

Bell Canada Act

guidelines imposed on Bell Canada Enterprises by the CRTC, but especially on the guidelines imposed on the CRTC by the Government. If the Government believes in free enterprise, this is a golden opportunity for him to show it.

● (1540)

[English]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the introduction of this Bill we see proof of the old adage that the more things change the more they are the same. Bill C-19 is very similar to parts of the Bill C-20 which was brought in by the former Liberal Government and introduced by the then Minister of Communications, Francis Fox, in early 1984. On May 10, 1984 the then Opposition House Leader, the Member for Saskatoon West (Mr. Hnatyshyn), wrote to the then Government House Leader, Mr. Pinard, urging him to split the old Bill C-20 into two Bills, one to be called the Bell Canada Reorganization Act, which the then House Leader of the Opposition said "could receive a quick second reading and referral to committee".

Clearly the Progressive Conservative Government has done exactly that which it proposed then. It introduced Bill C-19, which we are now discussing, and its companion, Bill C-20, which has been passed by the House and is now before the Communications Committee. It is concerned with amendments to CRTC legislation and powers and to satellite broadcasting.

There are two main points which are worth making with regard to this Bill. This Bill is a shell, scarcely six pages in length, which simply outlines what already exists with regard to the supposed regulation of Bell Canada. It is not what the CRTC, consumer groups, or even the Government wanted. It only puts into legislation what Bell Canada wanted and is prepared to accept. Second, it is a testament to the power which corporations have in this country. Bell Canada took on CRTC, the Restrictive Trade Practices Commission, and the Bureau of Competition Policy in public hearings and fought them all off. In the end the Government backed off and, as a result, we have this Bill which only legislates what is already in place.

This Bill will permit Bell to do in the next few years what the CPR was able to do over almost 100 years. CPR started as a railway company funded, to a large extent, by grants of money, loans at very low interest rates, and grants of millions of acres of lands to induce the then owners and directors of the CPR to build a national railway. Over the years the CPR has used the assets given to it by the Governments and people of Canada, including the lands, forests and minerals. It has spun those off into CP Enterprises.

The railway remains as a regulated operation. It is a loser which requires massive help from the people of Canada to operate. But CP Enterprises now has a host of companies in various fields including communications, mines, forests and real estate. Those are extremely profitable and are not regulated by the Government. Those were built on the initial subsidies given to the railway company by the people of Canada. With

the passage of this Bill we are going to permit Bell Canada to do precisely what the CPR did in earlier years.

Bell Canada, like the CPR, was originally a heavily protected, government created monopoly which was able to earn a regulated guaranteed profit and build up its assets so that now it can diversify, acquire other companies in different fields, and become the conglomerate known as Bell Canada Enterprises, which will be a tremendously profitable corporation not subject to Government regulation.

As much as anything that the Conservative Government has done in this Parliament, this Bill is the harbinger of the deregulation concept and principle which the Conservatives believe in. In this case the word has a special meaning. It simply means "take the money and run". Bell Canada is now almost entirely free to do as it pleases in the market-place with assets it acquired when it was a monopoly. The existing Bell Telephone service still remains under CRTC regulation, but without the important financial support which had provided cross-subsidization in holding down telephone rate increases, and with increasing costs looming which will greatly increase the cost of basic telephone service for the people who are serviced by Bell Canada.

Bill C-19 should be seen for what it is, a genuine failure in the development of public policy in Canada. We fully expect that the analogy with Canadian Pacific will hold true. Bell Canada service will become progressively worse and cost increasingly more. Bell Canada Enterprises, however, will become the rich relation, just as Canadian Pacific Investments has prospered at the expense of the users of CP Rail.

● (1550)

This need not have happened had there been a federal Government with a will to develop and enforce a telecommunications policy. The Prime Minister (Mr. Mulroney) promised this to the people of Canada during the election campaign. We are still waiting to see that promise fulfilled, unless the Minister says that this is the promised telecommunications policy, in which case we will know that as of today the so-called policy is doomed to failure.

As a result of the failure of the former Liberal Government and the present Conservative Government to develop a policy, Bell has imposed its corporate will on the country and received everything it wanted.

It is worth examining this process over the past few years in order to come to grips with the failure of the present Government and the previous Liberal Government and the ineffectual actions of Bell's regulator, the CRTC.

Let us look at the record to see how we got to Bill C-19 which, in our view, is so seriously defective. On June 24, 1982, Bell Canada announced a planned reorganization which would create "a new non regulated parent company called Bell Canada Enterprises Incorporated". It was said by the Chairman of Bell Canada, Mr. de Grandpré, to provide a "purification of Bell Canada's regulated activities, in his words "making the task of the CRTC easier". It will make the task of Bell's owners and managers much easier.