

*Railway Act*

**Hon. Jean-Eudes Dubé (Minister of Veterans Affairs):** Mr. Speaker, the Prime Minister has already announced—in fact, he did so on June 16 before the adjournment of the previous session—that the whole fabric of social legislation in this country is under review by the government. As soon as this review has been completed announcements will be made at the proper time.

● (3:50 p.m.)

**GOVERNMENT ORDERS****RAILWAY ACT****EXTENSION OF AUTHORITY OF CANADIAN TRANSPORT COMMISSION RESPECTING TELEGRAPH AND TELEPHONE TOLLS**

**Hon. Eric W. Kierans (Postmaster General and Minister of Communications)** moved the second reading and reference to the Standing Committee on Transport and Communications of Bill C-11, to amend the Railway Act.

He said:

[*Translation*]

Mr. Speaker, the purpose of the bill is merely to extend the regulating powers of the Canadian Transport Commission with regard to telecommunications companies whose activity falls within its jurisdiction. Before going into the reasons for this initiative, I should like to say a few words about the Canadian telecommunications industry and existing regulating powers.

Our industry represents a unique combination of the public and private sectors which, through the years, has allowed the setting up in Canada of one of the best telecommunications system in the world. Thanks to their efforts of voluntary co-operation, those companies which, in this respect deserve praise, have managed to set up an integrated national system that meets the nation's economic and social needs. The most recent addition to this family of companies is, naturally, Telesat Canada. A few months ago we made a review of the plans for integrating the new satellite technology into the complex cable and microwave network we already have. It behoves us all to pursue our overall plan and use our authority in such a way that the Canadian telecommunications network may be even more efficient, more flexible and surer in the future.

[*English*]

Turning now, Mr. Speaker, to the regulatory situation, radio matters as such are exclusively under federal jurisdiction. So, also, are

the affairs of telecommunications companies operating under federal charter, of which the most prominent are Bell Canada, CN/CP Telecommunications and the British Columbia Telephone Company.

The implementation of this federal jurisdiction in terms of legislation has been I think it is fair to say, rather limited. Apart from broadcasting, the regulation of telecommunication has been confined largely to a detailed technical control of the use of radio, a rate setting activity in the public telephone and telegraph field, a control over submarine cables used for external telecommunication, and other matters covered by special acts.

Under the Railway Act, the Canadian Transport Commission regulates telephone and telegraph rates charged to the public but not the rates for services where no charge is made to the public. These latter services are usually referred to in the jargon as private wire services. They include such things as networks for TV distribution, Telex and TWX, data transmission for computers, air traffic control voice circuits, etc. There is a limited element of competition among the providers of these private services, whereas the telephone service is considered a natural monopoly. It is to these private wire services that the bill would extend the jurisdiction of the Transport Commission.

As I am sure hon. members know, the pace of technological development in telecommunication has been accelerating at an exceptional rate with the result that this technology is being applied to practical use at a rate that often exceeds the ability of legislators and administrators to assess the long term implications. I need only mention, as an example, the wide band cables which in a short space of time have been established to bring many TV channels into our homes and which can bring many other types of service as time goes on. This same cable technology will be used to provide thousands of telephone and data transmission paths within and between cities.

If the government's regulatory structure is not geared to keep pace with these industrial changes, both in terms of competence and basic philosophy, then logical, well-planned and orderly development will be impeded.

It was with all of these factors in mind that earlier this year I established a telecommission which has as its objective the production of facts and recommendations in this whole field. Already this body has organized some 50 separate studies involving many interested