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Canadian Public Broadcasting:  
Discourse of Subordination

David Skinner

A Thesis

in

The Department

of

Media Studies

Presented in Partial Fulfillment of the Requirements  
for the Degree of Master of Arts at  
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## ABSTRACT

### Canadian Public Broadcasting: Discourse of Subordination

David Skinner

This work examines the failure of Canadian public broadcasting to achieve the goals described for it by Parliament. Through combining the insights of political economy and discourse analysis, it offers a novel framework for elucidating the complex forces at work in Canadian broadcasting policy. Tracing the roots of both the discourse surrounding public broadcasting and the policy instruments employed in this field, it is illustrated that these have articulated to produce a set of relations between the state and private capital that has subordinated public broadcasting to private capital accumulation.



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## Introduction

Since the first discussions of public broadcasting in Canada, it has been ideally envisioned as an instrument of great national import, central to the promotion of national unity and the fostering of national consciousness. As Prime Minister R.B. Bennett stated in 1932 when introducing the Radio Broadcasting Act:

this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or 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.

Sir Henry Thornton (1923), the 1929 Royal Commission on Radio Broadcasting (Aird Report), the 1951 Royal Commission on National Development in the Arts, Letters and Sciences (Massey Commission), the 1957 Royal Commission on Broadcasting (Fowler Commission), as well as a host of Parliamentary Committees, have all echoed this sentiment.

However, since the first government intervention, public broadcasting has consistently failed to achieve the status described for it within this talk. Perennial problems with financing, clashes between public and private broadcasters, and a general lack of governmental support for the Canadian Broadcasting Corporation (CBC), and its predecessor the Canadian Radio Broadcasting Commission (CRBC), have all impeded the system from becoming such a "great agency". At the same

time the position of profit-driven private broadcasters within the system has been steadily enhanced, often at the expense of the public broadcaster which has traditionally been charged with fulfilling the public purposes of broadcasting.<sup>2</sup>

Through combining the insights of political economy and discourse analysis, this work offers a novel framework for elucidating the complex forces at work in this policy process. Tracing the roots of both the discourse surrounding public broadcasting and the policy instruments employed in this field, it is illustrated that these have combined, or articulated, to produce a certain set of relations between the state and private capital - relations that have, at several levels, moved to subordinate public broadcasting to private capital accumulation. This is not to imply that the state has in any direct way served the interests of a ruling elite but that the policy instruments introduced to broadcasting policy reflect an instrumental rationality that has resulted in intervention serving private capital. The talk or discourse of public ownership in broadcasting has played an integral role in this process, working to legitimate state intervention, guide the form of intervention, and "occlude" or suppress from view the ways it has moved in the service of private interests. Thus, this thesis looks to the structure of both the instruments employed in broadcasting policy and the discourse surrounding it to explain the inability of public broadcasting to achieve the status described for it.

Discussion is presented in three chapters, followed by a

brief summary and conclusion. The first chapter is devoted to the rationale, theory, and method. It delineates the problem upon which this work focuses and surveys and critiques some of the literature in this area with an eye to developing an argument for the theory and method employed in this work. The theoretical orientation and methodology are then described.

Chapter two examines the history of both the regulatory instruments employed in broadcasting and the discourse accompanying it. First, the development of Crown corporations and regulatory boards up to their inclusion in the broadcasting policy field is traced and it is illustrated how they appear to represent a particular set of relations between the state and private capital. Second, the roots of the discourse of public broadcasting are traced to the "discourse of nationalism" - the discursive structure articulated with Macdonald's National Policy - and some of the effects of this structure on the policy process are described.

Chapter three forms the major part of the analysis and is basically an overview of the history of public broadcasting. Here it is illustrated how the discourse of nationalism and the structure of the regulatory instruments employed in this policy field appear to have contributed more to the development of infrastructure for private industry than the achievement of nationalist goals.

Conclusions are drawn at several levels. First, a number of structural relations are forwarded as an explanation of why public broadcasting has traditionally been mired in

inefficiency and effectiveness vis-a-vis the talk surrounding it. Second, at a theoretical level, a discussion of the importance of considering the effects of discourse in addition to the traditional political economic policy considerations of structure and practice is offered. And finally, there is a brief consideration of the value of theoretically informed policy analysis and its utility.

## Chapter I

### Rationale, Theory, and Method

Seeking to explore the anomaly between Parliament's objectives for public broadcasting and its actual performance, this work focuses on the historical relationship between this "talk" or discourse of public broadcasting and actual policy structure from the inception of Canadian broadcasting through to the 1968 Broadcasting Act. Four inter-related questions frame and guide this enquiry. First: has the structural framework of English Canadian broadcasting policy accorded the public element a central place in the system or has that element often been marginalized? Second: in practice have the sedimented institutional relationships between the different elements of English public broadcasting been conducive to realizing Parliament's stated goals for it?<sup>3</sup> Third: how has the structure and process of broadcasting policy traditionally framed power relations between the private and public elements? Fourth: traditionally, has the structure and process of broadcasting policy subordinated the objectives of public broadcasting to the interests of private broadcasters?

Following Streeter (1986), policy is conceived as "an historically determined discursive practice, a way of doing things with talk."<sup>4</sup> From this perspective, discourse is taken to have material effects on the policy process in that it

influences the manner in which the objects of policy making are conceived and treated.<sup>5</sup> But of course policy discourse is only one of its conditions of possibility, for it is located within a particular institutional framework and has particular links with economic and political processes which condition possible outcomes.

A discursive approach to policy analysis requires searching out these institutional conditions of possibility, tracing their relationships with policy talk, and illustrating how they combine, or "articulate", to produce certain outcomes. While it has long been the project of political economy to trace the political economic structure and practices of policy processes, the relationship of policy discourse to these processes has usually been either ignored or taken as representative of political economic interests. Through combining political economy and discourse analysis, this work strives to illustrate that policy discourse is not simply a manifestation of political economic forces, but a different type of condition of possibility that also moves to structure the policy process. Thus, it will be illustrated that the talk, or discourse, of public broadcasting moved to position the practice of public broadcasting in a particular relationship to the Canadian policy process and worked in conjunction with political economic forces to produce a particular policy structure.

#### Literature on Canadian Broadcasting

Over the years the history of Canadian broadcasting has

been the object of much public and private scrutiny. As it has played a central role in the development of the broadcasting system, public broadcasting is the focus of much of this work. Within this corpus at least three different, though sometimes intermingled, epistemological positions can be distinguished.

The mainstream of writing and research on Canadian broadcasting takes a basically liberal perspective and strives to place the struggles of particular interest groups, numerous reports of royal commissions and parliamentary committees, and a wide variety of both publicly and privately generated documents in an historical political context. Weir (1965) highlights the major themes of these works:

Broadcasting in Canada has been a history of struggles - between two great railway systems; between railway and telephone transmission interests; between provincial and federal authorities as to jurisdiction; between small community and large regional privately owned stations for a share of limited revenues; between the hucksters and the intellectuals; between artists demanding adequate remuneration for their talent and stations occasionally struggling to make ends meet but occasionally ready to take any and every advantage of talent; between aspiring amateurs and trained professionals; between various program elements, regions and language groups seeking places in the sun as well as their share of available dollars; between bureaucracy and creativity - and, encompassing all of these, between public and private broadcasting.

Frank Peers' two volumes (1969, 1979) are generally acknowledged as the most thorough and rigorous representatives of this body of work, while Prang (1965), Babe (1979), and Audley (1983) are just a few of the more familiar names that have made more focused contributions in this area. As well, a



wide variety of MA and PhD theses both add breadth and undergird these writings (eg. Carscallen, 1966; Saunderson, 1972; Anderson, 1976; Blakely, 1979), while a veritable mountain of publicly sponsored studies and inquiries develop issues, set up terms for debates, and provide material for further analyses. There are of course vast differences in both the sites of analysis and the research methods utilized within these works. For instance: Prang (1965) offers an historical analysis of the competition among various individuals and interest groups leading to the legislation of the 1932 Broadcasting Act; Babe (1979) harnesses the tools of economic analysis for insight into the complex relations between the structures and processes of more modern broadcast regulation; while the 1986 Report of the Task Force on Broadcasting Policy offers a review of the entire broadcasting system. Generally though, these works share a liberal epistemological vision of the policy process as a struggle between more or less rational policy actors competing for representation within the context of some basic constraints such as overt parliamentary structure, specific technologies, or material resources.<sup>7</sup>

From the perspective of this thesis, the basic problem with these works is that they usually either implicitly or explicitly center on the agency of individuals or organizations at the expense of obscuring the influence of larger structures and processes such as: i) how particular policy streams are often subject to the influence of larger political, economic, and social structures and processes; ii) how policy problems are

often conceived and responded to through a limited number of historically conditioned options; iii) as a consequence of (i) and (ii), how the structure of a particular policy stream and the policy instruments it contains can be seen as flowing from these larger influences.

Closer to the epistemological assumptions of this thesis, work by a much smaller group of writers such as Hardin (1974) and Smythe (1981) moves to place broadcasting in a wider critical perspective. Here, the ways broad economic and political forces have structured Canadian culture and its institutions are traced out. However, these analyses inevitably find economics at the root of social structure and process, thereby often overlooking other important structural influences on social processes.

More recently, a growing body of research has employed various techniques of discourse analysis to reveal, as Raboy (1986) notes, "the relationship between text and context."<sup>8</sup> Such studies range from Streeter's (1986) study of the relations between policy discourse and policy practice in the structuring of the US cable tv market, to Bruck's (1984) thesis on the relations between the product and production practices of CBC's "Sunday Morning", to Biggs' (1984) interrogation of cultural policy documents to "expose the structures of knowledge and modes of knowing they realize,"<sup>9</sup> to Charland's (1986) essay on the effects of the rhetoric of technological nationalism embedded in the discourse of broadcasting policy. As Biggs notes, this type of analysis is

particularly useful in illustrating how specific structures of interaction come to "authenticate specific communicational relationships, and, by extension, legitimate certain power relations."<sup>10</sup>

While drawing on the first body of literature for insight into the history of Canadian broadcasting, this thesis moves to harness the analytic insight of the latter two to illustrate how historically material structures and processes have moved to determine the shape of broadcasting policy. While this analytic frame tends to discount the agency of individuals and organizations it is not assumed that such entities are without agency but that the structure and process of broadcasting policy has, at at least several levels, been historically conditioned. By stepping back to view some aspects of the broadcasting policy process from a wider perspective, it is the purpose of this work to begin to identify and trace out these determinations. For as Biggs (1984) notes: "there can be no exit from past policy initiatives until we have adequate purchase on the tradition in which past inquiries have participated."<sup>11</sup>

### Theory

As illustrated, this analysis will be theoretically informed by both discourse analysis and political economy, with tenets of the former being used to guide the insights of the latter.

Rising from a heritage of French structuralism, discourse

analysis is concerned with the ways words come together to constitute particular objects.<sup>12</sup> Thus, analysis centres on what was "said" rather than the speaking subject. The speaker or author is of little consequence other than to illustrate the presence of a discourse at a particular historical moment. Consequently, traces of a discourse may be found in anything "spoken" such as songs, speeches, the popular press, academic writings, or policy documents.

As material entities, discourses are seen as relatively autonomous domains and treated empirically as particular 'sites' of human practice. As such, Foucault (1972) states that discourse should not be described as:

a 'translation' of operations or processes that take place elsewhere (in men's thought, in their consciousness or unconsciousness, in the sphere of transcendental constitutions); but. . . accepted in its empirical modesty, as the locus of particular events, regularities, relationships, modifications and systemic transformations; in short, . . . treated not as the result of something else, but as a practical domain that is autonomous (although dependent), and which can be described at its own level (although it must be articulated on something other than itself).<sup>13</sup>

The notion that discourse has a material nature carries the epistemological assumption that it is not "feasible to pry 'facts' from discourse", for they are only manifest in and through it.<sup>14</sup> Streeter offers a corollary of this position, denying "any ultimate separation between ideas and things, and an insistence that the two always have to be looked at together in complex kinds of interactive

relationships."<sup>15</sup> This is not say that "the word" is in fact "the thing," but that "words provide an orientation to things" and move to structure experience.<sup>16</sup>

In this thesis the basic project of discourse analysis is understood as the illustration of relationships between discourse, practice, and structure. Hall (1985) describes the relationship between practice and structure:

we may say that a structure is what previously structured practices have produced as a result. They constitute the given conditions, the necessary starting point for new generations of practices.<sup>17</sup>

This is not to say that there is a necessity between practice and structure, but a "double articulation" or interpenetration of the two whereby the latter offers direction and content to the former, while the former moves the latter in new directions. Building upon this notion, "discourse analysis" is defined as the analysis of the relationship between discourse and practice. Again, there is taken to be a double articulation between the two without necessity.

The term "discourse" is basically taken to refer to a particular body of words and the rules governing their appearance. "Talk" may be thought of as a particular manifestation of the interaction between such a body of words and rules. From this perspective, "talk" is "discourse" although any particular body of talk may perhaps offer only a partial vision of the discourse of which it is a part. In turn, "discursive practice" is seen as the relationship between

talk and practice, where "practice" may be composed of both discursive and non-discursive elements. Consequently, "sedimented discursive practice" is the structure left behind by discursive practice. Thus, in policy analysis: "discourse" is, or is evidenced in, talk or writing about policy; "discursive practice" is the implementation of policy (eg. the organization of the objects of policy in relation to policy documents); and "sedimented discursive practice" is what remains of past policy practices (eg. Crown corporations).<sup>18</sup>

While discourse cannot be seen having effects in a traditional linear sense, as a material entity, various levels of structural effects can be discerned. One of these can be thought of in terms of the ways discursive relations influence the ways subsequent discourses are constituted. These "constitutional effects" are perhaps best illustrated in the work of Foucault (1972) and are sometimes described as the "externalities", or "group of relations", through which discourse is linked to other discursive and non-discursive formations.<sup>19</sup> Here, content is repressed in favour of the rules governing the appearance of particular discursive relations. Various types of effects might be illustrated at this level such as the ways a particular discourse positions ideas or things in relation to other discursive and non-discursive formations thus changing relations of power (eg. Streeter, 1986), or the semiological grammars governing the ways signs in a particular discursive field might be arranged

(eg. Finlay, 1983).

At another level, discourse is sometimes analyzed rhetorically for the ways it "projects outside itself into the realm of human attitude and action."<sup>20</sup> This type of analysis works toward merging discourse analysis with rhetorical theory. Charland (1987) illustrates that it breaks with traditional rhetorical criticism in that it sees:

through the 'givenness' of what appears to be the delimitable rhetorical situation, where the ontological status of speaker, speech, audience, topic, and occasion offer themselves as unproblematic. . . (and) recognize(s) that ultimately, the position one embodies as a subject is a rhetorical effect.<sup>21</sup>

Thus, this type of analysis focuses on relationships between words within specific discourses rather than between individuals or speakers.<sup>22</sup> From this perspective, discursive effects might be seen in the ways particular discursive structures work to constitute certain subject-positions within discourse (eg. Charland, 1987).

But while this conception of discourse analysis offers a particularly useful way of seeing social relationships in the policy process, it has little to say about the political economic structure of policy's conditions of possibility. For such insight, various works from the field of political economy will be called upon.

The political economic portion of the theoretical framework will be comprised of two basic elements: 1) a modern Marxist perspective of the state as a complex social structure which,

at certain levels, operates instrumentally to provide infrastructure for the production of private capital; ii) various works from the tradition of Canadian political economy to illustrate the particular conditions and circumstances of intervention by the Canadian state. The former will be drawn from the works of Althusser (1969) and Offe (1974-75), while the latter will be drawn from a variety of writers working within this tradition such as Innis (1933), Aitken (1967), and Nelles (1986).

While the projects of Althusser and Offe are too complex to be discussed in detail here, it is important to note that they share a conception of the traditional Marxist base/superstructure relationship becoming "interpenetrated" as capitalism has developed.<sup>23</sup> It is from this common ground that they are brought together.

For Althusser, this notion of interpenetration means that while the superstructure is structured by its relations to the base, the complexity of those relations does not allow reducing them to mere reflections of it. Thus the superstructure can be seen as enjoying "relative autonomy" from the base while still being understood only in relation to it. This yields a vision of social structure as suspended in a complex set of often contradictory relations, a relationship he terms "overdetermined." As he explains:

the contradiction between the forces of production and the relations of production, essentially embodied in the contradiction between two antagonistic classes. . . is inseparable from the total structure of the social body in which



it is found, inseparable from its formal conditions of existence, and even the instances it governs; it is radically affected by them, determining, but also determined in one and the same movement, and determined by the various levels and instances of the social formation it animates; it might be called overdetermined in its principle".<sup>24</sup> [original emphasis]

Streeter (1986) notes that from this position "theoretical analysis is required, not to explain, but to 'break into' the heterogenous mass of facts in order to fully grasp them in the context of their levels of overdetermination."<sup>25</sup> Thus, while theory may guide empirical enquiry, facts must be carefully examined in context to fully appreciate their significance. Working from this premise, this thesis will trace out several "levels of determination", or sets of determinants, in the public broadcasting policy process but does not pretend to offer a complete explanation of events. Through identifying various levels of determination in the political process, interventions might be constructed more effectively.

While Althusser (1969) provides theoretical background for several important analytic concepts, this volume of his work is not directly concerned with the conditions or purposes of state intervention in the economy. Building from a similar vision of the state, Offe describes the conditions leading to the rise of state intervention, mechanisms establishing limits to state intervention, and the conditions leading to continued relations between the state and private capital. Here, this thesis draws upon Hall's (1984) definition of "intervention" as "the ways in

which the state intervenes in society so as to lead it in a particular direction, secure particular policies or maintain a particular structure of social relations."<sup>26</sup>

Like Althusser, Offe envisions the capitalist state as enmeshed in contradictions and the actions it takes as conditioned by structural determinations. In his model, "political power is prohibited from organizing production according to its own political criteria (because) property is private."<sup>27</sup> The state though is dependent on the process of accumulation for its survival and, as a result, "must be interested - for its own sake - in guaranteeing and safeguarding a healthy accumulation process."<sup>28</sup> Thus the state is trapped in contradiction and forced to both intervene and conceal its purpose. These determinations lead Offe to define the capitalist state:

(a) by its exclusion from accumulation, (b) by its necessary function for accumulation, (c) by its dependance on accumulation, and (d) by its function to conceal and deny (a), (b), and (c).<sup>29</sup>

As will be illustrated, the structure of several Canadian policy discourses might be seen as operating to conceal the ways the state moves to safeguard private accumulation. It should be noted that this is not to say that the state necessarily moves in any conscious way toward boosting accumulation. On the contrary, such practices are structured into the state over long periods of time.

Offe goes on to specify three logics of policy production

available to the state "to restore accumulation or to eliminate perceived threats to accumulation": bureaucracy, purposive action, and consensus.<sup>30</sup> These "institutional decision rules" are structured into the state and work to guide its actions. Each is subject to a dynamic of failure which establishes limits to intervention. Because "consensus" is concerned with short term direct intervention and this study is centred on the long term effects of instrumental policy measures, only the first two logics find application here.<sup>31</sup>

The bureaucratic mode is basically allocative in nature and forms the primary function of state operation. Such activities are largely administrative and focus on the allocation of resources. However, as Offe (1975a) notes:

The bureaucratic mode of operation, however, fails to operate sufficiently and adequately (according to the requirements of the capitalist state) as soon as 'productive' state activities appear on the agenda of the state. The problem is that application of predetermined rules through a hierarchical structure of "neutral" officials is simply insufficient to absorb the decision load that is implied by productive state activities. In other words, the administration of productive state activities requires more than the routinized allocation of state resources like money and justice.<sup>32</sup>

Productive state activities are contained under the purposive rational, or instrumental, mode. For Offe, this involves direct participation in production with an eye to accomplishing certain goals.<sup>33</sup> Such activities might be termed "instrumental" because they are implemented through

particular policy instruments, inspired by a "technical rationality", and work toward fulfilling specific objectives.<sup>34</sup> However, unlike private production, such action is not necessarily determined by market forces and thereby lacks external controls on its application. Thus, while:

the purposive rational model may be both efficient and effective in itself. . . its application requires interference with the prerogatives of the private accumulation process, the resistance to which on the part of the accumulation units makes its application impossible (except where it is almost congruent with private investment decisions in the first place).<sup>35</sup>

Here, the contradiction between state intervention and private accumulation works to establish limits to intervention through pressuring state enterprise to operate either in the service of private capital or on the edges of the market where profits are marginal.

Offe also views state actions as conditioned by structural determinations of an historically material nature. As he notes:

the study of policy formation is fundamentally incomplete as long as its main emphasis is on matters of policy content. The formal structure, or method, of policy making is of equal significance since it predetermines what can and does become the content of policy.<sup>36</sup>

Here then, is an idea similar to that of policy as a sedimented discursive practice, with past policy structures having constitutional effects on future policy options. Thus, the

discursive and political economic aspects of the theoretical framework mesh at several levels.

But while Offe offers a general theory of state intervention, he has nothing to say about the conditions and circumstances peculiar to Canada, conditions implied by the concept of overdetermination.

Nurtured over the last fifty years by the contributions of a wide variety of Canadian scholars, Canadian political economy has developed a perspective particularly suited to the study of Canadian society. Wallace Clement (1985) illustrates that Canadian political economy is "simultaneously a 'tradition', a field of study and a paradigm":

"As a tradition, political economy stems from two intellectual streams of thought: most notably the liberal writings of Harold Innis, Donald Creighton, W.A. Macintosh and Vernon Fowke and the theoretical and historical work of Marxists C.B. Macpherson, H. Clare Pentland and Stanley Ryerson. As a field of study political economy draws on contributions from social scientists in all disciplines by recombining the disparate 'disciplines' of economics, history, cultural studies, political science, sociology and anthropology in its own distinct theoretical tradition of materialism. As a paradigm, the political economy perspective provides a way to understand the dynamic relationship between people within a specific society by identifying how that society has unfolded historically, and in particular, how its economic system is organically linked to the social/cultural/ideological/political order."<sup>3</sup>

Here then is a body of writing that is historical, materialist, and sensitive to the interconnectedness of culture, economics, and politics - a combination complementary to the theoretical framework elaborated above.

Although these two "streams" generally conceive of the Canadian state in slightly different ways, both locate its central function as facilitating production and promoting private capital accumulation. While it has been discussed that a dogmatic adherence to such a vision of government intervention in today's complex social environment involves a harsh reductionism, this research will strive to illustrate that, through their historical roots, the structure of both public broadcasting policy and the instruments employed to implement it do indeed offer some reflection of this conception of state.

While these streams come together at some points to form a powerful analytic tool, they also sometimes find themselves in contradiction. Perhaps the most contentious of these areas concerns the external influences on contemporary Canadian development. On one hand, the classical Marxists stress the similarity of class relations in all capitalist societies and focus their analyses on social relations within the Canadian state, claiming that staple theorists over emphasize external influences to the degree that the state cannot be considered a distinct entity (eg. Panitch, 1981). On the other, those working within the staples tradition find such a perspective too narrow in scope because it fails to grasp either the specific circumstances of Canadian society, or the economic structures that reflect and encourage international dependence (eg. Drache, 1983).

Through grounding the writings from Canadian political

economy in the larger Marxist analytic frame, it is hoped that some balance between these perspectives might be achieved: the larger frame illustrating some degree of similarity between state intervention in capitalist societies; the more focused writings illustrating the specific circumstances of Canadian society.

### Methodology

The basic analytic method will be genealogy, informed by the above illustrated tenets of discourse analysis. Rising from Foucault's reading of Nietzsche, "genealogy" is defined as the study of descent.<sup>38</sup> However, although constructed as an historical narrative, a genealogy is not a search for some sort of definitive origin. For it doesn't view history as an uninterrupted continuity, with the past actively animating the present. Nor is it devoted to the "veneration" of historical objects, its gaze rapt by the historical gyrations of a particular object.<sup>39</sup> Instead, it strives for the understanding of historical objects through studying the "externalities" which have animated them and shaped their features. In the weave of history such circumstances are rarely, if ever, the pure product of design. Thus, to construct genealogies is not to fall victim to the fallacy of "historicism" - that is, a belief in some sort of historical necessity between events. For, as Foucault (1971) notes, genealogy encompasses "notions of chance, discontinuity, and materiality" and thereby involves a "triple peril" to

theoretical elaboration in that it threatens what is often seen as the "continuous unfolding" of historical events.<sup>40</sup>

As a method of policy analysis, genealogy strives to minimize reductionism through examining the complex relationships between the objects, events, and processes comprising discursive policy practices. The purpose in choosing this methodology is to uncover the conditions and circumstances that have moved to shape both government intervention in the broadcasting policy arena and the nature of the policy instruments deployed in this site. Here, this method offers a particularly apt avenue for examining the relationships between discourse and practice or, more specifically, relations between how these policies and instruments were apparently envisioned as generating specific domains of subjects and the ways they actually operated to structure and define relationships when instituted.



