

cians. The honourable senator is not obliged to be balanced and fair in his comments, but I think he has been very selective.

I did not attend as many hearings as I would like to have attended. However, Senator MacDonald, the chairman, attended all of them, and I hope he will comment on what I am about to say if I am wrong. The point I would like to make is that there was absolutely no evidence by anyone who appeared before the Transport and Communications Committee of any actual interference. There was a comment by someone—and I do not believe it was at a public session—who had been involved with one of the journalists' unions, to the effect that there was close scrutiny of the news lineup as well as the stories, but it did not go as far as actual interference. This exchange highlights the healthy disregard that politicians have for journalists and that journalists have politicians.

The key is that I do not believe that there was any actual breach of the journalistic integrity of CBC or Radio Canada journalists in this case. I think Senator Stewart's point is the same as mine, which is that any bit of language can be picked up at a time of high feeling and used to support the view that the corporation is not fulfilling its obligations under the statute, or whatever. So, notwithstanding what the minister has said, there is absolutely no evidence of interference. There is much evidence of disenchantment, disgruntlement and strong feeling, but not of interference.

I would also like to pick up on Senator LeBlanc's point about this government's trend toward reducing the resources being made available to our public broadcaster and the effect of that trend. I do not know that it is specifically targeted at the disenchantment with the journalistic standards of the CBC and Radio Canada—I would not say that—but the practical effect of the trend is that that organization is being disseminated.

The minister has said that the CBC was over budget and had to respond. The fact of the matter is that the CBC has been trying to fulfil a mandate in carrying both a national and a regional service, and it has not been able to do that because it has not been obtaining the necessary budget enhancement. That additional budget enhancement has not been forthcoming, and the corporation has had to take dramatic steps and cut programs.

The most disturbing aspect of all this is the rhetoric of the government, that the CBC is not generating sufficient commercial revenue to justify the type of programming that it wishes to produce. The fact of the matter is that it never will be able to justify its existence on a commercial basis. So to justify cuts on the basis that the CBC is not able to generate commercial revenue sufficient to pay for its programming means that it must begin to rely to a greater and greater degree on commercial revenues. If it begins to rely more on commercial revenues to produce its programs, the next step is that it is no longer a public broadcaster. The next step is to dispose of the corporation as part of the privatization process or for some other reason. I raise this point because we seem to

[Senator Hays.]

be at about step two of a four- or five-step process that will take our public broadcaster away from us.

On the matter of cost, news and current affairs programs do produce substantial commercial revenues because such programs do not have to compete with U.S. programming in the same way that Canadian drama and entertainment programs have to compete.

One of the hearings of the committee that I did attend was when representatives of the CTV appeared. I will base my example not on news or current affairs programs but on a drama program, and I shall try to abbreviate it as much as possible. CTV is very proud of a program called *E.N.G.*, which has a wide audience. The cost of *E.N.G.* for one hour of production is about \$950,000. That cost is probably comparable to the cost of any good-quality program. When the witness from CTV, Mr. Gary Maavara, was asked how much money that program would generate, he said about \$150,000 for each of two showings. So it would generate around \$300,000. He said that Telefilm Canada contributes about \$300,000 to the production, and the other moneys would, I assume, be generated in some other way by the producers of the program, either through provincial-funding sources or through private capital. So we can see that a popular Canadian program that costs roughly \$1 million to produce will generate roughly \$300,000 in Canadian revenue.

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Using *Dallas* as an example, I asked him what it would cost to buy and air a good-quality U.S. program. He said that the CBC would pay about \$65,000 to show one hour of *Dallas*. Honourable senators, I would assume that two hours would either be double that figure or less. The program *ENG*, which is a good one, but less popular than *Dallas*, costs them \$150 for an hour, but *Dallas*, at \$65,000 an hour would draw a larger audience. This gives honourable senators some idea of the impossibility of generating good quality entertainment programs for Canadian viewing in competition with the U.S.

I went on to ask him if money could be made by selling *ENG* to the U.S. and the rest of the world, and if I could assume that it would generate \$65,000 for a showing in the U.S. He informed me that it would be more like \$20,000.

Honourable senators, this series of numbers really tells the story. If we wish to have Canadian programming which has Canadian reference points and which employs Canadian producers, actors, writers and directors, then we will have to recognize that it cannot be done on a commercial basis. That is, in so many ways, the story of Canada. Unless we are prepared to provide financial resources either through Telefilm vehicles, or similar provincial vehicles or by direct payments to CBC, we will not have Canadian programs and our artists will lose an opportunity.

To return to the point made by Senator LeBlanc, which is the systematic reduction in resources being made available to CBC, Radio Canada, that organization is under attack. In fact, at this point it would not return to its original form, which had a rich regional programming base as well as a rich