

Mr. Deputy Speaker: I am not sure the hon. member is using the right procedure to intervene. He is not intervening in the form of a question but clarifying the bill on a point of order, which could be done when making a speech. In any case, we will assume it is a question and perhaps the hon. member can reply to it. The hon. member should have asked for consent of the hon. member who had the floor.

Mr. Symes: I thank the hon. member for Grenville-Carleton (Mr. Baker) for rising on that point of order. He knows as well as I the difficulty in parliament ever deciding that issue he has described. I think back to the tabling of letters patent under the Telesat Canada Act, which received absolutely no scrutiny by the House. The hon. member knows that things that are tabled often go by without the general knowledge of members of the House.

Even if it were drawn to the knowledge of members of the House, the procedure whereby the business of the House can be interrupted for debate is very complicated and difficult. It requires a certain number of members to petition for that. There is the difficulty of whether it can be done at the government's pleasure or at the time it is required, as well as the difficulty in the sense that it is an either/or proposition. You cannot make amendments. It can only be negated.

For these reasons I make the claim from the point of view of historical practice. In effect, that provision is meaningless. Technically I can see the point of the hon. member for Grenville-Carleton, but the experience here is that that procedure is not fail-safe in terms of the kind of scrutiny I would expect members of parliament to give to it.

Our fear is that if we move into the letters patent procedure it will lessen the power the House has over Bell Canada. If Bell can move into these non-telecommunications fields, it will mean, as has often happened in the past, that basic telephone service will be neglected. For example, instead of Bell putting money into improved rural service, it will begin to move its profits and investments into other companies and other areas. I maintain that would be to the detriment of basic telephone service.

I argue that we must maintain parliamentary scrutiny of the monopoly because in the past, the regulatory process has been deficient. I can speak from experience because I have intervened before the Canadian Transport Commission against rate increases for which Bell has applied. In the past the CTC has not fully examined the argument. Indeed, the CRTC, which has taken over from the CTC, has reacted to the lack of scrutiny that the CTC had and has improved some of the procedures. But in my opinion, it is still far from adequate.

Let me give the House an example of what I mean by a weak regulatory process. Bell goes before the CRTC and argues that it needs a rate increase in order to have sufficient funds to carry out its business. Bell always pleads poverty to a degree. It has always been successful in the past in getting a rate increase before the regulatory commission.

I think of one exception in recent years. That was during the minority parliament when my party held the balance of power.

Bell Canada

We were able to put pressure on the cabinet to roll back a rate increase that had been granted.

The point is that if Bell does not get its way before the regulatory group, it usually begins to threaten consumers. We have seen this. Bell says, "Because we did not get our rate increase, we are not going to be able to put in any telephone." It tries to panic its subscribers into saying the government or the CRTC was wrong in not allowing some of its demands.

Bell is not a poor company. It had a net income in 1976 of \$289,712,000. It also had deferred taxes, as of 1976, of \$719 million. That in effect is an interest free loan to Bell, but it has never been taken into account by the regulatory agency when determining Bell's profitability. For that reason Bell's profitability is under-estimated. It allows the company to argue for a rate increase that the ordinary subscriber has to pay.

Nor do the regulatory agencies take into account Bell's subsidiaries when assessing its profitability. I think, for example, of Northern Telecom, a company that manufactures telephones and telephone equipment, which is 69 per cent owned by Bell. Indeed that relationship is now under investigation by the Restrictive Trade Practices Commission.

Last year Northern Telecom had total sales of \$1.112 billion. It had a net profit after taxes of \$77.1 million. It is a very profitable company, which is owned by Bell to a large degree. But the CRTC, when it assesses Bell's profitability, does not take into account the profitability of the subsidiaries which Bell owns. If it did, it would lessen the weight of the argument that Bell always makes in favour of a rate increase and subscribers would, of course, benefit from lower rates. Northern Telecommunications is so profitable and strong that I find it hard to believe they have laid off a thousand workers in the past few months despite the \$3 million in tax concessions announced in the last budget. We are arguing that its profitability be assessed.

● (1742)

I believe the bill as it is now ought not to be accepted. As members of parliament we have the right to scrutinize this monopoly and I want the right to be able to raise the issues I have described. Bill C-1001 would deny me that right. I want Bell to be held accountable for the fact that it has supplied over 21,000 of its employees with free telephones at a cost of some \$2.7 million while telling me, as a member of parliament, that it cannot afford to provide basic telephone service to 13 families along the Searchmount road to Sault Ste. Marie.

I want Bell to explain to me why its 32 executive officers received, in 1975, an average salary of \$102,000 at a cost of \$2.5 million, and that in 1976, under the anti-inflation program, they were able to get an average salary increase of \$20,000, while at the same time the company used the AIB to roll back the wage settlements of its ordinary workers by some \$28 million.

Goings-on of that kind need scrutiny and explanation because they relate to the telephone service and the rates which are charged. Those issues will not be raised by members