Canada: The Hybridization of Public Broadcasting

Marc Raboy

Introduction

All broadcasting in Canada, according to the Canadian Broadcasting Act, is declared to be "a public service essential to the maintenance and enhancement of national identity and cultural sovereignty" (Canada 1991: art. 3). By virtue of this legislation, Canadian broadcasting is deemed to be a single system comprising public, private and community elements. It is to be effectively owned and controlled by Canadians (foreign ownership is restricted to 20 percent in any single broadcasting undertaking), is to make maximum use of Canadian creative and other resources, and is to serve the needs and interests and reflect the circumstances and aspirations, of Canadian men, women and children. These circumstances include equal rights, linguistic duality, the multicultural and multiracial nature of Canadian society, as well as the special place of aboriginal peoples within that society. In the event of conflicting interest between public and private sector elements of the system, the objectives of the public sector are supposed to prevail. Overseeing and implementing all of this is an independent public authority for the regulation and supervision of the Canadian broadcasting system.
It would be difficult to argue substantially with these formal provisions of Canadian broadcasting policy. However, the gap between policy and practice is such that the promise of public broadcasting in Canada is more often than not a pious wish. The history of Canadian broadcasting is intimately tied to the political sociology of twentieth century Canada, and its present circumstances provide a suitable snapshot of the cultural politics of a middle-sized liberal democracy with a relatively developed economy as it faces the challenges of globalization in the third millennium.

**History**

Canadian broadcasting legislation dates from the early 1930s, when the Canadian state first decided to intervene in the sphere of radio. Previously, radio in Canada had evolved according to the free-market, commercial model developed in the United States, with a small number of non-commercial stations operated by educational institutions, provincial telephone companies, and, especially, the Canadian National Railway. But considerable public dissatisfaction with the unrealized potential of radio, and a well-organized campaign by a broad coalition of associations in the Canadian Radio League, pressured the government into considering a range of alternative models.

In 1929, a Royal Commission on Radio Broadcasting, headed by the president of the Canadian Bank of Commerce, concluded that radio had a cultural and educational function and proposed to the government that a national, publicly owned corporation be created to operate and oversee all radio broadcasting in Canada (Canada 1929). Its approach was motivated partly by nationalism ("The State or the United States" was one of the popular slogans of the Canadian Radio League), partly by the influence of the British model (BBC), and to a great extent by the interventionist climate of the times (when the Royal Commission went to New York to visit the studios of NBC, they met with the governor of the state, Franklin D. Roosevelt, who encouraged them to propose a strong state role in radio).

Although many sectors of Canadian business supported the proposal, it was strongly opposed by those groups with direct interests in radio – mainly set manufacturers and newspaper owners – and their opposition made the centrist (Liberal Party) government of the day hesitate. But in 1932, a newly elected Conservative Party government adopted the first Canadian Broadcasting Act, creating a Canadian Radio Broadcasting Commission (later changed to the Canadian Broadcasting Corporation, or CBC) and envisaging the eventual phasing-out of private commercial broadcasting. This background gives some indication of the vast historical consensus in favour of public service broadcasting in Canada, a country which, in spite of its unquestioning participation in the world capitalist system, has managed to recognize that certain social values can only be maintained by insulating them from the marketplace.

The full plan of the 1929 Royal Commission was never realized, however. Canadian broadcasting, from the 1930s through the 1950s, developed as a
“hybrid” of the commercial and public-service-monopoly systems, as private commercial radio and national public radio evolved side by side. Television was introduced first as a public monopoly and then, after 1960, according to a similar “mixed” (public-private) model.

As the broadcasting system became more complex, and as it became clear that different types of broadcasting enterprises had to co-exist within this single system, a major change came with the introduction of an independent agency for the regulation of all broadcasting activity. First introduced in 1958, the role of the regulator became extremely important in the 1970s and 1980s, as the system had to deal with new technologies as well as a range of economic and political challenges. Today, it is known as the Canadian Radio-Television and Telecommunications Commission (CRTC), and is responsible, as the name implies, for all telecommunication as well as broadcasting activity in Canada. In 1995, its main concern was charting the new regulatory requirements indicated by the convergence of broadcasting and telecommunication technologies in the emergence of the new communication environment popularly known as the information highway (CRTC 1995).

Contrary to most conventional European examples, public broadcasting in the Canadian experience has always been an enclave within a broader industry. Its main instrument, the CBC, has never been entirely sheltered from the industrial aspects of broadcasting (although the CBC enjoyed a monopoly in television during most of the medium’s first decade, and CBC radio, since 1974, has been commercial-free). On the other hand, as a regulated industry, no sector of broadcasting can claim to be entirely independent of public purpose, as the Broadcasting Act makes clear.