## Chapter II

### The Instruments and the Discourse

This chapter begins to trace the larger context of broadcasting policy by focusing on two of its conditions of possibility: traditional forms of regulatory intervention and the discourse of nationalism. Coupling genealogy with theory, the first part traces the history and development of the policy instruments employed in broadcasting policy and illustrates how they might be viewed as "sedimented instrumental rationality", their historically developed structures constituting particular sets of relations between the state and private capital. Building on this work, a second genealogy sketches the growth and effects of the discourse of nationalism surrounding the National Policy of 1879. As Charland (1986) illustrates, this discourse seems to be related to the discourse surrounding the advent of broadcasting policy, thus some examination of the ways it has traditionally moved to position ideas concerning intervention is important toward understanding its operation in the broadcasting policy stream. This section traces the historical conditions responsible for the appearance of this discourse and some of the articulations between it and state intervention in the economy. Because of the time and amount of material covered by this thesis, these genealogies focus only on key moments in development rather than offer a full

historical description.

### A Discursive Perspective on Policy Instruments

Historically, the growth and structure of the Canadian state has been inextricably bound up with government intervention in the economy. As Aitken 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 factors. The creation of a national economy in Canada and, even more clearly, of a transcontinental economy was as much a political as an economic achievement.

Similarly, the development of Canadian broadcasting has been structured by government intervention and, consequently, the policy instruments designated by Parliament to supervise and texture this policy stream. The structure of these instruments, and the institutions in which they are represented, has inevitably worked to determine the range and depth of their fields of endeavour and thus the very structure of the broadcasting industry.

As noted, from a discursive perspective structure is seen as constituting "the given conditions, the necessary starting point for new generations of practice" thereby supplying ~~direction and working~~ to fashion the content of new generations of practice.<sup>2</sup> Thus, at certain levels, structure works to determine practice. Policy instruments and their attendant institutions can be seen as operating in this manner, their

structure directing action along certain lines. For, as Foucault (1972) notes, "institutions are a set of rules which delimit action" and "make it possible to record and preserve those discourses which society wishes to remember".<sup>3</sup>

In that policy instruments and their attendant institutions are constituted to undertake specific responsibilities, they might be seen as inspired by, and containing, a certain technical rationality. As successive generations of practice engage and build upon past policy structure, to the degree that the original structure is retained, that technical rationality might "remain spoken," or become "sedimented," within the new structure and work to focus and guide later practices. Consequently, to the degree that policy practices utilize or adopt previous policy structures, they might be seen as adopting the rationale that lies sedimented within that structure. Thus, coupled with genealogy, this perspective offers insight into policy instruments and processes at several levels: i) how, over time, policy practice may become sedimented into policy structure; ii) how a policy instrument might exercise a similar effect on a particular policy field through time although the circumstances of that policy field may change; iii) how similar policy instruments invoked in different policy fields may exercise similar effects although the circumstances of those fields are quite different.

#### The Genesis of Intervention

The major instruments employed in the broadcasting field

have been the Crown corporation and the regulatory board. The genealogical method suggests that the "origin" of these instruments is buried and scattered between the depths of the histories of capitalist economics, British parliamentary democracy, and the particular circumstances of the Canadian state. Thus, this origin is beyond the grasp of this project. However, through examining the history of government intervention, with a focus on the genesis of these particular instruments, we can uncover "regularities" in the types of relationships intervention has traditionally fostered between government and private capital. We can then consider whether those relations are reflected in the structure of these instruments.<sup>4</sup>

As Mahon (1977) illustrates, "in Canada, the state has assumed from the outset a particularly active and visible role in facilitating the development of capitalist relations of production."<sup>5</sup> Indeed, it would appear that certain regularities in the relations between private capital and the state were instituted as early as the first half of the nineteenth century. At that time, the British government, private enterprise, and the colonial governments of Upper and Lower Canada sought to gain strategic and commercial control over the St. Lawrence-Great Lakes transportation route through the construction of a series of locks and canals. While these interests were not always coincident, they did coalesce into a particular pattern to finance construction of the canals: the British government financing wholly, or in part, construction

depending on the degree to which the project in question was seen as promoting the military security of the colonies; private interests directly financing and running those projects which seemed of direct benefit to established commercial interests and initially appeared capable of being operated at a profit; and the colonial governments, particularly that of Upper Canada, acting as vehicles for securing construction loans and subsidizing construction and operation of projects viewed as too unprofitable for the undertaking solely by private enterprise.<sup>6</sup> Here then, the colonial governments can be seen as taking a somewhat subordinate position in relation to private capital, letting commercial interests take the lead in identifying attractive projects and moving to subsidize their unprofitable aspects.

With the rebellions of 1837 and the onslaught of a severe economic depression in the same year, the resources of both the government of Upper Canada and private enterprise were severely depleted, and construction and maintenance of the canals was brought to a virtual standstill. Over the next few years, Upper Canada teetered on the edge of insolvency and refinancing construction of the canals was a major problem. However, the British government saw union of the two Canadas as a way to resolve both the economic and political problems of the time. As Easterbrook and Aitken (1956) note, "union of the two provinces promised to not only ease political difficulties and facilitate the constitutional changes then in contemplation but also to provide a more solid foundation for new attempts to

raise capital in London."<sup>7</sup> In 1840 the Union Act was legislated, uniting Upper and Lower Canada. Dubruc (1968) notes that this legislation:

had all the characteristics of a 'bankers constitution'. . . The small debt of Lower Canada was consolidated with the large debt of Upper Canada so as to avoid bankruptcy for the latter and [provide for] the construction of the St. Lawrence waterway. . . with purely public funds.<sup>8</sup>

In its planning stages, the Union was to supply security to capital raised in London by private interests to continue construction of the canal system. However, after the Union, construction and maintenance of the canals appears to have been financed solely by the government and undertaken by a newly established Board of Works. Thus the Union Act acted as a vehicle for raising and harnessing public funds to what had, at least partially, been a private project. Canal construction was not the only industry to benefit from this legislation. As Easterbrook and Aitken (1956) note:

By 1849 all three major railways then under construction in Canada were in serious difficulties, primarily because they found it impossible to raise capital in England during a period of commercial depression. The completion of the St. Lawrence canals opened up the possibility of government assistance, and strong pressure was applied in the legislature for some form of subsidy, loan, or guarantee to the railways.<sup>9</sup>

In April of 1849, the government passed the railway Guaranteed Act, described by Ryerson (1968) as "a kindly legislative measure under which the tax-paying public pledged itself to

underwrite half the bonded debt of railway promoters".<sup>10</sup>

Under this legislation the government guaranteed the interest on half the bonds of any railway over seventy-five miles long. With this support, capital became considerably easier to obtain and railroad construction proceeded steadily.<sup>11</sup>

With the Union Act then, the state became directly involved in fostering the growth of private capital, both by way of providing public funds for its development of infrastructure necessary for the development of private capital, as in the case of the canals, and in providing direct support for private capital accumulation through the Guarantee Act. Thus, with this legislation a particular set of relations between the state and private capital appears to have been institutionalized whereby the state might serve as a vehicle for the support of private capital.

Although the Union Act might be seen as a preliminary step in constituting certain type of relations between the state and private capital, it was not the first step in an inexorable march to Confederation and a transcontinental economy. On the contrary, in the late 1840's the northern colonies appeared enchanted by the economic draw of the United States and annexation loomed as an attractive option. But, as Aitken (1967) notes "in 1854, with the signing of the Reciprocity Treaty, central Canada and the Maritimes seemed content to accept the status of an economic satellite of the United States" and annexation gave way to an arms-length dependency.<sup>12</sup> However, with the abrogation of that treaty

in 1866, this prospect also disappeared and "Canadians finally and hesitatingly turned to the possibility of transcontinental federation."<sup>13</sup>

As Dubruc (1966) illustrates, with Confederation the powers of the central government were extended both geographically and economically:

The Confederation of 1867 granted the federal government all those powers required to stimulate economic development. The fixed capital of all the colonies was transferred to the central government along with all their debts; legislative power in all sectors responsible for development including waterways, railways, telegraph, interprovincial communications, international trade, banking, credit, money and bankruptcy were conferred upon the central government. . . All important sources of fiscal revenue were surrendered to Ottawa. . . There can be no doubt that the first concern of the Canadian constitution was economic: to draw a portion of the entire country's savings in order to invest in economic development, that is, principally in the railways, because these were to carry with them all the other sectors.<sup>14</sup>

At one level then, Confederation was "the political institution necessary for the pursuit of an economic project,"<sup>15</sup> supplying the infrastructure for state expansion and "the creation of adequate institutions for the pursuit of a centralized policy of long term economic development."<sup>16</sup> Thus, in some respects Confederation was an extension of the Union Act, providing the central government with greater powers in the accumulation and allocation of capital. But while Confederation provided the basic structure for economic development, the National Policy of 1879 provided the vehicle.



The term 'National Policy' is often applied to either a wide range of policies adopted by both the pre- and post-Confederation Canadas between 1850 and 1930, or a series of measures taken by John A. Macdonald and his governments of 1872 and 1878.<sup>17</sup> This latter collection of measures is sometimes called the "National Policy of 1879" and is the definition of the term employed in this thesis. This policy was given impetus by a variety of political and economic factors. First, the long period of depression through the 1870's led to a great exodus of Canadian citizens to the United States. Second, in the face of the Canadian government's inability to negotiate a new reciprocity agreement with the US, industrial interests in central Canada began to call for a reciprocity in tariffs to afford them the same protection American tariffs gave indigenous manufacturers. Further, fears of an invasion of American settlers on the sparsely settled Canadian prairie, coupled with growing urgency to make good on a promise by the central government at Confederation to supply a road to British Columbia, were pressuring the government toward strengthening its physical ties with the west. Through its two major components - a readjustment of the tariff between Canada and the United States and the construction of a railroad - the policy was structured to encourage settlement of the western regions, east/west trade and the development of industry in central Canada. The structure of this intervention was not sensitive to the nationality of the capital used to finance this expansion, only the fact that it encourage certain

types and patterns of economic development in Canada. At some levels the structure of the intervention encouraged foreign investment, particularly American, providing incentives to companies to build branch-plant operations in Canada.<sup>18</sup>

As Offe's model would suggest, the National Policy was structured toward both "safeguarding and guaranteeing a healthy accumulation process" and avoiding the contradiction between state intervention and private accumulation. While the tariff barrier might be seen as a type of bureaucratic action to encourage accumulation, the construction of the railroad was an incursion into the realm of private enterprise. The government's answer to the dilemma this intrusion presented - subsidy - followed the precedents set by the colonial governments regarding intervention. By subsidizing the Canadian Pacific Railroad (CPR) with cash, tax breaks, land titles, and guarantees of future monopoly, the government was able to induce the corporation to construct the railroad without directly entering the marketplace.

Thus through the Union Act, Confederation, and the National Policy the state steadily consolidated its economic control over the country and expanded its capacity to act as a vehicle for the private accumulation of capital. However, with Confederation and the National Policy the state also developed an agenda of its own and focused its attention on the development of a transcontinental economy, thus encouraging a particular pattern of economic ties - a pattern that would safeguard its own survival through developing an economic base

within the country.

At the same time though, the developing pattern of state intervention was, in Offe's terms, allocative in nature and did not directly interfere with the prerogatives of private enterprise. As Dubruc (1966) notes:

The state did levy taxes in various forms on the wealth of citizens, but much of this revenue returned to private enterprise in the form of generous subsidies. In this way the state directed investment toward certain sectors, but did not recognize its obligation to prevent economic waste and overinvestment.<sup>19</sup>

While the "obligations" of the state might be subject to debate, it seems clear that it was in coming to terms with such things as "economic waste" and "overinvestment" that the government's repertoire of interventionist instruments took shape.

#### Crown Corporations and Regulatory Boards

As Corry (1939) illustrates, the "'laissez faire' philosophy, as interpreted in this country, has never objected to the principle of state promotion of national development."<sup>20</sup> However, capital accumulation has generally been regarded as a private behaviour and the state, rather than directly accumulating capital and disposing of it to its own ends, was basically subordinated to private accumulation. Indeed, both the regulatory board and the crown corporation might be seen as born of government support for the orderly maintenance of private capital accumulation in the

operation of the railways.

After Confederation, one of the first incursions of the federal government into what was perceived as the realm of private enterprise was the ownership of the Intercolonial Railway. Built by the central government as part of its agreement with the maritime provinces, this railway was regarded as a political project rather than a commercial venture. As Tascherau stated:

As a commercial undertaking the Intercolonial Railway presents no attractions, it offers no material for flattering prospectus, we could not invite to it the attention of European capitalists as presenting an eligible investment for their surplus funds. But for the establishing of those intimate, social and commercial relations indispensable to political unity, between ourselves and the sister provinces the railway is a necessity. It will therefore have to be undertaken and paid for purely as a national work.<sup>21</sup>

As anticipated, the Intercolonial was almost constantly in need of government subsidies to meet operational expenses, the reason being that rates were held at a low level to encourage traffic.<sup>22</sup> However, as Stevens (1962) illustrates, it provided an invaluable link between staple producers and central Canadian and European markets, spurring economic development throughout much of its reach. But the Intercolonial was not the only railway the state was directly involved with in the years immediately following Confederation. The Prince Edward Island Railway was taken over by the federal government in 1879,<sup>23</sup> and a variety of smaller lines were added to the government holdings in the following decade as

they became too much of a burden for private enterprise to maintain.<sup>24</sup> Further, during its first forty years the state was also heavily involved in the subsidy of railroads. From its monumental subsidy of the CPR to a myriad of hand-outs to smaller roads, public funds and loan guarantees underwrote much of railway expansion.

Thus, in its support of the railways, the post-Confederation state continued the relationship with private capital developed by its colonial predecessors, both through its operation of infrastructure seen as necessary to economic development but uneconomical for private operation and its direct support of private capital accumulation through subsidies and guarantees. But while the structure administering and controlling the state's interests in the railways was allocative in nature, this bureaucracy was not the "application of predetermined rules through a hierarchical structure of 'neutral' officials" envisioned by Offe. As a number of writers illustrate, the allocative activities of the state were subject to the political fortunes of the times, and there was little regulation or control of railroad operation until some time after Confederation.<sup>25</sup>

As the railway opened up areas of the country for exploitation, tensions developed between railway companies and new economic interests situating themselves in the hinterland, particularly regarding railway rates. The allocative structure of government proved inadequate in dealing with competition between these interests but it wasn't until 1886 that agitation

over rates led to the first Royal Commission on Canada's railway problems. Following their recommendation, the Railway Act of 1888 constituted the Railway Committee of the Privy Council, composed of "the Minister of Railways and Canals (chairman), the Minister of Justice and two other ministers appointed by the Governor in Council and empowered to regulate a number of matters including train speeds, tolls, and rates"<sup>26,27</sup> However, as a number of writers illustrate, while state regulation appeared to be the answer to resolving problems between private economic interests, the close relationship between the government and the regulation of railroads afforded by this structure was fraught with problems: on one hand, many elected officials had little expertise in matters of railroading; and on the other, decisions structured between the exigencies of politics and the economics of railroading inevitably subject them to political currents of perquisites and patronage.<sup>28</sup>

As Nelles (1986) notes, continued "agitation against high costs, rebates, cartels, and inequitable treatment of shippers led to. . . further investigation."<sup>29</sup> And, in 1902 S.J. Mclean, appointed by the government to study the issue, reported that regulation of the railways could only "be met in one of two ways, State ownership or Commission regulation. There is no middle ground."<sup>30</sup> In 1903, the Railway Act was amended and the powers of the Railway Committee were transferred to a new body: the Board of Railway Commissioners. As the Privy Council (1979) notes "the 'main and capital

features of the Railway Act which established the Board were the Board's powers vis-a-vis the regulation of tolls. . . and the fact that the Board was composed of individuals other than politicians."<sup>31</sup> Combining legislative, judicial and executive functions in one structure, a variety of safeguards were put in place to insure the board's independence from government. Coffy (1939) describes the powers of the Commission:

The Board has power to hear and determine any application alleging the failure of a railway company to carry out any of its statutory obligations - a wide judicial authority over disputes arising out of railway operation. A very extensive power of making rules and regulations for the construction, operation and management of railways has been conferred upon it. . . The railway must provide traffic accommodation in accordance with its orders, made on the report of its inspectors, and the Board may prevent the opening or procure the closing of a line which is not constructed as to reduce the dangers of operation to a level which it thinks is reasonable.<sup>32</sup>

Thus Canada's first "independent" regulatory board was born and the structure for "the application of predetermined rules through a hierarchical structure of 'neutral' officials" envisioned by Offe established. Nelles (1986) illustrates:

The historical literature on the subject of regulation has interpreted its evolution in several ways. Older works, some written at the time the new regulatory instruments were devised, tended to stress a "public interest" interpretation. State intervention would 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. In recent years

this view has been replaced by 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.<sup>33</sup>

But questions of whether or not regulation was instituted at the behest of the industry which lies immediately beneath its gaze tend to obscure larger questions regarding the role of the regulatory commission in the economy. As the Privy Council (1979) notes:

Regulatory commissions. . . exist 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.<sup>34</sup>

Indeed, as an allocative structure, the Board of Railway Commissioners was constituted to encourage the orderly growth of private capital. Its powers reflected such a logic in that they were basically directed toward the development and adjudication of rules for the orderly expansion of private capital. Thus the structure of the first regulatory commission might be seen as dedicated to the growth and maintenance of private capital in Canada - to adjudicate disputes between private interests and to insure a level of safety in the operation of railroads that, in turn, offered some assurance of the regular operation of these vital links in the economic infrastructure.



Briefly summarizing then, while the Union Act, Confederation, and the National Policy offered successive increases in the state's revenue producing and consequently allocative powers, these structures offered few controls over how the process of allocation was undertaken. As the initial allocative behaviour began to bear fruit and pockets of private capital began to grow, competition for the resources controlled by the state also grew necessitating a structure through which this process of allocation might be legitimated. The regulatory commission provided such a structure and formally extended or "sedimented" the allocative structure of the state into another institution. Thus the regulatory board might be seen as both inspired by and representing an allocative rationale. The allocative function of the state is presumed within both its structure and its practices. Through it the state intervenes not simply to "the end 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."<sup>35</sup> Such a perspective fits well with Offe's framework, for in constituting the regulatory commission and working to safeguard the smooth allocation of resources and thus the expansion of private capital, the state also safeguards, enhances, and legitimates its own accumulation.

Although there were Crown corporations created as early as the mid-1800's, these were basically administrative in structure and offered no threat to what Offe calls "the private

accumulation process". On the contrary, in the first instance with the administration of canals, and later with the administration of harbour and port facilities, these corporations worked to directly support private capital.<sup>36</sup> It wasn't until the creation of the Canadian National Railways (CNR) in 1919 that the government invented what the Privy Council (1979) calls the "first entrepreneurial Crown-owned company - meaning a company that provided goods or services in a competitive market, or on a financially self-sustaining basis."<sup>37</sup> Thus, this latter type of Crown corporation was distinguished from its predecessors in that it was structured to undertake purposive rational activities, including the accumulation of capital.

The path to government ownership was basically an extension of that trodden to the creation of the regulatory board. The allocative structure of state support for railroads held few checks on construction as long as it was perceived as stimulating economic growth and, consequently, garnering political support. Coupled with economic prosperity, this structure eventually led to an overbuilding of the railway system. As Innis (1933) illustrates:

The marked expansion which characterized Canadian development after 1900 had the effect. . . of rapidly increasing the traffic and earnings of the Canadian Pacific Railway and also the revenue of the government. Both factors contributed to the construction of two additional transcontinental lines. The prosperity of the Canadian Pacific served as a stimulus to the construction of new lines, and the accumulation of revenue made it possible for these lines to be built with government support. Substantial

government support encouraged the construction of lines economically inadvisable and in a fashion not warranted by the immediate traffic possibilities.<sup>38</sup>

Fuelled by the unsubstantiated optimism of the federal government in the first decade of this century and the travails of war in the second, the debts of two of Canada's three transcontinental railroads had grown beyond the management of the private sector by 1917. After much deliberation, nationalization seemed the only way to prevent bankruptcy and the various negative effects that might arise from it. As Easterbrook and Aitken (1956) illustrate:

Nationalization was undertaken not on grounds of principle but as a pragmatic necessity, to prevent bankruptcy of enterprises in which many private individuals had invested their savings, the dissolution of transportation systems of great national importance, and the possibility of serious damage to Canada's credit in foreign capital markets.<sup>39</sup>

But given the record of political abuses that had accompanied government supervision of such enterprises in the past, direct state ownership was not viewed as a viable option. Thus the 1917 Royal Commission to Inquire into Railways and Transportation in Canada strongly recommended that the railways should be owned by the state but "handed over to a board of trustees to control and manage on behalf of, and on account of, the people of Canada."<sup>40</sup> From these recommendations an Order-in-Council constructed an independent "nonpolitical, permanent and self-perpetuating corporate entity" and over the next several years a variety of unprofitable roads were

acquired by the government and entrusted to that company.<sup>41</sup>

As a structure 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, as a competitor in the marketplace, the structure of the company left much to be desired. First, the company was a loose agglomeration of what had been disjointed and competitive railway operations that were extremely difficult to coordinate as an organized whole. Second, it was saddled with a tremendous debt to service, a burden which it carried until the early 1950's. Third, it was dependent on Parliamentary appropriations and consequently experienced great difficulty for most of the 1920's and 1930's in securing capital. Further, as Innis (1933) notes, in relation to both railway markets and the advances of new transportation technologies and techniques the CNR appeared to be subordinate to its major competitor, the CPR, and over time would "tend to become a buffer between the Canadian Pacific and the vicissitudes of railway earnings in Canada."<sup>42</sup> Thus, while the purposive rational activities of the CNR were not necessarily determined by the marketplace, they were circumscribed in a number of other ways.

Like the first regulatory commission then, the first Crown corporation was born out of pragmatic necessities in the maintenance of private capital accumulation. As Offe's model suggests, in this instance state ownership was indeed "almost congruent with private investment decisions:" on one hand,

safeguarding future accumulation on the parts of both private investors and the state; on the other, posing little threat to private accumulation because of disadvantages in the marketplace. However, historically state ownership represents more than a simple extension of the allocative rationale found in the regulatory board. Innis (1933) a summary of the operational imperative of early government ownership in this country:

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 national 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 development. 43

Through both subsidy and direct ownership, the state was able to rapidly secure territory and develop resources while deferring the cost of that development through legislative structures. In the Union Act, Confederation, and the National Policy, the state constructed a legislative framework for the support and encouragement of private investment capital through state ownership, subsidies, and guarantees. These legislative structures in effect acted as vehicles for mortgaging the resources of the country against the future returns of the

private sector. The Crown corporation can be seen as a further institutionalization of this process - a formal structure for financing the rapid development of resources and a further extension of the bridge between the state, private capital, and resource development. Again, as Innis noted in 1933:

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.<sup>44</sup>

In the development of government ownership and the Crown corporation Offe's model also finds application, for as the legislative structure of the state developed, the state can be seen as developing and carrying out its own agenda - east-west political economic relations. Within this agenda, state ownership represents a vehicle for securing control of, and developing, resources. However, the deployment of state resources, while being undertaken according to a particular agenda, has also historically been subordinate to the accumulation of private capital in that, where economically feasible, private interests have had first option on development. Thus state ownership, and subsequently the Crown corporation, would appear to be founded upon the principle of resource development and thereby represent an expansionist rationale which is, in turn, structured by the prerogatives of private enterprise.

While the genealogical method illustrates that each moment in the genesis of government intervention in the economy stands alone, arising from the articulation of a particular set of forces at a particular historical juncture, it also illustrates that certain regularities do appear in how the structure of the state has met with private capital. Successive policies and legislation enacted by the state display a similar logic in that they are, at certain levels, subordinate to private capital. Rising out of this institutional tradition the regulatory board and the Crown corporation appear derived from this same logic, extending this regularity in a "more delicately articulated, more clearly delimited" form.<sup>45</sup>

Thus, the constitution of these instruments extended existing relations between the state and private capital and sedimented particular sets of relations in institutional form. In the case of the regulatory commission, the institution's structure worked to safeguard the smooth allocation of resources and thus expedite the orderly expansion of private capital. And in the case of state ownership, and subsequently the Crown corporation, the structure extended the reach of private capital in the development of resources. Once constructed, each of these instruments might be seen as a distinct entity. However, they both continued to be animated by the larger systems of which they were born and continued to be a part.

