

Bell Canada Act

that way the subscribers can be assured that the telephone system will remain accessible and affordable, and the people who manage the company will have as their prime concern the interests of telephone subscribers across this land. Given the kind of approach being taken in this Bill, however, I have very serious reservations about whether or not that can come about.

Clause 11 of this Bill as it now stands provides that if Bell Canada Enterprises attempts to sell off more than 20 per cent of the voting shares in Bell Canada, the CRTC then has the right to give or withhold approval of the sale. The intention is really to prevent someone or some corporation acquiring control of Bell Canada without having the CRTC authorize the transaction. I support that intention.

The purpose of my amendment is to ensure that the Bill achieves its professed objective by requiring CRTC approval prior to any takeover of Bell Canada. The Bill the Government is now proposing fails to achieve that objective.

Let me use an example to make the point clear. Let us assume that a brewing company, be it Canadian or American, wanted to buy control of Bell Canada in order to get into the profitable telephone business. There are two ways a brewery could take control. It could approach Bell Canada Enterprises directly and purchase enough shares to acquire control. Since the shares of Bell Canada are not traded on any stock exchange but are held by Bell Canada Enterprises, that is the most direct way to acquire control. Such an attempt would be caught by Clause 11 of this Bill as it now stands and CRTC approval would be required.

The second way they could acquire control of Bell Canada is a much more indirect method, that of attempting to acquire control of Bell Canada Enterprises itself. As ludicrous as it may seem, a corporate takeover attempt involving \$1 billion is not unheard of these days. There are those who like to scoff at any suggestion that a huge company like Bell Canada Enterprises could be taken over. Yet there was that article in *The Globe and Mail* two weeks ago which showed how a group of Canadian stockbrokers were attempting to acquire enough Bell Canada Enterprises shares to control the company. Since those shares are so widely held it may be possible to take control by acquiring only 25 per cent of the outstanding shares. I am not trying to knock the brewing industry. It was used as an example only. I might have said a soft drink company, or any one of any other kinds of corporation, but for our edification let us continue with this brewery company. If it could acquire control of BCE by purchasing enough BCE shares on the stock market the brewery would then be in a position to control Bell Canada itself. Do we really want a brewery to be running a critical utility like Bell Canada? Perhaps yes, perhaps no. We would certainly want the CRTC, the expert in the field, to scrutinize the deal.

• (1330)

If you do not adopt my new amendment to Clause 11(2).1, or if it is not passed, the CRTC will have no right to withhold its approval to the brewery take-over of BCE or to holders of

those stocks under McLeod, Young, Weir. Even though the brewery would have acquired the shares, it would in the process have acquired control of Bell Canada. If the Government is really serious about insisting on CRTC approval for anyone who wishes to take control of Bell Canada, then the Government should give full support to my amendment.

My amendment provides that even an indirect attempt to acquire control of Bell Canada would be subject to prior approval. The complaint that we would be interfering in the affairs of that company I do not think is valid, but the interests of the subscribers and of our telephone company would be protected.

There are two areas where I think it is very vital to control not only what happens to Bell Canada shares, but also what happens to Bell Canada Enterprise shares. There too is the potential for take-over and the impact on what is a specially regulated monopoly here in Canada providing an essential service to all Canadians that we want to have accessible and affordable across this land. In no way do we want anyone to jeopardize that kind of service. We are not in the business of deregulating the telephone company. We are not in the business of removing that monopoly. We are in the business of protecting the consumer from any kind of unnecessary interference in their rights as subscribers here in Canada.

[Translation]

Hon. André Ouellet (Papineau): Mr. Speaker, I want to support the motion of my colleague from Mount Royal (Mrs. Finestone) and take this opportunity to commend the Hon. Member for her outstanding performance during the exhaustive study of this Bill. I think the Hon. Member displayed her deep sense of wisdom and concern throughout all proceedings related to this very important piece of legislation which will have an impact on one of Canada's major corporations, Bell Canada.

Not only did the Hon. Member for Mount Royal take part in the second reading debate on this Bill, but she was also very active in committee where she moved a series of amendments which showed her great interest in this matter as well as her dedication to safeguard the interests of Canada, and more particularly the interests of telephone subscribers and Canadian consumers.

These report stage amendments are quite relevant as well and I hope that when we vote on some of them next week the Government will see fit to accept certain amendments proposed by the Hon. Member for Mount Royal. Indeed the Hon. Member has indicated in her remarks that the situation might become tragic in the future if foreigners were to buy a majority interest in the Bell Canada parent company and indirectly gain control over this country's telephone system.

In my judgment, this would be most regrettable and go far beyond the intentions of Canadian Parliament which gave Bell Canada a monopoly to be exercised by Canadians and for Canadians.