As a hybrid system, there are two ways to look at the developments in Canadian broadcasting over the past fifteen years. On one hand, there has been a definite shift toward privatization of conventional public broadcasting, as commercial and budgetary pressures on the CBC force it to adopt a posture increasingly resembling that of the private sector, as more and more of its production activities are farmed out to privately owned independent companies, and as public funding which used to go to the CBC is diverted to subsidizing private broadcasters via Telefilm Canada’s broadcast development fund. On the other hand, these developments can also be seen as a “publicization” of the private sector, insofar as that sector has become increasingly reliant on public funding and public policy measures, not only through such mechanisms as the Telefilm fund, but also various CRTC regulations and the protection afforded Canadian cultural industries under the Canada-U.S. Free Trade Accord, the North American Free Trade Agreement, and the General Agreement on Tariffs and Trade.

So, as the multichannel environment continues to expand, as the relationship between audiovisual product and distribution system takes on a new shape and form, and as the policy apparatus redefines its role under the guise of adapting to the so-called information highway, the question of the future of public broadcasting has to be properly repositioned. The Broadcasting Act is not naive when it describes all of Canadian broadcasting as a public service,
but the system governed by the act has been inconsistent and, at times, incoherent, in operationalizing that description.

The most striking example of this inconsistency is still the chasm between Parliament's mandate to the CBC and the government's refusal to provide the resources the CBC needs in order to do its job. But there are more. Community broadcasting (in television) has as its only institutional base the obligation of cable companies to provide a community access channel. Educational broadcasting has become a viable complement to public and private broadcasting in some parts of the country, in spite of the fact that its structure has more to do with the bizarre peculiarities of the Canadian political system than the public service requirements of broadcasting. The policy discourse continues to emphasize access — the core element of any public service — but concrete developments and innovations are increasingly tied to some variant of the consumer model, where the quality of service is invariably tied to the ability to pay.

The debate on the information highway is illuminating in this respect. In the face of the new technological context, conventional television, both public and private, faces a serious challenge. The key to success in this environment will be content quality and delivery efficiency. The old formulas based on brand (channel) loyalty, which allowed conventional broadcasters to get away with packaging trash alongside of popular programmes, will no longer work. In fact, many fear that the conventional broadcasting model itself will no longer work. As a result, broadcasters have had to scramble to respond to the changes. At the CRTC's information highway hearings in March 1995, a coalition of Quebec francophone broadcasters, public and private, presented a common brief arguing that the challenges facing generalist mainstream television were common to all broadcasters. At the same hearings, the Canadian Association of Broadcasters — which has represented the interests of private broadcasters since 1926 — presented itself as the champion of Canadian content regulation, going against the grain of its historic position on this issue (see McCabe 1995).

In Canada, the crisis of public broadcasting has been felt most acutely in the angst surrounding the financial and existential crisis of the CBC, as it careens like a corporate Titanic on the verge of capsizing. Public broadcasting in Canada, however, is far more than the CBC, and if public broadcasting is to have a future, it will most likely be through new and alternative forms — including several that can still involve a revitalized and rejuvenated CBC.

In the recent intense debates on the future of Canadian broadcasting, there has been a palpable shift from the traditional idea that public broadcasting could and should refer exclusively to a national broadcasting service. The CBC remains the centrepiece and most important single institution of the Canadian broadcasting system, but the space it occupies continues to shrink. At the same time, however, the total space occupied by public service broadcasting in Canada has been enhanced by the addition of public educational broadcasting services, by the formal recognition of community broadcasting as a distinct and legitimate part of the system, and by the active involvement
in the policy-making process of representative organizations from dozens of less-than-national publics. The CBC itself has moved into specialty broadcasting, and the CRTC has, in some cases (albeit rare ones), insisted on obliging private broadcasters to meet their public service obligations. Independent television production is increasingly reliant on public funds. All of these developments require a new conceptual, as well as strategic, approach to the notion of public broadcasting in Canada. Typically, this has been slow to emerge, as public debate on the question tends to focus narrowly on the CBC in the face of the diminishing political will to support public broadcasting and an increasingly hostile technological environment. The public service commitment of Canadian broadcasting faces grave challenges, in spite of the rhetorical reassurances enshrined in the legislation governing it.

