

The Address—Mr. Grier

Mr. Grier: I may say in passing, Mr. Speaker, that I for one tend to be sceptical of the recent trend toward consumerism which is so evident in today's advertising and so much part of the public relations façade of contemporary industry. I am sceptical that it is as much as anything else an effort to lull the public into a sense of security that something substantial is being done to preserve their equity in the market place, without taking any real steps to solve the problem.

Also in passing, Mr. Speaker, I have some hesitation about the concept of wage-price freezes because, neophyte as I may be in the science of economics, it does not seem to me that wages and prices are comparable elements in the economics equation. Wages are the return to labour and profit is the return to capital and investment, and price is the mechanism by which these two returns are achieved. Therefore, I would suggest that if we are going to talk about wage freezes and wage controls we must talk also of profit freezes and profit controls.

Some hon. Members: Hear, hear!

Mr. Grier: These are the analogous, the comparable elements in the economics equation, and the price mechanism is simply the framework within which they are achieved.

When I talk of prices, Mr. Speaker, I think of the symbolic significance of the recent application by Bell Canada before the Canadian Transport Commission for rate increases. It seems to me, in a time of expressed concern about rising prices, that it is somehow curious that this government should take such a laissez-faire attitude toward the application by Bell.

Some hon. Members: Hear, hear!

Mr. Grier: The burden of Bell's application appears to be that it requires equity capital and that it faces a lack of investor confidence. If it raises its rates, as it is seeking to do across the board, it will presumably ensure higher earnings and provide a greater attraction to investors. The effect of this, however, will be that consumers will pay more; they will subsidize Bell's profits and reward Bell's investors. Of course, the double irony is that having achieved, if they do so, the rate increase for 1973, Bell will within a matter of months turn around and submit another application for a rate increase for 1974—the so-called application "B". The effect of Bell's "A" plus "B" theorem—

Some hon. Members: Hear, hear!

Mr. Grier: —will be a 100 per cent increase in most general service charges, 100 per cent in pay telephone calls, and residential phone tariffs will increase by around 50 cents a month, just to take some examples from the various applications submitted by that corporation. Yet Bell's last increase was awarded in the spring of 1972 and we appear to be on the verge of an annual affair between Bell Canada and the Canadian Transport Commission. Bell complains about cost squeezes and lack of investor confidence, but I draw to the attention of this House that the figures show that Bell's profits in 1971 were upward of \$140 million, up from \$108 million in 1967. In the last ten

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years, total profits were over \$1 billion, and between 1962 and last year they had increased by 125 per cent.

Bell Canada ranks number one among Canadian corporations in terms of assets and in terms of net income; third in rank by sales. It has often exceeded the earnings ceiling laid down by the commission and has done so without penalty. Its earnings per share rose 26 per cent in the five-year period from 1966, and two of its subsidiaries received close to \$9 million in the fiscal year 1971-72 by way of federal government grants.

Bell has a lot to say about equity. Mr. Speaker, what about equity for the consumer? Equity is another word for fairness. I suggest that the commission and this government must be more concerned about equity for the Canadian taxpayer and the Canadian consumer than they are about equity for Bell Canada. If the public is going to subsidize Bell's operations in this way, I suggest the public is entitled to equity in return.

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I therefore call on the government, as I have in questions in days gone by, first to join with the provinces of Ontario and Quebec in opposing Bell's application for a rate increase. The Minister of Communications (Mr. Pelletier) indicated in a reply to a question last week that he could conceive of certain times and circumstances in which it would be appropriate for the government to make a statement about this application. I suggest the time is now and that the circumstances are appropriate.

I also call upon the government to insist that the CTC hold hearings in centres other than the city of Ottawa. Many individuals and groups, including municipalities, have indicated that problems of distance, time and expense prevent their coming to Ottawa and following up any written briefs they may have by appearing in person before the commission. In a matter of this magnitude, affecting one of the largest corporations in Canada and Canadian consumers, it does not seem to me inappropriate to suggest that the committee should take itself out of Ottawa to other centres of the country and make it more convenient for people to appear before it, thus demonstrating to the people that it is indeed concerned that their voice shall be heard to the fullest extent.

Moreover, I suggest that if Bell's problem is a valid one, and if in fact Bell must have more capital in order to carry on its operation, then in consideration for the public supplying this capital the public should be entitled, through the public sector and this government, to some equity ownership in Bell.

This search for fairness is not over. It is going on now in the country and I think it is going on now in this House. I sense that a politically divided House, as this is, reflects a politically divided country—and both require a generous measure of co-operation. Yet I am bound to say, with some regret, that hon. members to my right are acting as if this were a majority parliament and as if criticism and gamesmanship could be carried on without fear of the consequences and without particular concern for the anxieties of many Canadians who expressed those anxieties during the election campaign. This gamesmanship and this political manoeuvring, to me, belies their expressed concern for people's problems. For all their criticism of