

Government Orders

The second is the argument that the CBC in spending the money it gets from the government, about \$1.1 billion a year, uses it wisely. I would beg to differ that it does.

• (1230)

Over the last few years the CBC has actually seen its revenues drop. That reflects two things. It reflects the lack of confidence advertisers have in the CBC to generate viewers, and also the programming of the CBC obviously is left wanting.

We have the CRTC commissioner recently criticising the CBC, pointing out that its share of viewership has dropped to 13.3 per cent, despite the fact that it has a virtual monopoly on Canadian programming and is rewarded every year with the \$1.1 billion subsidy.

The first thing that really must be addressed when the government brings this bill forward, at least with respect to the CBC, is the timing. Why are we doing this now when there is a funding review about to take place?

It may, and I would suggest it will, find that the CBC is very weak in terms of its management because of the loss of so much of the management team and also in how it has spent money in the past. The Fraser Institute recently suggested that on average a CBC station spends over twice what its private sector counterpart spends on administration and programming. That does not bode well for taxpayers if we are preparing to give the CBC the authority to borrow money.

The CBC has a \$40 million deficit on its operating budget this year on revenues of \$1.4 billion. Allowing an indebted company to accumulate further debts at the public's expense is poor management and morally irresponsible.

We were talking a minute ago about the tremendous debt and deficit problems that we have in this country. Now we are proposing to allow the CBC to go ahead and borrow more money. Who is going to pay for that debt if the CBC cannot meet its financial obligations? It will be the Canadian taxpayers as usual. We will be picking up the bill for the CBC spending.

The other thing that really concerns me about this is who is going to be directly accountable to Parliament for this borrowing authority. It is true that the money will have to be approved by the finance department before the CBC gets it. I am not convinced because the CBC is a crown corporation and does not really depend on profits to keep it disciplined, to keep its expenses in line and does not have a bottom line like a private sector company. We really do not have those market disciplines to make the management in CBC accountable for that \$25 million.

The budget document also suggests that the public broadcaster be allowed to borrow an amount greater than \$25 million

with parliamentary approval. In effect the ceiling of \$25 million is a decoy. How did the government arrive at that figure? What measures will keep it from becoming \$50 million or \$100 million? Until we have this management and funding review completed how will we know whether the CBC is capable of managing even higher levels of indebtedness? How will we know that it can repay \$50 million or \$100 million? Again, the question has to be who will get it off the hook if it is unable to repay that \$100 million. Naturally the CBC will come looking to Canadian taxpayers for a greater subsidy.

The rationale behind this new borrowing power is supposed to allow the corporation to make investments in systems and equipment that will result in long term savings. What we have here in effect is a perpetuation of waste and inefficiency since the new Liberal government has given the CBC a \$100 million reprieve on cuts announced by the previous Conservative administration and a further deferral of \$150 million over five years. In effect, the government is to a degree reversing that. Until this review is undertaken it seems entirely premature.

• (1235)

The CBC has not demonstrated it can be financially responsible. While private broadcasters will send one camera crew to do the job, we can almost always count on the CBC sending three. It is a standing joke among private broadcasters how much money, how many reporters, how many camera crews, how many technicians the CBC has to devote to a single news conference in order to get the story that private broadcasters could get with one camera crew.

One of our concerns is that this crown corporation really has the best of both worlds. It has its feet in both the private sector and the public sector. It has its feet in the public sector purse to the tune of \$1.1 billion. It also competes in the private sector with private sector broadcasters. Because of its huge subsidy and now a request for \$25 million in borrowing authority it will also have the ability to further undercut advertising rates in the markets in which it competes with private sector broadcasters.

This is a concern to private sector broadcasters. They have raised this before and this issue is not going away. At a time when many private sector broadcasters are suffering—many of them are operating in the red—how can we not only give our support to this idea but why are we not going the other way and saying it is time to give private broadcasters a break by reining in the CBC a bit?

Perhaps we should be giving some consideration to making the CBC a little like public broadcasting in the United States where they depend a lot more on contributions from viewers. Many Canadian viewers send their contributions down to PBS in the United States. If I am not mistaken and memory serves me correctly, the majority of funds for those border stations comes