

The Bell Canada group of companies forms a vital part of the telecommunication sector in Canada. While Bell Canada is most readily identified with the provision of telephone services in Ontario and Quebec, the Bell group is also involved in many other activities. Therefore, this most major corporate reorganization of this important group of companies is obviously of great interest to the Government.

At that time Mr. Fox pointed out that the proposed reorganization had raised questions and concerns regarding the impact on Bell's subscribers and on the ability of the CRTC to continue to regulate Bell's monopoly in the provision of telecommunication services. That refers to our telephones in particular. He added that the Government must be satisfied that the reorganization was in the over-all public interest. It was in the over-all public interest that I put forward an amendment, and I will come back to that in a moment because I personally believe it is not in the over-all public interest to have rejected that amendment.

The CRTC held its hearings in February of 1983 and many points of view were expressed on the issue. On the basis of briefs and recommendations submitted to it, and on the basis of its own study of the matter, the CRTC made its recommendations on April 18, 1983. It recommended that the proposed reorganization be implemented on condition that certain legislative provisions be adopted to strengthen and clarify the CRTC's powers over Bell Canada and its affiliates, thereby protecting the interests of the subscriber. That is the bottom line, protecting the interests of the subscriber.

On April 23, 1983, the Liberal Government announced its intention to study the CRTC recommendations and draft the necessary legislative provisions to protect the interests of Bell Canada's customers. We had first reading of Bill C-20 on February 8, 1984. It was an omnibus Bill which covered a number of other issues.

● (1640)

The Bill we are speaking to today, Bill C-13, has some of the legislative provisions initially recommended by the previous Liberal Government. It should be noted, however, that the present Government has introduced some changes which I do not think are in the public interest. The Government says that the purpose of Bill C-13 is not to increase the regulatory powers of the CRTC but to recapture the powers lost due to the reorganization of Bell Canada.

I am not going to go into detail on Clause 6(2)(c) with which I was not particularly pleased which relates to telephone subscribers paying in advance. Suffice it to say that I think that whole clause should have been dropped. The matter is in the hands of the CRTC and has been dealt with in a series of regulations which I think are quite clear. I doubt that we need that regulation. Nonetheless, it is there and I will not argue with it.

Bell Canada Act

I remember questioning the Minister of Communications (Miss MacDonald) with regard to the regulation about payment six months in advance. The Minister said:

[*Translation*]

"I have gone through a whole scenario on that, which I do not care to bore you with again. However, the CRTC brought to our attention at the hearing the other day that they are already regulating the amount of the advance payment. They passed a regulation that does not require a six-month advance payment.

Do you or the deputy minister believe there is any reason to keep paragraph 6(2)(c) from the bill and leave it up to the CRTC? They have already issued that regulation."

I'm sorry, this was my question to the Minister, not the Minister's answer. The Minister answered that she felt it made sense to leave it as is, so I thought it would not be very useful to argue that point and that it would be better to focus on Clause 7. I still think we should have been more careful about Clause 7.

[*English*]

With respect, the commission had strongly recommended on three different occasions that we prohibit Bell Canada and all members of the Bell group from applying for or holding a broadcasting licence. I mentioned that 60.7 per cent of all the telephone lines in Canada are held by Bell Canada. What better way to indicate one's intention and wishes than to have dealt with Bell Canada and the potential conflict of interest, the potential conflict of control over content and carriage, and the potential of common ownership and control with one company controlling both ends of the stick, telephone on one side, cable on the other. It seems to me that that is where we should have put some energy, closed the gap, and indicated directly to the telephone company.

I find that the Minister's failure to have issued a directive under Section 22 as an Order in Council directive is an abrogation of her responsibility to indicate the pleasure of the Crown in this instance.

[*Translation*]

As the Minister said, "Generally I do not favour telephone company investment in broadcast undertakings, whether directly or through affiliated companies. Yesterday I had the opportunity to speak to the CCA in Montreal. I said at that time that with the advent of optical fibre in the local distribution network, which is expected in the next 20 years, the phone companies will have the capacity to carry television signals to the home. We are not against this development. We are concerned, however, that the entity licence to carry these signals remain amenable to broadcasting regulations."

"In our view, cable television undertakings should continue to be licensed for this purpose and not the telephone companies. We will be diligent about ensuring that broadcasting receiving undertakings are not taken over by telephone companies."