



CANADA: THE HYBRIDIZATION OF PUBLIC BROADCASTING

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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 – in fact, 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.¹ 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,

