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Canada

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The story of television in Canada is totally intertwined with the story of Canada itself. One hundred and thirty years after Confederation, Canada is still essentially a work-in-progress, an experiment in communication, which on its better days exhibits many of the characteristics of a post-modern nation-state. The problem is that, perched on the rump of the United States as it is, Canada suffers from a lack of critical mass. It has been said that Canada is a place with too much geography and not enough history, but the main point is that Canada has no common political culture. In Canada, communication technology is the only tie that binds.

This is also the situation of Canadian television. Where, in the nineteenth century, the railroad was central to the project of creating Canada, in the twentieth, broadcasting was essential to maintaining it. (In the twenty-first century, the information highway may result in a plethora of Canadas, or Canada-like states, but that is a different story.) But where the railroad linked a string of disparate colonies together—at least until bankruptcy put an end to that—television has shone the spotlight on some of the most flagrant contradictions of the Canadian project. Canadian television has been preoccupied with issues of distribution over issues of content, and in Canada, the conflicting imperatives of economics and culture that have dominated the evolution of television everywhere else are constantly cancelling

each other out in deference to the higher national interest of self-preservation.

Canadians, perhaps more than many others, viscerally understand what Philip Schlesinger has called the 'relevance of communication for analysing the formation of a collective identity'. This understanding is, for example, one of the features which most clearly distinguishes Canadians from Americans. It is reflected, first of all, in the political framework of television.

Broadcasting in Canada is, by law, 'a public service essential to the maintenance and enhancement of national identity and cultural sovereignty'. Canadian broadcasting is then 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 33 per cent 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, the law states, 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, the Canadian Radio-Television and Telecommunications Commission (CRTC).

However, reality is such that the promises enshrined in this generous policy have more often than not been a pious wish-list.

Before Television, There was Radio

To a remarkable extent, the major issues that define Canadian television have remained unchanged since the early days of radio.

Throughout the 1920s, Canadian commercial radio developed essentially in the private sector, with stations operating in either English or French, some of them affiliated with the emerging networks in the United States, and all of them filling the air with a large proportion of American programming. During the same period, the publicly owned Canadian National Railways set up the first national radio network, whose basic purpose was to entertain passengers on the long transcontinental journey from Halifax to Vancouver. In western Canada the Manitoba telephone system and the University of Alberta each operated non-commercial radio stations, and the province of Quebec adopted the country's first broadcasting legislation, authorizing the government to own and operate stations as well as to produce programmes for broadcast by private stations.

The only requirement for broadcasters at that time was to obtain a licence from the national Department of the Marine, which limited its role to the distribution of radio frequencies. But in 1928, faced with an accumulation of difficult problems, the national government mandated a Royal Commission to study all aspects of broadcasting and make proposals for organizing the system. The commissioners travelled the length and breadth of the country and even ventured to New York and London to study the leading broadcasting models of the day, before recommending that all broadcasting in Canada be organized on the basis of public service, and that a national, publicly owned corporation be created to produce and acquire programmes, own and administer stations in English and in French,

eventually absorb the existing private-sector stations, and in the interim, act as the regulatory authority of all broadcasting in Canada. The Royal Commission was motivated by its findings that 'Canadian listeners want Canadian radio programming', and by the conviction that broadcasting was too important a social and educational force to be left to function according to business criteria. In the particular cultural and political context of Canada, it recommended that the national corporation be run by a board made up of commissioners from each province, and that each province have authority over the content broadcast within its territory.

This culturally nationalist, socially progressive, and politically astute report was widely debated for four years after its 1928 publication. Before acting at all, the national government obtained a court ruling declaring that jurisdiction over broadcasting was exclusively its own, and need not be shared with the provinces (which had claimed legal competence on the constitutional grounds that broadcasting was a cultural and educational activity). The young and dynamic commercial broadcasting industry and its supporters strongly lobbied against the idea of a public service monopoly. A popular coalition of unions, voluntary associations, educational groups, patriotic organizations, and progressive business leaders formed the Canadian Radio League which, under the slogan 'The State or the United States', argued for adopting the proposals of the Royal Commission report. Finally, in 1932, a Conservative government adopted Canada's first national broadcasting legislation, creating the Canadian Radio Broadcasting Commission (CRBC), which became the Canadian Broadcasting Corporation (CBC) in 1936.

