

Bell Canada Act

finally it got to the point where the railway part of the business was not the big money maker. Then CPR moved to split itself into many parts and pieces so that each one could be profitable, leaving the basis of the organization, namely the railway, which had as part of its mandate the provision of service to the public, somewhat short of assets because they were used to set up subsidiary companies. We contend that that is what Bell Canada is trying to do at this particular stage of its life.

Bell is doing a lot of research through a subsidiary and there are services it can offer which have the prospect of being more profitable than some aspects of the telephone business. Consequently, the company has proposed to divest itself of the responsibility for carrying through some services to the public, with the seeming acceptance of members of the Government and perhaps including members of the previous Government. The company has decided to hive off the telephone aspects of its operation, which are of a public service nature but which are beginning to lag behind the other technologies available for competing means of communications, and set that aside.

The company knows that because a lot of remote areas and less advantaged people require telephones there will be some public outcry if those people are not provided the service which is in some way subsidized by the Government. As a consequence we fear this Bill is an effort to follow in the steps of the Canadian Pacific Railway to set up small units of Bell Canada, particularly because, like CPR, Bell is subjected to scrutiny through a public body. So it can fall on its knees in front of the public body, insist it is losing money by only operating a telephone system, thereby creating the spectacle of the public body, in this case the CRTC, forcing it to raise the rates. People who are on pensions, welfare or people who live in remote communities will then have to pay higher rates for that service.

We fear this is an attempt to hive off the profitable aspects of the telephone business, namely long distance rates, as a separate entity so that each segment of the business can be forced to show a profit. If that is carried to its logical conclusion, people with a telephone will be charged for each call. If the charges remain on a monthly basis, they will end up being much higher because at the moment, if we can believe the representatives appearing before the CRTC, the telephone companies in Canada, including Bell Canada, use their very profitable long distance business to cross subsidize ordinary telephone service.

We have heard this argument for deregulation in the United States when it attempted to deregulate its airline business. It argued that the source of its business, the small towns and villages where feeder airlines were located, were not really very important. As a consequence, some of the airlines attempted to pull out of those feeder businesses and have people find their own way to the larger airports. A few of those companies found that they were in very great trouble after that. Once they took away the source of customers, there was not enough traffic left to generate profits. That is an argument that I think we should be aware of when we talk about deregulation of the telephone business. Without the widows and pensioners and

the people on welfare and those in remote communities, the prospect of a profitable long distance operation becomes virtually negligible.

As my time is about to run out, Mr. Speaker, there is a point I want to raise with you. I notice in Clause 14 of this Bill that all of the previous Acts which have set up the powers that Bell Canada operates under now were set up on the basis of Private Members' Motions. I would ask if, during the time between now and the next session, you would seek the opinion of the Law Officer of the House of Commons as to the appropriateness of this Bill coming in as a public Bill under those circumstances. Perhaps you can tell us whether this Bill should not have been introduced as a Private Members' Bill and, as a consequence, our discussion should then have taken place under Private Members' Business.

● (1700)

Mr. Deputy Speaker: I will certainly do that and report to the House as soon as possible.

It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS— MOTIONS

[English]

Mr. Deputy Speaker: Is there unanimous consent of the House to proceed to Item No. 109?

Some Hon. Members: Agreed.

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INCOME TAX ACT

SUGGESTED AMENDMENT TO DEDUCT CONTRIBUTIONS THAT
REDUCE NATIONAL DEBT

Mr. Howard Crosby (Halifax West) moved:

That, in the opinion of this House, in order to reduce Canada's massive debt, the government should consider the advisability of amending the Income Tax Act to provide that any Canadian taxpayer who makes a financial contribution to the government for the sole purpose of reducing the national debt shall be entitled to deduct a like amount in computing the taxable income of the taxpayer for the taxation year in which the contribution is made.

He said: Mr. Speaker, I would like to begin by offering a more simple explanation of the motion which I have brought to the floor of the House of Commons. First and foremost, it focuses attention on the gigantic national debt which is a burden for all Canadians. Second, it would allow the taxpayers of Canada an opportunity to participate directly in the reduction of this financial burden by making contributions which would be applied to the national debt, thus reducing it. I would like to make it clear that I do not expect the House to enact