This in itself is not unique. However, Canada provides a particularly interesting vantage point for observing these changes, because the types of questions they raise have been with us for such a long time—indeed, since the beginning of broadcasting: What is the appropriate mix of public and commercial broadcasting activity within a single system? What is the appropriate relationship of foreign to domestic programme origin, of national to less-than-national programme content? What is the appropriate social role for broadcasting?

Continuing Issues

To a remarkable extent, the major defining issues of Canadian broadcasting have remained unchanged since the 1930s. By the time the CBC was established in 1936, the major themes that continue to characterize Canadian broadcasting had been established. These can be summarized by three sets of tensions: (a) between private capital and the state, over the economic basis of broadcasting; (b) between the state and the public, over the socio-cultural mission of broadcasting; and (c) between dominant and alternative visions of the state, over the relationship of broadcasting to the politics of Canadian nationhood. Overriding these are the constant pressures of North American continentalism against the desire for Canadian broadcasting to be Canadian and the tendency of each succeeding wave of technological change to re-introduce old problems that the system thought it had resolved.

In the 1940s, following the massive expansion of the CBC as one of the government’s leading information instruments in the war effort (another one being the National Film Board), the system appeared to have reached a workable equilibrium. The CBC was clearly the dominant single element in the system, charged with realizing the national purpose in broadcasting. It had also achieved an important degree of success at involving community organizations in both rural and urban areas in public interest programming and organizing participatory listener groups. Its leadership in news gathering was unchallenged. Its signal was the only one available in many parts of the country, and it was moving toward full coverage of the territory, in both English and French.
In 1948, the CBC was mandated to develop and introduce television as a public service monopoly - a policy position further underwritten by the 1951 report of the Royal Commission on the Advancement of the Arts, Sciences and Culture (Canada 1951). When it began broadcasting in 1952 and for the rest of the decade, Canadian television was strictly a public affair, as the government pursued a 'single station' policy, by which no more than one station (in each language) would be licensed in any community, either to the CBC or a privately owned affiliate. But by the end of the 1950s, private industry pressure, a new Conservative government, and a slowly rising public cost combined to create a private sector in television. Privately owned second channels were awarded in most major markets in 1960, and the national CTV network began broadcasting in 1961. Soon after CBC television began broadcasting in 1952, it became clear that the service could not be supported by the license fee, even when supplemented with advertising. In fact, from the beginning the high cost of television had led to creation of the affiliate system, whereby private corporations were allowed to own and operate stations dedicated to distributing the CBC signal. During the 1950s, the license fee was abolished and an annual grant from Parliament became the norm for balancing the CBC's budget. This formula remains in effect to this day, despite repeated calls for more stable, multi-year funding. Nevertheless, the CBC in the 1950s quickly completed two national public television networks, in English and French, and established a distinctive alternative to American television from over the border.

A major shift occurred in 1958 following the election of the Conservative government headed by John Diefenbaker. In a new Broadcasting Act, the private sector finally got the independent regulatory authority it had been arguing for since the end of the war. The act created the Board of Broadcast Governors (BBG), which became the CRTC in 1968. One of the first activities of the BBG was to authorize the introduction of private commercially driven television, which began operating in major cities in 1960, and on a national network basis in English in 1961. As CBC television was dependent for an important part of its revenue from advertising, public and private competition in television has been an important factor ever since. Cognizant of the economic pressure that the new private sector was bound to face, however, the BBG also felt the need to introduce quotas for Canadian content, which it initially set at 55 percent.

The CBC and the private sector were now competitors, but the public broadcaster continued to obtain the major portion of its funds from the annual parliamentary grant. The public cost of public television rose steadily through the 1960s, at the same time as the purpose of public broadcasting moved to the centre of national political debate.

Canadian political unity was severely called into question by the emergence of radical nationalism in Quebec in the 1960s, and the federal government determined to use cultural policy and the CBC in particular as a strategic instrument. Paradoxically, the discovery of a political purpose for public broadcasting was a financial boon for the CBC, while sowing discord between the politicians and the professionals working in television. The CBC went
through a series of melodramatic crises surrounding attempts to define and play out its proper role – with the net result of a serious loss of credibility, particularly in Quebec. When the broadcasting legislation was updated in 1968, the government wrote in a specific mandate obliging the CBC to “contribute to the development of national unity and Canadian identity” – a measure that was widely seen as a threat to turn the corporation into a propaganda vehicle. The act still defined the CBC as Canada’s national, not public, broadcaster.