However, the system that emerged was rather different than the one proposed by the Royal Commission. While the legislation did provide for the public broadcaster to establish a national public service monopoly, no move was ever made to limit the expansion of private, commercial radio. Provincial authorities were completely excluded from playing any official role, and indeed, would be explicitly prohibited from operating broadcasting stations until the introduction of educational television in the 1970s. While official policy documents emphasized the importance of a publicly owned national corporation, funded by a licence fee, advertising (and

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therefore competition with the private sector) was to play an important part in funding its activities from the beginning. And while the entire strategy was centred on the goal of creating an authentic, autonomous Canadian broadcasting system on the periphery of the United States, that system would become a vehicle for introducing American broadcasting content into Canada.

Even before the introduction of television, the major themes that characterize Canadian broadcasting today had already been established. These can be summarized by three sets of tensions: (a) between private capital and the state, over the economic basis of television; (b) between the state and the public, over the socio-cultural mission of television; and (c) between dominant and alternative visions of the state, over the relationship of television to the politics of nationhood. Overriding these are the constant pressures of North American continentalism—and, increasingly, globalization—against the desire for Canadian television to be *Canadian* and the tendency of each succeeding wave of technological change to make matters worse rather than better.

The Origins . . .

In 1951 the CBC was mandated to develop and introduce television as a public service monopoly, following the report of another, more wide-ranging Royal Commission on the arts, letters, and sciences. Broadcasting began in 1952 with the launching of bilingual French-English broadcasts in Montreal. Within a year the CBC was well on its way to establishing two national television networks. The 1950s were critical in setting the tone for Canadian television, in English and in French. Distinctive Canadian news and current affairs formats were developed and, in French particularly, popular dramatic serials known as 'télé-romans'. *Hockey Night in Canada* became a national ritual, in both official languages, which continues to this day.

It soon became clear, however, that television could not be supported by the licence fee, even with advertising. During the 1950s the licence fee was abolished and an annual grant from Parliament became the norm for balancing the CBC's budget. This funding approach remains in effect to this day, despite repeated calls for a more stable, multi-year

funding formula. Also for financial reasons, private companies were allowed to own 'affiliated' stations, enabling the CBC to complete its two national networks (in English and French) at lower cost.

A major shift occurred in 1958 following a change of government. The private sector finally got the independent regulatory authority it had been arguing for since the end of the war: the Board of Broadcast Governors (BBG). 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 is dependent for an important part of its revenue on advertising, public and private competition in television has been an important factor ever since.

Meanwhile, CBC faced a series of political crises. On the English side, attempts by the government to interfere with programming led to massive resignations among current affairs staff in 1959. In the same year, a strike by French-language Radio-Canada producers paralysed the French television service for over two months, and became an important symbolic reference point for the emerging Quebec nationalist movement.

During the 1960s, news and information programming continued to be a source of friction both within the CBC and in the corporation's relationship with the government. The unorthodox current affairs program *This Hour Has Seven Days*, which rated the highest audience 'enjoyment index' ever achieved by a CBC show, provoked an internal management and authority crisis that eventually toppled CBC's senior management while redefining Canadian television journalism. During the same period, French service news programmes infuriated the government by paying serious attention to Quebec separatist politicians and issues, and in 1968 the law was rewritten obliging CBC to 'contribute to national unity', albeit with little concrete effect.

Commercial television flourished in the 1960s, due in no small measure to the political problems that plagued CBC during that stormy decade. Through the late 1960s and 1970s, the government continuously threatened to reduce the CBC's funding level if it did not begin to toe the line, but actually permitted significant expansion as long as it believed the public broadcaster had a political role to play. By the late

1970s, however, this belief was undermined, as the introduction of more and more competing signals ate away at the CBC's audience share, and as government advisers began to realize that using a public broadcaster for propaganda purposes would fail anyway. In the 1980 Quebec referendum on sovereignty, the CBC was basically left alone and all sides relied on television advertising to reach their constituencies. But the CBC's fortunes as the centrepiece of the Canadian broadcasting system began to seriously decline soon after that.

The 1968 Broadcasting Act also enshrined the basic principles and structures of Canadian broadcasting and created a new regulatory authority, the CRTC. On the margins of the system, meanwhile, 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. At the same time, political pressure to redefine the nature of the Canadian federation 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 Canadian \$233 million in public spending.

Meanwhile, while CBC led the way in Canadian programming, private television was slowly and steadily carving a place for itself, building an audience by consistently offering the most popular American programmes, competing with CBC for the broadcasting rights to Canadian sports classics such as football's annual Grey Cup Game, and emulating the CBC's successes in news and current affairs. By the late 1980s the CBC's share of the Canadian television audience was down to around 20 per cent in English and 30 per cent in French.