#### The National Policy and the Discourse of Nationalism

While the structure of the regulatory instruments can be

seen as the product of particular political and economic forces, both state intervention in the economy and its support of private capital were facilitated and legitimated by a particular discursive structure - the discourse of nationalism. As illustrated, the National Policy of 1879 was given rise by a variety of factors threatening the welfare of the Canadian state. These formed the conditions of possibility not only for the National Policy, but also the discourse of nationalism appearing with it. As Aitken (1967) states:

The overall objective of the policy was to make possible the maintenance of Canadian political sovereignty over the territory north of the American boundary: that is to say, to prevent absorption by the United States and to build a nation state that could guide its own economic destiny, and assert its independence from both the mother country and the United States. . . Sustaining this policy was an emerging sense of national identity and purpose, analogous to the sense of manifest destiny which had coloured the expansion of the United States.<sup>46</sup> [emphasis added]

Sometimes this discourse is seen as rising in reaction to American pretensions of continentalism. As Brown (1966) notes:

The United States played an interesting role in the National Policy that emphasized its nationalistic assumptions. Fundamental to the thinking of the framers of the policy was the idea that the United States was much less a friendly neighbour than an aggressive competitive power waiting for a suitable opportunity to fulfill its destiny of the complete conquest of North America. The National Policy was intended to be the first line of defence against American ambitions.<sup>47</sup>

However, the "origin" of this discourse is much more complex



than this and lies buried between the genesis of a particular type of historical subject and, like the regulatory instruments, the particular historical circumstances of the Canadian state.<sup>48</sup>

The character of this discourse is particularly evident in Macdonald's rhetoric concerning the National Policy. Speaking in the House of Commons in 1878, he sketched the common ground the policy's tariff barriers would constitute:

Formerly we were a number of Provinces which had very little trade with each other, and very little connection, except a common allegiance to a common Sovereign, and it is of the greatest importance that we should be allied together. I believe that by a fair readjustment of the tariff, we can increase the various industries which we can interchange with one another, and make this union a union in interest, a union in trade, and a union in feeling.<sup>49</sup>

And this sentiment was echoed in his later talk of the railroad:

The road will be constructed... and the fate of Canada, will then as a Dominion, be realized. Then will the fate of Canada, as one great body be fixed.<sup>50</sup>

This discourse surrounded and pervaded discussion of the National Policy.<sup>51</sup> Within it, intervention in the economy is legitimated by both the benefits it will bestow on Canadians and threats of foreign economic incursion. Again, as Macdonald states:

such a policy will retain in Canada thousands of our fellow countrymen now obliged to expatriate themselves in search of employment denied them at

home, will restore prosperity to our struggling industries, now so sadly depressed, (and) will prevent Canada from being made a sacrifice market. . . The country will have fair play, and will not allow out markets to be made use of by the manufacturers of a neighbouring country when they can find no better market elsewhere.<sup>52</sup>

Thus discussions of the National Policy were often couched in terms that equated the future of the Canadian state with the necessity of state intervention. This "discourse of nationalism" enabled the state to coordinate its self-interest in the growth of the economy with intervention. However before actual economic and political steps could be taken, a prescription for action had to be constructed. It is here that the discourse of nationalism came into play.

To clearly demonstrate the role of this discourse in the rise and implementation of the National Policy of 1879 would require a detailed genealogical analysis of its conditions of possibility, a task beyond the scope of this paper. However, from the above brief description of those conditions and the discourse's character it can be seen that it gave rise to a particular way of speaking about government intervention. It positioned ideas about the cohesion and strength of the Canadian state in particular relationships with political economic conditions. Intervention was postulated as a necessary step and legitimated by both the benefits it would bestow on Canadians and threats of the consequences of non-intervention. Here the discourse of nationalism can be seen as exercising effects at both the constitutional and rhetorical levels.

At the constitutional level, several types of effects can be discerned. First, the discourse offered a site for conjoining the economic and political pressures bearing on the state at that time. Here it operated as a discourse of power, articulated through the National Policy and moving to subordinate and juxtapose a variety of discursive and nondiscursive formations presently threatening and undermining the power of the state. Calling upon the notion of "nation", it empowers the state to restructure relations between itself and problem areas, surrounding political and economic problems and subordinating them to the policy process. Thus the discourse worked in conjunction with political economic forces to constitute a prescription for action and open up a space for intervention.

Second, the discourse worked to occlude the contradiction between private capital accumulation and government intervention. While, as noted, subsidization of the CPR was not a direct intervention in the marketplace it did substantially blur the distinction between private enterprise and government through designating that corporation as a policy instrument and affording it special considerations. In fact, the close relationship between the government and this company was a major factor in the 1873 fall of the Macdonald government (the Pacific Scandal). However, within the discourse of nationalism the contradiction between these ideas is occluded by their juxtaposition: the state posits itself as building a market, indeed a country, that would not exist without

intervention. Here, the discourse moves to legitimate actions taken by the state by closing off ideological protestation through positing that the existence of the country itself is dependent on such intervention.

As a consequence of this second effect, the discourse of nationalism might also be seen as occluding the ways state intervention moved instrumentally in aid of private capital. For, without such aid, the state is posited as without a future. Thus, in Offe's terms, the discourse of nationalism functions to "conceal" the state's interest in promoting private accumulation and building infrastructure for private industry through denying the possibility of other courses of action. Furthermore, the discourse favours some blocks of private capital over others. A common complaint of the National Policy by the western and maritime provinces was the way it promoted the industrial interests of central Canada over the interests of the margins. However, the discourse of nationalism glosses over such inequalities in the structure of the policy by emphasizing benefits for the good of the whole rather than individual economic interests. Here then, the disproportionate benefits afforded particular blocks of private capital are also occluded.

At the rhetorical level, the discourse of nationalism "projected outside itself into the realm of human attitude and action" with the state positing a vision of itself as uniting Canadians in "a union in interest, a union in trade, and a union in feeling." Here then, the discourse added impetus to

what might be termed a "myth of the people," uniting persons in common cause and constituting a set of particular historical subjects - in this case, "Canadians".<sup>53</sup> Through the constitution of such historical subjects, the discourse moved to legitimate both itself and the initiatives it proposed.<sup>54</sup>

Thus, the discourse of nationalism served as a discursive site for both conjoining policy concerns and constituting and legitimating initiatives, but once constituted and articulated with the policy process, it did not vanish into the air. It remained 'spoken' and articulated with both federal government initiatives and broad social movements.

As Laurier's 1903 justification of the construction of a further transcontinental railway illustrates, the discourse of nationalism appears to have continued giving rise to much of the rhetoric surrounding railroad construction through to the early twentieth century:

Why this new enterprise? . . . Because we believe - nay, we feel certain, and certain beyond a doubt - that in doing so we will give voice and expression to a sentiment, a latent but deep sentiment which is today in the mind, and still more in the heart, of every Canadian, that a railway to extend from the shores of the Atlantic Ocean to the shores of the Pacific Ocean, and to be, every inch of it, on Canadian soil is a national as well as a political necessity.<sup>55</sup>

And this discourse was not confined to the Parliamentary arena. It became disconnected from the policy field and gave rise to other practices. In 1871 W.A. Foster founded an organization called "Canada First" and, as Ryerson (1968) notes, "gave

expression to the crystallizing consciousness of a Canadian nation."<sup>56</sup> While this particular organization was rather short lived, Prang (1965) notes that from this time on "there were always Canadians. . . who declared that railways and tariffs were not an end in themselves, but rather the material basis for the growth of Canadian culture."<sup>57</sup> As she goes on to illustrate though, it wasn't until after World War I that the discourse of nationalism really began to flower outside the political arena:

Throughout the first postwar decade national organizations were born with a frequency unprecedented in Canadian history, while old ones took on fresh vitality. Among the host of bodies formed were the Canadian Chambers of Commerce, the Native Sons of Canada, the Canadian Teacher's Federation, the Canadian Institute of International Affairs, the Canadian Federation of University Women's Clubs, the Canadian Author's Association, the first national organization of university students - the Student Christian Movement - and the creation of the United Church of Canada. All were in some measure an expression of the rising national sentiment.<sup>58</sup>

As will be seen, it would appear that it was out of this "rising national sentiment" that the Canadian Radio League (CRL) was born and forces for the nationalization of broadcasting constituted.

### The Discourse of Nationalism, the National Policy and the Regulatory Instruments

In summary, through Confederation and the National Policy the state developed its own political economic agenda and began working toward developing patterns of private capital

accumulation that would safeguard its future. At the same time, the discourse of nationalism constituted a site for conjoining government intervention and the political economic pressures coming to bear on the state while both legitimating the state's interventionist activities and occluding the ways intervention moved in the service of private capital. Thus, the determinations leading to Offe's definition of the capitalist state can be seen as reflected between the National Policy and the discourse of nationalism whereby: the policy, (a) excludes the state from accumulation by erecting structures that encourage private accumulation, (b) requires the state to participate in promoting accumulation because its objectives are beyond the reach of private capital alone, and (c) leaves the state dependent upon accumulation to accomplish the policy objectives; and the discourse functions to "d) conceal and deny (a), (b), and (c)" through legitimating state intervention and occluding the ways it works in the service of private capital.<sup>59</sup>

At a more closely focused level, no direct or causal relationship between the discourse of nationalism and the structure of any particular regulatory instrument can be traced. However, intervention is related to the discourse of nationalism in that the discourse opens up space for intervention which, textured by political economic forces, gives rise to particular interventionist instruments. These instruments appear to have been structured between the expansionist rationale of the state and the prerogatives of

private enterprise, each of them representing a sedimentation of a particular set of relations between the state and private capital. As will be illustrated, it is between these same levels of determination that much of broadcasting policy has been structured.



### Chapter III

#### History and Analysis

This chapter examines the development of public broadcasting from its inception to the 1968 Broadcasting Act. To expedite analysis, it is divided into temporal periods and important moments of development within these periods are examined. Of course the whole history of broadcasting is not rehearsed in detail. Many thorough and well documented histories of Canadian broadcasting already exist such as Weir, (1965) and Peers, (1969 & 1979). Instead, only those moments of particular interest to this project have been included and these have been briefly summarized and juxtaposed to develop the central thrusts of this work.

#### 1900 - 1932

While some state regulation of "wireless telegraphy" began as early as 1900 under the Dept. of Public Works, it wasn't until 1905 and the Wireless Telegraph Act the federal government enacted formal legislation regarding "wireless systems for conveying electric signals or messages."<sup>1</sup> By 1913 developments in voice transmission exerted pressures on expanding the parameters of that legislation and it was replaced with the Radio Telegraph Act. Basically intended for the technical governance of point to point communication, this act provided the legislative framework for the first radio

broadcast in 1919.

By 1922, the popularity of broadcasting necessitated a further definition of licenses, fees, and regulations. As Peers notes:

The new category of license allowed private commercial broadcasting stations to broadcast news, information, and entertainment, but no tolls could be collected for such service. The minister could specify the hours of transmission. Private commercial broadcasting stations paid an annual license fee of \$50.00; amateur broadcasting stations a fee of \$5.00. . . and receiving sets, a fee of \$1.00.<sup>2</sup>

However, until 1928 the state paid little direct attention to broadcasting and the bulk of regulatory activity was confined to bureaucratic functions such as frequency allocation and licensing. Indirectly though, the state might be seen to have been a pioneer in the development of radio through its ownership of the Canadian National Railway (CNR). It appears to be through this connection that the discourse of nationalism first became articulated with radio broadcasting.

Among the responsibilities of the CNR in the early 1920's was the attraction of settlers to people the western regions of the country - a continuation of one aspect of the National Policy of 1879. In 1923 the railway established a radio department and equipped several of their cars with receivers. Within a few years, they both owned and leased broadcasting stations across the country. As Peers (1969) notes, CNR officials made it clear in public statements that their purpose in becoming involved with radio "was in part to further

national policy - to attract tourists and settlers to Canada and to help in 'keeping content those who have to live in sparsely settled districts in the north and west'."3

Further to this point, the biographer of Sir Henry Thornton, the first president of the CNR, has commented:

As a direct result of Sir Henry's ability to see the possibilities inherent in a new medium of expression, the railway did for Canada what she was too apathetic to do for herself. . . . He saw radio as a great unifying force in Canada; to him the political conception transcended the commercial, and he set out consciously to create a sense of nationhood through the medium of the Canadian National Railway service.<sup>4</sup>

Thus, the discourse of nationalism appears to have become articulated with the practice of broadcasting early in its history. This articulation with the idea of radio moved to not only constitute conditions of possibility for the CNR's broadcasting practice, but also implicitly recognized what Innis would call the "space-binding" nature of the new medium and gave rise to the idea of binding the country with words.<sup>5</sup> Thus radio took on a cultural significance and another facet was added to the discourse in the context of broadcasting.

On July 1, 1927 radio was taken up as an instrument of nationalism when it was incorporated in the Canada's Diamond Jubilee celebrations. Prime Minister Mackenzie-King spoke of the nationalist significance of this event:

On the morning, afternoon and evening of July 1, all Canada became, for the time being, a single assemblage, swayed by a common emotion, within

the sound of a single voice. . . . Hitherto to most Canadians, Ottawa has seemed far off, a mere name to hundreds of thousands of our people, but henceforth all Canadians will stand within the sound of the carillon and within hearing of the speakers on Parliament Hill. May we not predict that as a result of this carrying of the living voice throughout the length and breath of the Dominion, here will be aroused more general interest in public affairs, and an increased devotion off the individual citizen to the common weal.<sup>6</sup>

However, throughout the 1920's the conditions of radio broadcasting in Canada were generally chaotic, and it wasn't until 1928 that the federal government moved to strike the first Royal Commission on Broadcasting (Aird Report) to investigate "the manner in which the available channels can be most effectively used in the interests of Canadian listeners and the national interests of Canada."<sup>7</sup> A number of political and economic factors formed the conditions of possibility for this investigation and subsequent intervention.

One of the primary concerns of the Commission was that the dominance of American stations and programming was having a severe effect on the development of broadcasting in Canada. Because of the lack of an enforceable treaty between Canada and the US, American stations flooded the air, often leaving weaker Canadian stations unable to find spectrum space. Further, the lack of a firm state policy regarding how radio programming was to be financed, coupled with the high costs of program production and network affiliation in Canada, made the production of high quality Canadian programming practically impossible.<sup>8</sup> These conditions led to early American

domination of Canadian radio and several of the largest Canadian stations moving to affiliate with US networks soon after they were established. But apart from American domination severely retarding the development of the broadcasting industry itself, there was concern that Canadian manufacturers would also suffer. Because of the lack of Canadian broadcasting and programming facilities, manufacturers were concerned that their lack of access to advertising would give American companies great advantage in the marketplace. Yet another pressure was added through the inability of the structure of regulation to cope with the demands made upon it. As the minister responsible for radio noted in 1928 during a crisis regarding religious broadcasting, that structure was such that "the moment the minister in charge exercises his discretion, the matter becomes a political football and a political issue all over Canada."<sup>9</sup> Thus, through the 1920's conditions were developing that called for both restructuring the bureaucracy and alleviating economic pressures.

The Aird Report illustrates that the discourse of nationalism had become interpenetrated with the development of broadcasting policy. In its findings, the Commission 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 shaped into moulds not specifically Canadian."<sup>10</sup> Building from these

perceptions, the Commission recommended "broadcasting should be placed on a basis of public service and the stations providing a service of this kind should be owned and operated by one company."<sup>11</sup> Under this scheme, the public company would purchase all existing radio stations and establish a network of seven high powered stations to blanket the country, with perhaps a few low-powered local undertakings supplementing its service. However, with publication of the report public controversy over nationalization caused the government to delay legislation, and legislative action was further delayed when the stock market crash of 1929 precipitated a national election and a change in government.

Shortly after the Conservatives took office, a constitutional challenge by several provinces regarding the federal government's jurisdiction in broadcasting delayed immediate action on the broadcasting question. But in 1932, as soon as broadcast regulation was firmly in their control, the federal government struck a Parliamentary Committee to "advise and recommend a complete technical scheme of radio broadcasting for Canada."<sup>12</sup>

While traces of the discourse of nationalism can be found in the work of those appearing before the committee both for and against public ownership, it appears as a primary force in the recommendations of the Canadian Radio League (CRL). This organization was founded in 1930 by a group of Canadians concerned that the change in government and travails of the depression might interfere with the implementation of the Aird

Report. They had strong ties with the Association of Canadian Clubs and other nationalist organizations founded in the 1920's. . In outlining his case for public broadcasting Graham Spry, one of the founders of the CRL, illustrates the nationalist purpose foreseen by the League for the technology of broadcasting:

Here is an agency which may be the final means of giving Canada a national public opinion, of providing a basis for public thought on a national basis. . . There is no agency of human communication which could so effectively unite Canadian to Canadian, and realize the aspiration of Confederation as radio broadcasting. It is the greatest Canadianizing instrument in our hands and its cultural influence. . . is equally important.<sup>13</sup>

Initially the League basically followed Aird's plan and advocated total nationalization, but by the time they reached the 1932 Committee they had modified their position to allow that smaller stations might be locally owned and programmed. But as Peers (1969) notes, the CRL was not the only organization arguing for government subsidy: "in all the schemes advanced by private interests. . . it was made clear that substantial sums of public money would have to be spent to provide a national program service."<sup>14</sup> Thus, as is seldom recognized by writers in this area, by 1932 the argument over nationalization was more a question of degree than kind.

In delivering his report to the House, the chairman of that committee neatly stitched its findings into the context of the discourse of nationalism:

I believe that we have made provision whereby a greater understanding and unity can be promoted. . . . Had the fathers of Confederation been able to add this means of communication to the ribbons of steel by which they endeavoured to bind Canada in an economic whole, they would have accomplished a great deal more than they did, great even as there accomplishment was.<sup>15</sup>

True to the discourse of nationalism, the report recommended public ownership of a national system, but allowed that stations under 100 watts might be allowed to stay in business at the pleasure of the Crown. The heart of this system was envisioned as a chain of high power stations strung across the country. Financing of this scheme was to come only through license fees and advertising. Thus construction of the national system was to be undertaken only as funds were made available from these sources. Quickly following the report the 1932 Canadian Radio Broadcasting Act was drafted along the lines it recommended and brought before the House. Introducing this bill, Prime Minister R.B. Bennett again illustrated the nationalist context of this legislation:

this country must be assured of complete Canadian control of broadcasting from Canadian sources, free from foreign interference or 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.  
 . . . (Further) the use of the air. . . that lies  
 over the soil or land of Canada is a natural  
 resource over which we have complete jurisdiction  
 under the recent decision of the privy council  
 (and) I cannot think that any government would be  
 warranted in leaving the air to private  
 exploitation and not reserving it for development  
 for the use of the people.<sup>16</sup>

In practice though, the 1932 Broadcasting Act and the  
 policy instrument it constituted, the Canadian Radio  
 Broadcasting Commission (CRBC), fell short of producing the  
 "great agency" foreseen in Bennett's speech. Nowhere in the  
 act were the national purposes of broadcasting specified, and  
 the Commission clearly lacked the independence it would have  
 been afforded had it been constituted as a Crown corporation as  
 the Aird Report and the CRL advocated. Its relations with  
 Parliament were structured more like those of a government  
 department than an independent entity. It could not borrow  
 money for capital expenditures and was completely dependent on  
 Parliament for releasing funds collected from license fees to  
 it, its main source of revenue.

In Offe's terms, the CRBC would be somewhat of a hybrid,  
 structured between the allocative and purposive rational modes  
 of policy production: on the allocative side, empowered to  
 "determine the number, location, and power of stations required  
 in Canada";<sup>17</sup> and on the purposive rational side, empowered  
 to carry on the business of broadcasting in Canada.<sup>18</sup>

While it was apparent that the CRBC was to directly undertake  
 responsibility for program production and the operation of some  
 stations, as Peers (1969) notes there were "also various ways /

in which the Commission was circumscribed as an operator of broadcasting stations" - among these were the necessity of Parliamentary approval of takeovers of private stations and financial circumscriptions.<sup>19</sup> At the same time, the legislation was explicit in granting the Commission regulatory powers and sole authority over network arrangements. Thus, in structure the CRBC combined aspects of the government department, the regulatory board, and the Crown corporation: first, it was closely linked to government; second, it was charged with a variety of allocative functions; and third, it was charged with actually undertaking the business of broadcasting.

The Commission's administrative structure was also laid out in the legislation. Three commissioners were appointed to oversee and undertake all aspects of the Commission's activities. Thus the allocative and purposive rational activities of the organization were conflated.

#### Interpretations

Margaret Prang (1965) illustrates that public broadcasting appears to have resulted out of a move of "defensive expansionism" on the part of the Canadian state. She notes that two conditions were primarily responsible for this intervention:

the inability or reluctance of private enterprise to take the business risks imposed by the vast extent and small population of the country, and the willingness of influential groups to use the power of the dominion government in the search

for national security in the face of economic and political threats from the United States.<sup>20</sup>

However by focusing on the agency of individuals, Prang's argument obscures the structural relations through which intervention has moved to, as Innis notes, "bring together the retarded development and possession of vast natural resources" and encourage private capital accumulation.<sup>21</sup> The discursive approach outlined in this thesis works toward illuminating these relationships and better illustrating the complex nature of the policy process.

As illustrated, the political economic conditions of the late 1920's were ripe for government intervention. As with the National Policy, threats to accumulation and the legitimacy of the bureaucracy formed the conditions of possibility of the state taking up the discourse of nationalism. These conditions formed the buds, or in Foucault's terms the "enunciative modalities", of broadcasting's discourse of nationalism.<sup>22</sup> However, unlike the National Policy, the space-binding nature of this technology added another dimension to the traditional character of the discourse and further impetus to state intervention.

As broadcasting became articulated with the discourse of nationalism, the fact that it was conceived as a purveyor of ideas rather than goods appears to have put its practice at odds with the structural logic of the National Policy that pervaded Canadian industrial policy. As Panitch (1977) notes, the National Policy relied upon:

foreign capital for staple extraction on the assumption that this will create the surplus out of which industrialization in central Canada will grow, and. . . involves the further assumption that foreign branch plants may take the lead in this industrialization as good corporate Canadian citizens.<sup>23</sup>

This policy was founded on a purposive rational logic which left private capital relatively unencumbered provided it situated itself within the borders of Canada and thus was not sensitive to the nationality of investments. This logic, or as Carey and Quirk (1970) call it "calculus of commercialism",<sup>24</sup> has its primary focus on the accumulation of capital and moves to subordinate notions such as nationalism when they impede accumulation. However, the discourse's positioning of radio as an instrument of nationalism placed the practice of broadcasting in contradistinction to this logic. For the production of Canadian ideas necessitated greater Canadian involvement than the production of other commercial goods. Thus, articulated with broadcasting, the discourse of nationalism found itself in contradiction with policy practices instituted under the National Policy and a further, non-political economic, impetus to state intervention was born. This contradiction would become one of the basic sites of struggle in the development of Canadian broadcasting.

Here then, as with the National Policy, broadcasting's discourse of nationalism gave rise to a particular way of speaking about government intervention. It positioned ideas about the cohesion and strength of the Canadian state in

particular relations with political economic conditions. Within this discourse, intervention again followed as a necessary step and was legitimated by both the benefits it would bestow on Canadians and threats of the consequences of non-intervention. Several different, though related, types of discursive effects at both the constitutional and rhetorical levels can be seen as rising from the articulation of broadcasting with this discourse.

Already articulated with the idea of radio by the time the government moved to investigate broadcasting, the discourse of nationalism rose as a ready site for subordinating and juxtaposing broadcasting and its attendant policy concerns. Here, as with the National Policy, the discourse operates as a discourse of power, arranging relations between discursive and non-discursive elements. Calling upon the notion of "nation," it empowers the state to restructure relations between itself and problem areas, surrounding political and economic problems and subordinating them to the policy process. Thus, in this instance, the discourse again works in conjunction with political economic forces to constitute a prescription for action.

At the rhetorical level, the structure of this discursive site projects outside itself to constitute a space for the exchange of specifically Canadian ideas. As Charland (1986) illustrates, this discourse of "technological nationalism" posits the Canadian identity as technologically constituted, resulting in some rather disturbing consequences for Canadian

culture.

A second type of constitutional effect can be seen in the way the discourse works to elide the contradiction between private accumulation and government intervention. As noted, Offe's model illustrates that this contradiction makes purposive rational interventions such as public broadcasting all but impossible except under special circumstances.

However, in the discourse of nationalism the contradiction between these ideas is elided by their juxtaposition: the state posits itself as moving to build a market that otherwise would not exist. Here broadcasting is posited as a market of special significance because it is both economic as well as a market of "ideas." Thus the discourse moves toward closing off ideological protestation to intervention through positing that ideas themselves are dependant on such intervention.

This structure gives rise to another rhetorical effect in that a subject taking up position inside this discourse is given no alternative to intervention. Without it, the very concept of the state is threatened.

But while broadcasting's discourse of nationalism opened up a space for intervention, no necessary relationship between the type of instrument employed - the CRBC - and the discourse may be delineated. A number of factors appear to have played roles in determining the CRBC's structure, several of which are sketched below. First, there appeared to be a limited number of choices regarding the type of intervention the state could undertake - either some sort of subsidy of private industry or

the construction of an autonomous instrument of some sort. As Aird noted in his testimony "before the 1932 Parliamentary Committee, the state's "unhappy" experience with subsidies "during the period of building competitive railways" mitigated against that form of action.<sup>26</sup> Indeed, as was illustrated government bureaucracy had proven itself rather inefficient in the direct allocation of capital, if efficiency is to be judged in terms of accomplishing specific "non-partisan" goals.<sup>27</sup> In lieu of subsidy, the state had a rather limited repertoire of instruments to call upon. The regulatory board, while perhaps suitable for the allocative functions of broadcast regulation such as the assigning of frequencies and the development and enforcement of rules, was not adequate to the direct investment of capital at specific sites and fostering its growth. For such direct investment, a structure along the lines of the relatively new Crown corporation was necessary.

