

Business of the House

● (1750)

How many employees were there in each of these companies before Bell took them over and how many employees are there now? I think that we will find that while these acquisitions may bring substantial benefits to the officers and shareholders of Bell, they bring very little benefit, if any, to Canadians. They usually lead to the retention of less employees.

Bell has a good record of research efforts, in particular by Northern Telecom. We should ask Bell how much money was allocated by each of these companies for research and development before the takeover and how much has been allocated for it since Bell took them over. We ought to ask if there has been any reduction in the cost of production. In other words, did the acquisition make these companies more efficient and competitive? We are told every day of the week that we must become more efficient and competitive. We should ask whether there were any reductions in the cost to the consumer as a result of the takeover. These are all questions which we ought to ask because Bell has reached its present position and made its profits because of the money it received from the subscribers in Ontario, Quebec and the Northwest Territories.

Let us examine one of the companies in order to answer, at least in a small way, some of the questions which must be answered. In many ways Northern Telecom is a fine company. It probably puts as much effort into research and development as does any company in the country. It has grown rapidly as have its profits. I want Members of Parliament to consider that from 1976 to 1980 employment by Northern Telecom in Canada dropped but employment by a Northern Telecom subsidiary in the United States grew from 3,000 to almost 19,000.

Bell Canada received very substantial grants for its research programs. We recognize the tremendous improvements it has been able to make. However, what benefit is there for the people of Canada if the workforce of Northern Telecom increases in the United States, Great Britain and Turkey? Through the tax system and subscription charges the people of Canada have enabled Bell Canada to grow. I say that the people of Canada should benefit rather than only the shareholders of Bell Canada.

I would like to point out another thing which bothers me about Bell. The profits of Bell grew from \$555 million in 1981 to \$829 million in 1983. That is an increase of 40 per cent in two years. However, Bell Canada did not pay any corporation taxes in those years. In fact, it has accumulated a deferred tax account of \$1.5 billion.

Before we give Bell Canada the blank cheque which we will be passing this Bill we ought to be able to ask it a host of questions. Before we permit this Bill to receive third reading or Royal Assent, the New Democratic Party will insist that Bell Canada answer a lot of questions. We will insist that Bell Canada come clean and show us that the people of Canada will benefit from this rather than only the shareholders of Bell Canada.

Ms. McDonald: Mr. Speaker, I would like to address a couple of questions to the Member for Winnipeg North (Mr. Orlikow) who has a longstanding interest in this subject and worked on the previous Bill C-19. He will have noted that there is very little difference between that Bill and the present Bill C-13.

In his remarks the Member made a number of comparisons between CPR and Bell Canada and spent quite a bit of time discussing the effect of the recent employment trends within a Bell Canada subsidiary and the effect on Canadian research and development.

Would the Member now give us his views on what the effect of this reorganization will be on workers in the telephone industry and on consumers?

Mr. Orlikow: Mr. Speaker, we know what is happening in the telecommunications industry. For quite a number of years we have seen, at an accelerating pace, automation, computerization and mechanization. Work which was previously done by thousands of workers is now done by very few. When one phones Information for a number in most cities of the United States, you get a recording rather than an operator looking for the number because the whole system has been automated. Therefore, there will be many less workers than before. That is a problem facing all workers in the telecommunications industry as well as in many other industries.

With regard to the subscribers, if Bell can hive off more and more of the companies which it controls which are not in the telecommunications area, there will be no regulatory agency which will have authority to monitor the profits made by those companies. The regulatory agency will be restricted to the telecommunications business. I have already mentioned the CPR as a classic example of how a company can, through creative auditing, ensure that the consumer pays through the nose while the company laughs all the way to the bank with the profits it makes from the companies it has acquired which are non-regulated.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, for the benefit of the House I wish to point out that in the event that Bill C-13 is passed before six o'clock, tomorrow we will start with Bill C-14. However, in the event that Bill C-13 does not pass the House before six o'clock, we will carry on debate with Bill C-13 tomorrow and then go to Bill C-14.