

PUBLIC BROADCASTING IN CANADA: SUBORDINATE SERVICE

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INTRODUCTION

It is a popular conception that although broadcasting regulation was undertaken to give public broadcasting the central role in the broadcasting system, today the situation is reversed and the public service mainly compensates for the inadequacies of private broadcasters (Salter 232). Generally, proponents of this view frame the history of broadcasting as a struggle between competing interest groups, with those representing the cultural objectives of broadcasting locked in a losing battle with economically motivated private interests.

This paper places the history of public broadcasting, as represented in the Canadian Broadcasting Corporation (CBC), in a different perspective. Focusing on the historical relations constructed between the state and private capital through intervention, it demonstrates that the structure of regulation has subordinated public broadcasting to the economic interests of private broadcasters since the legislation of the 1932 Broadcasting Act. While the history of broadcasting is indeed the product of real historical struggles, the regulatory framework has contextualized these struggles so as to foreground the reproduction of private capital. In this way, the marginalization of public broadcasting can be seen as more the product of the regulatory framework than the political prowess of any particular interest group.

THE STATE, CAPITAL, AND REGULATORY INSTRUMENTS

The history of broadcasting regulation is of course inextricably bound up within the history of the Canadian state. From the rationales that have both prompted and guided intervention, to the regulatory bodies that have shepherded the growth of the system, to the political-economic forces that have contextualized its growth - the state and its attendant instruments and policies have played a central role in shaping the broadcasting system. To develop a purchase on why public broadcasting is now marginal to private interests within the broadcasting system, the historical relations between the state and private capital must be examined.

Tracing such relations has long been the project of Canadian political economy. Here, the growth of private capital in Canada

has often been seen as fostered by government intervention. As Aitken (184) notes:

The standard interpretation of the entire history of the Canadian economy assigns to the state a major role in guiding and stimulating development; on any reading of the historical record government policies and decisions stand out as the key factor.

Moreover, Panitch (14) writes that the state has "provided the technical infrastructure for capitalist development when this was too risky or costly for private capital to undertake itself," and that state ownership has not traditionally been undertaken "with the aim of managing or controlling the economy, but always with a view to facilitating further capital accumulation in the private sphere to the end of economic growth." However, there is little consensus as to why or how the state has acted in this manner.

Marchak (692) illustrates that the literature in this area has traditionally forwarded two basic perspectives on the Canadian state: i) an "instrumentalist version," which leads to the expectation that the state "heeds capitalist demands in specific instances"; ii) a structuralist version, which instead suggests that the state "has 'relative autonomy' from business and introduces legislation in response to numerous pressures." While the instrumental approach is useful for sketching social relations in particular historical moments, it portrays the state as subject to the whims of particular individuals or elites and offers little illustration of how the structure of the state constrains relationships between the state and private capital. The structuralist perspective, while moving to overcome this weakness, often falls prey to a functionalist vision of the relations between the state and private capital and fails to illustrate how these relationships are maintained through changing social conditions.

The work of Claus Offe offers a way out of this impasse. For Offe (13), the impetus to state intervention is embedded in the very structure of the capitalist system which leaves the state both dependent on the process of accumulation for its survival and yet prohibits it from "organizing" production according to its own political criteria (because) "property is private." Thus the state is trapped in contradiction: on one hand, forced to intervene in the economy to guarantee its own reproduction; on the other, to structure its interventions such that they do not interfere with the prerogatives of private capital. In accomplishing this the state "protects and sanctions a set of rules and social relationships" which give rise to accumulation. Over periods of time, these practices are sedimented into institutional relations between the state and private capital. Here the state is not the instrument of the ruling class, nor does it defend the interests of one class in some mechanistic way. Rather, by contextualizing social struggles in terms of reproduction of private capital, it

protects the "common interest of all members of a capitalist class society." Following Ofte's line of analysis, both the regulatory commission and the crown corporation, instruments central to the broadcasting system, can be seen as sets of institutional relationships born of government support for the orderly growth and maintenance of capital accumulation: the former acting as an arbiter between competing interests; the latter providing infrastructure for capital development.

