user. There is no question that this research should increase the share value of Bell, and increase it dramatically. Is there any reason why Bell stock is selling for 10, 11 or even 12 times book value? If this company is going to do that through its subsidiary, the research company, then the market should appreciate that research and the value of it, in the long term, should be considered when rate charges are made against regular telephone subscribers of Bell.

It is doubtful whether the commission has looked properly into the relationships that exist between Microsystems International Limited, Nevion Industries Limited, Bell Northern Research Limited, and Bell Northern Telecommunications Inc. Indeed, one columnist suggested that the reason for the increase is Bell's ownership of Anik.

We should also have inquired whether Bell is borrowing its money at the cheapest possible rate in order to conduct the expansion necessary in telecommunications in this country. Perhaps there are other methods by which this corporation could obtain something on a longer term basis or on a lower interest basis, so that the need for increased charges to consumers would not arise.

Thirdly, many of us question how Bell gets away with its fancy Princess phones, its coloured units, its inordinate charges for yellow page advertisements and all sorts of other gimmicks that the company is able to dream up. The real question is whether this company is acting in the national interest.

I am glad the minister is in the chamber, because I want to mention another matter. Last December, Bell—and I wonder how closely the minister has got into bed with Bell—was given a licence in my riding for one of these Bellboy transmission systems. I checked into that system and was told that Bell was supposed to have a 100-watt transmitter. Some of our investigations indicated that Bell was actually transmitting at 400 to 700 watts. When I asked the minister for a copy of Bell's licence, he said, “Oh no; licences are privileged.” Members of Parliament are not entitled to look at a Bell transmission licence. So I am given cause to wonder how deeply the minister is in bed with Bell Canada.

During the election campaign the New Democratic Party made great play of capital cost allowances. Did this commission look into the depletion and depreciation rates