Guiding the choice between these instruments was the struggle between the nationalist forces represented in broadcasting's discourse of nationalism, which sought total nationalization of broadcasting and its harnessing to nationalist goals, and the more commercially rational forces motivated primarily by profit, which sought to subordinate intervention to an unencumbered logic of commercialism. The state appeared to conceive of the radio spectrum as a natural resource, and sought to protect it from foreign incursions and reserve it for Canadian exploitation. As has been illustrated, such a conception of the radio spectrum fits well with state

intervention and government ownership. However, mitigating against the constitution of a Crown corporation and the wholesale nationalization of broadcasting was the economic tenor of the times. The depression had a firm grip on the economy which in turn had led to an indictment of the supposedly extravagant monetary practices of Canada's premiere Crown corporation, the CNR.

While each of these factors might be seen to have played some role in determining the structure of the intervention, it is beyond the scope of this thesis to delineate exactly how these forces articulated to generate this outcome. Such an analysis would itself comprise a project of considerable size and must be reserved for another occasion. However, the CRBC is often seen as having been arrived at through somewhat of a mediation of these forces, for each was represented in its structure: on one side, it was close to government control; on another, its regulatory powers recognized the legitimacy of private capital in the system; and on another, it had the ability to invest capital in specific locations to bolster existing service. Yet the legislation was somewhat ambiguous in the relations it constructed with private enterprise. For while it left open the possibility of complete nationalization, the path of least resistance focused the Commission toward regulation, program production, and the formation of networks.



1932 - 1936

The CRBC began operating in late 1932. From the beginning it was apparent that it was severely constrained by legislation, particularly in its powers regarding the acquisition of property, the appointment of staff, and the acquisition and disposition of funds. Furthermore, attempts by the Commission to have the Broadcasting Act amended to provide greater autonomy were to no avail.<sup>28</sup> As it began its work, several tasks immediately confronted the Commission: staff, stations, and programming facilities had to be arranged; networking arrangements had to be made; broadcasting regulations had to be formulated and promulgated; and the government had negotiated new frequency allocations and these had to be redistributed.

In April of 1933 Parliament ratified a measure to allow the CRBC to acquire the radio properties of the CNR, reportedly at less than 40% of their market value.<sup>29</sup> Among these were stations in Ottawa, Vancouver, and Moncton, and program production facilities in Montreal and Halifax.<sup>30</sup> These facilities and the people that manned them became the core of the CRBC's staff. At the time, the CRBC's acquisition of these properties was politically expedient, and there appears to have been little opposition to it.<sup>31</sup> The Commission also leased stations in Toronto and Montreal, constructed a station in Chicoutimi, and in the following year gained control of stations in Windsor and Quebec. However, the acquisition of stations in the major centres, particularly Toronto and

Montreal, was met with great hostility by private broadcasters and allied newspapers who charged that the Commission was competing with stations it was also regulating.

As recommended by the 1932 Parliamentary Committee, the Commission quickly entered into the negotiation of transmission contracts with the railroads for network service. These contracts constituted both national and regional networks and comprised a major part of the Commission's annual budget throughout its lifetime. As Weir (1965) notes, the first network contract included this "extraordinary" 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 at any time 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 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.<sup>32</sup>

While the Commission seemed to have second thoughts about this decision to exclude itself from the transmission of commercial network programs toward the end of 1933, pressure from newspapers appears to have resulted in aborting attempts at change and this policy stayed in effect until late 1935.<sup>33</sup>

In keeping with its allocative responsibilities, the Commission drafted a variety of regulations regarding the operation of broadcasting outlets early in 1933.<sup>34</sup> Most of these dealt with technical aspects of station operation, but a

few addressed program content. Among the latter type of regulations were those that limited imported programs to less than 40% of the daily schedule and advertising to less than 5% of program time. While there appears to be little information available regarding whether or not these regulations were adhered to, or how well they were enforced, it is apparent that they became the object of controversy as competition for advertising revenues between radio stations and newspapers arose.<sup>35</sup>

Adding to its unpopularity, the Commission reallocated a number of frequencies during its first few years of operation.<sup>36</sup> Following an agreement made with the US in May of 1932, a number of private stations had to be moved in the spectrum. This caused some public inconvenience as listeners had to search for their favorite stations. As well competition developed among license holders for the better frequencies. The animosity arising from this activity was focused on the Commission.

In its first year of operation, the Commission was severely limited by its budget. While license fees for 1933-34 were anticipated to be close to \$1,500,000 the government allocated only \$1,000,000, a great deal less than either the Aird Report or the CRL had foreseen as the minimum necessary to undertake the job. Faced with this limitation, the Commission could ill afford the construction of a chain of high powered stations as recommended in the 1932 Parliamentary Committee's report and thus most of its efforts fell on program production and

distribution. These areas came to form the major focus of the Commission's endeavours during its lifetime.<sup>37</sup>

As the depression deepened, national commercial network programs fell off dramatically as few sponsors could be found to assume the high cost of transmission line rental. Thus, the CRBC's monopoly over network broadcasts was of little concern to private broadcasters at the national level. However, the Commission's inability to broadcast commercial programs on these networks severely limited their appeal to private broadcasters. And although free programming was welcomed by some stations in such tough economic times, in many instances they found it necessary to pay private stations to join the network because "the commission was not prepared to precipitate further storms by forcing private stations to carry their programs."<sup>38</sup>

As Walters (1960) illustrates, much of this programming had a distinctly Canadian flavour:

One of the CRBC's primary purposes was to produce more Canadian radio programs and thus to stem the tide of American culture. To do this they spiced their program schedules with talks by prominent Canadians, and by visitors to Canada, and with broadcasts of special features such as the Harmsworth Trophy Race on Lake St. Clair, the National Balloon Race, and the arrival of the Italian Air Armada at Shediac, N.B. in 1934. News of Canadian interest was carried on twice-daily bulletins, prepared by Canadian Press free of charge. . . In addition, the CRBC began the Northern Messenger Service, by which personal messages were relayed by shortwave radio to people in the far north of Canada. . . How far the CRBC succeeded in Canadianizing radio can be seen from the fact that of the 7,200 radio programs broadcast by the Commission during 1934-35, 7,000 were of Canadian origin.<sup>39</sup>

However, tight budgets restricted the quality and types of programming the Commission could produce and it presented little competition to commercial programs produced either in the US or Canada.

In early 1934 a second Parliamentary Committee was convened to investigate broadcasting. As Peers (1969) illustrates, private broadcasters used these meetings as a forum to air their manifold grievances regarding the Commission:

The private broadcasters complained about nearly every phase of the Commission's operations. The stations owned by the Commission were competing unfairly with other stations in the same areas. Commission regulations relating to advertising were unfair. . . (The point seemed to be overlooked that in 1932 the first two of these regulations had been suggested by the private stations themselves). The further complaint was made that the Commission was too exacting in its demands on the smaller stations. It was unfair in paying some stations to carry its programs, but not others. It was wrong in insisting that no network could be formed without special permission and in refusing to allow more stations to become affiliated with American networks. The changes in wavelengths had resulted in a chaotic situation and increased interference. There was too much French on Commission programs.<sup>40</sup>

Generally then, the private broadcasters sought unbridled license to pursue profit or, one might say, freely employ the logic or calculus of commercialism. In most cases, this meant the right to advertise as much as possible, the right to carry as much foreign programming as they wanted, and the right to affiliate with American networks. Some advocated that the CRBC should assume a completely subordinate role to the private

broadcasters and supply programs and network facilities with no strings attached. However, as Peers (1969) goes on to note, "none of the private stations offered any concrete evidence that the Commission's regulations were jeopardizing their existence, and the Commission itself had no way of knowing the financial position of the stations."<sup>41</sup>

During the Committee hearings an interesting incident regarding the relationship between private and public elements of the system arose as it was related that, during the reallocation of frequencies, the Commission had relinquished its frequency in Windsor to a private station because the frequency assigned to that station was subject to interference from Mexican sources. When called upon to explain this action, one of the commissioners stated: "I submit that as a matter of fact it was far better for the Commission station to have this trouble than that the commercial station in Windsor, which is forced to make its living by means of its operations, should have been subject to this interference during the past season."<sup>42</sup>

The report of the 1934 Committee was quite short and while it reaffirmed the principle of nationalization and the establishment of national broadcasting, it noted that "the provision of the Act dealing with advertising should be more liberally interpreted", and that "pending nationalization of all stations, greater co-operation should be established between privately-owned stations and the Commission."<sup>43</sup>

Thus, the Committee appeared to situate itself squarely on top

of the contradiction between the production and dissemination of Canadian ideas, as represented in broadcasting's discourse of nationalism, and the commercial logic of the National Policy that pervaded industrial policy. In any event, the report of the Committee received little attention in Parliament and the only apparent change in regulation resulting from it was that private stations were allowed to extend their carriage of commercials to up to 15% of their broadcast time.

As a number of authors illustrate, throughout the rest of its existence the actions of the CRBC were constrained by budget restrictions, its own organizational structure, pressure and complaints from private industry, and government interference.<sup>44</sup> While all these factors tended to generally weaken the Commission and engender a lack of public confidence in it, it appears to have been this latter influence that finally precipitated its demise.

In the fall of 1935, the Conservative government entered into an election campaign. The closeness of the CRBC's program production and distribution facilities to the government appears to have been too great a temptation, leading to a series of partisan political broadcasts:

The 'Mr. Sage' broadcasts, six in all, were dramatized propaganda vehicles featuring a staunch, small-town Tory (Mr. Sage), who discussed the election issues with his friends, praised Conservative party policy to the skies and delivered himself of some rather offensive remarks about the Liberals in general and Mackenzie King in particular. What raised the hackles of the Liberals - and even some skeptical Conservatives - was not the purely partisan nature of the broadcasts, but the fact that the

programs were produced in part with Commission facilities, went out over some CRBC stations and were not identified as to their political sponsorship, giving many people the impression that they had the Commission's blessing.<sup>45</sup>

After the election, the new Liberal government wasted little time in addressing what they perceived as problems in the administration of broadcasting and in March of 1936, one month after the opening of the new Parliament, they struck a third Special Parliamentary Committee to assess broadcasting.

As with previous enquiries, this Committee came to constitute a site of struggle between those forces represented through broadcasting's discourse of nationalism and calling for complete nationalization of the system and those seeking to subordinate government intervention to private interests and harness it directly to private capital accumulation.

Distinguishing this debate from those past though was a heated argument over how a new body for overseeing broadcasting might be structured and its responsibilities divided, as it appears to have been commonly perceived that having the responsibilities of administration and policy-making installed in the same body was unworkable.<sup>46</sup>

Like its predecessors, the Committee reaffirmed the principle of complete nationalization but maintained that this was not immediately feasible. It recommended the constitution of a new, more independent, authority to oversee broadcasting and full cooperation between this new body and private stations. Its main recommendations were:



(a) That a public corporation modeled more closely on the lines of a private corporation, but with adequate powers to control, for the purposes of coordination, all broadcasting, both public and private, be set up to replace the CRBC;

(b) That this corporation, to be known as the Canadian Broadcasting Corporation, be managed by a general manager as chief executive, and directed as to policy by a non-partisan board of nine directors or governors, chosen to give representation to all parts of Canada;

(c) That the Corporation immediately consider ways and means of extending national coverage.<sup>47</sup>

The government began drafting a new bill for the governance of broadcasting almost immediately.

#### Interpretations

As this all too brief history illustrates, the structure of the CRBC instituted a particular set of relations between the state and private broadcasters - relations inherent in the traditional structures of both the regulatory board and government ownership. This structure both severely constrained the Commission's actions and eventually precipitated its demise.

In its work as a regulator, the CRBC made rules and regulations expediting the private accumulation of capital. It instituted technical rules that improved the quality of broadcasts, undertook allocative responsibilities regarding licensing and wattage, acted as somewhat of an arbiter between diverging newspaper and broadcasting interests regarding advertising revenues, and generally allowed for more efficient

exploitation of the radio spectrum by private capital than had previously been possible.

As Innis' (1933) work suggests, as an instrument of government ownership the CRBC can also be seen to have been employed as a tool in the rapid exploitation of the "limited resource" of the radio spectrum. In the face of threats to Canadian sovereignty, the constitution of the CRBC worked toward "attaining the end of immediate investment. . . of capital" in the radio spectrum thus "retaining a substantial share of the returns from virginal natural resources" for Canadian capitalists and, subsequently, the state.<sup>48</sup> The Commission worked toward developing Canada's broadcasting "resource" at several levels. First, it acted as a vehicle for the investment of capital and the development of the resource. It put more money into the system than it removed, thus accelerating development. Second, intervention was focused to invest money in the development of aspects of the resource that private industry was loathe to. In the two areas that comprised the CRBC's greatest expenditures - program production and network construction - the financial incentives pointed private stations toward the importation of material and affiliation with existing US networks. The CRBC moved to fill the void left by this logic of commercialism. Third, the CRBC provided income and programming to marginally profitable stations in tough economic times, thereby directly subsidizing their operation.

From the above it can be seen that as Offe's model might

predict, the CRBC appears to have operated mainly in the service of private capital or on the edges of the market where profits were marginal. For as he notes, resistance to purposive rational action by government "on the part of accumulation units makes its application impossible (except where it is almost congruent with private investment decisions in the first place)" (his brackets).<sup>49</sup> The production and distribution of programming, either free of charge or with payment for broadcast, was indeed "congruent with private investment decisions", particularly as the Commission did not force private broadcasters to carry its programming.<sup>50</sup> And, because of its non-commercial nature and the economic tenor of the times, the Commission's monopoly on network arrangements appears to have presented little, if any, intrusion on the prerogatives of private enterprise, except perhaps where they prevented more stations from affiliating with American networks. Here, the state's own agenda for development begins to appear, like the National Policy, forging east-west bonds rather than allowing north-south linkages to form. However, the CRBC does not appear to have forced any stations to disaffiliate with American networks or acted to substantially undermine the revenue of private stations. In areas where it operated as a competitor with private stations, the Commission's station was generally constrained in the marketplace by lower power and the necessity of carrying non-commercial programming at peak hours.<sup>51</sup> The CRBC was also sensitive to newspaper news markets. In exchange for two

daily five minute newscasts, the Commission agreed to give Canadian Press a national news monopoly. Rule 101, adopted by the CRBC on April 1, 1933 prohibited the transmission of:

any news or information of any kind published in any newspaper or obtained, collected, collated, or co-ordinated by any newspaper or association of newspapers, or any news agency or service, except the following:-

(a) Such bulletins as are released regularly from the various bureaux of Canadian Press for the express use of broadcasting stations in Canada.

(b) Local news under arrangements to be made by each station individually with its local newspapers, or such news as it may collect through its own employees or agencies as may be employed by the said stations.<sup>52</sup>

The Commission was guided between regulation and purposive rational action both through its structure and direct pressure from private industry. On the structural level, purposive rational action that might have intruded in the realm of private enterprise was constrained by both the lack of economic independence and the inability to acquire property without Parliamentary consent. In the marketplace, CRBC movements that threatened private enterprise were invariably met with strong opposition from the private sector, as was evidenced in its efforts to acquire stations on which to air its programs in Toronto and Montreal and its 1933 attempt to rewrite its network transmission contract.<sup>53</sup> At the same time, the Commission's clearly defined powers in the areas of regulation, network construction, and program production appear to have focused its efforts in those directions when faced with these

barriers to entry.. Offe's model finds application at both these levels too.

At the structural level, government ownership itself appears to be fashioned to be "almost congruent with private investment decisions" with its propensity to function toward the development and possession of natural resources not readily exploitable by private enterprise.<sup>54</sup> Indeed, the CRBC's emphasis on program production and network construction bears witness to this. However, how what Offe terms the "method" of policy production comes to predetermine this structure is not as readily apparent. At one level, the state can be seen as having a limited repertoire of instruments it can call upon, and in turn, these instruments can be seen as structured between the prerogatives of private enterprise and the interest of the state in promoting capital accumulation. At another level, the choice between these instruments can be seen as somewhat determined by the Parliamentary process and the pressures that are brought to bear there in any particular instance of policy making. However, how these different structural levels articulate to determine the structure of any particular instrument is not clear at this point. For instance, in the case of the CRBC, while both the genesis of the various different instrumental aspects of its structure and the pressures influencing choice at the Parliamentary level can be historically traced, how these force articulated to produce the Commission's hybrid structure is still obscure. Thus, it is difficult to say with any certainty in what ways the

Commission's structure was predetermined through pressure on the part of accumulation units.

More obvious is how accumulation units pressured the CRBC in the marketplace. As illustrated, private broadcasters, telegraph companies, and newspapers all exerted pressure on the CRBC to try and force it to operate in concert with their interests. These efforts appear to have been to a large part successful. However, exactly where and how these market pressures articulate with the structural aspects of the Commission to determine action, that is where and how structure articulates with practice, is not clear.

Finally, the practices of the CRBC reveal a further discursive constitutional effect in the way broadcasting's discourse of nationalism works to elide the relationship between intervention and private industry. Although in both the discourse and the 1932 Broadcasting Act the public element is portrayed as the dominant player in the broadcasting field, as illustrated political economic forces appear to have moved the CRBC toward operating at the edges of the system. Here then the discourse works to occlude this contradiction between the talk and practice of broadcasting by obscuring the political economic forces at work. Ofte suggests that when operating to promote private accumulation the state tries to "hide" its purpose, but he does not offer a clear explanation of the structure(s) through which this takes place.<sup>55</sup> Here it can be seen that the discourse operates in conjunction with economic forces to accomplish just such an end.

1936-1952

On June 19, 1936 the Canadian Broadcasting Act passed the House of Commons, and on November 2nd of that year the Canadian Broadcasting Corporation (CBC) assumed control of the CRBC's operations. Like the CRBC, the CBC was granted both administrative and regulatory powers: under Section 8 of the act it was charged with carrying "on a national broadcasting service"; and under section 21, to make a variety of different types of regulations regarding the operation of private stations. Section 3 specified that a board of governors, "chosen to give representation to the principal geographical divisions of Canada" was to supply broad policy direction to the Corporation and a general manager was allowed to direct the daily affairs of the company.<sup>56</sup>

As a national broadcasting service, the CBC appeared to have considerably more autonomy than the CRBC. The act constituted it as a relatively independent corporate body and in addition to a variety of specific powers regarding such things as the making of contracts, the acquisition or lease of property, the employment of staff, and the right to borrow capital from the government, it was granted the blanket power to "do all such other things as the Corporation may deem incidental or conducive to the attainment of any of the objects or the exercise of any of the powers of the Commission."<sup>57</sup> Further, revenues from license fees, less the cost of

collection, were to be paid to the Corporation without Parliamentary appropriation. However, these powers and its abilities to dispose of revenues were circumscribed in several important areas. For instance, the CBC required the approval of the Governor in Council: to enter into any agreement involving expenditures in excess of \$10,000; before it "purchased, acquired, sold, exchanged or mortgaged property"; and to authorize government loans and advances.<sup>58</sup>

The CBC's regulatory powers were very similar to its predecessor's. It had control over the operation of networks. It could prescribe periods of time on private stations to be devoted to the Corporation's programming, determine the time devoted to advertising and its character, and "control the character" of programming. At the same time though, the act acknowledged that "fair and reasonable" compensation might be paid to private stations for the broadcasting of the Corporation's programs. The notion of public ownership of the broadcasting system was represented in Section 11.5 of the act where it stated that no person "shall be deemed to have any proprietary right" in any radio channel. While on one hand the CBC was given the power to suspend the license of any private station not complying with its regulations for a period of up to three months, the Minister of Transport, upon consultation with the Corporation, appeared to have reserved the rights to deal with "any application for license to establish a new private station or for an increase in power, change of channel, or change of location of any existing private station, or



making any regulations or changes in regulations governing the activities of private stations."<sup>59</sup> Thus while the Corporation was charged with administration and regulation of the entire public broadcasting system, and established as both more independent of government and possessing more powers than the CRBC, its relations and final authority over the private sector were somewhat cloudy.

Assuming the chairmanship of the CBC, L. W. Brockington illustrated that broadcasting's discourse of nationalism, although not explicitly stated in the Broadcasting Act, still undergirded the practice of broadcasting:

If the radio is not a healing and reconciling force in our national life it will have failed of its high purpose. If Canadian radio makes no lasting contribution to a better understanding between the so-called French-Canadian and the the so-called English Canadian, between the East and the West. . . then we shall have faltered in our stewardship.<sup>60</sup>

Consistent with this mission, the CBC lost no time in undertaking plans for extending national coverage. A report prepared in 1936 revealed that only 50% of the Canadian population received good service from the existing network. In 1937 the CBC proposed a plan which basically followed the recommendations of the Aird Report. As a preliminary step to improving coverage two 50 kw. stations would be built, one in Ontario and one in Québec. In addition, smaller facilities would be constructed in the Maritimes and Saskatchewan. It was estimated that if these measures were instituted over the next three years they would result in "good" coverage to 75% of the

population.

This plan was not well received by the government. In initial meetings with the Minister of Transport, C. D. Howe, the board of governors was apparently informed that the government foresaw the CBC as a "programme-building organization" and that "the improvement of broadcasting facilities should be left to private capital, initiative and enterprise."<sup>61</sup> However, imbued with broadcasting's discourse of nationalism, the board of governors was not prepared to accept such a subordinate position and Brockington pressed his plan upon the government, reinforcing it with his interpretation of the government's "declared policy on the subject of broadcasting" extracted from records of the Aird Committee, House of Commons committees, and House of Commons debates.<sup>62</sup>

The ensuing struggle was apparently resolved in favor of the broader public service model expounded by the Corporation, and by May of 1939 the two 50kw stations at Toronto and Montreal were completed as well as powerful stations in the Maritimes and Saskatchewan. Thus by the end of the 1930's the CBC reached 84% of the population and had pretty well succeeded in building the chain of powerful stations called for in the Aird Report.

Like its predecessor, the CBC experienced difficulties with its financing. It quickly became apparent that the \$2.00 license fee would not supply enough revenue to meet construction and programming plans. Additional revenues were

necessary and the two most favored sources were a license fee increase of \$1.00 or the sale of more commercial time. Neither of these options was well met by the public. Newspaper and magazine organizations were particularly critical of an increase in commercial activity, while MP's reported a tremendous number of complaints regarding a fee increase. In the end, the license fee was increased to \$2.50 and commercial programming minimally extended, bringing the ire of both groups upon the Corporation.

The CBC was very selective in its commercial practices however. While the CRBC had begun network advertising in late 1935, it had not been undertaken on a very large scale. The CBC continued this practice and in December of 1937, at least partially in response to criticisms by private radio stations and newspapers, set down a commercial acceptance policy. This policy established high standards for advertising, resulting in the rejection of at least several hundred thousand dollars of business annually.<sup>63</sup> Further, the CBC does not appear to have accepted either local business advertising or spot announcements through the 1940's, leaving this business entirely for private broadcasters.<sup>64</sup> This policy in part evolved from both the CBC's perception of itself as the high powered national broadcaster and lower powered local stations as community outlets and its perception that there was a contradiction between commercial programming and the nationalist purposes of broadcasting. This arose from the fact that large audience building programming was often foreign in

origin because of the cost of production. Thus, at the local level the CBC presented private broadcasters with little competition for revenue.

The CBC's network policy, adopted in November of 1937, was considerably different from its predecessor's. The country was divided into five regions. Sponsors received a cumulative 5% discount on station time for each region they subscribed to. Thus, if all 5 regions were purchased, a 25% discount was earned. Weir (1965) explains how rates were set and responsibilities divided:

Network station rates were set by mutual agreement with the private stations. . . Stations were paid a straight one-half of their agreed network rates, and had no discounts or commissions to pay. Out of the remainder, the CBC absorbed all discounts, frequency and regional, as well as agency commissions of 15 per-cent. When all regions were used, this left the CBC slightly better than breaking even; when less than the entire network was used, the CBC made a small premium.<sup>65</sup>

Weir goes on to state that "under this arrangement, stations on the CBC network enjoyed a much better arrangement than they would have received had they been members of an American network." Indeed, as Malone (1962) notes: "comparable payments to affiliates in the U.S. by C.B.S. and N.B.C. in 1935 were 24.09 and 22.02 percent respectively."<sup>66</sup> Like the CRBC, the CBC did not require those stations already affiliated with American networks to disaffiliate. As well, little if any pressure appears to have been applied to private stations to join the CBC network or carry CBC programming, leading to some

of the most important sustaining programs being ignored by private affiliates. Brockington used this charge to support his contention that the CBC must have high powered stations in all regions of the country.<sup>67</sup> Further, by the late 1930's, broadcasting had become a profitable business in Canada and private networks had become economically attractive leading to increased pressure for the CBC to relax its network restrictions.<sup>68</sup> In March of 1939, Brockington announced that it was "the policy of the Corporation. . . to permit the formation of temporary auxiliary hook-ups subject to its control and direction" and thus unofficial networks were officially sanctioned.<sup>69</sup>

With the onset of the Second World War, CBC construction plans were put on hold and the Corporation moved closer to government as it assumed wartime news and propaganda responsibilities. This relationship precipitated several scandals involving government interference with broadcast content.<sup>70</sup> Perhaps the most damaging of these was the refusal of the CBC to carry coverage of the 1942 Conservative convention. To the Conservatives, this refusal evidenced political interference and the party began to rally against the CBC. As Peers (1969) notes, until this incident the Conservative "party leadership had never denounced the Broadcasting Act or the system itself", but from then on "more influential Conservative members called for an 'impartial board' to regulate both CBC and private stations."<sup>71</sup> This corresponded with increased attacks by the private sector on

the authority of the CBC.