The first regulatory commission was instituted in 1903 for the resolution of problems between competing economic interests in the operation of the railways. As the railways opened up areas of the country for exploitation, tensions developed between railway companies and economic interests situated in the hinterland. The structure of the state proved inadequate for dealing with this competition, and pressure mounted for an "independent" agency that would possess both the expertise to make decisions regarding railways and be distant enough from government to be somewhat insulated from political currents of perquisites and patronage. The regulatory commission combined legislative, judicial, and executive functions in one structure and basically functioned to adjudicate disputes between private interests and offer some assurance of the regular operation of these vital links in the economic infrastructure.

The literature on regulatory commissions generally interprets their evolution in one of two ways: older works see state intervention as moving to "correct the failures of the marketplace, enhance the quality of life, and ensure economic efficiency and minimum rates by bringing a broader conception of public responsibility to bear on the conduct of private monopoly;" while more recent analyses forward "a much more critical 'capture' theory, which holds that regulatory agencies almost invariably become servants rather than masters of the industries over which they preside, and that in the rational pursuit of its long term security, business actively sought state regulation to escape the travails of the market," (Nelles 189). However, questions of whether or not regulation was instituted at the behest of industry tend to obscure larger questions regarding the role of the regulatory commission in the economy. As the Privy Council (110) notes:

Regulatory commissions...exists largely because the adjudicative role which they perform could not be performed by departments under the more or less continuous direction of a minister...commissions and tribunals are uniquely constructed to dispense privileges - usually amongst competing interests - and arbitrate rights.

Indeed, in their dispensing of privileges and rights the Board of Railway Commissioners and its progenitors can be seen as dedicated

to the smooth allocation of property rights and the orderly growth and maintenance of private capital. Whether adjudicating between directly competing groups of private capital, or between monopoly capital and the "public interest", they foreground an allocative rationale that focuses on the growth or development of the system within which they are embedded. In fulfilling this role, the regulatory commission constructs a particular set of relations between the state and private capital - relations which are not dependent on the policy stream in which the instrument is located.

Government ownership too was born out of pragmatic necessities in the maintenance of capital accumulation. With the Union Act of 1840, the state became directly involved in the development of economic infrastructure such as canals and railways. Innis (1933: 80) offers a summary of the operational imperative of this activity:

Government ownership is fundamentally a phenomenon peculiar to a new country, and an effective weapon by which the government has been able to bring together the retarded development and the possession of vast natural resources, matured technique, and a market favourable to the purchasing of raw materials. It was essentially a clumsy, awkward means of attaining the end of immediate investment of tremendous sums of capital, but it was the only means of retaining a substantial share of the returns from virgin natural resources. Canada's development was essentially transcontinental. Private enterprise was not adequate to the task, although the success of government ownership has tended to obscure the paramount importance of its contributions during the early stages of capital formation.

Through both subsidy and direct ownership, the early Canadian stage was able to rapidly secure territory and develop resources while deferring the cost of development through legislative structures. The crown corporation represents a further institutionalization of this process.

Fuelled by the unsubstantiated optimism of the federal government in the first decade of this century and the trials of war in the second, the debts of two of Canada's three transcontinental railways had grown beyond the management of the private sector by 1917. After much deliberation, nationalization seemed to be the only way to prevent bankruptcy and the negative effects on both private individuals and Canada's credit in foreign capital markets that might arise from it. The Canadian National Railway (CNR) was the state's response to this crisis.

As a means for the consolidation and public appropriation of private debt the new corporation was quite a success, investors were largely protected and the railways were maintained. However, the structure of the company was not conducive to capital accumulation. On one hand, its assets were a patchwork of isolated railways. While these were important for the maintenance of commercial activities in the communities which they serviced, as commercial enterprises they were marginal at best. On the other hand, the company was saddled with a tremendous debt to service and subject to small and unpredictable Parliamentary appropriations for working capital. As Innis (1933: 58) notes, this structure placed the CNR in a subordinate position to the CPR in relation to both railway markets and advances of new transportation technologies and, over time, would lead it "to become a buffer between the Canadian Pacific and the vicissitudes of railway earnings in Canada." Rather than offering direct competition to private enterprise then, this structure focussed the crown corporation on the edges of the commercial railway system and extended the reach of private capital in the development of national resources. Further to this point, Innis (1933: 55-56) writes:

government ownership at present represents a force in favour of continued and rapid exploitation, and there is little evidence that it is being used, or that it can be used, as a weapon designed for other purposes of importance to the Canadian people in the long run. Government ownership will continue to be a most potent factor in the rapid development of the country.

