

Railway Act

We have been told that the Government's purpose in introducing this legislation is to reduce the deficit. Let us be very clear. The amounts of money that are expected to be collected are certainly not going to do very much about reducing the deficit. It is estimated that it would take \$6 million per year to recover the costs of regulation of telecommunications.

Let us be very clear from the beginning that the Government is not reducing the deficit. It is attempting to reduce the rate of increase in the deficit but the deficit itself is still accumulating. We have an enormous accumulated deficit which is still increasing.

If we want to talk about decreasing the deficit, we should look to the example of the Tommy Douglas Government in Saskatchewan. That CCF Government actually decreased the deficit which had been accumulated by previous Liberal Governments. At the same time, that Government spent the taxpayers' money so wisely that it pioneered the social programs of Canada. This Bill is not in the same league as legislation by Tommy Douglas and the CCF/NDP, I am very sorry to say.

This Government wants to reduce the increase in the deficit and do it by collecting fees from the telecommunications industry through the CRTC. The principle of cost recovery itself is a reasonable one. It is employed in other industries. For example, farmers who benefit from the regulation of farm marketing products pay for this service. That is certainly fair and I believe the model we have here is appropriate as well. I do not object to the principle of cost recovery in the Bill, but I certainly do have a number of reservations about it.

We have seen a very bad example of cost recovery in the Forget inquiry. The unemployed are expected to bear the costs of a \$6-million inquiry. Rather than having the Government take the cost of this inquiry from general revenues, it is coming out of the Unemployment Insurance Fund. That is a most inappropriate example of user-pay.

In principle, user-pay in this Bill is all right. However, let us be clear. This is an industry that makes a great deal of money. If the Government really wanted to tackle the deficit, it would look far more broadly to corporate taxation. The Parliamentary Secretary said that the way to attack the deficit is by cleaning up the public sector. I think the way to attack the deficit is by collecting taxes from those who can pay them. There are 79,000 wealthy corporations that show profits but do not pay a dime in taxes. If we were really serious about deficit reduction and about fairness, we would be going after those corporations and not after telephone subscribers.

If the CRTC is correct, it would take about \$6 million to recover these costs. The CRTC is already making its so-called profit by collecting from the broadcasting sector. It takes roughly \$19 million to administer the broadcasting sector and the CRTC collects about \$25 million per year. Collecting \$6 million from the telecommunications sector would be fair. If the broadcasting sector is paying for its regulatory fees, why

should it subsidize the telecommunications sector? However, it is true that the CRTC is collecting more money than it costs to operate. In a sense, this is a way of collecting taxes in an indirect fashion. I do not think that is a healthy thing to do.

Corporations could be paying more taxes. This \$6 million that will be received from the telecommunications industry is not a large amount of money. Bell Canada's profits alone are in the order of \$1 billion per year.

I believe the Liberal spokesperson was unduly alarmist about how these costs would be passed on to the consumers. Even if they were passed on to the consumers, the cost would be practically incalculable. Of course, there is no reason the costs should be passed on to consumers and I do not think the CRTC should permit that. That would be unreasonable. Profits in that sector are very substantial. This is a monopoly utility and there is no reason for the consumers to pay these additional costs.

The legislation is not clear about companies being assessed only what it costs to regulate them. The Government has stated that this is a cost-recovery measure, but the legislation does not say that. Perhaps the legislation should be absolutely clear on that point.

There is also provision in the legislation for retroactive collection. I do not want to be alarmist about this, because the amounts are so small relative to this industry, but the retroactive principle is not a good one. It is one at which we should certainly take a look.

I have another reservation about the requirement for Treasury Board approval. According to the Bill, the CRTC may make regulations imposing fees, levies or charges subject to the approval of the Treasury Board. What should the role of the Treasury Board be? If we believe that the CRTC should be at arm's length, why should the Treasury Board be active in this capacity?

Why should the legislation not be absolutely clear as to how much will be collected, not in terms of dollar amounts but in terms of the criteria by which it would be collected? The legislation is not clear about whether or not this collection is, strictly speaking, cost recovery. In the case of broadcasting, it is not simply cost recovery but is actually profit making. It is ironic that the CRTC makes a profit from the broadcasting sector. The CRTC does not earn its pay from the public purse because it regulates the broadcasting sector so very poorly. It has let down the public on matters like portrayal of women, Canadian content and the creation of jobs for Canadian playwrights, writers, actors and the like.

In the case of the telecommunications sector, Bill C-4 is very well timed. It is being brought in at a time when the CRTC has just come up with an excellent decision regarding the telecommunications industry. All of Canada is pleased to see that the public interest and consumers are being served by this decision. The CRTC has actually done a good job, yet it is a job on which it has not made a dime. It does, however, make