

Bell Canada

powers. This would be achieved by revoking the relevant clauses in Bell's act of incorporation and replacing them with the authority granted under the Canada Corporations Act, and the authority for using letters patent as outlined in the Telesat Canada Act. Bell wants to be allowed to change the rate of interest payable on overdue phone bills to "a rate equal to the prime rate as described in section 178(2) of the Canada Corporations Act" instead of the present rate allowed by the CRTC of 6 per cent. These changes might not seem very startling or significant. However, the essence of the bill is to remove Bell from any kind of effective regulation and, in effect, to treat Bell as an ordinary corporate citizen.

Let us look at what happens now when Bell wants the kind of major change it is proposing here in this bill. The bill has to be approved by parliament first, and I would have hoped hon. members from Ontario and Quebec, whose constituents are mainly affected by anything Bell does, would have been participating in this debate because of the importance of the telephone system in the life of every citizen in Ontario and Quebec. In addition to that, after the bill is passed here it goes to a committee where representations can be made by interested organizations.

We know from earlier discussions on similar bills and from representations which have been made to the CRTC—and before the CRTC had authority, to the Canadian Transport Commission—that the most diverse organizations made representations in connection with Bell Canada. You had unions, consumer organizations, the Ontario government, the Quebec government, municipal governments, making representations to the CTC or CRTC because they knew the importance of watching Bell Telephone. They knew that Bell—I do not blame it—a privately owned corporation, is interested in making as much money as it can. The various organizations I have mentioned knew that increasing the rates more than they needed to be increased would dearly cost the people they represented, so they made representations on behalf of them.

● (1752)

The silence of Liberal and Conservative members of parliament from Ontario and Quebec is interesting and significant. The changes which are proposed to take place in the Bell structure and the ability of Bell to do what it wants which are contained in this bill, may not seem startling or significant. But the effect of this bill would be to remove Bell from any kind of effective regulation and treat it as an ordinary corporate citizen.

I suggest to the mover of this motion that one does not have to be a socialist to recognize the importance of regulating a system such as Bell Telephone. Bell is a monopoly; it has almost 100 per cent of the telephone communications business in Ontario and Quebec. Bell did not always have this monopoly, but because of its superior power it has driven all its competitors out of business. We say that if we must have a

monopoly—and we make no excuse for our belief, if a monopoly is the best way to operate a service—it is much better to have a public monopoly than a private one.

It is interesting that in the province of Ontario and in the province of Quebec, neither of which has ever had an NDP or CCF government, the electrical power systems are publicly owned. The hydro system in Ontario was made a public utility by a Conservative government almost at the same time Mr. Roblin made a public utility out of the Manitoba telephone system. The Quebec hydro electric system was made a public utility by a Liberal government in 1962 because it realized, as have many jurisdictions, that if a monopoly is the most efficient way of providing a service, a publicly owned monopoly is best.

We have a privately owned monopoly of the telephone system in Ontario and Quebec. What this bill proposes to do is give that private monopoly the kind of power that would permit and encourage it to increase its rates, to manipulate the books, to purchase more subsidiaries, to channel more of the profits from the subscribers even where the rates are at least partially regulated by the CTC or CRTC, into subsidiaries, wholly or mainly owned by Bell, over which there is no regulation, and which are able to amass profits in the tens and hundreds of millions of dollars.

Bell wants to be able to increase capitalization of its debt or equity when it pleases, without approval of the CRTC or a public hearing. I do not have much trust in Bell, Mr. Speaker. I do not believe it is concerned about its subscribers or its employees.

I have in front of me an article in which Mr. Andy Stewart, President of the Public Service Alliance of Canada, is quoted. The article from *The Last Post* of November, 1977, deals with the question of indexing pensions. I know this is not the time to discuss that question but I should like to put Mr. Stewart's comments on the record. The article reports him as follows:

When the chief executive officer of Bell Canada retired, Stewart said, he received a lump sum payment of \$575,000, was made a member of the board of directors at \$201,000 a year and was guaranteed a \$100,000-a-year pension when he fully retired.

I know Bell Canada knows how to protect the interests of its shareholders, and certainly the interests of its corporate management, but I do not think it is very interested in providing the cheapest possible service for its subscribers. The way in which it has reduced the number of its employees so drastically in the last few years indicates pretty clearly that it is not interested in protecting the rights of its employees.

The Acting Speaker (Mr. Ethier): Order, please. It being six o'clock, pursuant to order made Thursday, October 27, 1977, this House stands adjourned until Monday, November 14, 1977, at two o'clock.

At six o'clock the House adjourned, without question put, pursuant to special order.