Historically then, these regulatory instruments sedimented particular sets of relations between the state and private capital in institutional form: the regulatory commission working to safeguard the smooth allocation of resources and expedite the orderly expansion of capital; state ownership, with its focus on commercially marginal activities, working to extend the reach of private capital in the development of resources.¹

THE ORIGINS OF PUBLIC BROADCASTING

Prang notes that the introduction of public broadcasting to Canada was a move of "defensive expansionism" as the state strove to protect and nurture its broadcasting resources from the intrusion of American broadcasting signals. However, this intervention was not motivated solely by economic concerns, for radio broadcasting was imbued with nationalist cultural significance early in its history. To understand how these cultural concerns structure broadcasting policy, some illustration of the historical significance of the nationalist ideal that gives rise to these concerns and its relation to the Canadian state is necessary.

As Charland (202) illustrates, the early development of the Canadian nation state had both physical and discursive components:⁴

(1) The existence of a transcontinental Canada required the development of a system of transportation facilitating territorial annexation, colonization, and the implantation of a physical presence. (2) The existence of this Canada also required the development of a rhetoric which ideologically constituted those in Canada as Canadians, united in the national project and under the political authority of a national government.

Through constituting a particular set of historical subjects, this discourse constructed the idea of a "Canadian" nation state. Legitimated by this notion of nation, the state was empowered to intervene in the economy and undertake the physical components of nation building. However, once the project of Confederation was firmly underway, this "discourse of nationalism" did not simply disappear. It remained a central legitimating force in underwriting federal initiatives.

While the discourse of nationalism informed the practice of radio broadcasting in the early 1920's, it was not until the Report of the Royal Commission on Radio Broadcasting (Aird Report) that it became central to the development of broadcasting policy. Informed by a commercial rationale, private broadcasting in Canada was largely constructed as an extension of American broadcasting empires. This inhibited the growth of a Canadian based industry and raised nationalist concerns. Building on these concerns, the Aird Report (6) stated that radio "could become a great agency in fostering national consciousness and unity" but because of the preponderance of foreign programming available "the minds, ideals, and opinions of Canadians, particularly the young, are being shaped into moulds not specifically Canadian." Here then, the commission implicitly recognized what Innis (1951) would call the "space binding" nature of the new medium. Central to this vision, was a conception of the medium as a purveyor of nationalist cultural ideas the might bind the country together. From Aird on, these nationalist concerns became a central feature of broadcasting policy discussions. These concerns, in concert with the structure of regulation, set up a series of relations between the state, private capital, and the practice of broadcasting - relations which have been instrumental in the marginalization of public broadcasting in Canada.

The struggle for public broadcasting that followed the Aird Report is well documented in the literature and does not need to be rehearsed in detail here. It is generally argued that with the legislation of the 1932 Broadcasting Act and the institution of the Canadian Radio Broadcasting Commission (CRBC) the nationalist forces won the day, (Prang). Indeed, the discourse of nationalism

and its attendant concerns appear to firmly undergird Prime Minister R. B. Bennett's speech to the House of Commons introducing the first Broadcasting Act:

this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference of influence. Without such control radio broadcasting can never become a great agency for communication of matters of national concern and for the diffusion of national thought and ideals, and without such control it can never be the agency by which consciousness may be fostered and sustained and national unity still further strengthened....no other scheme than that of public ownership can ensure to the people of this country, without regard to class or place, equal enjoyment of the benefits and pleasures of radio broadcasting. Private ownership must necessarily discriminate between densely and sparsely populated areas.... Happily... under this system there is no need for discrimination: all may be served alike. (Cited in Peers 101-102.)

However, in practice, the CRBC fell short of being the "great agency" promised in Bennett's speech.

