

Government Orders

sources and the immediate need of addressing physical obsolescence in plants and equipment across the country.

Although the CBC can currently request an advance from the government this can be obtained only in exceptional circumstances.

The present situation is inadequate for two reasons. Requests must be evaluated in competition with other government priorities and the outcome of a request is directly dependent on the availability of operational reserves.

An obvious example of how this initiative could generate operational savings would be the purchase of capital equipment to replace leased equipment.

The operational savings would first serve to repay the capital investment over a period of three to four years and then further be applied against the corporation's operational shortfall. The authority to borrow would also facilitate the corporation's undertaking of large scale initiatives that further the achievement of the CBC's mandate and yield significant returns for a relatively small investment.

● (1635)

A good example of an initiative of this magnitude is the recent arrangement reached by the CBC to establish its owned and operated station in New Brunswick. If the CBC had taken out a loan of \$9.5 million for the purchase of the station, the advertising revenues from this new station would have allowed the CBC to repay the loan over a shorter timeframe than the life of the current agreement. The ability to borrow would have improved the CBC's financial position over the term of the agreement by over \$3 million.

At this juncture I would like to assure the House that under no circumstances would the CBC be permitted to use these borrowed funds to address an operational shortfall and thereby operate on deficit financing. The CBC would be responsible for raising all the borrowed funds and ensuring that all procedures are followed in full compliance with the guidelines for market borrowings by crown corporations issued by the Department of Finance. The cash flows from the projects in question would remain with the CBC with their first priority being to service the debt.

The CBC's borrowing ceiling would be \$25 million. A memorandum of understanding between the CBC and the Department of Finance would set out the terms and conditions governing the borrowing authority. Foremost among these conditions is that the CBC would require the approval of the Minister of Finance for each case in which borrowed funds were required.

In my opinion granting this long standing request for the borrowing authority is an important initiative in fostering the business like flexibility that is required for a \$1 billion corporation with commercial objectives like the CBC.

No other corporation operating such a large enterprise would wish to operate without at least some such ability to borrow for viable investment opportunities.

[*Translation*]

The government and the CBC have taken a joint approach to resolving the corporation's problems. In addition to these measures, the minister has resolved to consult with his Cabinet colleagues, with other broadcasting industry stakeholders and with the corporation itself with a view to finding other ways of generating revenues in the public broadcasting field which would reduce the CBC's dependence on advertising revenues.

For its part, the CBC is expected to eliminate structural deficits and to absorb inflation costs as well as operating costs.

Mindful of the unique and highly enviable reputation enjoyed by the CBC's radio broadcasting services as well as the vital role that regional services play in helping the corporation serve the regions and introduce them to audiences nationwide, we have asked that current radio services and a regional presence be maintained.

The challenge is formidable. The move to grant the CBC limited borrowing authority will be one important component of the new strategy which the corporation will need to embrace if it is to meet the challenge.

Clearly, what we want is a renewed CBC.

Canada needs an effective public broadcaster as a front-line weapon in the battle to defend our cultural sovereignty against the influences of globalization.

To wage this battle effectively, the CBC must do the following: it must be the perfect reflection of regional perspectives across the network; it must help English-speaking Canadians and French-speaking Canadians gain a better understanding of the other group's culture by exposing them to programs produced by the other group; it must contribute to the common understanding of the multicultural or multiracial makeup of our population; it must adopt the strictest standards of journalistic responsibility; finally, it must co-operate with the rest of the broadcasting industry in an effort to come up with new markets for Canadian programs and sound recordings.

● (1640)

If we really want the CBC to be the typically Canadian voice that will shape our national identity in a multichannel environment, we must give it the necessary tools with which to confidently plan its future.

I call upon my hon. colleagues in the House to support the passage of Bill C-17 which, among other very commendable things, will amend the Broadcasting Act so as to grant the CBC limited borrowing authority. Recourse to this mechanism under the stringently controlled circumstances described above will