

*Government Orders*

dependence on advertising revenue calls into question the role of the CBC as public broadcaster.

Furthermore, the 1993 budget inflicted cuts totalling \$100 million, effective in 1996. The CBC has already told us that if its financial situation is not turned around, it will have to proceed with further cuts in operations.

However, the problems of the CBC are not only due to budget cutbacks, a structural deficit and the impact of the recession on advertising revenue. The Canadian broadcasting industry has changed considerably in recent years. New and specialized services obtained operating licences in the eighties.

Canadians now enjoy a wider range of programming and services than ever before. Although these changes are significant, they are only a preview of what we can expect in the broadcasting industry. In radio and television, technological progress will generate even greater diversity. It is expected that this diversity will lead to increased competition, fragmented audiences and major investments in technology, and will increase the cost of Canadian programming.

In television, the advent of direct satellite broadcasting and the ability of cable companies to increase the number of channels they offer mean that 200 or even 500 channels will be available before the end of the century. New American direct satellite broadcasting services will be extended to Canada in the next few months. Cable companies will add a number of new services, including a number of specialized services which the CRTC is expected to authorize this year.

This new competition will further fragment the audiences and advertising revenue of Canadian broadcasters, including the CBC.

● (1630)

Radio is also facing a number of changes. A few years from now, we will probably be seeing new radio services and digital technology adopted by existing services.

[English]

Our government has an historical tradition of supporting CBC, of supporting Canadian culture.

Our electoral platform was clearly outlined in the red book. In that document we stated that culture is the very essence of our national identity, the bedrock of national sovereignty and national pride.

At a time when globalization and information and communications revolution is erasing national borders Canada needs more than ever to commit itself to cultural development.

There is no single instrument more important to the development of our national cultural identity than the CBC. This belief was the basis for our electoral pledge to provide the corporation with stable, multi-year financing. It is a key element in our plan

to strengthen the CBC's ability to adapt to the new communications universe.

On February 3 of this year the Prime Minister announced the appointment of Mr. Anthony Manera as president of the CBC. Mr. Manera has enjoyed a distinguished career both within and outside the CBC. His commitment to the ideals of public broadcasting and his understanding of the corporation are deep indeed. The government is confident that under the capable leadership of Mr. Manera and the direction of the board of directors the corporation will meet its many challenges.

The government recognizes the enormity of the task before the CBC. In asking itself how the CBC can continue to reflect our fundamental values that project an image of Canada in which all Canadians recognize themselves the government understands that it must provide some measures of assistance to the corporation.

As a first step the government has committed not to impose new reductions on the CBC over the next five years subject to annual parliamentary approval of appropriations.

In addition, the government agreed to reprofile the cuts announced by the last government in order to ease their integration by the CBC. This measure comes in cost of \$100 million in foregone savings to the consolidated revenue fund. It is a sure sign of this government's commitment to the CBC that this decision was made in the context of severe financial constraints.

These measures, the appointment of a strong new president, our agreement not to impose new reductions on the CBC and the reprofiling of previous cuts will give the corporation both the leadership and the clear picture of its financial future for the next five years it needs to plan for the longer term with confidence.

The next step in our campaign to help the CBC has been our agreement to grant the corporation's longstanding request for a borrowing authority. This measure will permit the CBC to become more efficient in its operations and allow it to enter into other ventures acceptable to the government that provide a return on investment.

The proposed legislative amendment to the Broadcasting Act would authorize the CBC to borrow from the consolidated revenue fund and from Canadian banking institutions through lines of credit, commercial loans and issuing bonds or commercial paper.

These borrowed funds would be used only to generate operating savings or for venture investments. The operating savings would accrue from investments in small and medium capital equipment and projects which have a payback of four years or less.

At the present time the corporation is unable to take advantage of such opportunities due to its shortage of capital re-