

*Bell Canada Act*

[English]

I hope that we will see that action and that the telecommunications companies outside of Bell Canada will not feel a sense of discrimination. If it is good enough for Bell Canada and covers them in Section 7 of this Act, it should certainly cover B.C. Tel and others.

We are left in a predicament and I find it most regrettable that that is the case with this particular statute. I would like to understand why the Minister would not prohibit by statute the holding of broadcasting licences. Why was the former Minister of Communications concerned enough to use the wording I am proposing today for Clause 7 while the current Minister is not? Why is there inconsistency between two Ministers of the Government with regard to the same clause of the Bill?

Nonetheless, it looks as though this Bill will be passed. The CRTC, Bell Canada, and the Minister of Communications will be happy. I guess that as the world turns so shall Bell Canada. Let us hope that it shall continue to be in the best interests of the subscribers and the telephone industry in Canada, particularly with such a large force which provides such fine dollars to another corporation which seems to be using them in a very *rentable manière*.

**Ms. Lynn McDonald (Broadview—Greenwood):** Madam Speaker, we are dealing with Bill C-13 with regard to the reorganization of Bell Canada and Bell Canada Enterprises which, of course, is an enormous company. In terms of ownership the *Financial Post* lists Bell Canada Enterprises as number four in sales at \$13 billion a year; number one in profit, of which it has over \$1 billion; and number two in number of employees, of which it has over 100,000. It is a massive company which has, so far, managed to thumb its nose at the CRTC.

Bell Canada had excess profits in 1985 and 1986 estimated by the CRTC at over \$200 million. It has refused to comply with the direction of the CRTC to pay back some of these excess profits. Instead it has gone to court to fight the case. Meanwhile, the CRTC is preparing another view of Bell's revenue requirements for this and coming years in conjunction with its review of Bell's application for rate rebalancing. The saga goes on.

We are dealing with this Bill because Bell Canada managed to reorganize itself. Bell Canada Enterprises is a *fait accompli*. There is much I do not like about the situation, but now that we have it there must be regulation. We need legislation to ensure that the CRTC can get the information it needs to regulate the monopoly telephone-telecommunications aspects of Bell Canada's business.

Bell Canada is an enormous provider. It is the largest telephone company in the country with a monopoly. Monopolies make money hand over fist. This one has been enormously profitable in the past and we are naturally concerned that unfair advantage is not taken of the subscribers in this monopoly situation. People need a telephone. It is an absolute

essential in today's life and people will pay the rate demanded of them.

Therefore, the rates must be fairly set. If Bell can increase them, it will and make money hand over fist, which money, if there is not proper regulation, can be taken out of the company and put into other affiliates or the parent company in a way which will take very unfair advantage of the monopoly situation of the company in the telephone-telecommunications business. That is what we are trying to ensure will not happen.

The question with regard to Bell and broadcasting is a more complex one. The amendments to Clause 7 have already been overturned. It is debatable whether the prohibition against the mixing of functions and business should be done through this Act or by some other means. It can well be argued that if it is in this Act with regard to Bell Canada it will not take care of B.C. Tel or other telephone companies and that it will be a limited and discriminatory policy to put it in there. It has to be addressed elsewhere in legislation. It has to be absolutely clear so that the CRTC is not put into a position of being asked for approval of a sale, for example, being told there is no prohibition against it and being put under a great deal of pressure to okay it, because if Parliament has allowed it, why should the CRTC step in? If Parliament wanted to forbid the access of telephone and telecommunications companies into broadcasting, Parliament would have said so. Therefore, this is something we are going to have to pronounce, and we should do so before very long.

• (1650)

I am concerned about some other policy questions. We are dealing with this Bill somewhat in a vacuum. We still do not have long-term policy decisions in the telecommunications area. We still have not received answers to questions on competition, on the role of the telephone company as a utility, what should be the principles in regulating it, what should be the responsibilities to consumers and subscribers, and should a telephone company be a major investment firm? Should this kind of expansion be appropriate for a utility which is providing an absolutely essential service? Who is going to develop fibre optics? What about technological change? We have some long-term issues to address, and this Bill does not really take us anywhere in addressing these long-term questions and what kind of policy should be made for Canadians in this absolutely vital area of communication. These are basic essentials for Canadian families and for business enterprises, so they can have first-class services and the innovations which are being developed. Yet there is a great deal of uncertainty as to what the appropriate principles should be for guiding development in this area.

I simply want to flag some of these problems the Bill is intending to address such as cross-subsidization, the need for long-term policy and the utility role. I think we have to get on with addressing these kinds of very important questions. In the meantime, this legislation is vital. We have to get it through. We are not holding it up. We are flagging concerns which have