Through the war the prosperity of private stations continued to grow and with it came increased criticism of the CBC. At the centre of this agitation were demands from the private sector for increased commercial freedom. In its efforts to win a freer hand in broadcasting, the private stations' lobby group the Canadian Association of Broadcasters (CAB) began calling for a separate regulatory board along the lines of the Railway Commission to oversee broadcasting and remove the CBC from its position of both "competitor and regulator." These charges appeared to have little foundation in fact, for Weir (1965) notes that competition really only existed in large centres between a few powerful regional private transmitters and the CBC's high power transmitters and, as noted, even in these cases the commercial practices of the CBC subordinated their revenue concerns to those of the private sector.<sup>72</sup> These charges appear to have met with little sympathy on either the part of the government or the various Parliamentary Committees investigating broadcasting through the 1940's which all basically upheld the CBC's control over broadcasting. However, pressures from both private broadcasters and businesses seeking to advertise their goods and services did lead to the formation of a second national network in 1944.

As broadcasting grew, the place of the private sector within the system became more legitimate. This is evidenced in both the reports of Parliamentary Committees of the 1940's and the marketplace. Parliamentary Committees for reporting on

radio broadcasting were struck in 1942, 1943, 1944, 1946, and 1947. Like their predecessors, each of these committees became a forum for the struggle between public broadcasting and private broadcasters. While a detailed analysis of the reports of these committees is beyond the scope of this work, it would appear that they all generally endorsed the public purposes of broadcasting and the use of broadcasting as a nationalist instrument.<sup>73</sup> Yet, continued agitation on the part of private broadcasters led to the private position being considerably enhanced. By 1948 it was clear that private stations occupied a permanent position within the system. Power increases were steadily granted, the licensing period had been extended to three years from one, and more private stations had been licensed giving the CBC a smaller share of the overall market.

A further illustration of the strength of the private stations during this period is found in the 1946 battle over wavelength reallocation. Following the 1937 Havana Agreement regarding the radio spectrum, Canada received six clear channels which the CBC earmarked for national service. Pending the CBC's need of these channels, three non-CBC stations - CFRB, CKY, and CFCN - were allowed to occupy them upon the condition that they "may be required by the CBC at some future date and must be vacated if and when such a condition arises."<sup>74</sup> In April of 1946 the stations were notified that they would have to vacate these frequencies and assume others that had been reserved for them. CFCN and CFRB met this

request with a virulent response which resulted in a tremendous press campaign against the CBC and reallocation was delayed for two years. When it finally did take place, CFRB was accorded an increase in power to 50,000 watts by the CBC, thus changing the definition of private stations as local stations. Similar increases for other private stations quickly followed. This effectively blurred the distinction between the national and local levels of broadcasting which, as noted, had formed one of the bulwarks of regulation. Finally the strength of the private broadcasters' position was implicitly recognized in both regulation and the marketplace. As a variety of authors and enquiries have noted, the CBC was traditionally either reticent or unable to effectively regulate the activities of private broadcasters. Transgressions regarding commercial activity, content requirements, and promises of performance (formally instituted in 1947) were often reprimanded yet evaded punishment. Further, despite the 1936 Broadcasting Act's edict against proprietary rights regarding broadcasting licenses, such licenses became valuable commodities in the marketplace, illustrating the business community's confidence in the CBC's inability to undermine the commercial value of stations.<sup>75</sup> However, by the end of the 1940's a variety of pressures were coming to bear on the government to further intervene in broadcasting. As Peers (1969) notes:

In the year 1948 several questions demanded urgent attention from the government. First, an authoritative answer was needed on who should regulate and control the activities of 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 of \$2.50 was now clearly inadequate. The government had to decide whether to increase the fee substantially or find some other means of supporting the public system. 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 had developed. The difference was that the pace would be faster, the costs would be greater - and the stakes would be higher.<sup>76</sup>

Indeed, at the turn of the decade technological innovation and the calculus of commercialism were preparing a new site for relations between the public and private elements of broadcasting.

While there had been speculation of television in the Aird Report and Canadian Marconi had applied for a television license in 1940, pressures for television broadcasting didn't really begin to develop until late 1940's. While the CBC began to make plans for the implementation of this service in 1947, these plans were dealt a serious blow by the reluctance of the government to fund them and 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).<sup>77</sup> However, the applicants apparently most able to proceed with television broadcasting were foreign owned, which raised objections from the CAB. Delay followed, focusing the anger of aspiring broadcasters, equipment manufacturers, and the general public on the CBC. Meanwhile the FCC had imposed a ban on television development in the US, but not before border station had been built that flooded major

Canadian cities with their signals.

In January of 1949 the government announced in a throne speech that it would appoint a Royal Commission to investigate broadcasting and certain other institutions and practices. But in March, before that appointment took place, the government announced an interim policy. It stated that television would be developed by both public and private enterprise, that the CBC would establish stations and production centres in Montreal and Toronto, and that these centres would provide programming to stations in other parts of the country. Regarding licensing, the statement read "in any city or area in Canada. .. a license to establish one private station will be granted to a private organization."<sup>78</sup> Network arrangements were to be left in the hands of the CBC. The Minister of National Revenue illustrated that these plans would provide a means "of encouraging Canadian talent, of expressing Canadian ideals, of serving the needs of the country as a whole, and of stimulating and strengthening our national life as a whole."<sup>79</sup> A government loan of \$4.5 million to begin construction was issued to the CBC in December of 1949.<sup>80</sup>

In April of 1949, the Royal Commission on National Development in the Arts, Letters, and Sciences (Massey Commission) was appointed to investigate a variety of national institutions and functions, among these were "the principles upon which the policy of Canada should be based in the fields of radio and television broadcasting."<sup>81</sup> After two years and an exhaustive series of meetings with a myriad of

individuals, organizations, and institutions, the Commission submitted its report. The discourse of nationalism undergirded this investigation and worked to set the terms of its enquiry, as the preamble to the Commission's Terms of Reference illustrates:

That it is desirable that the Canadian people should know as much as possible about their country, its history and traditions; and about their national life and common achievements; that it is in the national interest to give encouragement to institutions which express national feeling, promote common understanding and add to the variety and richness of Canadian life, rural as well as urban.<sup>82</sup>

Following this tack, the Commission emphasized radio broadcasting's part in constituting Canadian culture in their report:

The system recommended by the Aird Commission to the nation has developed into the greatest single agency for national unity, understanding, and enlightenment. But, after twenty years, the time has now come for a restatement of the principles of Canadian broadcasting, tacitly accepted for so many years. . . In the early days of broadcasting, Canada was in real danger of cultural annexation to the United States. Action taken on radio broadcasting by governments representing all parties made it possible for her to maintain her cultural identity. Through Canadian radio, however, much more has been done. Radio has opened a way to a mutual knowledge and understanding which would have seemed impossible a few years before. Canadians as a people have listened to news of their own country and of the world, have heard public topics discussed by national authorities, have listened to and have participated in discussions of Canadian problems, and have, through radio, been present at great national events.<sup>83</sup>

Further, this reaffirmation of the first principles of

broadcasting included a rebuke of private broadcaster's overtures for a new regulatory structure and an independent board:

We believe that the Canadian radio broadcasting legislation contemplates and effectively provides for one national system; that the private stations have been licensed only because they can play a useful part in that system; and that the C.B.C. control of network broadcasting, of the issue and renewal of licenses, of advertising and other matters related to radio broadcasting, is a proper expression of the power of the C.B.C. to exercise control over all radio broadcasting policies and programmes in Canada.<sup>84</sup>

Turning to television, the Commission framed it too within the context of the discourse of nationalism:

Recalling the two chief objects of our national system of broadcasting, national unity and understanding, and education in the broad sense, we do not think that American programmes, with certain notable exceptions, will serve our national needs.

Like radio it (television) is a valuable instrument of national unity, of education, and of entertainment; how much more valuable it is difficult to say at present, but it promises to be a more popular as well as a more persuasive medium. . . . The pressure on uncontrolled private television operators to become mere channels for American commercial material will be almost irresistible. . . . Once television were established in commercial north-south channels it would be almost impossible to make the expensive changes necessary to link the country by national programmes on east-west lines of communication. . . . It seems necessary, therefore, in our interests, to provide Canadian television programmes with national coverage as soon as possible.<sup>85</sup>

Toward the introduction of television, the Commission recommended that: national coverage be "extended as rapidly as

possible"; "that direction and control of television broadcasting in Canada continue to be vested in the Canadian Broadcasting Corporation"; and "that no private television broadcasting stations be licensed until the Canadian Broadcasting Corporation has available national television programmes and that all stations be required to serve as outlets for national programmes."<sup>86</sup> Thus, in the Commission's eyes, television should be placed firmly in control of the CBC and structured, through the discourse of nationalism, in the national interest and to national purposes.

The Commission's financial recommendations also appeared to rise in favor of the CBC. It was recommended: that the financing of radio and television be undertaken separately; that radio be budgeted in five year intervals and funded through the license fee, commercial revenues, and a statutory parliamentary grant that the capital costs of introducing television be provided for by Parliamentary grants; and that operating and programme costs be met through license fees on receiving sets, commercial revenues, and statutory grants where necessary.<sup>87</sup>

However, like other broadcasting enquiries before it, the Massey Commission while on one hand praising the CBC and recommending it to further national purposes, on the other granted further privileges to the private sector. Most important in this respect was the involvement of the private sector in the development of television broadcasting. The

model put forward by the Commission saw the CBC feeding programming to the private sector. Further, they recommended that the CBC further circumscribe its commercial practices, that the period of license be extended to five years, that private broadcasters have the right of appeal to a federal court, and that the private stations have full opportunity to be heard by the CBC board on matters relating to them.<sup>88</sup> Thus the contradiction between the national purposes of broadcasting and the logic of commercialism was well represented in the Commission's report.

In early 1949 the CBC began to make plans for the introduction of television. The Department of Transport had already decided on the standards that would be used. They were the same as those employed by the Americans. Further, rather than advertise for tenders for broadcasting equipment, the CBC went straight to subsidiaries of US manufacturers.<sup>89</sup> Thus while discussion raged over how to best gain national representation on the airwaves, technically the system was fully integrated with US networks at its inception.

In light of the government's 1949 policy allowing a private station in every city, there was some question how the Massey Report's recommendations, which apparently advocated only one station per city, would be received. However, four weeks after it was published, the government praised it as "a splendid report . . . particularly that section of it which deals with television."<sup>90</sup> Shortly thereafter a further loan of \$1.5 million was made to the CBC. Dr. McCann further elucidated the

government's position on television broadcasting in the House of Commons on November 20, 1951:

It seems to be there are things that are much more important than the establishment of monopoly positions on television channels by private interests, from which they might hope to make a good deal of money in the future. Far more important to this country is the building of a television broadcasting system which will help to link the country together in a new way; which will use a large amount of Canadian talent; and which, while bringing in some material from outside the country, will essentially be a Canadian operation carried on in the national interests. Into this system I expect later to fit private operations co-ordinated under the over-all system serving community interests, and also acting as outlets for national program service.<sup>91</sup>

The 1951 Parliamentary Committee echoed this nationalist sentiment:

the national broadcasting service carried on by the Canadian Broadcasting Corporation is essential for the development of our national life in Canada. . . . Your committee is strongly impressed with the vital need for the development of a television system that is essentially Canadian and which gives expression. . . . to Canadian ideas and aspirations.<sup>92</sup>

Thus, in the eyes of policymakers Canadian television appears to have been articulated with broadcasting's discourse of nationalism early in its development.

### Interpretations

In structure, the CBC was apparently more independent of government than the CRBC. Among other things, its guarantee of income from the license fee, its ability to borrow money from

the government, and control over its own staff, clearly set it apart from its predecessor. However, these powers were severely circumscribed by the requirements that it have permission from the Governor-in-Council for expenditures over a certain size, for the acquisition of property, and for securing loans or advances. Because the ability to acquire and dispose of capital is the essence of corporate freedom, it would appear that in practice the CBC's independence was in several important aspects more of a possibility than an achievement. At another level though, the CBC constructed by the 1936 Broadcasting Act did enjoy a certain degree of freedom from the government, as was evidenced by the board's victory in its battle with Howe. However, as will be illustrated, it would appear that the CBC managed to evade this blatant attempt at subordination only to be caught in a subtler web of subjugation.

Like the CRBC, one of the CBC's best defined powers lay in its control of networks. As Offe's model might lead one to suspect though, in practice this power was subordinated to private capital in several important ways. First, as the CBC assumed its responsibilities, network broadcasting, other than affiliation with American networks, still for the most part lay outside the financial reach of private stations. As noted by the CAB during the 1936 Parliamentary Committee on Broadcasting hearing, "network broadcasting has practically disappeared commercially on complete networks. . . because of the high cost."<sup>93</sup> Thus, at the outset, the forming of networks did



not interfere with the prerogatives of private enterprise. Second, network commercial practices obviously favoured private stations, paying a higher rate of return than their American counterparts and structured to benefit the maximum number of private stations at the CBC's expense. Third, as illustrated private stations were apparently not forced to carry CBC programming. Fourth, as the private sector grew stronger, network rules were relaxed: initially, allowing auxiliary hook-ups and later, by permitting the second national network.

Primarily then, it would appear that network practices worked to encourage the growth of private capital. Further, as private capital gained in strength, it exerted pressure on the CBC to make room for private capital accumulation, and thus both looser network arrangements and greater distribution of the benefits of network broadcasting were instituted. However, the CBC's radio network policies did not operate simply in the interest of private capital. They were structured to encourage the growth of a particular pattern of accumulation - as with the railroad, this was to be east-west in character rather than north-south. Here, the state's own agenda becomes apparent. For, through the CBC, the state operated to encourage the pattern of capital development that would be most beneficial to itself through extending the reach of private capital in the development of the radio spectrum resource in a particular direction.

Another of the CBC's better defined powers lay in program production. This too might be seen as somewhat subordinated to

private capital. Production often focused on types of programming that were not particularly attractive to commercial broadcasters because of their narrow audience appeal, such as as symphonies and radio plays, or those that were relatively expensive to produce, such as actuality broadcasts and current affairs. As Ernest Bushnell, 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 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.<sup>94</sup>

Thus the CBC often operated on the edges of the market with regard to its program production and scheduling practices as well. Further, like network practices, program production also worked toward developing the broadcasting resource: first, by moving to focus the investment of capital toward peculiarly Canadian programs and thus build infrastructure for a Canadian program production industry; and second, by working to develop audiences for Canadian programming.

Two other practices of the CBC that operated explicitly in the service of private capital and at the same time worked toward developing the broadcasting resource also deserve mention. First, the CBC controlled the number of stations in any given market. While the method through which new licenses were awarded would have to be examined before any definitive statement could be made about this practice, such control

suggests that existing licensees were offered a certain degree of protection from competition while they underwent development. Second, the CBC's program of extension of service appears to have been basically undertaken around the private sector thus avoiding displacing them. The Corporation's focus on developing a national broadcasting service generally kept it out of the way of the prerogatives of private capital as it developed areas outside of the grasp of private interests.

Implicitly too, through its lack of enforcement of regulations, the CBC might be seen as operating in the service of private capital. Although it is difficult to make a general statement as to exactly how lenient the CBC was in enforcing broadcasting regulation, its propensity for often ignoring content and commercial violations has been documented by a variety of enquiries and writers. Reasons for this lack of regulation might be attributed to both structural and practical considerations. At one level, the legislation governing the CBC left some question as to the CBC's jurisdiction in regulatory matters and directed it toward program production and network construction. Faced with budgetary limitations, the Corporation might, like its predecessor, have followed the path of least resistance. At another level, pressure from accumulation units appears to have arisen whenever the CBC sought to impose its rule upon them, forcing it back. In any case, the lack of regulation provided a definite service to private capital.

One further example of how the CBC was subordinated to

private interests bears illustration. As noted earlier, the CRBC exchanged its right to gather and publish national news in return for the Canadian Press supplying it with two five-minute newscasts daily. Through this subordination of news gathering privileges, CP's monopoly on the domestic news service was protected. By 1939, C.P. had put its full wire service at the disposal of the CBC and the CBC had forbade the use of foreign wire services except in special circumstances. In response to a rising demand for news, the CBC instituted a central news bureau in 1940 and supplied free news to stations provided their newscasts were unsponsored. Here again then, CP's monopoly was protected through protection of the revenues arising from it. However, by July of 1941, CP began bypassing the CBC and selling its news directly to private stations, and in March of 1943 the CBC began payments of \$40,000 per annum to CP for its service.<sup>95</sup> Thus, it can be seen that the CBC worked to protect and promote the interests of CP and hence its member newspapers, in at least two ways: first, by protecting its monopoly on news and the revenues arising from it; and second, by helping develop a market for radio news through free distribution.<sup>96</sup>

Thus as Offe might suggest, as an instance of purposive rational action on the part of the state, the CBC operated to a great degree in the service of, and on the edges of private capital, directed there both by pressures from accumulating units and structural parameters imposed through its enabling legislation. Further as Innis might suggest, as an example of

government ownership the CBC worked as a vehicle for infusing capital into the development of the radio spectrum in areas of responsibility that private capital was initially loathe or unable to undertake. Here then, as an instance of government ownership, the CBC can be seen as representing a sedimentation of a particular set of relations between the state and private capital. However, political economic pressures were not the only forces guiding the CBC, for it remained focused on the national purposes of broadcasting through the articulation of its practices with the discourse of nationalism.

While the nationalist objectives of broadcasting were not explicitly stated in the 1936 Broadcasting Act, they certainly did appear to undergird the practice of the CBC as was evidenced in both the rationale for its practices during this period and the observations of both Brockington and the various government enquiries. Time and time again the CBC and government enquiries justified the Corporation's policies through referring to its national purposes. Indeed, without the discourse of nationalism guiding the CBC's practices, it would be impossible for it to distinguish between areas requiring development and those sufficiently served by private capital. It would appear that it is at the point where the discourse of nationalism driving the CBC's practice articulates with the practices of private capital accumulation that the CBC is subordinated. Thus, it is the contradiction between the general logic of commercialism and the discourse of nationalism that guides the practices of the CBC. But while relations

between the public and private sectors appear to have reached a rather advanced stage by the late 1940's, on another front they were just beginning to develop.

Through the late 1940's pressures were mounting for the institution of television service in Canada. The commercial success of television in the US spurred would-be Canadian broadcasters to advocate quick entry into the market as American signals grabbed up Canadian audiences. Further, Canadian industry looked for a speedy introduction of television, both to take advantage of the products associated with it and to gain access to this new advertising medium for, as with radio, the receipt of US signals and the advertising it offered threatened to give US companies an advantage over Canadian companies in the Canadian domestic market. The CBC's purchase of American television technology might be seen as a product of these pressures. Or, a closer study of the period might reveal that this technology transfer was part of a larger industrial strategy. In either event, the purchase of foreign technology to undertake a nationalist project can be seen as representative of the basic contradiction underlying broadcasting policy. For here, as has been the case at other discursive sites, as the logic of commercialism is articulated with the discourse of nationalism, the discourse of nationalism is once again subordinated.

Already articulated with broadcasting through radio, the discourse of nationalism again rose as a ready site for conjoining policy concerns and focusing and facilitating state

intervention. It gave rise to a particular way of speaking about television broadcasting, positioning ideas about television and the strength and cohesion of the Canadian state in particular relations with political economic conditions. Contextualized within the discourse of nationalism, the imperative was to have television broadcasting undertaken in conjunction with the growth of the state, that is basically in an east-west fashion rather than as a simple extension of US networks.

At the first call for television license applications it was apparent that private Canadian capital by itself was not adequate to the task of the development of television broadcasting. Thus, the state's basic investment criteria of building a national broadcasting system - this criteria itself constructed through the discourse of nationalism - could not be met by private capital alone and the prerogatives of private capital were somewhat superceded in favour of state intervention.

As with radio, intervention was legitimated by both the benefits it would bestow on Canadians and the dangers of non-intervention. Again calling upon the notion of nation, the discourse empowered the state to structure relations between itself, private capital, and the practice of broadcasting. Intervention followed as a necessary step in securing the national identity of the country. Here, as with intervention in radio, the discourse can be seen as occluding the contradiction between private capital accumulation and

government intervention, for within the discourse the state posits itself as building a market essential to the well-being of the whole state which would not exist without intervention. Thus as in the past, the discourse moves to legitimate the actions of the state and close off ideological protestation.<sup>97</sup> Again too, as a consequence of this discursive effect, the ways in which state intervention moves instrumentally in aid of private capital are somewhat elided. For, without intervention, the national purposes of broadcasting are threatened. Thus, the discourse works to conceal the state's interest in promoting private capital accumulation through denying the possibility of other courses of action. Thus, as it had in the past, the discourse of nationalism rose as a ready site for both conjoining policy concerns and constituting and legitimating initiatives regarding the introduction of television broadcasting in Canada.

Finally, at this early stage of development the CBC can already be seen as a vehicle for investing capital in the development of areas not readily assumable by private capital: network construction and program production. Perhaps because private capital was better developed in the field of broadcasting than in the early days of radio, early pressures were exerted on the CBC to focus its activities on the less lucrative aspects of television broadcasting. To what extent these pressures would succeed in circumscribing the activities of the CBC was dependent on the strength of private capital.



1952 - 1958

Early in 1952 the CBC put forward a plan for a second stage of television development which called for stations in seven more cities, including Ottawa, Vancouver, and Winnipeg. The CBC argued that, coupled with the stations under construction in Toronto and Montreal, these would give them coverage of just over 50% of the population as well as a sound commercial base. Further, it would give the Corporation assured national coverage, something which had been all but impossible to achieve with radio because of their dependence on the cooperation of private stations.

The CBC began broadcasting in both Montreal and Toronto in September of 1952. By the time these stations went on the air, there were already approximately 146,000 television sets operating in Canada and the CBC had suffered the brunt of a great deal of criticism regarding the way that television had been introduced and the time that its introduction had taken. Much of this delay was the result of government reticence to bring down a firm policy on television broadcasting and authorize sufficient funds for its inception, but such excuses did not appease its detractors.<sup>98</sup> A major source of irritation between the Corporation and the public was its inability to secure much publicized American network programs for part of its schedule. These networks apparently demanded 70% of the gross revenue from any programs they were to supply the CBC. After four months of negotiation, a figure of 50% was

finally agreed upon.<sup>99</sup>

After the CBC had been broadcasting for three months, the government made a major television policy statement:

The government believes, with the Royal Commission, that television should be developed in Canada with the aim of benefiting our national life and that it should have the structure and the means required by Canadian conditions to ensure an adequate amount of suitable Canadian programs for Canadians as well as using some material from outside the country. Television will undoubtedly play a considerable part in the lives of many Canadian families. It is bound to have a strong effect on the growing minds of young people watching it in their own homes. 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.<sup>100</sup>

However, while the discourse of nationalism contextualized the statement, the system it envisioned was not the purely public model advocated by Aird. This time the policy explicitly provided space for private broadcasters:

The objective will be to make national television service available to as many Canadians as possible through co-operation between private and public enterprise. Under this plan the private stations licensed will carry national programme service, besides having time for programming of their own. There will be plenty of opportunity for enterprise by private interests in television broadcasting, and at the same time provision for wide extension of the national service.<sup>101</sup>

The statement went on to outline that the CBC would establish stations in Ottawa, Vancouver, Halifax, and Winnipeg and thus "there would be publicly-owned stations with some production

facilities at least in each of the main regions of the country."<sup>102</sup> For the construction of these outlets, Parliament was to provide a special loan. Licenses for stations in places other than these centres would be open to applications from the private sector but, for the present, no two stations would be licensed in any one area. This latter provision became known as the "single station policy".

