

Bell Canada

Mr. Nystrom: I have no shares in Bell Canada. I have one share in SASK TEL because I am a resident of that province. Just like every other resident of that province, I have one share, and I am very proud of that. We also own a lot of potash in Saskatchewan, and we are likely to be owning a lot more in the future.

Mr. Paproski: The potash industry is another cartel.

Mr. Nystrom: Even if it is a cartel, it is a cartel on behalf of the people of that province. It returns all the profits to the people of that province and does not drain all of the profits out of the province and into other countries. I seem to be annoying hon. members by getting to some of the bare facts.

To return to the list, another Tory grandmother is Canadian General Life Equity which has 1,000 common shares. There is also Canadian International Investor Trust which has 12,000 common shares—

The Acting Speaker (Mr. Turner): Order, please. I regret to inform the hon. member that his allotted time has expired. He may continue with the unanimous consent of the House. Does the hon. member have unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

• (1750)

Mr. Cyril Symes (Sault Ste. Marie): Mr. Speaker, I know the hon. member for Yorkton-Melville (Mr. Nystrom) was cut off in mid flight while listing these "little people" who own Bell Canada, and I am positive he would want to make sure that a few other examples go on the record. He has a list of 76 various large shareholders of Bell Canada and he got down to No. 11. I too am somewhat limited by time; I only have 20 minutes. I imagine I could fill my 20 minutes reading the list of shareholders and still be able to pass it on to another member. I will not do that other than to point out a few examples from the list to puncture the myth that it is the little people who own Bell.

We have, for example, Eaton Commonwealth Investment Fund owning 50,000 common shares, or Confederation Life owning 63,400, and Investors Growth owning 320,000 preferred shares. It ranges from that figure of 320,000 shares down to around 300 shares. That is an example of the kind of ownership that exists in this company. It leads one to question whether the company really is serving the interests of the individual subscriber, the little person as he is called by Bell, or whether Bell is serving some important or powerful corporate companies.

I want to move on to discuss why we take particular exception to this bill on Bell Canada, a bill which originated in the Senate and which only had a very cursory examination. For that reason, and because we feel that Bell does affect hundreds of thousands of subscribers in various parts of Canada it is important that we give it a close scrutiny to see

what the company is up to, and to ensure that the bill is amended so that the subscribers are protected.

What the bill tends to do is to allow Bell to be treated like any other corporation in the matter of raising capital. It wants to change some of the regulations by which Bell has been governed up to now. But we in the NDP argue that you cannot treat Bell Canada like any other company, that because it is a monopoly it has a unique position in the country, it is a very powerful company, it does not have a competitor in certain provinces, and therefore it has to come under government regulation.

What we object to is the way in which Bell Canada, since its incorporation, has attempted to circumvent government regulation, that is to say regulation by the elected representatives of the people or the agencies which they appoint.

I would like to zero in on just a couple of areas to show why we need more regulation of Bell Canada rather than less, as this bill attempts to do. We find that Bell, by having subsidiary companies, has attempted to circumvent some of the original legislation governing the operation of Bell Canada, legislation which limited Bell to operate in the field of telecommunications. What we find is that Bell, through its subsidiaries, the companies in which it owns controlling interest, has been trying to increase investment in areas not related to communications. Through the use of subsidiaries Bell has been trying to increase its investment and its other costs in order to inflate its rate base and justify increased costs to subscribers, while at the same time shifting their profitable operations to their subsidiaries which are not regulated by any government agency. In other words, I submit that Bell is trying to circumvent the intent of parliament. Therefore we object strenuously to this bill because it is just one more in a series of attempts by Bell to bypass regulations.

Let us look at the way Bell tries to circumvent regulations. Let us look, for example, at its largest subsidiary called Northern Telecom, formerly known as Northern Electric. This company manufactures telephone receivers and related equipment. We should note that Bell originally manufactured this equipment itself, but eventually it changed over to having Northern Telecom do it.

Northern Telecom is a wholly owned subsidiary of Bell. What it has been able to do is to capture the market on telephone manufacturing and to become a profitable branch of Bell Canada. But when the government agency, formerly the Canadian Transport Commission now the Canadian Radio-Television Commission, goes about regulating Bell and determining whether subscribers' telephone rates should go up or not, the regulatory agency never takes into account the profitability of Bell's subsidiaries. This has always been a shortcoming in the past.

I have appeared before CTC hearings in the past and argued that you have to look at the total profitability of the company in determining rates. That has not been done in the past, and as a result Bell can argue that its costs have been going up and therefore subscribers have to pay higher telephone charges. But when we look at Bell's profitability through its subsidiar-