The issue of maintaining a balance between Canadian and American programmes was tackled by the regulatory authority early on. Beginning in 1960, Canadian television broadcasters were required to offer 55 per cent Canadian programmes. In 1970 this was stiffened to 60 per cent in prime-time. Canadian content regulations would be a controversial and ongoing issue in Canadian television. Apart from the philosophical question surrounding the legitimacy of intervening in audience 'choice', the effectiveness

of content quotas in bringing Canadian programmes to the screen and getting Canadians to watch them has been a subject of continual debate. Since the 1960s, however, there has been a general consensus that without Canadian content requirements commercial broadcasters would have no incentive to produce Canadian programmes when they could acquire American exports for as little as one-tenth of the cost.

The CRTC spent most of the 1970s developing a regulatory framework for the rapidly expanding cable industry, which had emerged in television's early days as community antenna services to remote areas. By retransmitting signals picked out of the air from US border-town transmitters (for which they paid no licence fees until 1989), the cable industry built an attractive product for the Canadian television audience, which quickly developed a taste for the best of both worlds. To extend the dictum of the 1929 Royal Commission on broadcasting, Canadians wanted Canadian television, but they wanted American television too.

Aware that the increasingly widespread cable model was undermining its policy to support and promote Canadian content, the CRTC moved to ensure that cable, as well, contributed to the overriding policy objective of delivering Canadian television to Canadians. Must-carry provisions ensure that every available Canadian over-the-air signal in any area is offered as basic service, along with a local community channel. But in exchange, cable companies are authorized to distribute the three American commercial networks plus PBS. This was, for many years, the basic cable package available to Canadian cable subscribers, and on this basis, 76 per cent of Canadian homes subscribed to cable by 1995.

The CRTC was also charged with putting in place Canadian ownership regulations, limiting foreign participation in Canadian broadcasting companies to 20 per cent, up until 1995. This policy has resulted in the fact that Canadian television is still entirely Canadian controlled, with only a handful of operations having any proportion of foreign ownership at all. It has not prevented the rise of Canadian media conglomerates along the lines of those known elsewhere, however, and the Canadian television industry is characterized by a high degree of concentration of ownership. The trend since the mid-1980s

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is towards the takeover of private television outfits by cable companies, creating multi-media conglomerates which, in some cases, verge on monopoly. The best-known examples are the Quebec cable enterprise Vidéotron, which also owns Canada's main French-language network, TVA; and Rogers Communications, Canada's largest cable company, which acquired the Maclean-Hunter publishing, television, and cable conglomerate in 1994.

Development . . .

An important shift in the ecology of Canadian television occurred in the 1970s, as the CRTC began to license second private stations in large metropolitan markets. Regional networks such as Global (in southern Ontario) and Quatre saisons (in Quebec) grew out of this policy, which also saw the establishment of independent stations in many cities, including Toronto's highly successful CITY-TV. The resulting audience fragmentation contributed to further eating away at the CBC's audience share, and consequently, at an important basis for legitimating the spiralling cost of public broadcasting to the public purse.

After two lucrative decades, private television also began to experience the financial doldrums of a weak market in the 1980s as a period of stagnating advertising revenues followed the earlier licensing boom. But the private sector received an important boost in 1983, with the creation of the Broadcast Program Development Fund, publicly funded and administered by Telefilm Canada. This fund has been responsible for injecting about Canadian\$140 million a year into independent production of programmes destined for broadcast on both public and private television as well as for export. The result has been to create a new independent production sector and increase the visibility of publicly funded Canadian programmes on private television, while diminishing the role of the CBC as the principal producer of Canadian programmes. The CBC is still by far the largest distributor of Canadian programmes, however. In 1994 Canadian content on CBC television was about 85 per cent in prime time, while the total across the entire system was about 75 per cent foreign. Viewing patterns meanwhile, corresponded closely to the total offer.

The situation of conventional broadcasters faced another challenge with the introduction, in 1982, of pay-TV and later, in 1987, of a series of Canadian speciality channels. The CRTC had resisted pressure from the cable industry to allow it to import the new US services such as HBO that came on the market in the mid-1970s, opting instead to promote the development of Canadian services along the same lines. In most cases, such as movies, sports, and rock videos, the Canadian services provide a similar range of programmes to their American counterparts, but they are Canadian-owned, subject to CRTC licensing, and they do offer at least a window for Canadian programmes. In some cases, such as the CBC's 24-hour news service, *Newsworld*, or the international francophone channel, TV5, the first generation of Canadian speciality services licensed in 1987 represented a distinctive addition to the programme offer.