While television received a rather late start in Canada, its growth was very fast. As Walters (1960) notes, "within two years after its inception, Canadian television ranked second in the world in the number of stations, and only Britain and the United States had more TV receivers."<sup>103</sup> The first private station opened in October of 1953 in Sudbury. A year and a half later there were seven CBC stations and 19 private stations. And by March of 1958, there were eight CBC stations and thirty-six private outlets.<sup>104</sup> The CBC would appear to have supplied much of the impetus to this growth, providing stations with both programming and network arrangements.

The expansion into television was extremely expensive for the CBC and its budget was heavily strained by the responsibilities for which it was charged. While the government had followed the Massey Commission's advice and instituted a five year statutory grant, it was still painfully apparent that a further means of financing television was necessary. In February of 1953, the government announced that radio license fees were to be discontinued and the proceeds from a 15% excise tax on radio and television sets and

components would take its place. In its first years, this plan was extremely successful as television quickly inhabited the popular mind and sales of sets were at high levels. But the market quickly became saturated, and the proceeds of the tax fell off with it. By the end of the 1956-7 fiscal year the CBC was showing a deficit.<sup>75</sup>

As recommended in the Massey Report, a Royal Commission to investigate broadcasting (Fowler Report) was struck in December of 1955. Their report was issued in March of 1957.

Illustrating its debt to the discourse of nationalism, the first chapter of that report states:

The natural flow of trade, travel and ideas runs north and south. We have tried to make some part, not all, of the flow run east and west. We have only done so at an added cost, borne nationally. There is no doubt that we could have had cheaper railway transportation, cheaper air service and cheaper consumer goods if we had simply tied ourselves into the American transportation and economic system. It is equally clear that we could have cheaper radio and television service if Canadian stations became outlets of American networks. However, if the less costly method is always chosen, is it possible to have a Canadian nation at all? The Canadian answer, irrespective of party or race, has been uniformly the same for nearly a century. We are prepared, by measures of assistance, financial aid and a conscious stimulation, to compensate for our disabilities of geography, sparse population and vast distances, and we have accepted this as a legitimate role of the government of Canada.<sup>106</sup>

Like past enquiries, the Fowler Report too was hung on the contradiction between the public purposes of broadcasting and the calculus of commercialism: on one hand, praising the efforts of the CBC and deriding private broadcasters; and on

the other, recommending constraints on the CBC and an expansion of the place of private broadcasters.

The Commission noted that the CBC "has accomplished much in a short time", that "it has produced programmes of comparable quality at substantially lower costs than similar programmes in the United States", and that no "mishandling in the administration of CBC finances" could be found.<sup>107</sup> To spur it to greater accomplishments in the future, the Commission recommended a scheme for retiring and forgiving the accumulated debt of the Corporation and putting in place a more liberal scheme of financing. However, it was also recommended that the CBC be subject to an annual review of its finances.

Judged against the efforts of the CBC, private broadcasters were seen to be lacking. Generally, they were found to be both very profitable and loathe to meet their regulatory commitments regarding the production and scheduling of Canadian programming. To rectify this situation, firmer enforcement of regulations was recommended.<sup>108</sup>

As in the past, private broadcasters and their association, now the Canadian Association of Radio and Television Broadcasters (CARTB), appeared to push charges such as the CBC was both "regulator and competitor", that "they were bound in the web of a power-hungry Corporation,"<sup>109</sup> and that an "independent regulatory body" should be instituted.<sup>110</sup> But while the Commission did not agree with many charges of the private broadcasters, they did indicate that they thought it was time that "the principle of retaining private elements in

our broadcasting system should be placed beyond doubt."<sup>111</sup>

Further, the Commission felt that there were in fact "two public elements" in the broadcasting system: one, "an operating agency", to expedite "the national programme service"; and the other, "a board for the direction and supervision of the Canadian Broadcasting system."<sup>112</sup> Under the existing structure, where the CBC performed both these functions, they felt that "some public confusion as to the nature of the relations between the governing Board and the operating Corporation" had arisen and that steps should be taken to rectify this situation.<sup>113</sup> Toward these ends, the Commission advocated the creation of a separate public agency which would be responsible for all matters of regulation.

The Commission took great pains to illustrate that this agency was not the independent regulatory board envisioned by private broadcasters, but an administrative organization directly responsible for the whole system which would, among other things, act as the CBC's board of directors.<sup>114</sup> Under this new agency, the CBC was to retain its control of national programming and the private sector would still, in principle, be regarded as somewhat subordinate to the national purposes of broadcasting and the CBC. However, under the new structure private broadcasters would be recognized as an essential part of the broadcasting system and before the new board there might be "competition between the CBC and private applicants for new licenses."<sup>115</sup> Here then, the Commission gave credence to the notion that the CBC and private

broadcasters were competitors at some level, rather than casting them as simply in business at the pleasure of the Crown. Further, the report recommended that the board be vested with the power to decide on network arrangements and that they no longer be limited to supervision by the CBC. And finally, the Commission seemed to consider that it was the responsibility of the CBC to undertake extensions of service which "are certain to operate at a loss" even though such behaviour was not at that time a provision of the Broadcasting Act.<sup>116</sup> Thus, on several important points the Commission allowed private broadcasters gains. The legislative changes envisioned by the Fowler Report were summed up in a draft of a new broadcasting act appended to the report. These called for a heavy revision of existing legislation. Indeed, pressures brought on by the success of television necessitated a major legislative change.

Three months after the Fowler Report was issued a federal election brought the Conservatives to power after 22 years in opposition. However, they held a minority government until another election in March of 1958 brought them an overwhelming majority. As noted, the Conservatives had been advocating a revision of the broadcasting system since the early 1940's. In a campaign speech, John Diefenbaker outlined the party's policy in this regard:

the time was long overdue to assure private stations competing with the public broadcasting system that they would be judged by an independent body as the need arose, they should not be judged by those who are in competition.

with them and are, in fact, their judge and jury. . . . The next Parliament would be asked to approve the appointment of a semi-judicial body similar to the Board of Transport Commissioners to assure that development of radio and television in Canada would proceed with 'that justice which is our way of life.'<sup>117</sup>

Four months after their election, the Conservatives brought down a new broadcasting act which apparently fulfilled this promise.

A number of writers note that the 1958 Broadcasting Act substantially altered the legislative relationship between the public and private sectors.<sup>118</sup> Perhaps most important in this regard was that it created a regulatory board, the Board of Broadcast Governors (BBG), responsible for regulating the activities of both the CBC and private stations. This board more closely resembled the structure advocated by the private broadcasters rather than the one outlined in the Fowler Report for it specified that the CBC was to have a board of directors as well. However, under Section 12 of the act the Minister of Transport still reserved certain licensing powers. Before the BBG, the CBC was set on a more or less equal footing, competing with private broadcasters for licenses and privileges. Thus the CBC lost its control over licensing of private stations that might cut into its revenues. Network regulation passed to the new board and there was provision for the construction of networks by private interests. Further, the CBC had to submit an annual operating budget to Parliament. Finally, like its predecessors, the new act made little mention of the national purposes of broadcasting. Section 10 noted that the system



should be "basically Canadian in content and character", but again the discourse of nationalism undergirding the practice of broadcasting found little voice in this legislation.<sup>119</sup>

Through this section, discussion of radio has been noticeably absent. This is because during this period the new television medium dominated the public mind and radio was eclipsed in much of public discussion. However, some discussion of radio is important. The CBC's commercial revenue from radio reached its peak in 1953 at \$2.5 million and by 1956 had fallen to \$1.7 million.<sup>120</sup> As television gained in popularity and its programming filled the evening hours, radio listening was pushed to its margins and became more of a background medium, to be used when driving the car or performing other tasks. CBC expenditures on each medium followed this move and projections made for the Fowler Report saw a continued decline in the financial status of radio in relation to television.<sup>121</sup> During this period, radio stations underwent economic upheaval as they rallied to change their programme formats and adapt to the changes in their markets. As Weir (1965) notes, most stations responded to these changes by cutting programming costs through the scheduling of recorded music and focusing their commercial attentions on local advertising.<sup>122</sup> Somewhat in anticipation of this shift, the Fowler Report recommended that the CBC discontinue its Dominion Network, a move which it anticipated would save the Corporation \$600,000 per year and incur little, if any, damage to the national programme

service.<sup>123</sup> However, this service was continued into the 1960's.

### Interpretations

While, as illustrated in the last section, the discourse of nationalism opened up space for state intervention in television broadcasting, the shape of that intervention appears to have been structured between the expansionist rationale of the state and the prerogatives of private enterprise. On one hand, the nationalist concerns rising out of the discourse of nationalism necessitated a Canadian presence in the production and distribution of television images (fed by the state's dependence on accumulation). On the other, a burgeoning private sector in broadcasting, fed on the profits of commercial radio sought immediate entry and access to the profits promised by television. The CBC's position in the system was structured between these two forces.

As Innis' work suggests, in the development of television government ownership can clearly be seen as a vehicle for "attaining the end of immediate investment of tremendous sums of capital."<sup>124</sup> The growth of Canadian television was one of the fastest in the world and was given great impetus by government intervention. Here then, just as the CNR can be seen as a vehicle for carrying the debt incurred by the state in the development of the country's resources, so too can the CBC be seen as a vehicle for carrying and maintaining debt incurred in the development of television broadcasting. In its

first decade, the CBC income from the license fees provided for operating expenses. Capital expenditures were undertaken through government loans which the CBC was expected to (and did) repay.<sup>125</sup> However, the development of television demanded quick and heavy investment of large sums of capital to which the CBC's income was not adequate. Between 1952 and 1957 the public purse spent \$170,000,000 on the development of television which, by March of 1957, the Corporation had an outstanding debt of \$27,286,000 with further deficits forecast.<sup>126</sup> However, the CBC differed from the CNR in that it was constructed before development was undertaken rather than after the fact. In this way, the CBC represents a more focused type of policy vehicle, constrained by its subordination to government and pressure from the private sector.

On one side, the interchanges between the government and the CBC regarding the institution of television illustrate that the CBC's policy-making powers were in practice quite constrained. While the Corporation appeared to enjoy jurisdiction in policy matters regarding television, its ability to formulate and institute policy was circumscribed by both the apparent necessity of conferring with the government and a lack of funds. As Ellis (1979) notes:

when CBFT Montreal and CBLT Toronto finally began broadcasting in September of 1952, it emerged that their production facilities and, even more significant, their coverage, had been seriously compromised by the need to keep within the government's unrealistic allotment of funds. . . . At CBLT for example, a 500-foot antenna was

erected adjacent to the station itself in downtown Toronto; far better coverage would have been afforded by erection of a somewhat taller antenna on high ground in the city outskirts.<sup>127</sup>

On the other side, pressures from private capital appear to have kept the CBC from intruding too deeply into territory in which the private sector was ready to assume responsibilities. While the particular articulations between the state and private capital that served to shape the CBC are too complex to be rehearsed here, a number of writers have documented the steady stream of pressure exerted by the private sector regarding television broadcast policy during this period.<sup>128</sup> As Offe's model suggests, these pressures appear to have kept the CBC operating either in the service, or on the edge, of private capital.

During this period the CBC's television practices can be seen as working in a variety of ways both directly and indirectly in the service of private capital. In the early days of television the CBC's best defined powers lay in network arrangements and program production. As with radio, early network arrangements were extremely expensive and basically beyond the reach of the private sector. As the Fowler Report noted: "To operate a national network successfully at a profit is exceedingly difficult and for Canada practically impossible. The real reason why we have so few private networks in Canada is not, as has been contended, because of onerous restrictions by the CBC."<sup>129</sup> Perhaps the best example of CBC network television operating in the service of private capital can be

found in the operation of the Trans-Canada Telephone System's (TCTS) television microwave system. This system was built through the mid-1950's by the TCTS at the behest of the CBC and at a cost of some \$50,000,000.<sup>130</sup> Upon its completion it was leased by the CBC and used to supply national television coverage. Weir (1965) notes that in 1962 microwave service cost the CBC \$5,250,000 and was supplied to the private sector free of charge.<sup>131</sup> The fact that network service was supplied to private stations virtually free of charge illustrates that this service was indeed subordinated to the financial interests of private broadcasters. Further, by leasing the privately constructed system rather than constructing its own, even though it presumably would be the sole user, the CBC in effect bought the new system for the TCTS and can be seen as subordinated to the interests of that company.<sup>132</sup> Again however, these network practices did not operate simply in the interest of private capital for, as with radio, they too were structured to encourage the growth of an east-west, rather than a north-south, pattern of accumulation.

In its television programming practices the CBC too was subordinated to private interests. As noted in the Fowler Report, private stations depended largely on the CBC for their Canadian programming, basically spending as little as possible on program production - a relatively large expenditure with little financial reward - even though they were in a position to do so.<sup>133</sup> However, as Weir (1965) notes: "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."<sup>134</sup> Thus, it would appear that CBC programming provided a bridge for private stations as they established a financial footing, when they then began programming more audience building imported programming outside of network reserved time. However, perhaps the most important aspect of CBC network programming was the fact that it provided programming basically free of charge to private broadcasters during the introduction of television.

Several other policies and practices of the CBC that were subordinate to those of private capital in the development of television are also worthy of note. First, the single channel policy was of considerable help to establishing the financial viability of private stations. With no competition, audiences were not divided and new stations were able to develop a firm financial base. Second, CBC television had a commercial policy whereby sponsors were not allowed to stage their own shows.<sup>135</sup> At first, this policy alienated a number of possible major sponsors and caused a considerable shortfall in the CBC's anticipated commercial revenue. Thus, some sponsors were predisposed to seek commercial time on private television stations and commercial network television was eased into the Canadian advertising market causing less disruption to established patterns of revenue accumulation than would have otherwise been the case. Further, the CBC's negotiation with US networks for programming paved the way for negotiations of a similar sort by private stations, setting up channels of

communication that were later used by the private sector.

This period of time is also noteworthy because it marked important changes in government perception of the relationship between the public and private sectors, as well as important legislative changes in that relationship. For instance, the Fowler Report was an important document for at least four reasons: i) it accepted the premise that the CBC was in some aspects in competition with private stations; ii) it allowed that networking privileges should be granted to private stations whenever they wished; iii) it officially acknowledged that private stations were an important part of the overall broadcasting system; iv) it officially acknowledged that the CBC might be expected to undertake "those extensions (of the system) which are certain to operate at a loss."<sup>136</sup> The first point marked an important change in perception of the private sector, perhaps brought on as a result of their growing economic strength, while the latter three might be seen as official recognition of practices that had become somewhat sedimented within the system now being considered policy.

While it is sometimes argued that there is little relationship between the recommendations of the Fowler Report and the 1958 Broadcasting Act brought down by the Conservatives, important similarities can be discerned and much of their difference might be argued to be a question of degree rather than kind.<sup>137</sup> The Fowler Report seemed to call for a less drastic legislative realignment of power between the public and private sectors than was evidenced in the

Broadcasting Act, but it did both acknowledge the CBC and private stations as competitors and accept these stations as somewhat partners of the public element. Further, the Fowler Report's recommendations regarding a new network policy were similar to those in the new act. These similarities were all departures from traditional legislative conceptions of the place of the private sector in the broadcasting system. The major difference between these documents was the act's creation of two boards and an uncertain set of relations between them. The Fowler Report clearly recommended against the establishment of two boards because, among other things, of the power struggles that might arise between them and the way, under the new board, the system was divided into public and private elements.<sup>138</sup> However, the Fowler Report did indeed move to further subordinate the public element to private capital than had historically been the case, just as might be expected if the public sector is seen as operating to bolster development of the system and necessarily operating on the edges of private capital. From this perspective, a legislative change acknowledging the strength of capital as it developed and subordinating the public element would seem to follow as an almost necessary step. Viewed in this way, the 1958 Broadcasting Act was simply a variation on Fowler's recommendations rather than a radical departure from them.

#### 1958-1968

The first five years of the BBG's tenure were, as Peers



(1979) has so aptly put it, a "sea of troubles" for the CBC.<sup>139</sup> On one side, there was the new regulatory commission whose possible relations with the CBC were unknown and started off with a certain degree of animosity. On the other side, there appeared to be a hostile government, in word committed to the national purposes of broadcasting but apparently not convinced that the CBC was the necessary vehicle. In the middle, the CBC was mired in financial problems, labor difficulties, rumours of having succumbed to political influence, and accusations of inefficient management practices.

As the BBG assumed its responsibilities, it had to deal with two important issues: second stations and content regulations. In July of 1959, the government announced that as of mid-September applications for second stations in areas already served with television would be considered. By June of 1960 the BBG had forwarded recommendations for new licensees to the Department of Transport and hearings for network regulations followed in September. Rising out of the second station policy, an application to operate a private network was heard in April of 1961 and the CTV network began broadcasting in October. Network ownership was structured such that a private company was to hold 51% of the shares, with member stations purchasing the rest.

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."<sup>140</sup> In their first months of operation many of the stations were operating at a loss. However, with a little help from the BBG, by way of relaxing regulations, and a concerted sales effort, the second stations were soon profitable. In the years 1961-62 and 1962-63, the CBC reported declines of 12.5% and 6.3% in commercial revenue.<sup>141</sup> The private network however was not as profitable. From the beginning the full cooperation of affiliates was difficult to obtain, largely because some of them had financial problems of their own and they already had a mutual company for purchasing programs making the network somewhat redundant. In 1966 ownership was transferred out of the hands of the separate company and divided among member stations in order to stave off bankruptcy.

Applications for second stations were marked by the "detailed and glowing promises to the BBG about the performance they would give" toward the pursuit of the national objectives of broadcasting.<sup>142</sup> However, in order to insure that these stations would keep these promises and strive to meet the objectives of the system as laid out in section 10 of the Broadcasting Act, the BBG moved to impose content regulations on broadcasters. As Ellis (1979) notes, these regulations were necessary particularly for private broadcasters because of the "irresistable temptation from the very beginning to buy US programming at dumping rates in order to keep costs down and sustain high profits."<sup>143</sup> In the early 1960's American programs could be had for between five and eight percent of

their original production costs and thus presented a great temptation to profit-oriented broadcasters.<sup>144</sup>

Two approaches to content regulation were put forward by the BBG. The first took the form of a requirement that the new stations reserve a specific period of time in their evening schedules "for purposes to be prescribed by the Board of Broadcast Governors" and this time would be devoted to Canadian programming.<sup>145</sup> This plan met with the animosity of all parties, particularly the CBC as the BBG apparently proposed to give CTV access to CBC network programming to fill their schedule. The second approach involved stations broadcasting a minimum percentage of Canadian content in their schedules. Both advertisers and private broadcasters opposed this move: the advertisers because of the added cost it would supply to advertising time; and the broadcaster because of the ways it would cut into revenues. Despite these protests, such regulations were promulgated in November of 1959 and immediately became the site of an ongoing struggle between the national purposes of broadcasting and commercial incentives.

As predicted by the Fowler Report, the independence of the CBC afforded by the two board legislative framework appears to have led to a series of power struggles between the BBG and the CBC. At the same time, the BBG's implicit mandate to expand the private sector led to the appearance of their often holding commercial interests ahead of those of the CBC.

While relations between the CBC and the BBG started out on a rather stormy footing as the CBC perceived the BBG moving to

give away its programming to the second stations, the situation worsened through a series of incidents in 1962. The first of these revolved around the struggle over the second television license in Quebec City. In 1952 the Liberal government had turned down the CBC's request for a television station in that city and when it appeared that the BBG might grant another license there ten years later the CBC jumped at the opportunity. Early in the year the BBG took applications from both the CBC and a private company. The CBC application appeared to enjoy wide base of popular support and made a strong case for the need of establishing a presence in that provincial capital. However, the BBG delayed its decision on the license for an inordinate amount of time. Eventually it became known that the BBG was under pressure from Cabinet to delay the decision until after an election later in the year. This delay precipitated a great furore in the press and resulted in the resignation of two part-time governors. In the ensuing election the minister allegedly responsible for the delay lost his seat and the CBC received the license shortly after. However, the relations between the BBG and the CBC were not easily healed.<sup>146</sup>

Shortly following the Quebec license dispute the CBC and BBG crossed horns again, this time over the BBG's authority to order the CBC to accept programming and its attendant advertising from the CTV network. This practice was referred to as "cross programming" and was related to the earlier programming dispute. Under this scheme CTV would have access

to CBC affiliates to extend its network for up to four hours per week. While the BBG issued a statement that this was a desirable practice, the CBC let it be known that it was opposed to this splitting of networks in which it was essentially subordinated to the private broadcaster. Further, few affiliates showed any interest in carrying CTV material. This clash of interests came to a head in the "Grey Cup" incident.

While the CBC usually supplied coverage of the Grey Cup game, they lost the contract to CTV in the spring of 1962. Following this development, the CBC and CTV entered into negotiations regarding the CBC's network being used to further coverage of the game through the country. The CBC, however, objected to the degree of commercialization of the broadcast and was concerned that to carry the signal unaltered would put it in the position of being supplementary to the private network. Thus they refused to broadcast commercials within the body of the program. While negotiations in this regard were under way between the networks, the BBG intervened and proposed a regulation that would have forced the CBC to accept the broadcast with commercials. This action simply strengthened the CBC's resolve until, shortly before the game, the BBG ordered the CBC to carry the broadcast complete with commercials. The CBC responded by seeking legal advice from the Department of Justice and was advised that the BBG did not have such authority, resulting in the CBC threatening court action. Finally, the issue was resolved with the CBC carrying

the game without commercials, but acknowledging the help of the sponsors in making the game available.

Apart from attempting to directly subordinate the CBC, the BBG also often appeared to uphold commercial interests over the nationalist interests of the system in general. Several examples are worthy of note here. First, was the BBG's 1961 approval of the transfer of portion of CFTO-TV (Toronto) stock to the American Broadcasting Company (ABC). Following a fight between the owners of this station, it was announced that ABC would purchase 25% of the company and a lesser share of voting stock. The BBG approved this transaction with few reservations. However much political controversy blew up around the nationalist implications of this decision and it was reversed later in the year resulting in a loss of face for the BBG. 147

A second, and perhaps the most important, way in which the BBG moved in the service of commercial interests was in its interpretation and definition of content quotas. As Babe (1979) notes, "Canadian content quotas are the primary mechanism by which the government has attempted to bring private broadcasting within the ambit of the goals set for broadcasting."<sup>148</sup> The BBG's first television content regulations were promulgated in November of 1959 and specified that as of April 1961, 45% of a station's programming would have to be "basically Canadian in content and character" and that the quota would rise to 55% in April of 1962. The story of how these regulations were in practice almost constantly twisted,

redefined, suspended, or simply ignored is well documented and can be found in a number of sources.<sup>149</sup> For the purposes of this work, the most important aspect of these regulations was the way the BBG appeared to rather consistently bow to pressure from the private broadcasters for their redefinition or suspension. Events such as the World Series or an address by the President of the United States qualified as Canadian content, while programs from Commonwealth or French language countries received credit as "half" Canadian.<sup>150</sup> Quotas were relaxed for the summer season and scheduling regulations manipulated to allow private stations to pack prime-time with U.S. shows. Further, enforcement of these regulations was virtually non-existent in the early sixties.<sup>151</sup> For radio there were no Canadian content regulations, although the BBG did request that every station file an annual "statement covering the preceding fiscal year and showing how such station has promoted and ensured the greater use of Canadian talent."<sup>152</sup>

However, radio stations were not required to program any particular percentage of "Canadian" material.

A third example arises from the BBG's practice of protecting the revenues of private broadcasters. This apparently arose out of concern that without such protection private broadcasters would be unable to generate the revenue necessary to meet content requirements. As Babe (1979) notes:

The Board was apparently sympathetic to arguments advanced by established broadcasters to the effect that more competition would cause them

economic injury and lower program standards. Over the period January 1959 to February 1968, the BBG heard 170 applications for AM licenses filed in areas in which there existed established broadcasters. Some 119 petitions were filed in opposition to these applications. As a result, 84 applications were denied by the BBG; 77 of these were denied on grounds of economic injury to existing stations. In addition, the BBG refused to grant increases in power to private stations in a number of cases on the grounds that this would allow the station to enter new markets and cause economic injury to another private station. Unlike the CBC, however, the BBG never restricted power in order to protect the national CBC service from the competition of private stations.<sup>153</sup>

Ellis (1979) illustrates that the BBG had a similar policy regarding television licenses.<sup>154</sup> However, because there was no established direct relationship between Canadian content and protection of revenues, this area became an intense site of struggle as private broadcasters following the logic of commercialism sought to maximize revenues while at the same time minimizing program expenditures.

The Parliamentary Committees assigned to investigate broadcasting in 1959 and 1961 offered the CBC no solace regarding the actions of the BBG. As noted by a number of writers, these committees were rather hostile to the CBC, particularly regarding its dependence on the public purse. The report of the 1961 Committee was particularly damning. As Peers (1979) notes:

For the first time, a report of a Parliamentary Committee on broadcasting failed to affirm the value of public broadcasting. There was no hint that the members believed in the value of the CBC, and there were sections of the report that criticized or called into question the CBC's



operations, its planned capital investments, its inventories of films, and its supervision and control of scripts and programming.<sup>155</sup>

But while the nationalist objectives of broadcasting were apparently for Parliament eclipsed by commercial concerns, the discourse of nationalism and its attendant nationalist goals for broadcasting still firmly undergirded the practices of the CBC. As the Corporation noted in its 1960-61 Annual Report, four basic principles guided its practices:

TO BE A COMPLETE SERVICE, covering in fair proportion the whole range of programming; bringing things of interest, value, and entertainment to people of all tastes, ages, and interests, and not concentrating on some aspects of broadcasting to the exclusion of others.

