

Private Bills

[Translation]

Mr. Plourde: Mr. Chairman, we are dealing once again today with the notorious Bill S-27 providing for an increase from 15 to 20 in the number of directors of the Bell Telephone Company of Canada.

An amendment was moved providing that five directors should represent various groups, namely the federal government, the province, the municipalities and the last two, various organizations that have a certain importance and can exercise an influence on the general public so that the company would not set up all alone the rates to be charged to the customers.

It is generally realized that the rates charged by the Bell Telephone Company of Canada are much too high, especially in the Quebec region because in the case of municipalities located ten or 15 miles away, the company has doubled its long distance rates.

In my opinion, the more customers one has, the lower rates should be. However, if you examine the company's operations, you will see that the contrary happens. Its rates increase with the number of telephones and extensions.

The speech made on October 22 by the hon. member for Halifax (Mr. Regan) contains a very important point that I should like to draw to your attention.

I shall speak right away of the ownership of Northern Electric Company by the Bell Company of Canada. It must be remembered that we are not speaking merely of a telephone company but of an empire; we are speaking of an organization whose gross income amounts to \$471 million a year. This company has gained so much importance that it is more powerful than many governments in the world today. Its services should at all times be carefully controlled.

As for the subsidiary of the Bell Telephone Company of Canada, namely the Northern Electric Company, other members have pointed out that the Bell Telephone Company of Canada owns all the shares of the Northern Electric Company as the result of an interpretation of the clause empowering the company to be a shareholder or to conclude agreements with other companies doing business in the telephone field.

The fact that the Northern Electric Company has a short telephone line in the city of Montreal was used by the Bell Telephone Company of Canada as a pretext to take over that giant Northern Electric Company which provides the Bell Telephone Company with

[Mr. Cowan.]

all the wires, cables and other fittings it requires.

I am not necessarily scandalized by the fact that the Bell Telephone Company produces the cables and wires it needs. But it must not be forgotten that the Northern Electric Company is not satisfied with the large market guaranteed by the Bell Telephone monopoly, but the customers of the latter have to buy from the Northern Electric Company everything they need in that field. The Bell Telephone Company of Canada then turns to its subsidiary, the Northern Electric Company, to meet the demands of that vast market.

Northern Electric, on the other hand, competes with small Canadian companies on the everyday market by manufacturing cable, wire and other similar equipment. In my opinion, it is almost impossible for these small Canadian companies to compete with Northern Electric under the circumstances we have just described.

This famous Bill S-27, in my opinion should not have been taken up today; if the Conservatives had continued their filibuster with regard to the flag issue, an hour would have been saved and thus a vote could have been taken one hour earlier. But as we are now studying Bill S-27, we must talk on and on to say that we do not object so much to its object, namely to increase the number of directors on the board from 15 to 20, for this may not have much effect on their actions. But, once again, if we could have known exactly what the reason was for requesting an increase in the number of directors from 15 to 20. Is it to pay a little less income tax? Is it only that? I think that instead they should have reduced the rates to their subscribers, which in turn would have much reduced their income by that much and, consequently, their income tax would have been reduced accordingly.

One must not forget that we refer to a gross income of \$471 million a year. I believe this is a huge amount of money. Therefore, instead of arranging for the shareholders only to benefit from this large amount, the rates should have been lowered in order to give satisfaction to subscribers who are using the telephone a great deal, particularly the industries and trades of all kinds where the telephone is absolutely essential, as otherwise business would suffer. Therefore, this service is absolutely necessary.

In my opinion, the government should have an observer in that industry which has become very important, and it should appoint a rep-