The CRBC was somewhat of a hybrid of the regulatory commission and crown corporation: on one hand, empowered to regulate private broadcasting; on the other, charged with carrying on the business of broadcasting in Canada.³ This division of responsibilities recognized the legitimacy of private ownership within the system while allowing for public participation. However, positioned as a government department, the commission's powers of self-determination were severely constrained by legislation, particularly regarding the acquisition of property, the appointment of staff, and the acquisition and disposition of funds. Attempts to have the Broadcasting Act amended to provide greater autonomy were to no avail, (Peers 118-128). This structure, which circumscribed the commission's activities in the marketplace and left it open to pressure from both the government and the private sector, focussed the commission's activities toward the edges of the commercial system.

While enough money to make a substantial step toward building a wholly publicly owned broadcasting system was generated through regulation, the CRBC was dependent on the government for passing on these funds and they were not forthcoming, (Peers 108-136). Consequently, the commission's plans to construct a chain of high-powered stations across the country were stymied and most of its

efforts focused on network broadcasts and program production, (Malone, 31). In those early days, high transmission costs mitigated against network broadcasting in Canada, (Weir 50-55). But because such arrangements were seen as important to the national character of the system, they were undertaken almost single-handedly by the commission.⁴ In an effort to induce broadcasters to run Canadian programming rather than import or copy American programs, the commission produced and distributed programming free of charge. When private stations balked at this prospect, the commission often paid them to affiliate with its networks and/or take on its programming, (Weir 56). Further, because of national considerations, commercially unprofitable service to less populated areas of the country was shouldered by the commission.

In practice then, the CRBC's nationalist vision of broadcasting generally subordinated its activities to the commercial interests of the private stations. In the face of foreign broadcasting incursions, it moved to develop aspects of the Canadian broadcasting resource that private industry was loathe to and subsidize the operation of private stations with both programming and cash during the tough economic times of the early 1930's. The role of the discourse of nationalism is crucial here. For, though constituting nationalist goals for broadcasting, it directed the activities of the commission away from those of private broadcasters. Coupled with a structure that left it open to both budget restrictions and pressure from private broadcasters, these goals narrowed the activities of the commission to those of primary national concern. As a result, the CRBC moved to fill in the void created by the contradiction between the logic of commercialism and the discourse of nationalism and lay the foundation for the development of a Canadian-based broadcasting system. While the form of public broadcasting and its technological conditions have changed through time, the basic relations between the state, public broadcasting, and private capital constructed by regulation have remained the same.

THE EARLY CBC

The 1936 Broadcasting Act transferred the CRBC's regulatory powers to the CBC while clearly distancing it from the government through casting it in the form of an "independent" crown corporation.⁵ But while it had a guaranteed income, the ability to borrow money, and control over its staff, the CBC's powers were still severely circumscribed by the requirements that it have permission from the Governor-in-Council for expenditures over a certain amount, for the acquisition of property, or for securing loans or advances. Because the ability to acquire and dispose of capital is the essence of corporate freedom, the CBC's independence was in practice more of a possibility than an achievement. This structure, combined with its self-espoused national mandate, continued to focus the public broadcaster's commercial, network,

was in practice more of a possibility than an achievement. This structure, combined with its self-espoused national mandate, continued to focus the public broadcaster's commercial, network, and programming policies away from the practices of private broadcasters and toward the development of the national system.

Network activities were again structured in favour of private capital. While network broadcasting in the late 1930's was still not lucrative enough to attract private investment, it continued to form a major portion of the CBC's activities. Private stations formed an important role in this network, filling in large gaps in national coverage. Revenue sharing arrangements for such broadcasts were more generous than those American stations struck with their affiliates, and little if any pressure appears to have been exerted on private stations to join the CBC network or carry CBC programming (Malone 34). As the economic climate improved and the CBC demonstrated the viability of network operations, pressure from the private sector resulted in both an increase in the CBC's national network coverage and the relaxing of network affiliation rules to allow private stations to form their own regional networks.

Through this period the CBC's production practices continued to offer little interference with the private sector. Production often focused on types of programming that were considered to be either culturally enriching or of national significance, such as symphonies and radio plays or "actuality" broadcasts and current affairs. These types of programming were not particularly attractive to advertisers because of their narrow audience appeal and/or expense.⁶ Advertising practices too were different from those of private broadcasters. In an attempt to set a high standard for advertising content, the CBC formulated a commercial acceptance policy which considerably narrowed the types of advertising revenue it would accept. Further, because it perceived itself as a "national" broadcaster, the CBC does not appear to have contracted either local business or spot advertising through the 1940's, leaving this business for private broadcasters (Weir 200-203).

