

Bell Canada Act

Ten years later, the same Government stipulated that "...existing rates may not be raised without the approval of the Governor in Council".

For more than a century, the Government has regulated Canada's telecommunications and made sure that the necessary resources would be used to set up one of the world's best systems, while guaranteeing that Canadians would pay fair and reasonable rates, and have universal and non discriminatory access to the services. Those major principles still hold sway today, but we have to keep in mind new economic and technological factors, particularly the reorganization of Bell Canada, and that makes it necessary to take a new and more flexible approach when it comes to regulations. Since it has become imperative to define the structure of the reorganization that took place nearly two years ago, I ask Hon. Members to consider the Bill before them, and I conclude by quoting Robert Browning: "Progress is the law of life".

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it gives me pleasure to take part for a few minutes in the debate on Bill C-19 respecting the reorganization of Bell Canada.

It is a well-known fact that the Liberal Government, through its then Minister of Communications, the Hon. Francis Fox, had already introduced legislation in response to the administrative changes made in 1982 to transform Bell Canada into a subsidiary of a holding company of Bell Canada Enterprises.

On February 8, 1984, the Hon. Francis Fox introduced in the House Bill, C-20, of which one of the purposes was to maintain the provisions requiring Bell to provide a telephone service and giving the CRTC authority to regulate the activities of Bell Canada. Bill C-19 is similar to that legislation in all respects.

We are happy that the Government has re-introduced the Fox Bill word for word.

While the Government is happy to take over this Liberal heritage, it has forgotten one of its major elements. While Bill C-20 introduced by Mr. Fox included amendments to the CRTC Act, this Government has tabled for this purpose a separate Bill, thus increasing considerably the extent to which Cabinet can give instructions to the CRTC.

The Official Opposition has already expressed its concerns over the interference of the Government with organizations such as the CRTC. For instance, what this Government has done in the case of the CBC is a cause for concern.

While Bill C-20 introduced by the present Government increases the authority of Cabinet to give instructions to the CRTC, Bill C-19 considerably increases the power of the CRTC to give instructions to Bell Canada.

In its reorganization, Bell Canada established a distinction between its basic telephone services and message communications service on the one hand, and the competitive research, manufacturing and operational activities in communication systems then being carried out by its subsidiaries on the other.

The new powers of the CRTC affect not only telephone communications, but also all other operations where Bell Canada still has an active role.

The Fox Bill did not give Cabinet as much authority to influence Bell activities through the CRTC. In this regard, the respondent has every reason to maintain that Government interference could eventually undermine its operations since these are truly political interventions at the highest level, namely the decision-making power of the Cabinet. For a Government that brags about doing everything to promote free enterprise, to me this is quite a paradox.

Let us look at the effective thrust of this legislation. The first 10 clauses are but a rehash of provisions in the special statutes under which Bell Canada was established. They guarantee that the company will still be regulated by the CRTC under the Railway Act. Clauses 11 to 13 point to the new structure. Clause 11 provides that previous permission from the CRTC is needed for Bell Canada Enterprises to dispose of Bell Canada voting shares, and for Bell Canada to dispose of any asset vital to its telephone operations. Clause 12 empowers the CRTC to obtain from Bell Canada Enterprises information relating to its power of regulation. Provisions under clause 13 are aimed at reflecting and guaranteeing a clear separation between Bells' competitive and monopolistic activities giving relevant authority to the CRTC.

The question to be addressed, Mr. Speaker, is this: Are consumers ensured services at a reasonable cost? Is the user, whether an individual or a corporation, obtaining the same standards of excellence and efficiency we have been used to, and which the Government has a responsibility to maintain?

The Government must on the one hand resist the temptation to deregulate. Ours is a vast country, which has to have an integrated and efficient communications network. From the American experience we can conclude that our market being limited, with a smaller population and remote areas, we cannot afford such New Conservative ambitions, which are to hand out everything back to private enterprise and abstain from regulating vital sectors such as communications.

In Canada, access to telephone service traditionally has been considered tantamount to an acquired right or an essential service. Up to a point, this is indeed the case. Past investments and sacrifices must now be part of tomorrow's heritage. While a company such as Bell must be encouraged to do research work and to improve its network, and allowed to discover and develop new avenues, the consumer must be serviced at a reasonable cost. The American deregulation experience certainly does not guarantee quality and service at a cost that is reasonable to consumers, individuals, businessmen or corporations, and above all we doubt that the American experience could have positive results here, in a different environment and with Canada's limited population.

To conclude these brief remarks, I would first suggest that the Liberal heritage is a kind of heritage that sometimes deserves to be maintained. In this case, the Tory Government has provided the evidence. I would add that the Official Opposition will keep an eye on the kinds and numbers of