The 1968 Broadcasting Act enshrined the basic principles and structures of Canadian broadcasting as a single system comprising public and private elements, under the supervision of an independent, public regulatory authority, the CRTC. On the margins of the system, however, social pressure from the youth and oppositional movements that grew up in the 1960s led to a range of community broadcasting initiatives in radio, video, and television. Community radio stations were set up in major cities, on college campuses, in rural Quebec, and in northern native communities. Community media began to attract strategic institutional support: in Quebec, for example, the government decided to finance community radio and television as one way of occupying space in this sphere of federal jurisdiction; later, the federal secretary of state would fund minority-language community media as well as autonomous native broadcasting initiatives. At the same time, political pressure to redefine the nature of the Canadian state finally led to the first provincial incursions into public broadcasting, in the guise of educational television networks set up, first in Quebec and Ontario, later in Alberta and British Columbia, and eventually in Saskatchewan and the north. By 1992, educational television accounted for some $233 million in public spending (ATEC 1993). All of these forms can clearly be considered public broadcasting (Salter 1988).

Public dissatisfaction with the increasingly bureaucratic and centralized nature of the CBC poured out at CRTC hearings in 1974, at which the regulator rapped the knuckles of the public broadcaster and suggested that it seek a new relationship with its public as the best way to distinguish itself from the dominant North American commercial mould. One concrete upshot of the 1974 hearings was the abolition of advertising on CBC radio. Despite the exhortations of the CRTC, however, the CBC was unable to reduce its dependence on advertising in television. Advertising on CBC television reached a peak of $309 million in 1992, accounting for 22 percent of the corporation’s total budget (around 31 percent of the budget for television) (CBC 1994a), which has led to the view that it should be more properly seen as a hybrid or “semi-private” broadcaster.

The government’s commitment to the CBC was shaken in the late 1970s by the perception that public broadcasting had not fulfilled its role as a contributor to national unity. Following the election of a pro-sovereignty government in Quebec in 1976, Ottawa instructed the CRTC to conduct an inquiry into the CBC’s news operations. The CRTC exonerated the CBC of actually exhibiting unfair bias, but in comparing its French and English operations found that they demonstrated the extent of non-communication between
Canada's "two solitudes." Nonetheless, only the CBC covered the entire territory in both official languages – one of the fundamental distinctive marks of a public broadcaster.

Canada's geographical and linguistic requirements made the CBC arguably the world's biggest and most complex television broadcaster. By the mid-1960s, the CBC was producing more in English than any of the American networks and more in French than the national system in France (Nash 1994). However, the Americanization of Canadian television continued nonetheless. As the cumulative offer of American programmes on Canadian primetime reached an estimated 80 percent in 1970, the CRTC stiffened the rules to require 60 percent Canadian content during primetime (Hardin 1985). Paradoxically, it continued to license more private stations, increasing the competitive pressure on the CBC and the tendency to move toward homogenized commercial formats across the public and private television schedules.

The implications for public broadcasting were manifest in the report of the Federal Cultural Policy Review Committee which, in 1982, endorsed the government's new economic thrust and made concrete recommendations designed to shift the emphasis in public funding from the CBC to the private sector. Leaning on the Broadcasting Act's requirement that the system as a whole should provide a "balanced" programme offer, the committee suggested that the role of the CBC should be to serve as "an alternative to private broadcasters" (Canada 1982: 273).

Sceptics recalled that the public broadcaster was supposed to be the central agency of the Canadian system and not a kind of "PBS north," but a possibly irreversible process had begun. The committee proposed that the CBC reduce its reliance on advertising revenue (an ambiguous proposal in the sense that it could only lead to improved quality if the government increased public funding) and eliminate in-house production in favour of contracting out to private producers in all areas but information programming.

The minister of communications integrated many of the committee's proposals into an important policy document published in March 1983 (Canada 1983). The paper outlined a new strategy for broadcasting, whose central point was to promote the private sector's capacity to produce quality television that Canadians would watch and that could be marketed worldwide. To aid this, it created a new Broadcast Program Development Fund, administered by Telefilm Canada, to subsidize independent production for broadcast on both public and private sector television. The new role designated for the CBC was to be a provider of Canadian programming produced in the private sector through the assistance of Telefilm. In other words, the government shifted its support for Canadian television production and programming from a public corporation to private corporations. In real terms, this has meant the privatization of a large part of the production activity formerly accomplished by the CBC – production which is now accomplished by private production companies using public funds, and in many cases for the benefit of private broadcasters. Since the late 1980s, the Broadcast Program Development Fund has been responsible for injecting some $140 million a year into the system,
and in this sense it is not stretching things to characterize Canadian private broadcasting as “semi-public.”

