

Bell Canada

to adjourn at eleven o'clock. I think there might be agreement to make this a House order.

Mr. Baldwin: That is quite all right, Mr. Speaker. Who knows; it might become a tradition of the House to have speeches of that length.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, what the parliamentary secretary has stated does represent the agreement of all of us, except that I would make this one modification, namely, that the adjournment is to take place not later than eleven o'clock. If words run out before then, we should rise at that point.

[Translation]

Mr. Lambert (Bellechasse): Mr. Speaker, I suppose there have been some discussions and since we make it a practice to abide by agreements, we approve the proposals just made.

[English]

Mr. Deputy Speaker: Is it agreed, then, that the lead-off speaker for each of the four parties shall have 15 minutes, that thereafter each speaker shall have 10 minutes, and the debate shall continue until, but not later than, eleven o'clock this evening?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is agreed and so ordered.

Mr. David Lewis (York South): Mr. Speaker, the motion was placed before the House, not as a gesture but because I believe it is important for the people of Canada, for the minister and for the government to have the views of Members of Parliament as it considers this important issue and tries to arrive at a decision. The first fact I want to underline—and I shall go from one point to another as quickly as I can—is that Bell Canada has been given four increases in three and a half years. They had an increase on September 25, 1969, another on December 1, 1970, a third on May 19, 1972, and a fourth on March 27, 1973. Each time, the Canadian Transport Commission gave Bell Canada not always all it requested, but almost all.

What disturbs me even more is that the increase approved last Friday by the Canadian Transport Commission is merely a prelude to application B which is already before the Canadian Transport Commission, and if that were granted the increases would make those approved last Friday pretty small potatoes. Obviously, Bell Canada is seeking more and more of its customers' money. I say, Mr. Speaker, it is time to call a halt to the monopolistic gouging by Bell Canada of the people of Canada.

The second point I make, Mr. Speaker, is that Bell Canada is not claiming that it needs these increases for profit or for its operations; Bell Canada is claiming it needs them in order to have capital for further investment. What it will do is get from its customers a pool of investment capital for which it does not have to pay, and I say that a company as powerful as Bell should not be allowed to tax its customers; and that is what its rate increases really mean.

Mr. Speaker, what is this poor, poverty stricken company about? What have its profits been? I received only

[Mr. Reid.]

today the annual report of Bell Canada for the year 1972, and on one of the pages of that report there are financial figures for 1963 to 1972 inclusive, that is, over a period of ten years. During that period there was a steady and large increase in profits every year except one: in 1969, the profits were slightly below those of 1968. But to make up for it, in 1970 there was an increase of 17.2 per cent over 1969; in 1971 and increase of 10.5 per cent over 1970; in 1972 an increase of 11.9 per cent over 1971.

Mr. Speaker, when you look at the profit picture of Bell Canada in these ten years, you find that from \$68.25 million of profit in 1963, this gouging company reached a profit of \$164.75 million in 1972. How much more does Bell Canada want out of the people of this country? And I am not talking about gross profit before taxes; I am talking about profit after taxes that are currently paid, which include deferred taxes in large amount. In addition to these profits, according to this report which I have just studied, Bell Canada now controls ten other companies outright and has an interest, although not a controlling interest, in several others.

• (2010)

I say that the people of Canada have already made a sufficient investment in Bell Canada. Some hon. members may not know this, but I have been interested in the subject and as at the end of 1971, Bell Canada had total deferred taxes of \$224 million. By the end of 1972, these deferred taxes amounted to \$322 million. That represents an interest-free loan by the people of Canada to this huge corporation of \$322 million at the end of 1972.

What is even more significant in respect of Bell Canada's request for an increase is that one of the ways it can add to its deferred tax position is to continue to invest and to change its machinery and equipment. The more it changes its equipment every year, the fancier the telephone, the more it is able to avoid paying taxes by deferring them. That is the only way a corporation can do this, by continuing to buy new equipment and machinery; only then can they take advantage of the deferred tax provisions of our unfair tax system. The amount of \$322 million from the people of Canada is more than enough to give to this huge, powerful corporation.

It is for these reasons, and because these facts seem to be overwhelmingly persuasive, that I think Bell Canada ought not to be allowed any more increases at the expense of its customers, the majority of the people of this country. On this basis I placed this motion on the order paper.

I want now to turn the attention of the minister to the act and its relevant section. It is, of course, true that parliament gave, under the National Transportation Act—as it had previously given under the Railway Act—the first responsibility for regulating these prices, tariffs and charges to the Canadian Transport Commission. I have very grave doubt whether the Canadian Transport Commission is equipped to deal with this matter, whether it is equipped to understand the importance of the material that Bell Canada places before the commission every time it asks for a rate increase. Therefore, I have very grave doubt whether the commission is in fact protecting the public interest.