TO LINK ALL PARTS OF THE COUNTRY in two ways: (1) through the inclusion of a wide variety of national and common interests in its program services; (2) by using its physical resources to bring the national program service to as many Canadians as finances allow. Whether Canadians live in remote or heavily populated areas the national system should serve them as adequately and equitably as possible.

TO BE PREDOMINANTLY CANADIAN IN CONTENT AND CHARACTER. It should serve Canadian needs and bring Canadians in widely-separated parts of the country closer together, contributing to the development and preservation of a sense of national unity.

TO SERVE EQUITABLY the two main language groups and cultures, and the special needs of Canada's various geographical regions.<sup>156</sup>

During this period however, the CBC itself apparently felt it was being pushed to the edges of the system and undermined by commercial interests. As the corporation noted regarding pressures put upon it for extension of service in 1960, the

advent of second stations combined with budgetary cutbacks were impairing its ability to meet demands:

The problem is one of economics. . . The economic problem involved is one for the public purse as most of these areas can provide little or no commercial return from any television service which might be provided. Where economically feasible privately-owned television stations are filling the gaps through the establishment of satellite stations. But in most areas, because of economics, Canadians are looking to the Corporation for service. . . Because these areas can provide little or no commercial return, the Corporation must keep in mind that the operation of stations and the provision of program service represent a recurring annual cost to the public purse.<sup>157</sup>

The following year pressures arising from the formation of the CTV network led to the CBC voicing this concern for the future:

if this second network can be built up only through tearing at the foundations of the established national service; through engaging in competitive bidding with the CBC on the strength of using the facilities of the CBC and its affiliates; through affecting in any way the integrity, or solidarity, of the national service - then there is grave danger of its becoming a liability of the system in terms of public service.<sup>158</sup>

Further complicating its position, the CBC noted in 1965: "the present volume of broadcast sales is in certain respects hindering the achievement of CBC program-goals. Certain sales activity should be curtailed and the resulting net cost met from public funds."<sup>159</sup> Indeed, from the time it first began scheduling popular US programs for the revenue they produced, the CBC was sensitive to the contradiction inherent in this practice. During this period then, the CBC apparently

saw itself caught in an untenable situation: pushed to the edges of the system through the general tenor of regulation and the influx of new private stations; yet strapped financially by both the inadequacy of Parliamentary allocations and its own reticence to undertaking too much advertising. But this situation was not new to the public broadcaster, for since its inception it had been strung between the demands of broadcasting's discourse of nationalism and the logic of commercialism. During this period only the degree of commercial pressure was altered.

The Liberals were returned to power with a minority in April of 1963. While in opposition they had strongly criticized the 1958 Act, the two board system, and the BBG. However, once elected, the lack of a clear majority and conflicting opinions within the party on the merit of an independent regulatory board were not conducive to decisive legislative action. Years of carping, and pressure from all parties in the broadcasting system for a better definition of responsibilities put pressure on Parliament though, and two public inquiries into the system were undertaken over the next two years.

Before turning to the enquiries, a telling incident that took place shortly after the election of the Liberals bears mention. Three days before the 1963 election, the BBG recommended the CBC be awarded a "second station" license in St. John's Newfoundland. (The first station license was awarded to a private company over the CBC in 1952 by a Liberal

government.) In keeping with their policy of protecting private broadcasters' revenue, the terms of the license stipulated that the station could not accept commercials for two years and the CBC assist the existing station in receiving microwave coverage. However, as the Conservatives had done with the second station license in Québec City, the government delayed approving the recommendation for nearly seven months, raising the ire of variety of citizens groups. When the license was finally awarded, the original conditions still applied, illustrating that the new government apparently implicitly agreed with the BDG policy of subordinating the public broadcaster.

The first public inquiry, known as the "Troika" because it was composed of a three person task force, was struck soon after the election and reported in May of 1964. However, the principals of this enquiry had wide ranging opinions on how the system should be restructured and little ever came of their recommendations. Shortly after their reports were in, the government announced the appointment of an "advisory committee on broadcasting" under the chairmanship of Robert Fowler, the man who had headed the 1955 Royal Commission on Broadcasting. Generally speaking, this committee followed the fashion of past inquiries, praising the CBC while at the same time admonishing it to do better, chastizing the private broadcasters for their efforts regarding program production, and then going on to recommend changes in the structure of regulation. Several of the observations and recommendations of this "Fowler Report

II", as it is sometimes called, are of interest here.

First, explicit mention and recommendations were made regarding Parliament's habit of failing to state the goals of broadcasting in its legislation. As the report stated:

In the past Parliament has not stated the goals and purposes for the Canadian broadcasting system with sufficient clarity and precision, and this has been more responsible than anything else for the confusion in the system and the continuing dissatisfaction which has led to an endless series of investigations of it. . . . Parliament should state firmly and clearly what it expects the broadcasting system to be and do; and should set explicit goals for both the public and private sectors of Canadian broadcasting, in the Broadcasting Act and more fully in a White Paper on broadcasting policy.<sup>160</sup>

Second, the Committee noted that the CBC too had suffered for the lack of a clear definition of goals and purposes:

The Broadcasting Act of 1958 is remarkably terse in stating the objects and purpose of the CBC. The Act contains some necessarily long and dull sections defining the structure of the Corporation and its rights and powers. But when it comes to expressing the essential purpose of the CBC, the Act uses only five words. Section 29 states that the Corporation is established for the purpose of 'operating a national broadcasting service.'<sup>161</sup>

While noting that they were "disposed to accept" the mandate the CBC had prescribed for itself (as above), the Committee recommended that it "should be clearly stated and defined as fully as possible by legislation."<sup>162</sup>

Finally, the Committee recommended that a new regulatory body be instituted, similar to the organization envisioned by the 1958 Royal Commission. Under the direction of the BBG, it

was noted that the advent of the second stations had the effect of decreasing the audience to Canadian programming through bringing an increase in the availability of American programming rather than the expected reverse.<sup>163</sup> This, coupled with the apparent ineffectiveness of the present content regulations and the friction between the two boards, led the committee to condemn the general structure of regulation.

Following the Fowler Report II, the government drafted a white paper on broadcasting in preparation for a new broadcasting act. On most points, the paper seemed to agree with the Fowler II recommendations, outlining a set of objectives for both the broadcasting system and the CBC. However, they did not agree that the constitution of a single independent board was the answer to the structural problems of regulation. Instead, they looked to reconstituting the BBC with expanded powers and staff.

The white paper drew heavily on the discourse of nationalism, framing broadcasting as "an essential part of the continuing resolve for Canadian unity" and illustrated its acceptance of the historic "mandate" of the CBC. In an apparent effort to improve the CBC's financial position, the paper recommended that funds be provided to the Corporation through a "statutory five year grant based on a formula related to television households, with a suitable borrowing authority for capital requirements."<sup>164</sup> As was the custom, this borrowing authority would carry interest charges to be repaid.

from the statutory grant. The paper went on to note that, while the CBC should strive to improve its programming, "it should seek to retain but not to increase its 25% share of the television advertising market."<sup>165</sup> This suggestion was not well met by the CBC: for one thing, it subordinated the CBC's income to that of the private sector; for another, it tied the CBC to commercial dependence. As the Corporation noted:

It is our view that commercial requirements must be allowed neither to hinder nor prohibit achievements of the corporation's program goals. These requirements are already such that they are virtually dictating the make-up of the corporation's television service in prime time. We believe that the CBC program mandate can only be achieved with lesser commercial requirement than at present and with a corresponding increase in public funds.<sup>166</sup>

The bill arising from the white paper made slow and arduous progress through the House and its committees. Several drafts and a great deal of discussion were undertaken before the new Broadcasting Act was finally proclaimed on April 1, 1968. The new Act was very similar to the 1958 version and, apart from its speaking to cable television, it offered only incremental policy changes. As the minister responsible for broadcasting noted:

Before this the CBC was set up and, as it were, created its own mandate. This bill for the first time tells the CBC what Parliament expects it to do, the general terms of course. Section 15 charges the regulatory authority with seeing that the CBC lives up to its mandate. The regulatory authority is, of course, charged with other responsibilities as far as the system as a whole is concerned. Then again, it places CATV as a broadcasting undertaking under that regulatory

authority. I think that is substantially  
it.<sup>167</sup>

Indeed, the new regulatory board, the Canadian Radio Television Commission (CRTC), was similar to the BBG in both its structure and powers except, on both counts, it was somewhat enlarged. Physically, the Commission was larger in that it was constituted of five full-time members rather than three, and its powers were enlarged so that it was basically more independent of Parliament. Rather than having to recommend licensing decisions to the minister, the new board's licensing powers were apparently only circumscribed by technical requirements under the Radio Act and the Governor-in-Council's ability to prescribe classes applicants who might hold licenses.<sup>168</sup> However, the Governor-in-Council did reserve the right to refer decisions back to the CRTC which "in his opinion, the Commission failed to consider or consider adequately."<sup>169</sup> Generally speaking then, the new act expanded the purview of the regulator and better specified its powers.

With regard to the CBC, the powers of the regulator were somewhat strengthened too. The act empowered the CRTC to regulate and supervise all aspects of the system, although the CBC was given the right to appeal CRTC decisions to the minister who was given the power to override such decisions. The abilities of the CBC to prevent affiliated stations from attaching themselves to other networks also suffered curtailment. Ultimately though, the CBC was still responsible



to Parliament - particularly because it was still limited to annual budget allocations.

Perhaps the most prominent difference between this act and its predecessors was its explicit statement of the goals and purposes of the Canadian broadcasting system and the public broadcaster. Section 3 of the act outlines the "Broadcasting Policy for Canada." Here the discourse of nationalism, so long framing the practice of broadcasting, finally finds voice. For instance, section 3 (b) states:

the Canadian Broadcasting system should be effectively owned and controlled by Canadians so as to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada.<sup>170</sup>

However, while it notes that broadcasting "undertakings constitute a single system", this section divides responsibilities between the private and public elements and the public element is charged with more detailed responsibilities such as the presentation of "a whole range of programming", extension of service to "all parts of Canada", "contributing to the flow and exchange of cultural and regional information and entertainment", and contributing "to the development of national unity and provide for a continuing expression of Canadian identity."<sup>171</sup> Thus, for the first time, the nationalist goals and purposes of broadcasting so long alluded to in its practice were finally set down in legislation. With them however, appears to have also come the legislative subordination of the public broadcaster to the

private sector through harnessing it to goals outside of the normal ambit of private broadcasters.

### Interpretations

With the advent of the the 1958 Broadcasting Act and the BBG, there was a realignment of power relations within the structure of regulation. However, there is some question whether the act in fact worked to "dramatically tilt the balance toward the private sector and to commercial incentives" as some writers claim or instead was simply another incremental step in the commercialization of broadcasting.<sup>172</sup> The success of government ownership as a development vehicle was evidenced by the phenomenal growth of the private sector from 1952-1958. During this period, the government in effect functioned as a licensing arbiter, as illustrated by its apparent control over the licensing process and the CBC's inability to gain "first" station licenses in Quebec City and St. John's. Here then, the CBC might be seen to already be in competition with the private sector for licenses. The CBC itself noted its dissatisfaction with this policy as undertaken by the government.<sup>173</sup> As the single station policy reached fruition and many of the potentially profitable centres had received stations, pressure mounted for further expansion of the system, particularly for second stations in the more profitable centres. Part of this pressure came from the CBC as it too looked to acquire second stations in cities where the private sector had won first licenses.

The move to instituting an independent structure to undertake these allocative chores was in some ways necessitated by the success of these early policies. For as the broadcasting sector grew, competition for the resources controlled by the state also grew necessitating a structure through which this process of allocation might be extended and legitimated, similar to the situation that had developed with the expansion of the railroads. The Fowler Report I evidences these pressures in its recommendations for a single board system of regulation. Thus, while its exact form might be attributed to transient political forces arising from the election of the Conservatives, the institution of a regulatory board in 1958 might be seen as the sedimentation of a particular set of practices that had existed between the government, the CBC, and private broadcasters for some time prior the election.

Like the Board of Railway Commissioners, the BBG was founded on an allocative rationale: to supervise the exploitation of the radio spectrum. Indeed, many of the BBG's major policies can be seen as extensions of this rationale: the second station policy, with its emphasis on expanding coverage in the larger centers (not coincidentally largely those where the CBC previously enjoyed a monopoly); the private network policy, encouraging economies of scale among private stations; and cross programming, with its rationale of redistributing available Canadian programming between the networks. But at the same time, the BBG was not independent of the discourse of

nationalism. Indeed, as it had in the past, that discourse structured and legitimated the form of this intervention. As the BBG notes:

The Board interprets the reference in Section 10 of the Act, to a broadcasting service "that is basically Canadian in content and character" to mean that the service is to be so regulated as to ensure its contribution to maintaining Canadian identity and strengthening Canadian unity.<sup>174</sup>

Out of this interpretation rose BBG concern for a variety of issues including American "border" broadcasting stations, performance promises by license applicants regarding their contributions to the objectives of the system, portions of their FM policy, and color conversion policy. Perhaps the most important of these though were their Canadian content regulations. These were a particularly unwieldy form of policy instrument and as noted by the BBG, they were difficult, if not impossible, to apply in blanket form because each station had different abilities with regards to meeting such responsibilities. Indeed, the inability of the BBG to enforce content quotas has led detractors to charge that the Commission was "captured" by private broadcasters.<sup>175</sup> While such charges have differing degrees of merit, it is important to note that the BBG was not a stooge of private broadcasters for, structured between an allocative rationale and the discourse of nationalism, it was built on the contradiction between encouraging accumulation on one hand and then inducing broadcasters to spend money on program production on the other. The incentive for private broadcasters was of course to

encourage the BBG in promoting the former while evading the latter. Financial penalties imposed upon broadcasters could only result in negating their program production efforts. Thus the regulator was in a difficult position, complicated by the fact that its budget was itself tightly controlled by Parliament and little money was available for research on policy issues and station performance.

As noted, the BBG also often appeared to favour the private broadcasters over the CBC. However, with the CBC constrained by both its self-described mandate and its finances, much of the allocative activity undertaken by the BBG necessarily had to favour the private sector. With private broadcasters ready and willing to assume responsibilities in more profitable markets, the CBC's focus on encouraging the growth of the national system forced it to the unprofitable edges of the system where its activities were limited by its own reticence to accept commercial revenue and the inadequacy of parliamentary allocations. Further, the structure of regulation encouraged competition in licensing between the public and private sectors. Thus the public broadcaster could not be assured of acquiring stations it had received Parliamentary appropriations for or confidently bid for stations for which it had not received funding. Conflicts between the BBG's allocative behaviour and the CBC's long range plans for the national service led to a BBG suggestion that a system of reserving certain channels for the use of the national broadcaster might be worked out and negotiations

toward this end began in 1963.<sup>176</sup>

The above determinations led to public broadcasting being basically defined in terms of private broadcasting during the tenure of the BBG, as the CBC was directed to the margins of the system. As well, a number of pressures mounting both on and in the broadcasting system through the 1960's contributed to the legislation of the 1968 Broadcasting Act. Among these were: pressures arising from deficiencies in BBG regulation that resulted in a net increase in foreign programming during its tenure;<sup>177</sup> pressure arising from the ineffectiveness of the BBG in enforcing its own regulations; the friction between the BBG and the public broadcaster; and CBC dissatisfaction regarding its treatment within the system.<sup>178</sup> Further, the advent of wired systems or community antenna television (CATV) with its ability to import signals from great distances was undermining the national purposes of broadcasting through the erosion audiences of Canadian stations. Legislative measures were needed to bring these systems under the control of the regulator.

The proliferation of broadcasting studies during the mid-1960's is indicative of the turmoil within the system at the time. The rapid growth of the private sector coupled with the conflicts between the BBG and the CBC led to a tug of war between each of these interests as evidenced in the reports of the members of the Troika. However, the government's reticence to act was in effect a vote for the current state of affairs.

The 1968 Broadcasting Act apparently sought to remedy the

problems of the broadcasting system through strengthening the position of the regulator. Section 3 of the new act was thought to supply new impetus to the ability of the regulator to impose regulations. As Peers (1979) notes:

The inclusion of these stated objectives for all broadcasters, not only the CBC, but private broadcasters and cable systems as well, was thought to give the new regulatory authority the direction it needed to impose standards and conditions of license that would have some meaning. It would help redress the balance between the declining public component in the system and the burgeoning private elements, or so it was hoped by some of the supporters of public broadcasting. It would help maintain the existence of a broadcasting system intended to serve Canadian needs despite the influence everywhere of American television and films.<sup>179</sup>

An analysis of the impact of this legislation on the broadcasting system is beyond the scope of this work. As noted though, this legislation, like its predecessors, offered only incremental changes in the structure of regulation and thus held little promise to effect any great changes in the structure of the system. However, the 1968 Broadcasting Act is particularly interesting for the ways it finally brought recognition to the discourse of nationalism that had guided the practice of broadcasting for so long. Here then, discursive practices that undergirded broadcasting became sedimented in the structure of regulation. It is interesting to note that these goals and objects did not find voice in legislation until the structure of the system was relatively set. This was of particular import for the CBC, for here it was officially

charged with extension of service and responsibility for specific nationalist goals not expected of the private sector.

During this period the presence of the public broadcaster in commercial radio broadcasting suffered further decline as the CBC abandoned its second network and retreated further to the edges of the system, calling for a continuing withdrawal from commercial broadcasting.<sup>180</sup> For its part, the BBG continued to license AM radio stations and further fracture radio audiences, particularly in large centres, and later moved toward an almost feverish licensing of FM stations in an effort to forestall American occupation of frequencies assigned to Canada. To speed development, many of these FM licenses were assigned to AM license holders and permitted to share facilities. In the long run, this policy contributed to the growth of particularly financially strong broadcasting companies which could in turn bring greater pressure to bear on government and the structure of regulation. As Weir noted in 1965, these policies led to the demise of distinctive Canadian radio programming:

Most of the time, on most stations, radio has quite definitely become the "atmospheric bill board" foreseen by Henry Thornton nearly forty years ago. News, sports, weather, and recorded music continue to be the dependable, never-ending menu of most private stations, just as they were twenty years ago, or ten years ago, only more so. . . The truth is that private radio in Canada is barely distinguishable from most private radio in the United States.<sup>181</sup>

However, without the intervention of the state, there is some question whether Canadian owned and operated stations would



have developed in the first place. The fact that these stations apparently developed to become integrated in the commercial empires of the south speaks more to the logic of commercialism that pervades capitalist political economic structures than the failure of any particular regulatory intervention or individual. It is with this logic that television had to deal after 1968.

## Summary and Conclusions

This thesis has traced out how the structure of broadcasting policy has been historically conditioned by both the policy instruments employed in this policy stream and the discourse of nationalism. Chapter I sketched out a theoretical framework for undertaking this project, a framework bringing together elements of discourse analysis and political economy. Building from this base, it was posited that a series of relationships had, over time, developed between the state and private capital. The genealogical method was posited as a particularly good lens for illustrating how these relationships became historically sedimented in particular policy instruments which, when employed in the broadcasting policy stream, had in turn instituted particular sets of relations between the state and private capital.

In Chapter II it was illustrated how, first with the British and colonial governments and later with Confederation, the state has "assumed. . . a particularly active and visible role in facilitating the development of capitalist relations of production."<sup>1</sup> With the Union Act of 1840 and the Railway Guarantee Act of 1849, the state became involved in fostering the growth of private capital, both by way of providing public funds for the development of infrastructure and providing direct support for private capital accumulation. As the state

grew, the vehicles of this support became more complex and this relationship became embedded in the very structure of the state and its legislative relationships.

Confederation was seen as following in this vein, like the Union Act supplying "the political institution necessary for the pursuit of an economic project"<sup>2</sup> and creating "adequate institutions for the pursuit of a centralized policy of long term economic development."<sup>3</sup> The National Policy was the central vehicle of Confederation and, in conjunction with the discourse of nationalism, gave rise to an east-west pattern of capital development. Thus the National Policy was illustrated as representing an expansionist rationale on the part of the state. Confederation and the National Policy differed from past state interventions in the economy, for here, the state was seen as instituting an agenda of its own as it began to encourage a particular pattern of economic development. As this development proceeded, policy instruments became more refined and extended these relationships between the state and private capital.

Through the early stages of development in Canada, government ownership and subsidies played a key role in supplying infrastructure for private capital accumulation, particularly with regard to the railways. The twin vehicles of ownership and subsidy insured the state a hand in directing an east-west flow of investment, while at the same time keeping out of the way of the prerogatives of private capital. As these policies met with success and private capital grew,

competition for resources supplied pressure on the state leading to the institution of the first regulatory board - the Board of Railway Commissioners. The board was an extension of the allocative rationale of government, sedimented within a particular structure. Its powers were basically directed toward the development and adjudication of rules for the orderly expansion of private capital. However, while the allocative structure of state support for the railroad was quite successful in promoting economic development, it held few checks on railroad construction as long as it was perceived as supporting economic growth. Nationalization of the railroads arose from pressures to protect private capital that developed from the excesses of this structure.

Basically the first Crown corporation was shown to have arisen as an instrument for the consolidation and public appropriation of private debt incurred in the east-west economic development of the country. In this way it worked a posteriori to extend the reach of private capital in the development of resources. As an independent corporate structure responsible for entrepreneurial activities, it operated within a purposive rational logic which worked to both maintain and retire this debt. At the same time, the structure of the company was such that it was subordinated to private capital in a number of important ways.

These instruments were seen as the product of particular political and economic forces, both state intervention in the economy and its support of private capital were facilitated and

legitimated by the discourse of nationalism. This discourse gave rise to a particular way of speaking about government intervention. It positioned ideas about the cohesion and strength of the Canadian state in particular relationships with political economic conditions. Intervention was postulated as a necessary step and legitimated by both the benefits it would bestow on Canadians and threats of the consequences of non-intervention. Both constitutional and rhetorical discursive effects were illustrated as rising from the articulation of the discourse of nationalism with the National Policy.

Defining discourse as part of the formal structure of policy formulation was illustrated as complementary to the political economic framework elaborated, particularly to Offe's project, for it moved to offer a site for articulating the contradictory determinations of Offe's definition of the state. Further, it became apparent that Offe's definition of the capitalist state could be seen as reflected in articulations between the National Policy and the discourse of nationalism whereby: the policy, (a) excluded the state from accumulation by erecting structures to encourage private accumulation, (b) required the state to participate in promoting accumulation because its objectives were beyond the reach of private capital alone, and (c) left the state dependent upon accumulation to accomplish the policy objectives; while the discourse functioned to "(d) conceal and deny (a), (b), and (c)" through legitimating state intervention and eliding the ways it moved

in the service of private capital.<sup>4</sup> Intervention was illustrated to be related to the discourse of nationalism in that the discourse opened up space for intervention which, textured by political economic forces, gave rise to particular interventionist instruments. In turn, these instruments appeared to have been structured by both the expansionist rationale of the state and the prerogatives of private enterprise, each of them representing a sedimentation of a particular set of relations between the state and private capital. It was between these determinations that much of broadcasting policy was structured.

Applying this analytic framework to the history of public broadcasting in Canada in Chapter III, it was illustrated that public broadcasting has often been driven by these structural determinations to move in the service of private capital. In the late 1920's, threats to accumulation and the legitimacy of the bureaucracy formed the conditions of possibility for the state taking up the discourse of nationalism in the context of broadcasting. Following a commercial logic, Canadian private broadcasters sought the greatest return for the least investment. The commercial broadcasting system developed in the US offered a lucrative model for Canadian broadcasters. The proximity of the United States made strong audience building programs available at a fraction of their production cost and the incentive was toward programming such material rather than producing their own. The discourse's positioning of radio as an instrument of nationalism placed broadcasting in

contradistinction to this version of the "branch plant" economics of the National Policy and intervention was posited as a necessary step to protect the production of Canadian ideas. By 1932 the debate over nationalization had focused on the question of the degree of nationalization. The instrument mobilized by the state to fill the space created in the political economic process by the discourse of nationalism - the CRBC - instituted a particular set of relations between the state and private broadcasters, relations inherent in the traditional structures of both the regulatory board and government ownership. The Commission appeared to be the product of the mediation of nationalist forces represented in/constituted by the discourse of nationalism, commercially rational forces motivated primarily by profits, and the expansionist rationale of the state. Each of these was represented in its structure which, on one hand, left open the possibility of complete nationalization, but on the other, through financial constraints and circumscriptions on its autonomy, directed the Commission toward regulation, program production, and the formation of networks. Constructed by the discourse of nationalism, the CRBC set itself up in contradistinction to the commercial logic of private broadcasters to offer a Canadian alternative to foreign programming. However, because of its focus on network arrangements and program production, the Commission was dependent on private broadcasters to carry out its objectives, which in turn led it to being particularly sensitive to the

private sector, almost always operating either on the edges, or in the service of private capital.