Despite the increased visibility of publicly funded Canadian programmes on private television, and the diminished role of the CBC as the principal producer of Canadian programmes, the CBC is still by far the greatest exhibitor of Canadian programmes. In 1994, Canadian content on CBC television was about 85 percent in primetime, while the total across the entire system was about 75 percent foreign (CBC 1994b). The CBC’s preponderant contribution to a Canadian screen presence continues to be a major aspect of its role as a public broadcaster.

However, the new environment now included not only traditional over-the-air private broadcasters (generally outnumbering the CBC two-to-one in every market); it also included, for the growing number of cable subscribers, the full gamut of U.S. networks, a range of Pay-TV (since 1982) and specialty services (since 1987). It also included the as-yet underdeveloped alternative public services provided by provincial educational and community broadcasters.

The Conservative government of Brian Mulroney, elected in September 1984, was committed to a general policy of public sector rollback. One of its first moves was to instruct the CBC to cut its budget by about 10 percent. In April 1985, the government set up a Task Force on Broadcasting Policy to propose “an industrial and cultural strategy to govern the future evolution of the Canadian broadcasting system through the remainder of this century.” A key aspect of its mandate was to take account of “the need for fiscal restraint” (Canada 1985).

The task force took to its role in the fine tradition of Canadian broadcasting inquiries going back to the 1920s. Although the minister had asked for a quick and expeditious report, the task force held public meetings around the country and solicited public input from interested parties, while conducting an ambitious research programme. Finally, it produced an 800-page report, with more than 100 recommendations, in which the essential public service nature of Canadian broadcasting was reaffirmed, and the key role of both new and old public broadcasting institutions (not only the CBC, but the provincial, community, and native broadcasters) was reasserted (Canada 1986).

The task force proposals were referred to the parliamentary committee on communications and culture, which repeated the process with its own round of hearings and consultations, refining the proposals while maintaining the overall thrust favourable to support for public broadcasting. The government then introduced legislation to replace the outdated broadcasting act, and this was referred to yet another parliamentary committee, which conducted yet another round of public hearings (Canada 1988a, 1988b).

The result was a genuine public debate over the social purpose and possible structure of broadcasting, in which hundreds of organizations and thousands of individuals got to speak out and present visions that corresponded to their
own interests. The powerful broadcasting organizations, both public and private, were compelled to take part in the process as well, in order to maintain their credibility (while obviously continuing their habitual behind-the-scenes lobbying activity) (see Raboy 1995a, 1995b). Eventually, a new Broadcasting Act was adopted, basically reaffirming the mandate of the CBC, and introducing the notion that all broadcasting in Canada was a public service.

It is important to recognize, however, that while the public debate culminating in legislation was being carried on in the essentially symbolic sphere of policy discussion, the system was evolving according to the government’s broad agenda. The new broadcasting act clearly affirmed the public nature of all Canadian broadcasting, but from that declaration to the actual realization of public service objectives was a long way indeed. The fact is that public broadcasting, since the mid-1980s, has received declining material support from public funds while public funds have flowed, through independent producers, to private broadcasting; meanwhile, private broadcasters and their upstart cousins, the cable distributors, have been subjected less and less to public service obligations.

One example serves to illustrate the general problem. The CBC’s mandate under the Broadcasting Act of 1991 is to

be predominately and distinctively Canadian... reflect Canada and its regions to national and regional audiences... strive to be of equivalent quality in English and in French... contribute to shared national consciousness and identity... (and) reflect the multicultural and multiracial nature of Canada (Canada 1991: art. 3).

An important aspect of this broad and detailed mandate is the requirement to serve the regions. The challenge of balancing national and regional programme requirements has always been a strain on CBC management. National programming has a higher and more easily identifiable profile. It is prestigious and, to a certain extent, internationally marketable. It is based in two major production centres, Toronto (English) and Montreal (French), and can be more easily attuned to the expectations of national politicians in Ottawa. Regional programming, on the other hand, is difficult to contain. Its effect is difficult to measure. Closer to the population it serves, it often reflects the potentially divisive undercurrents of regional politics and is often out of tune with national policy objectives, in a broad sense. Good, popular public broadcasting in a region is also threatening to the financial security of local private broadcasting outlets.