The crown corporation structure also left the CBC both financially and authoritatively ill-equipped to regulate the activities of the private sector. Transgressions regarding commercial activity, content requirement, and promises of performance were often reprimanded yet evaded punishment in the face of unclear authority. These problems continued to grow through the 1940's and were compounded after World War II with the introduction of television in the United States. Until, as Peers (1969: 379) notes, by the year 1948:

several questions demanded the attention from the government. First, an authoritative answer was needed on who should regulate and control the activities of the

private stations; their scope and function had to be defined or restated. Second financial provision had to be made for the CBC; the license fee...was now clearly inadequate... Third, there was the new problem of television. The country, it seemed, would be faced with the same kinds of difficult choices that had confronted it when radio broadcasting developed. The difference was that the pace would be faster, the costs would be greater - and the stakes would be higher.

While the CBC began to make plans for the implementation of television in 1947, these were dealt a serious blow early in 1948 when the government refused them funding. From this time until the legislation of the 1958 Broadcasting Act, the federal government assumed the responsibility for setting television policy, as both public and private broadcasters jockeyed for position in this new broadcasting market.

In early 1948 it looked as though the CBC would be relegated to a licensing and regulatory role regarding television, similar to the US Federal Communications Commission (FCC). However, the applicants apparently most able to proceed were foreign-owned, which raised objections from the Canadian Association of Broadcasters (CAB), (Peers, 1979: 11). Delay followed and Canadian cities were flooded with programming from American border broadcasters.

Under pressure from a number of sources, the government announced an interim television policy in March of 1949. This policy stated that television would be developed by both public and private enterprise, with the CBC establishing stations and production centres in Toronto and Montreal and supplying programming to private stations in other parts of the country. However, these plans were again modified in 1952 when the government, reacting to the nationalist concerns of the Report of the Royal Commission on National Development in the Arts, Letters, and Sciences (Massey Commission) made another major television policy statement:

The government believes, with the Royal Commission, that television should be developed in Canada with the aim of benefitting our national life and that it should have the structure and means required by Canadian conditions to ensure adequate amounts of Canadian programs for Canadians as well as using some of the material from outside the country. Television will undoubtedly play a considerable part in the lives of many Canadian families... The government believes it should be so developed in Canada that it is capable of providing a sensible pattern of programming for Canadian homes with at least a good portion of Canadian content reflecting

Canadian ideas and creative abilities of our own people and life in all parts of Canada, (Fowler Report: 315).

While the nationalist goals of broadcasting contextualized this statement, the system the government envisioned was not a purely public model. This plan moved to establish CBC stations in Ottawa, Halifax, Vancouver, and Winnipeg as well as Toronto and Montreal while leaving other centres open to development by private interests. Only one station would be licensed in any given area and network arrangements, still too expensive to be attractive to private capital, would be the responsibility of the CBC.

The CBC began broadcasting in September of 1952 in Toronto and Montreal, and the first private station opened in Sudbury in October of 1953. From this point television grew extremely quickly. A year and a half later there were seven CBC stations and nineteen private stations. And, by March of 1958, there were eight CBC stations and thirty-six private outlets, (Ellis 35). The CBC supplied much of the impetus to this growth, funnelling \$170,000,000 into the development of television between 1952 and 1957. Much of this money indirectly subsidized the operations of private broadcasters through supplying them with programming and facilities. Further, affiliate agreements between the CBC and private broadcasters operating in economically marginal markets acted as a buffer between these businesses and the travails of market development.

After their election, the Conservatives made good on their longstanding promise to institute an independent regulatory commission in broadcasting with the passage of the 1958 Broadcasting Act. With this Act, the CBC lost control over licensing and network regulation and was set on more or less equal footing with private broadcasters before the Board of Broadcast Governors (BBG), competing for licenses and privileges. However, in practice this realignment of power relations was not as dramatic a shift from the status quo as some critics claim. The 1957 Report of the Royal Commission on Broadcasting (Fowler Report: 224) had already recommended the creation of a separate public agency that would be responsible for all matters of regulation. While this report took pains to point out that this was not the same organization as the independent regulatory board advocated by private broadcasters, it did note that before the new board there might be "competition between the CBC and private applicants for new licenses." Further, because the government had acted as an arbiter between the CBC and private interests in the competition for television licenses, the new legislation was in many ways simply legislative recognition of existing regulatory conceptions and relationships.