The financing of Canadian pay-TV and speciality channels provides an instructive example in the problems of competing with global television products in a small domestic market. The regulatory justification for creating Canadian pay-TV in 1982 was to provide an additional vehicle for Canadian feature films but the actual percentage of Canadian films offered has never been statistically significant. At the same time, the film channels' weak penetration of cabled households made them commercially unviable. When it decided to license a new series of speciality channels in 1987, the CRTC therefore chose a different formula. This time, cable operators were authorized to provide the new range of services to all subscribers in their territory, and charge accordingly. The discretionary aspect was thus shifted from the consumer to the cable operator, who could calculate the economics of the deal with great precision. The cost to the consumer for each additional service was relatively low, and as rates were regulated, the market mechanism was essentially removed. At the same time, cable operators could still offer the traditional discretionary pay-TV channels which they were by now packaging along with a range of authorized American services not considered to be competitors of the Canadian ones.

Since 1987 Canadian cable subscribers in most markets received a package which includes the 24-hour CBC news channels, channels featuring music videos, sports, weather, and children's programming

(in either English or French), and TV5. In addition, they can choose to subscribe to pay-TV movie channels, specialized channels in the other official language, and, depending on where they live, a range of American channels including CNN (but not, for example, MTV, which is considered a direct competitor of its Canadian equivalent).

By the early 1990s all of these services combined accounted for somewhat under 20 per cent of overall viewing. But pressure to establish even more Canadian services continued, in the light of the anticipated '500-channel universe' and the perceived need to maintain the attractiveness of cable subscription to Canadian viewers as a means of forestalling their defection to US direct broadcast satellites. Thus, as of 1 January 1995, a cabled Canadian household could receive, in addition to everything mentioned previously, a French-language CBC news channel, arts-and-entertainment channels in English or French (depending on the market), a science channel, a women's channel, a lifestyle channel, a Canadian country-music channel, and a channel featuring old programmes. The specific offer and funding formulas have become extremely complicated, and vary from territory to territory according to the leeway provided by the CRTC to each cable operator. The initial response from consumers has been laced with confusion and frustration as, despite the slogan of 'consumer sovereignty' that is supposed to accompany increased channel capacity, the consumer finds that he or she is not really the one who has the choice.

In the mid-1990s Canadian television was struggling to adjust to the new technological and economic environment characterized by the metaphor of the 'information highway'. The CRTC's regulatory regime was under review, the CBC faced increasingly radical budgetary restrictions, private broadcasters were competing for dwindling advertising revenue. As in other western countries, the conventional model of generalist television was increasingly under a state of siege. However, Canadian distribution undertakings—still protected from US dominance under the cultural industries exemption of the North American Free Trade Agreement—were well-positioned in the Canadian market. And across the range of channels available, Canadian independent productions were finding an audience.

In this context, the government initiated a series of reviews of the mandate and funding arrangement of the CBC in the autumn of 1994. Debate focused on whether the CBC should continue to be a generalist broadcaster and even branch out aggressively into a whole range of new speciality services, or limit itself to being a single, highly distinctive service among many. For the government, cost was the main consideration. The CBC's annual grant from Parliament was still nearly Canadian\$1,100 million in 1994–5 (for television and radio combined), despite accumulated cutbacks. This represented one-third of all federal spending in the sphere of culture. But the CBC was still dependent on its annual advertising revenue of Canadian\$300 million—enough to be an important consideration in every programming decision, but not nearly enough to take the pressure off the public treasury.

While critics argued that this dependency gave CBC television the look of a commercial broadcaster, the strongest pleas for getting the CBC out of advertising came from the private sector, which desperately wanted the extra revenue (private television earned \$1,300m from advertising in 1992). The CBC's dilemma, particularly in English, has been how to maintain a distinctive television profile while competing commercially, and how to respond to the vast demands of an encompassing mandate in a context of government cutbacks. The government, meanwhile, irritated by what it has perceived as a negative CBC role in failing to promote Canadian national unity in the face of the threat of Quebec secession, has continued to cut the CBC's annual parliamentary appropriation. By 1996 total projected budget cuts for the period 1984–98 had reached a summit of Canadian\$414 million, or 47 per cent in per capita funding terms.

But regardless how one slices it, maintaining the traditional policy objective of a strong Canadian screen presence means finding more money, not less, for public television. Access for and to Canadian content also requires public subsidy. 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.

Indeed, by 1997 it was clear that the only way to meet the goals set for Canadian broadcasting