The CBC virtually eliminated its regional television services in December 1990, closing eleven stations in different parts of the country and reducing non-national programming to two daily newscasts in each province. These cuts provoked a massive public outcry, not only in regions with a long tradition of contesting Ottawa’s centralism, like the prairie provinces and Quebec, but even in the Ontario heartland of Windsor. City councils sought injunctions to require the CBC to fulfil its legal mandate, mayors petitioned members of parliament, laid-off CBC employees and their unions prepared proposals to purchase their stations and run them as cooperatives, and users
took to the streets. For many Canadians, the elimination of local and regional CBC programming has come to symbolize the hubris and, to some, the passing of the CBC (see Skene 1993).

Whither Public Broadcasting Today?

The election of a Liberal government in October 1993 was supposed to reverse this tendency, but somehow, not surprisingly, it did not. During the nine years of Tory government, cumulative cuts had reduced the CBC’s base funding by $276 million (CBC 1993). Despite Liberal campaign promises, and post-election public assurances by the minister, the federal budget of February 1995 added further cuts which, according to CBC president Anthony Manera, increased the 1985-97 reduction to $350 million. In a rare display of public dignity surpassing corporate loyalty, Manera, looking all the world like Gorbachev trying too hard too late to salvage the organization to which he had dedicated his career, resigned. He had repeatedly stated that he would not manage further funding cuts but, apparently, no one had believed him.

Just how serious was the CBC’s financial situation? Reduction in service has been apparent at many levels. The shutdown of local stations, trimming of staff, cancelled programmes, increased reliance on advertising, and farming out of production, have all translated into a less distinctive, less popular personality – particularly in English television – which the encroaching 500-channel universe continues to undermine.

The CBC in 1995 was still, however, a considerable enterprise. It still received close to $1.1 billion from Parliament in 1994-95 (about $750 million for operations and $140 million for capital expenses), and anticipated another $300 million in television advertising revenue. This represented one-third of all federal spending on heritage and cultural programmes and made the CBC the largest single player in the system. Eighty-nine percent of Canadians claimed to tune in CBC television at least once a week (Kiefl 1994).

Of course, another way of looking at this was to say that the CBC’s total space in the system was progressively shrinking. In 1992, it accounted for 40 percent of the total spent on radio and television in Canada, 25 percent including subscription revenues flowing through the cable industry. By 1989, CBC’s average share of the English television audience was down to 19 percent, while Radio-Canada held a more respectable but still diminishing 29 percent. By the fall of 1993, English television’s share had plunged to 13.6 percent (Kiefl 1994), while in the spring 1995 ratings, Radio-Canada had rallied to 25 percent, after sinking to an all-time low of 22 percent in the fall of 1994 (Le Devoir1995a, 1995b).6

As the CBC’s ship rocked unsteadily in increasingly stormy seas, the overall environment of Canadian broadcasting was shifting as well. Here too, the CBC’s place was ambivalent. As the CRTC identified and addressed the presumed threat of U.S. direct-to-home satellites by licensing new specialty
services, the conventional television market continued to fragment. At the same time, however, the CBC was actively involved in developing new services, with new corporate partners, which again raised two distinct spins with regard to its mandate: should the CBC concentrate on providing a distinctive, streamlined public service on the margin of an increasingly commercial television market, or should it participate in expanding the public service horizons of broadcasting?

The problem was a combination of money and political will. These two issues were at the heart of a long round of parliamentary committee hearings held during the fall of 1994, at which the CBC’s mandate and funding formula were scrutinized once again. Proposals put before the committee ranged from privatization of all or parts of the CBC’s activities to simply increasing its parliamentary appropriation (see Canada 1995).

Simply stated, the main question facing Canadian public broadcasting was this: What should it be doing (mission), how (content) and with what funds (financing)? In its own submission to the parliamentary committee, the CBC presented a three-pronged strategy, aimed at programming, accountability, and financial security:

The commitment that we offer is to create a new CBC – a CBC that provides more service, and better service; a CBC that is more open and transparent – but a CBC that costs fewer tax dollars. The commitment we seek is the tools to do the job. We need funding that is dependable and diverse (CBC 1994b: 1).

The CBC would be more Canadian (95 percent in primetime and 80 percent throughout the day) and less commercially driven, “devoted to public service rather than to private profit”; striving to do more than just “provide a pastime, it [would] also contribute actively to the quality of Canadians’ lives as citizens” (CBC 1994b: 5. Emphasis in original):

The most fundamental distinction between the CBC and the private sector is that public broadcasting is driven by values of service rather than profit. Our programming must be more thoughtful. It must provide the kind of text and context that empower citizens to make informed choices in a democratic society. It must move and amuse them with programs that best reflect their own values and experiences (CBC 1994b: 12).

