

Government Orders

advances and we see these tremendous changes in the world, we recognize that the CBC will have to be re-examined.

Whether or not the government likes it, shortly we will have the choice of hundreds of television stations for ordinary viewers. The CBC will be in a very different position than what it was when this kind of policy was first brought on to the stage. In recent years the CBC with this borrowing authority has been increasingly forced, like it or not, to compete, to go out into the market to raise revenues.

With the implied backing directly or indirectly of the Government of Canada, it is crowding out the efforts of private advertisers and private investors to fund their own activities, their own borrowing and expansion requirements, at a time where money is very tight in the markets. The complaint I hear constantly from people in the radio and television business, not only in Calgary but in other cities where I visit, is that the CBC is not on a level playing field.

It is a very tight and very competitive business right now. We know that a large percentage of private radio stations, for example, have gone out of business in the past several years. This is not the kind of competition they look upon favourably.

We need to decide whether CBC should be strictly a medium to promote and produce Canadian television or whether it is a market player just like other stations. If so, does it compete on a level basis or does it have an unfair advantage? Before we extend this kind of borrowing authority we should be asking what mechanisms are in place to ensure the investments made by borrowing this money are profitable. Ultimately the CBC is fully supported by the Government of Canada and may lack the necessary incentives to invest prudently.

• (1245)

Part V of the bill concerns the government's changes to unemployment insurance. As I have said in previous speeches on the budget, these are the most significant changes in the bill and we certainly support the general direction the government is taking.

In the second year of implementation of these changes, we will be saving the taxpayers in the order of \$2.4 billion. This is a significant amount of money. It is certainly the most significant expenditure reduction in the budget. It is also a very significant reduction not just for the money saved but for the direction the government now appears to be mapping in this area which is very much along the lines of what Reformers have been advocating for a number of years.

These changes are an important signal to the marketplace. The government is hinging a great deal of faith on holding its budget through the first year to try to keep things on track, convincing the marketplace that this is the direction it is looking at and that

it is looking at only less costly social programs in the future but much more responsibly structured ones.

It hopes the marketplace will buy this signal even though it is really the sole big dollar application in the budget and will be able to hold off any kind of precipitous developments in the financial markets toward the dollar and toward the Government of Canada in the next year.

As I said in my speech on the budget, that is the gamble the government has taken. I would note that except for this measure, the will is not in this budget. It is very unclear at the moment with the problems we have with interest rates and the dollar that the market is accepting this signal as the real direction of the government.

Let me mention the good things in this development with unemployment insurance. There are several. First, it shows the government is moving in a good direction by not only reducing expenditure but also reducing payroll taxes.

What is interesting is that the government claims reducing the payroll tax is one of the centrepieces of its job creation program. It is nice for us to see that the Liberals are acknowledging that decreases in these types of taxes are a real solution to the job creation problem and to the unemployment dilemma we have in the country. Certainly it is a more effective approach than things like the infrastructure program, an approach we hope they will expand in the future. We need to stimulate through tax relief sustainable private sector job creation. That really should be the focus of our economic strategy.

The second desirable point about this is that the change proposed by the government to unemployment insurance is making the program more of a true insurance program rather than simply a haven for seasonal workers to top up their income, in other words, an income support program.

The long run drift of the unemployment insurance program from insurance principles has been extremely costly in the number of dollars spent but also many economists would agree it has had a lot to do with the increase in structural unemployment and the distortion of the regional economies.

Through the changes the government is proposing in the bill and in the budget, it is taking us down the path of linking through contributory programs like UI, contributions to the program much closer to the benefits that one is eligible to receive. Of course that is really the justification on which such contributory programs should operate.

The third point in the government's proposed changes to unemployment insurance is that it is good to see the Liberals slowly crumbling their mantra of universality. I have already noted that while the government has attacked us on our proposed changes in these areas, for example changes to seniors' programs, the government itself has taken absolutely no steps to restore the clawback to old age security which it fought when it