

"in respect of any affiliate in the same manner and to the same extent as if the affiliate were the Company."

Mrs. Finestone: Madam Speaker, at the outset I wish to point out that I regret the decision of the Chair in respect of these two motions. I do not think the decision allows for the kind of debate that these motions deserve. I sincerely regret the decision of the Chair. Nonetheless, I shall comply with it.

Clause 7 of Bill C-13 would prohibit Bell Canada or any company controlled by it from operating a broadcasting undertaking.

This is a continuation of the prohibition contained in the 1968 Bell Canada Special Act. Parliament has consistently opposed Bell Canada entering the broadcasting field. Due to the recent reorganization of Bell Canada, it is now in a position to circumvent the prohibition contained in Clause 7.

Consider the following example: the new holding company, Bell Canada Enterprises, could incorporate a subsidiary such as Bell Canada TV and, for very little cost, connect the transmission facilities of that subsidiary, through its affiliate, Bell Canada, at a very reasonable rate, to virtually every home in Canada. Such a transaction would not run afoul of Clause 7 as it now reads.

The problem we are looking at here, Madam Speaker, is the endeavour by Bell Canada Enterprises to become involved in cable and broadcasting. The Canadian Cable and Television Association, the CCTA, has voiced its concern about this gap in Clause 7 of the Bill, a gap which could have a very important and negative impact on its members.

The broadcasting industry is fragmented at the base already. It has the fragmentation of the advertising dollar and a fragmentation of audience. The last thing it needs is further competition.

We are in the midst of examining and evaluating the impact of a changed Broadcasting Act on our society, and it would be most ill-advised to bring a new player into the game at this juncture. I know that the Minister of Communications (Miss MacDonald) has been spoken to. She has made statements supporting the cable industry, statements contrary to the view of Bell Canada. However, she has not translated those views into action.

The Minister has obviously not been listening to the cable companies, and has perhaps had her arm twisted or her ear bent by Bell Canada.

It is significant that the CRTC, in its April, 1983 report to Cabinet on the proposed reorganization of Bell Canada, concluded that the Bell Canada group should continue to be prohibited by law from holding broadcasting licences.

There was an extensive review, an exhaustive review, with public hearings and a great deal of public discussion, all indicating a concern over the degree of concentration of control and conflict of interest that could arise in the Canadian broadcasting industry if affiliates of Bell Canada Enterprises were allowed to hold broadcasting licences.

Bell Canada Act

The commission concluded that the public interest would best be served by the separate, and to some extent, competitive evolution of the cable and telephone industries as separate entities. The conclusions of the CRTC are as valid today as they were then.

I should like to bring to the attention of Hon. Members what the commission had to say. I quote from the 1983 report of the CRTC, as follows:

The Commission is of the view that Bell and the other members of the Bell group should continue to be subject to the limitation prohibiting the holding of broadcasting licences, which under the *Broadcasting Act* includes licences to operate cable television systems.

At this stage of rapid evolution in the communications industry, the Commission would be concerned with the degree of concentration that could arise in the industry if the Bell group were allowed to enter the broadcasting field.

The commission went on to point out that the book value of the telecommunications assets of Bell Canada at that point was in excess of \$13 billion, whereas the book value of the assets held by the private television, radio and cable industry was around \$1.2 billion. So we are looking at a giant ready to gobble up an industry.

It would be most unhealthy for Canadians if such acquisitions by Bell could take place. I urge the Minister to consider the proposed amendments favourably. I know that she has made certain observations in this regard. I should like to underscore that the CRTC has assessed the situation on a number of occasions and has consistently affirmed and reaffirmed its resolve that Bell Canada and other members of the Bell group of companies be prohibited from applying for or holding broadcast licences.

I draw the attention of Hon. Members to the fact that 60.7 per cent of all telephone lines in Canada are in the hands of Bell Canada. In other words, of the 11.2 million telephone lines in Canada, including business and private, 6.8 million are in the hands of Bell Canada.

Given the strength of Bell Canada in the telephone field, it should concentrate its efforts on that area. It should not concern itself with competing in the broadcasting field, where we have other interests and other concerns. It would be in the best interests of Canada to prohibit, by statute, the holding of broadcasting licences by Bell Canada, including licences to operate a cable television system.

My amendment would restore Clause 7 of the Bill to the way in which it read when Bill C-19 was introduced in this House in December of 1984 by the previous Minister.

Spokespersons for Bell Canada have made the argument that there are adequate safeguards already in place. I suggest to you that the CRTC is not in agreement.

Mr. John Lawrence, the Vice-Chairman of the CRTC, at page 5 of his remarks to our legislative committee, presented on April 28 last, stated:

With respect to the removal of the word "affiliate" from Clause 7 the CRTC is already on record, both in terms of the Bell Canada Reorganization Report,