

Bell Canada Act

cent of Bell Canada, would be in a position to exert tremendous influence on the operations of the telephone company. I suggest that Canadians would not want a foreign company to control up to 20 per cent of Bell Canada without at least a review by the CRTC. If this existed, could our telephone operations be in jeopardy with 20 per cent foreign ownership? Foreign ownership may affect subscribers' rates because 20 per cent ownership of the shares in some companies today is enough to take control of the company.

We must ensure that if a foreign company owns a percentage of Bell Canada it cannot eventually take it over against our best interests.

Canadians presently own 98 per cent. We have recommended 90 per cent control, so that after the sale of 10 per cent of the shares, the CRTC would be allowed to scrutinize the transaction.

We continue to recommend the 90 per cent ownership for a number of reasons. First, other legislation such as the Bank Act applies this 10 per cent figure and does not allow for more than 10 per cent foreign ownership of the banks in Canada. If 10 per cent is the limit for the Canadian chartered banks, should it not be the same for our telecommunications industry?

Second, 10 per cent is a large shareholding and should at least attract CRTC scrutiny. This does not mean that we want the CRTC to block every sale, but it should, as a representative of the public, have the right to scrutinize and protest, then to nullify if the ownership goes beyond 10 per cent.

The Acting Speaker (Mr. Charest): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Charest): The question is on Motion No. 9 standing in the name of the Hon. Member for Mount Royal (Mrs. Finestone). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Charest): All those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mrs. Sheila Finestone (Mount Royal) moved:

Motion No. 10

That Bill C-19, be amended in Clause 12 by adding immediately after line 39 at page 4 the following:

"(2) The CRTC may, of its own motion or on any matter before the Commission, examine the dividends paid, or proposed to be paid, by Bell Canada to Bell Canada Enterprises, as well as any loans, royalties, contracts, management fees, or other inter-corporate transactions and, if the Commission finds that any of these has resulted in, or is likely to result in, rates to customers of Bell Canada which are not reasonable and just, the Commission may set aside such transaction in whole or in part and may make such other order as it deems necessary to compensate or protect customers of Bell Canada."

She said: Mr. Speaker, we are concerned about the impact that Clause 12 will have on the subscribers. Clause 12, a key clause of the Bill, provides for access to information so that the CRTC can make an intelligent judgment on the rates that it will have to charge with respect to the company. This is a key amendment to the Bill because the commission cannot be expected to make an enlightened decision if it does not have the information in the proper form that it requires.

This clause was the subject of a great deal of discussion during the investigative period between 1983 and 1984. The CRTC has said that lack of access to information on the new corporate organization, Bell Canada Enterprises, impairs the ability of the Commission to carry out its mandate and ensure that inter-corporate transactions do not have a negative impact on Bell Canada, which would then have an impact on subscribers' rates and the increases.

While Bell Canada Enterprises and Bell Canada do not particularly support my amendment, I believe it is in the best interests of the subscribers and the consumers, who include Canadians at all levels. Bell Canada's assurances that this would not impair the commission's control over the regulated company's telephone rates are based only on the CRTC's ability to examine transactions between the company and its subsidiaries as well as dealings with corporations outside of the Bell group.

The NAPO group is very concerned about this transaction. The commission's basic power would be eroded if it could not investigate fully and make an informed decision on the basis of organized information.

It is difficult for us to imagine that Bell Canada Enterprises would not co-operate with its subsidiaries or affiliates that do business with Bell Canada. Bell Canada is one of the finest affiliates in Bell Canada Enterprises' list of companies. Therefore, one would expect that we would send Bell Canada's experts to Saudi Arabia and eventually to Japan and China to set up a telephone system. We will want to send it through our Bell Canada, one of the finest of the affiliates found in the Bell Canada Enterprises list of companies.