The allocative rationale of the new board quickly became apparent. As the BBG assumed its responsibilities, the government announced that in mid-September of 1959 applications for second

stations in areas already served with television would be considered. Rising out of this second station policy, an application to operate a private network was heard in April of 1961 and the CTV network began broadcasting in October. As Anderson (84) illustrates, the new stations', and consequently the new network's, success was largely dependent on the degree to which they could "cut into CBC commercial revenues and the amount of programming it could sell to the Corporation's affiliates." While both the new stations and the new network got off to a rocky start, with a little help from the BBG by way of relaxing regulations, the second stations were soon profitable while the CBC reported declines in commercial revenue.

Encouraged by government and its structure as a regulatory board, the BBG had both explicit and implicit mandates to expand the broadcasting system. Throughout its tenure it was almost constantly at odds with the CBC over how such expansion would be undertaken. With the CBC constrained both financially and through its dedication to the national purposes of broadcasting, it was inevitable that this expansion would come at the expense of the public broadcaster.⁸

THE CRTC

With the 1968 Broadcasting Act, and the institution of the Canadian Radio-Television Commission (CRTC), the relations between the CBC and private broadcasters were little changed. However, with this Act the nationalist goals of public broadcasting finally found voice in legislation and the CBC was officially harnessed to presenting a "balanced service of information" in both English and French, extending service to "all parts of Canada", and contributing "to the development of national unity... (and the) continuing expression of Canadian identity," (Section 3(g)). While the forces at work in the broadcasting system during the 1970's and 1980's have been varied and complex, both the structure of regulation and the CBC's mandate continued to focus public broadcasting toward the edges of the system.

Following an allocative rationale, the CRTC sought to enhance Canadian representation within the broadcasting system during the 1970's by increasing the number of licensees. Generally, this led to a further marginalization of public broadcasting through both intensifying competition for audiences and increasing the amount of foreign programming available within the system. Following its mandate, the CBC fought this tide by increasing its commitment to the production of Canadian programming, extending broadcasting service through its Accelerated Coverage Plan, and devoting increasing attention to issues such as northern and native broadcasting.⁹ As the 1970's drew to a close though, the uncontrolled reception of American satellite broadcasts threatened the whole regulatory framework, (CRTC, 1980). In an effort to head off this latest invasion of American programming, the CRTC

increased its licensing activity further fragmenting broadcasting markets, (CRTC, 1985).

Throughout this period, budget cuts undermined the CBC's abilities to respond to these changes in the broadcasting environment. Since the mid-1970's, recessionary pressures on the state have placed increasing emphasis on the role of the private sector and the supposed benefits of competition, (McNulty 196). Coupled with the increase in private sector representation, these economic forces have further diminished the role of public broadcasting in the system.

As the private sector has continued to fill the broadcasting system with more foreign programming, the CBC has predictably reacted by renewing its commitment to develop a greater quantity of "distinctive" Canadian programming.¹⁰ This strategy is evidenced in how the corporation dealt with the 1991 budget cuts: withdrawing from local news production (ostensibly because this service "duplicates" that of the private sector); promising increased regional news programming (a market now underserved by private broadcasters); and renewing its commitment to "Canadianizing" its program schedule. However, this strategy again finds the public broadcaster emphasizing values that are marginal to the commercial system and it will put a further strain on the CBC's resources. Given that local news and foreign programming have traditionally been major sources of commercial revenue, these cutbacks will bring about both a decline in revenue as audiences shrink and an increase in production costs as new programs are produced.

It is interesting to note how these commitments, with their apparently negative impact on the commercial revenue of the corporation, come at a time when the proliferation of private broadcasting services have severely fractured advertising markets and threatens loss of income to all. However, while there has undoubtedly been pressure from the private sector to push the CBC further away from commercial advertising markets, the greatest impetus in this direction appears to have come from within the corporation itself as it has moved to pursue cultural concerns in the face of increased foreign program incursions and focus on developing aspects of the system that are being overlooked by the commercial rationale of private broadcasters.