This was as good a definition as any of public broadcasting, but, good intentions aside, the CBC was unfortunately ill-equipped to turn it into something concrete.  

Aside from its shortfall in funding, the CBC’s new strategy was also based on an anticipated incursion into the area of new services. “If public service broadcasting is going to be useful in the multi-channel universe, it will have to be a multi-channel service itself... The CBC must follow the way that audiences use media – there is no choice about that” (CBC 1994b: 14). This was undoubtedly the case, but convincing the CRTC and the government has
been a Sisyphean uphill drive. The CBC, in 1993, was associated with no less than six specialty licence applications; it was awarded one on its own and a second in partnership with the private sector. Again, one could not have expected more given the prevailing logic of the mixed ownership system, but the overall result was not particularly edifying for broadcasting's public service objectives.

Another problem recognized by the CBC was the absence of appropriate mechanisms of accountability – not to its official masters, for there were enough of those, but to its public. "[W]e have the wrong kind of accountability," stated the CBC brief. "Institutional reporting does not satisfy the public" (CBC 1994b: 32). Instead, it proposed to enhance existing audience feedback mechanisms at the programme level, institute an on-air president's annual report, and create a "citizens' advisory council" with rotating membership and wide representation, to operate alongside the board of directors. Manera resigned before any of these proposals could get far beyond the drawing board, and the CBC was too bogged down in fighting corporate brush fires to change its basic posture in any significant way.

Meanwhile, it was put clearly before the parliamentary committee that there was essentially no way to maintain the level of public expectation of the CBC without the government biting the bullet and continuing to provide major public funding. As the CRTC stated in its 1994 decision renewing CBC network television licenses, "At issue is the extent to which the objectives for the Corporation set out in the Act are realistically achievable" (CRTC 1994). However, the issue of alternative financing was, as outgoing CBC board chairman Patrick Watson told the committee, "a red herring ... A decisive minister committed to leadership and clarity of vision would, in my judgment, say to his officials, come to me with a proposal that works and we'll do it" (Watson 1994: 7).

Indeed, regardless how one sliced it, maintaining the traditional policy objective of a strong Canadian screen presence meant finding more money, not less, for public television. Access for and to Canadian content in the overall new environment would also require public subsidy, as the CRTC recognized in its convergence report (CRTC 1995). Even assuming maintaining government funding and advertising revenue at existing levels, more money needed to be found simply to maintain the existing level of Canadian screen content. Where could this possibly come from? The answer was from distribution.

Distribution could generate revenue in various ways. The cable industry, for example, with 38 percent of total broadcasting revenue, accounted for only 6.4 percent of the amount spent on Canadian programming (essentially through its regulatory obligation to support local community television). The CBC, in comparison, with 20 percent of the total revenue – 13 percent from its parliamentary appropriation and 7 percent from advertising – accounted for 42 percent of spending (Communications Management Inc. 1994, based on Statistics Canada data). With cable penetration in Canada approaching 80 percent and steadily climbing, cable revenues appeared to be an attractive
source of funding for public broadcasting. The recent documents emanating from official sources have made it clear that new distribution mechanisms, such as direct broadcast satellites or video dial-tone systems, will be expected to make substantial contributions to Canadian programming as well (see Canada 1995; CRTC 1995).

Indeed, by mid-1995 it was clear that the only “solution” to the financing of public broadcasting lay in taking the Broadcasting Act at its word and adopting a holistic approach to the economics and policy expectations of the system as a whole: to stop treating a distribution franchise as a license to print money, to stop agonizing over the fiscal belly-aching of both private broadcasters and the CBC and insist they meet their respective mandate requirements, and to open up new windows of public service in the expanding media environment.

Some of this had begun gingerly with the creation of the CBC’s all-news English language cable service, Newsworld, in 1987 – and, eight years later, its French-language equivalent, le Réseau de l’information (RDI). Fitting into the CRTC’s logic of using the cable service as a locomotive for adding on new user-financed specialty services, Newsworld and RDI were vibrant, apparently meaningful, additions to the environment, at no direct public cost (the services are financed exclusively by cable fees and advertising, although they benefit from CBC infrastructures and news staff). According to research done for the CBC, Newsworld was the only Canadian specialty service for which more than 50 percent of subscribers felt they were getting what they paid for (Kiefl 1994).

One path to the future was for the CBC to continue branching into additional specialty services, while maintaining its generalist channels. The corporation was institutionally prepared to go this route, which had the advantage of “unbundling” its services and requiring separate services to seek an accommodation with a particular segment of the public (see Ellis 1994). Another route would be for the CRTC to insist more forcefully on public service objectives when awarding new licenses to all supplicants and enable new players to enter the public sector.

With all the various reports before it, the government could probably find the authoritative backing somewhere to do just about whatever it pleased. The point is, after all that had been said and learned about public broadcasting in the previous 10 years, it was time the government went beyond policy-talk and did something. With the exception of the largely symbolic Broadcasting Act, one had to go back to 1983 to find a major policy-driven government initiative that had left its mark on broadcasting. On the public side, broadcasting had been lurching back and forth, essentially by default, victimized by federal fiscal policy and the higher mission of industrial development. Yet, incredibly, people still believed in public broadcasting, and within the system, to the extent that the system allowed, some even tried to practise it.

Behind the rhetoric heralding the coming of the information highway and its cornucopia of audiovisual goodies, the key to repositioning public broad-
casting in Canada, therefore, lay in amalgamating the following:

(1) a redefined mandate, structurally recombining national, regional, local, generalist, and specialized services, including those offered via the CBC and other institutions;

(2) funding based on a more appropriate distribution of the wealth and resources generated by the broadcasting system, supplemented by public subsidy and strategically targeted advertising;

(3) programming that met definable audience needs and interests, as opposed to mere addition of more and more entertainment; and

(4) public accountability, through mechanisms that established a two-way flow of information and communication between broadcast professionals and their audiences.

Given that broadcasting in Canada had developed as a hybrid creature – to the point where, today, it can best be described as a semi-public, semi-private system – any proposals for reforming it, to be viable, had to take these aspects into account. The hardest question to deal with in this context was this: Why continue to emphasize exclusively protecting the institutional corporate framework of the CBC rather than broadening the horizons of public broadcasting? Some broadening has occurred, to a limited extent, but real innovation awaits the imagination, political will, and tenacity of the government. As it now stands, by insisting that the CBC, as the main corporate embodiment of public broadcasting in Canada, compete with the private sector directly, for audiences, for advertisers, and now for access to cable channels and their value-added subscriber base, public broadcasting is being painted into a corner. The way out is to insist on activating the principle, recognised in law, that Canada has a public broadcasting system.

Notes

1. For a more extensive version of this history, see Raboy 1990.

2. According to one report, the Canadian independent production industry was a $688 million business in 1991-92 (Groupe SECOR 1994).

3. According to the CBC, 90 percent of the CBC’s spending on programming went to Canadian production, as opposed to 55 percent in the private sector.

4. From a humble 20.5 percent in 1970, to 60.8 percent in 1984, cable penetration of Canadian households had reached 74.1 percent by 1994 (Statistics Canada 1994).

5. Compilation based on Statistics Canada data.
6. The 1994-95 fluctuations in the francophone markets had analysts perplexed: among other things, the spring 1995 figures showed Radio-Canada ahead of its principal rival TVA in primetime, with eight of the top-ten rated programs, while TVA’s news programming was attracting more viewers than Radio-Canada’s.

7. The CBC document also made a valiant attempt at defining the thorny issue of “quality,” which it presented in these terms:
- we will not exploit or titillate in order to deliver audiences to advertisers;
- we will be devoted to the French and English duality of Canada, and also respect the reality of citizens of all origins and regions;
- we will program for minorities across the country: the English inside Quebec, the French outside of Quebec, the North, the remote areas;
- we will provide a forum for democratic debate, for insight, and for spiritual reflection;
- we will not sacrifice our reality for foreign sales;
- we will produce the best of Canadian journalism at home and abroad, maintaining balance and fairness. We will protect our reputation for the most believable radio and television news in Canada;
- we will produce and commission the finest of Canada’s arts and entertainment, and the most stirring of Canadian ceremony and sport (CBC, 1994b: 13).

8. In fact, the CRTC and the cable industry have created a production fund which was expected to generate as much as $300 million by the end of the century in “voluntary” contributions from cable companies “to facilitate the production and broadcasting, during peak viewing hours, of high-quality Canadian programs in categories currently under-represented within the broadcasting system” (such as children’s programming) (Canada 1995: 58).

References


CRTC. 1995. Competition and Culture on Canada’s Information Highway: Managing the Realities of Transition. 19 May, Ottawa.


Le Devoir. 1995. La SRC forte en soirée, mais faible en information, 5 May.

McCabe, Michael. 1995. CRTC should make sure Canadian content isn’t run off info highway. The Gazette, 10 May.