CONCLUSION

While the history of broadcasting in Canada has indeed been a history of struggles between competing interests, the structure of regulation has consistently placed the public sector forefront in developing the broadcasting system. First with the CRBC, and later with the CBC, public broadcasting has functioned to both generate and consolidate broadcasting resources. With their abilities to both generate revenue and distribute it to specific sites, these organizations excelled as development instruments. Under their shepherding the private sector flourished, leading to pressure for further allocation of available resources as private capital developed the capacity to undertake more responsibilities.

At the centre of this division of labour between the private and public sectors has been the contradiction between the cultural goals of broadcasting and the economic rationale that guides private capital. Presently, this contradiction is expressed at a number of different levels within the various elements of the system: in the practices of the CBC, where it is torn between the commercial imperatives of broadcasting and the pursuit of broad social and nationalist goals; in the practices of the private sector, where the purchase of cheap foreign programming is favoured over program production; in relations between the private sector, the public broadcaster, and the regulator, where the private sector is generally found to be in a better financial position to assume new licenses than the CBC; and in Parliamentary debates and government studies, where commendations of the public sector are often accompanied by calls for further austerity. These contradictions have moved to frame power relations between the private and public sectors such that the public sector both seeks and is pushed toward the economic edge of the system and a subordinate position with regard to revenue production. However, while the mandate of the corporation will inevitably continue to focus its activities on the economic margins of the system, it need not continue its slow drift to obscurity. Through instituting some form of funding independent of the political and economic fortunes of the state - a form upon which the corporation might generate future revenue opportunities - the CBC could strengthen its position at the leading edge of the broadcasting system.

Endnotes

1. In this way they represent a step in the historical institutionalization of capital relations between the state and private capital. See Dubruc (1966) for a discussion of how the Canadian state has historically moved toward the promotion of private capital accumulation.

2. While the concept of discourse presented here dovetails with Charland's notion of the term there are several important differences, particularly regarding the relationship between rhetoric and discourse and the role of technology in this discourse. For a comparison see Charland (1986: 196-21) and Skinner (1988: 5-24).

3. See Canada. Canadian-Radio Broadcasting Act Statutes of Canada, (C. 51, 1932): Section 8 A.

4. Interestingly, Weir (165) illustrates the CRBC's first network contract with the railroad telegraph companies was sensitive to their commercial interests and contained this clause:

The commission undertakes and agrees not to employ the said transmission lines for commercial broadcasting purposes and agrees not to compete with the railways in the commercial broadcasting field. If, however, the commission hereafter determines to undertake commercial broadcasting, it shall give to the railways and to each of them reasonable notice of its intention so to do and in such an event the commission shall not undertake such commercial broadcasting unless and until the amounts to be paid by the commission to the railways for the use of the said transmission lines for such purposes shall have been mutually agreed upon.

5. Weir (200-203) illustrates how the CRBC's close relationship with government led to its eventual downfall with the "Mr. Sage" scandal.

6. As the general manager of the CBC noted in 1946, scheduling practices often worked in conjunction with program production to minimize audience appeal:

The CBC does not try to obtain a mass audience all of the time. The easy and profitable way of doing this is to put programs which are not supposed to be big audience builders outside peak listening times. This we have resolutely refused to do. (Quoted in Weir 272).

7. See the Canadian Broadcasting Corporation Annual Report 1959. Further, Weir (331) notes that "during the first three months of the life of most private television stations, up to 85 per cent of

their programs were supplied by the CBC without cost to them." Also, through lease agreements, the CBC was a major source of financing for the Trans-Canada Telephone System's microwave system and it often shared these channels with the private networks free of charge, (Weir 331).

8. Skinner (1988) offers a thorough discussion of how this expansion took place at the expense of the CBC.

9. Through its interest in the latter, the corporation played an important role in financing the development of satellite broadcasting as Telesat's only broadcasting customer from 1973 to 1981.

10. See for instance: the CBC The Strategy of the CBC 1983; CBC Let's Do It! 1985; CBC New Broadcasting Policy For Canada March 1987.

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