With the institution of the CBC, public broadcasting gained a greater degree of freedom from government. However its abilities to acquire and dispose of capital were still severely circumscribed. Although the nationalist goals of broadcasting were not explicitly stated in the 1936 Broadcasting Act, statements issued by the Corporation and its officers illustrated that its practices were undergirded by the discourse of nationalism. This, coupled with its inability to undertake capital expenditures directed it too toward network construction and program production which worked to encourage both the growth of private capital and an east-west pattern of accumulation.

As a broadcaster, the CBC, like the CRBC, was set in contradistinction to the logic of commercialism and moved to offer an alternative to the foreign programming favoured by private broadcasters. However, because of budget restrictions it turned to programming some foreign material to raise revenue to meet its production and distribution objectives. Such behaviour was seen as antithetical to the objectives of the Corporation, which kept it from intruding heavily into the realm of private enterprise. Thus, this contradiction was in part responsible for guiding the practices of the CBC away from those of the private sector.

As a regulator, the CBC was also possessed of an allocative rationale and allowed the private sector to expand as it became



economically feasible. While this expansion in some ways undermined the CBC's own objectives, it was legitimated by the CBC's mandate to carry on a national broadcasting service on one side, and restrictions on capital expenditures on the other, focusing the CBC to view such expansion as extending the national broadcasting service through the private sector. Inevitably though, this expansion brought with it an increase in foreign programming.

With the advent of commercial television in the US, pressures for the introduction of television in Canada began to fall on the state. The discourse of nationalism again rose as a ready site for articulating threats to Canadian accumulation with the policy process. In the development of television, the CBC can clearly be seen as, as Innis has suggested, a capital investment vehicle. Huge sums of money were funnelled through the CBC and into the development of the system, while the Corporation itself served as a vehicle for holding some of the debt incurred in this activity. As the private sector developed the discourse of nationalism again guided the CBC's practices away from theirs, focusing the corporation on the less lucrative aspects of extending the national system. As initial development policies reached fruition, pressure mounted for further expansion of the system from both the private sector and the CBC. Pressure from the private sector during the initial development of television had already led to the government treating the CBC as a competitor of the private sector in its licensing practices. Further, the

CBC's position in the system vis-a-vis the private sector, regarding practices such as network arrangements, had been slowly eroding since the 1930's. Thus the institution of an independent regulatory board in 1958 and the apparent realignment of power within the system, might be seen as more of a sedimentation of these practices rather than a dramatic change in the structure of the system.

Like the Board of Railway Commissioners, the BBG was founded on an allocative rationale. Many of its major policies can be seen as extensions of this rationale as it sought to enlarge the system and redistribute resources. At the same time though, the BBG too was structured by the discourse of nationalism. Thus it was hung on the contradiction of encouraging accumulation on the one hand, while on the other trying to encourage expenditure on program production. While the BBG is sometimes charged with having been "captured" by the private sector, the structure of the system necessarily favoured the private sector.

The structure of regulation, coupled with the rapid growth of the private sector and technological threats to the structure of regulation, brought pressure for a new Broadcasting Act. This new legislation brought recognition to the discourse of nationalism that had guided the practice of broadcasting for so long. Thus, discursive practices that had developed to undergird the practice of broadcasting became sedimented within the structure of regulation. The legislative recognition of these practices was of particular import for the

CBC, for here it was officially harnessed to extension of service and specific nationalist goals not expected of the private sector.

The advent of television eclipsed the commercial importance of radio. The attentions of the public broadcaster followed this change and its expenditures on television soon were greater than those for radio. As private radio broadcasters sought to redefine their markets in the face of television's usurping of their evening audiences, the CBC's network service began to lose its attraction. Private stations focused on developing local markets, and commercial and nationalist pressures led to a further licensing of stations. As the commercial development of the radio broadcasting system continued, the CBC's mandate continued to push it to the edges of the system and call for a continued withdrawal from commercial broadcasting.

Returning to the questions posed in Chapter 1, it can be said that the policy structure of English public broadcasting has not been conducive to realizing Parliament's stated goals for it. While policy documents have usually accorded the public broadcaster a central place in the system, it has been subordinated and marginalized over time. Following Offe's theory of the capitalist state, this outcome might be seen as somewhat inevitable because the very structure of the state is taken to be constructed to play a subordinate role to private capital in terms of accumulation. Indeed, in the case of public broadcasting from its inception to 1968, the policy

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instruments employed appear to have been structured in this manner.

First with the CRBC, and later with the CBC, the purposive rational aspects of these organizations functioned to generate and consolidate resources in the broadcasting system, while their allocative aspects moved to distribute them. With their abilities to both generate revenue and distribute it to specific sites, these organizations excelled as development instruments. Their activities were focused on one side by their relations with Parliament, and on the other by the private sector. Legislative circumscriptions on both the budgets and powers of these organizations led them toward specific types of activities, while the logic inscribed in their structure by the discourse of nationalism moved them away from the types of activities favoured by private capital. Under the shepherding of these instruments the private sector flourished, leading to pressure for further allocation of available resources as the capacity to undertake further responsibilities developed. The institution of the BBG was an extension of the allocative activities undertaken by the government and the public broadcaster. The development of this institution followed as result of the success of the public sector in promoting growth and not as a partisan political act. As the BBG moved to allocate the resources of the system, the schism between the public and private spheres grew.

At the centre of this division of labour between the private sector and the public broadcaster is the contradiction

between the nationalist goals of broadcasting and the logic or "calculus" of commercialism. It 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 commercial broadcasting and lesser audience producing programs; in the practices of the private sector, where the purchase of cheap foreign programming is favoured over program production; in relations between the regulator and the CBC, where the private sector might be found to be in a better financial position to assume a particular license than the CBC; in Parliamentary Committees 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 edges of the system and a subordinate position with regard to revenue production.

As illustrated, the nationalist goals find their way into the structure of the system through the discourse of nationalism. Through this discourse the state is empowered to intervene in the economy and establish an agenda for development. However, as Offe's theory illustrates, because the state is dependent upon private accumulation for its own growth it must encourage such accumulation. This is facilitated through the structure of the policy instruments themselves which are both constructed and circumscribed by the discourse of nationalism. Here then, the discourse can be seen

to have become sedimented to form part of the structure of broadcasting at two sites: i) at the point of state intervention in the economy; ii) in the form of that intervention. However, while in the first instance the discourse facilitates intervention and somewhat supercedes the prerogatives of private capital, in the second its articulation with political economic forces guides the form of that intervention away from the interests of private capital. These two structures are interdependent in that the first constitutes a space for the second, while at the same time providing that the instrument constructed there will not interfere with the prerogatives of private capital. The discourse is thus in effect constituted and spoken by the very logic of commercialism that it seeks to avoid, for while on one hand it seeks to prevent the north-south development of commercial links, on the other it encourages east-west linkages that are basically of the same commercial stripe. Thus, it would appear that the very structure of broadcasting policy has subordinated the objectives of public broadcasting to the interests of private broadcasters.

Discourse has been illustrated to be an important consideration in policy studies, as well as an important addition to the traditional political economic policy considerations. Here, this work has raised what Streeter (1986) has noted is a yet "rarely explored question: if the discourse does not adequately represent the practice and the practice does not conform to the models of the discourse, then

what is the nature of the relation between the two?"<sup>5</sup> In answer, this work has demonstrated that policy discourse might be seen as a condition of possibility of the policy process, similar to traditional political economic conditions of possibility, that works in conjunction with political economic forces to structure the policy process. Policy discourse is not simply an extension of political economic forces, as it has often historically been viewed, for it has material effects on the policy process in that it influences the manner in which the objects of policy making are conceived and treated. It operates as a site for articulating and juxtaposing political economic concerns and, at least in this instance, in the process can be seen as exercising at least two different types of effects. At the constitutional level, it exercises effects which extend into the realm of political economy. Its structure empowers some interests over others and occludes the contradiction between private capital accumulation and state intervention. And as the work of Charland (1986) points out, at the rhetorical level it exercises ideological effects that extend "into the realm of human attitude and action" and direct action along particular avenues.<sup>6</sup> While this work has concentrated on the constitutional aspects of discourse, these are closely related to rhetorical effects. For, in policy studies it is at the constitutional level that much of the force of rhetorical effects are manifest, moving to constitute relationships between different types of practices and structures. Conversely, constitutional effects might be seen

to form the conditions for new generations of rhetorical practice, shaping and contextualizing its possibilities. Here then, discourse has an overdetermined relationship with practice and, consequently, structure. Thus, in policy studies, consideration of the discursive aspects of the policy process can be seen as both important in understanding how relations within the process are constituted and complimentary to the concerns of political economy.

Through combining a discursive approach and genealogical method, this work has constructed a unique lens for examining the relationships between discourse, practice, and structure. Rather than simply focusing on particular historical object or motive force, this framework has moved to illuminate the diverse ways power relationships within this policy stream have historically been formed and maintained. This framework is able to grasp, in their complexity, both relationships between institutional structures and processes and how these structures and processes interact to produce a particular set of power relations. It has illustrated how, if their import is to be grasped, particular policy instruments must be considered in both the context of the larger political economic system and the contradictions that frame and undergird that system thereby providing sites for struggle and change.

This thesis has illustrated that the web of subjugation encompassing public broadcasting arises from the very structure of the state itself. This observation has consequences for traditional discussions of both broadcasting and public



ownership that should be noted. First, it illustrates that, at this level, the debate whether the broadcasting system should be regarded as a single system or two separate systems is of little consequence. For here, the different elements of the system are in effect mutually determining. Second, the popular idea that government ownership is an inefficient and wasteful form of intervention bears further scrutiny for, at least in broadcasting, it has not been structured to facilitate efficient capital accumulation. Third, because the basic problems of this policy field are seen as embedded in the very structure of the state, this thesis makes no pretensions that there might be an easy exit from past policy practices leading to an emancipation of public broadcasting. A discussion of such a possible intervention would itself comprise a paper of considerable size. However, some discussion of the value and utility of the theoretically informed policy analysis found in this paper is in order. As Biggs (1984) has noted, "there can be no exit from past policy initiatives until we have adequate purchase on the tradition in which past inquiries have participated."<sup>7</sup> Indeed, as illustrated, it is important to recognize the structural nature of instruments so that the full implication of their utilization might be realized. Through offering a broad perspective, this type of analysis provides a purchase on the various determinations that structure and contain the policy process. By developing an understanding of these determinations, policy interventions might be more effectively structured. Over the years, Canadian broadcasting

policy has been one of the most heavily scrutinized Canadian policy fields. Yet, as illustrated, it has consistently failed to meet Parliamentary objectives for it. At the time of writing, yet another broadcasting act is awaiting legislation amidst promises that it will bring private broadcasters in line with the goals of the system and confirm the "lead role of the CBC" in the system.<sup>8</sup> By going beyond a surface reading of the text of broadcasting policy to examine the structure that undergirds its practice, this thesis has illustrated that little change in the system might be expected unless there are fundamental changes in either the policy instruments themselves or the discourse framing the policy. Guided by a broad theoretical framework, perhaps an intervention that brought commercial concerns closer to nationalist goals might be constructed. Although Offe's theory discounts the possibility of placing such goals ahead of private capital accumulation making the construction of such an intervention difficult, at least two avenues of action present themselves. The first would focus on working within the existing discursive framework and might involve clearly defining the "nationalist goals" of broadcasting and then working out a system of incentives to harness private broadcasters to them. This is similar to the idea proposed through the new broadcasting act whereby private broadcasters will be rewarded for their contributions to program production. The problem with this proposal is of course that the commercial incentives point toward producing programs for the global market rather than specifically

Canadian audiences resulting in content reflecting foreign production values. Matching nationalist goals that reflect Canadian culture to commercial incentives is the problematic center of such a scheme. A second proposal might focus upon changing the discourse framing broadcasting policy. The danger here though lies in the possibility of displacing the nationalist goals of broadcasting thereby possibly rendering public broadcasting redundant. In any event a restructuring of both the policy instruments and the system of commercial incentives is called for if public broadcasting is to escape its subordination to commercial incentives.

Before closing, two limitations of this study and the avenues they present for further study deserve mention. First, it bears repeating that the gaze of this work has fallen upon only a few of the determinations of broadcasting policy in Canada. An equally interesting, though much more complex, study might be made of the discursive effects arising from the proximity of the US and the ways the practices undertaken there have had a direct influence in the constitution of the Canadian system, such as its commercial structure and technical standards. In several ways, this thesis might be seen as a subset of such a study for the nationalist and commercial concerns central to this work were in effect constituted through reactions to that influence. Another study might focus more closely on the discursive structure of policy language and process, delineating the "will to power" inherent in broadcasting policy discourse.<sup>9</sup> An examination of how

determinations of this order undergird relations between Parliament, the regulator, the public broadcaster, and private interests would reveal further facets of the sedimented discursive structure guiding broadcasting.

Second, while this thesis has delineated a number of structural determinations on the broadcasting policy process and illustrated how these work to focus the practice of broadcasting, it has focused mainly on the discursive traces left by the passing of these forces. Thus, the working relationship between discourse, practice, and structure is not as clear as it might be. To some degree, this is the price paid for discounting agency. However, a close examination of a particular moment in the policy process to examine how the discursive, practical, and, structural elements of the Parliamentary process articulate with private capital to produce particular legislative circumscriptions on the structure of public broadcasting would be complimentary to this project. Of particular interest might be any patterns of articulation between these elements common to different historical moments.

On a final note, the applicability of Offe's model to the Canadian experience would seem to indicate that there are similarities in the hypostatic relations between the state and private capital in different capitalist states.<sup>10</sup> At the same time though, the peculiarities of Canadian society would seem to indicate that the way these relations play out in Canada makes the Canadian experience unique. Thus, there would

appear to be some common ground for bringing together the two previously illustrated streams of Canadian political economy, with each offering to enlarge the vision of the other.

## ENDNOTES

Introduction and Chapter I

1. Quoted in Frank W. Peers, The Politics of Canadian Broadcasting 1920-51 (Toronto: University of Toronto Press, 1969) 101-2.

2. The failure of the broadcasting system to meet Parliament's objectives for it has been the subject of a great many of studies. For example see Paul Audley, Canada's Cultural Industries (Toronto: James Lorimer & Co., 1983); Robert E. Babe, Canadian Television Broadcasting Structure, Performance and Regulation (Ottawa: Economic Council of Canada, 1979); Herschel Hardin, Closed Circuits (Vancouver: Douglas and McIntyre, 1985).

3. While English and French public broadcasting in Canada might be seen as springing from somewhat the same roots, development has at many times been in different directions and motivated by different aims. Thus this thesis will focus on the development of English public broadcasting.

4. See George Thomas Streeter "Technocracy and Television: Discourse, Policy, Politics and the Making of Cable Television," (Unpublished PhD. Dissertation, University of Illinois at Urbana-Champaign, 1986), 39.

5. For an interesting discussion on the materiality of language and its influences on the ways objects are conceived see Marike Finlay-Pelinske, "Technologies of Technology: A Critique of Power and Social Control in Discourses on Communication Technology," Working Papers Series, Graduate Program of Communication, McGill University, 1983.

6. E. A. Weir, The Struggle for National Broadcasting in Canada (Toronto: McLelland and Stewart, 1965), 449.

7. "Liberal" is defined here as an epistemological position presuming relatively unencumbered individual agency. It might be counterposed to a position that focuses instead on the structural constraints on subjectivity.

8. See Marc Raboy, "Broadcasting and the Idea of the Public: Learning from the Canadian Experience," (Unpublished PhD. Dissertation, McGill University, 1986), 31.

9. See Karen Holland Biggs, "Public Enquiries on Broadcasting and Cultural Policy in Canada, 1928-1982:

Perspectives Toward a Communicational Theory of Public Life," (Unpublished Thesis, McGill University, 1986), 3.

10. Ibid.

11. Ibid, 6.

12. For a discussion of the relationship between French structuralism and discourse analysis see Alan Sheridan, Michel Foucault: The Will to Truth (New York: Tavistock Publications, 1980), 198-226.

13. See Michel Foucault, The Archaeology of Knowledge (London: Tavistock Publications Ltd., 1972), 121-122.

14. See Marika Finlay-Pelinske, "Technologies of Technology", 3.

15. See George Thomas Streeter, "Technocracy and Television", 23-24.

16. See Maurice Charland, "Technological Nationalism" in Canadian Journal of Political and Social Theory 10 (Numbers 1-2:1986): 198.

17. Stuart Hall, "Signification, Representation, Ideology: Althusser and the Post-Structuralist Debates" Critical Studies in Mass Communication 2 (1985): 95.

18. This notion of institutions as representative of sedimented discursive practice was discussed and developed by Professor Martin Allor of Concordia University in a series of lectures and discussions at that university during 1986-1988.

19. See Michel Foucault, Archaeology, 40-49.

20. See Maurice Charland, "Technological Nationalism", 198.

21. See Maurice Charland, "'Constitutive Rhetoric: The Case of the 'Peuple Quebecois'" Quarterly Journal of Speech 73 (1987): 148.

22. In this way it resembles the analysis of what Foucault terms "secondary relations". See Michel Foucault, /Archaeology/, 45.

23. As a result both have moved in the direction of a reformulation of the traditional Marxist theory of ideology.

24. See Louis Althusser For Marx (London: Penguin Press, 1969), 99-101.

25. See George Thomas Streeter, "Technocracy and Television", 19.

26. See Stuart Hall "The rise of the representative/interventionist state/ eds. Gregor McLennan, David Held, and Stuart Hall State and Society in Contemporary Britain (Great Britain: Polity Press, 1984), 1.

27. Claus Offe and Volker Ronge "Notes: Theses on Theories of the State" New German Critique 6 (Fall 1975) 139..

28. Ibid, 141.

29. See Clause Offe "The Theory of the Capitalist State and the Problem of Policy Formation" Leon Lindberg et al (eds.) Stress and Contradiction in Modern Capitalism (Toronto: D.C. Heath & Co., 1975), 144.

30. Ibid, 132.

31. This is not to say that the "consensus" logic of policy production does not exist in the broadcasting policy stream. Indeed, the public hearings held by the CRTC could be seen as springing from this rationale.

32. See Clause Offe "Theory of the Capitalist State", 136.

33. Offe's notion of "purposive rational" activity appears versimilar to Habermas' and might be construed as the type of logic underlying most accumulative activity. See for instance Jurgen Habermas Toward a Rational Society trans. Jeremy J. Shapiro (Boston: Beacon Press, 1970), especially 97-101.

34. This use of the term "instrument" is not to be confused with that which "suggests that there is a particular instrumental relationship between the ruling class on the one side and the state apparatus on the other side. The state thus becomes an instrument for promoting the common interest of the middle class." See Clause Offe "Theory of the Capitalist State" 136 & 138-9, and idem, "Notes", 139 & 143.

35. See Clause Offe, "Theory of the Capitalist State", 143.

36. Ibid, 140.

37. See Wallace Clement and Daniel Drache The New Practical Guide to Canadian Political Economy (Toronto: Lorimer, 1985), x.

38. Michel Foucault "Nietzsche, Genealogy, History" ed. Paul Rabinow The Foucault Reader (Toronto: Peregrine Books, 1986), 76-97.

39. Michel Foucault, "Nietsche", 94.



40. Michel Foucault "The Discourse on Language" trans. Rupert Swyer Social Science Information (April, 1971), 231.

## Chapter II

1. See Hugh G. J. Aitken, "Defensive Expansionism: The State and Economic Growth in Canada" W. T. Easterbrook and M. H. Watkins (eds.) Approaches to Canadian Economic History (Toronto: Mclelland and Stewart, 1967), 184.

2. See Stuart Hall, "Signification, Representation, Ideology", 95.

3. See Michel Foucault, Archaeology, 41 & 129. Offe too makes a similar point where he states: "the formal structure, or method, of policy making...predetermines what can and does become the content of policy". See Clause Offe, "Theory of the Capitalist State", 136.

4. For a discussion of what constitutes discursive regularities see Michel Foucault, Archaeology, 141-149.

5. See Rhianne Mahon "Canadian Public Policy: The Unequal Structure of Representation," Leo Panitch (ed.) The Canadian State: Political Economy and Political Power (Toronto: University of Toronto Press, 1977), 165.

6. See W. T. Easterbrook and Hugh G. J. Aitken Canadian Economic History (Toronto: Macmillan of Canada, 1956), 253-71.

7. Ibid, 269.

8. See Alfred Dubruc "The Decline of Confederation and the New Nationalism," in ed. Peter Russell Nationalism in Canada (Toronto: McGraw-Hill, 1966) 18.

9. See W. T. Easterbrook and Hugh Aitken, Economic History, 298.

10. S. B. Ryerson, Unequal Union (New York: International Publishers, 1968), 244.

11. See W.T. Easterbrook and Hugh Aitken, Economic History, 298-9.

12. See Hugh Aitken, Defensive Expansionism, 203.

13. Ibid., 203-4.

14. See Alfred Dubruc, "The Decline of Confederation," 115.

15. Ibid, 116.

16. Ibid, 117.

17. For instance see Vernon Fowke "The National Policy: Old and New," eds. W. T. Easterbrook and M.H. Watkins Approaches to Canadian Economic History (Toronto: Maclelland and Stewart, 1967), 237-258.

18. See for instance Kari Levitt, Silent Surrender (Toronto: Macmillan, 1970) and Dallas Smythe, Dependency Road: Communications, Capitalism, Consciousness and Canada (New Jersey: Ablex Publishing Co., 1981), 98-100.

19. See Alfred Dubruc, "The Decline of Confederation", 117.

20. See J. A. Corry, The Growth of Government Activities Since Confederation: A Study Prepared for the Royal Commission on Dominion Provincial Relations, (Ottawa: 1939), 4.

21. See Harold Innis The Problems of Staple Production (Toronto: Ryerson, 1933), 32-33.

22. Ibid, 36-7.

23. Ibid, 39.

24. See G.R. Stevens Canadian National Railways: Toward the Inevitable 1896-1922 (Toronto: Clarke Irwin, 1962), 263.

25. This is not to say there was no regulation at all. As early as 1851 the government was involved in some rate and safety regulation. But while railway charters often reflected the ideal that dividends should not exceed 15% on the capital stock, competition was generally seen as the best regulator and there appears to have been little testing of the effectiveness of this limitation. See Corry (1939), p. 122 and Canada. Privy Council Submissions to the Royal Commission on Financial Accountability - Responsibility in the Constitution: Part II Non-Departmental Bodies (Ottawa: Minister of Supply and Services, 1979), 37-38.

26. Privy Council, Submissions, 39.

27. Various authors appear to disagree as to whether the Railway Act of 1888 actually constituted the Railway Committee of the Privy Council or simply expanded the powers of an existing body. See for instance Privy Council, Submissions, 238-9 and S.J. Maclean, "The Work of the Board of Transport Commissioners for Canada," in ed. John Willis, Canadian Boards at Work, (Toronto: Macmillan, 1941), 8. In either event, it appears that it was not until the adoption of this legislation that such regulatory powers were formally consolidated and invested in a particular body.

28. See for instance S.J. Maclean, "The Work"; Arthur R. Wright, "An Examination of the Role of the Board of Transport Commissioners for Canada as a Regulatory Tribunal," in Canadian Public Administration, 6 (4 December 1963): 349-85; and Privy Council, Submissions.

29. H. V. Nelles and Christopher Armstrong Monopoly's Moment (Philadelphia: Temple University Press, 1986), 189.

30. See Privy Council, Submissions, 42.

31. Ibid., 42-3.

32. Corry (1939), bib. cit., p.124.

33. See H. V. Nelles (1986), Monopoly's Moment, 187-8.

34. See Privy Council, Submissions, 110.

35. Leo Panitch (ed.) The Canadian State (Toronto: University of Toronto Press, 1977).

36. For a discussion of the operation of these early Crown corporations see D.P. Gracey "Federal Crown Corporations in Canada" ed. Kenneth Kernaghan (ed.) Public Administration in Canada (Toronto: Metheun, 1982).

37. See Privy Council, Submissions, 125.

38. See Harold Innis, Problems, 48.

39. See W. T. Easterbrook and Hugh Aitken, Economic History, 443.

40. See Canada. Royal Commission on Railways and Transportation in Canada, Report, (Ottawa: King's Printer, 1917), p.11.

41. See Harold Innis, Problems, 49.

42. Ibid, 58.

43. See Clause Offe, Theory of the Capitalist State, 143.

44. See Harold Innis, Problems, 80-81.

45. Ibid, 55-56.

46. See Hugh Aitken, Defensive Expansionism, 209.

47. See R. C. Brown and Ramsay Cook Canada 1896-1921: A Nation Transformed (Toronto: McClelland and Stewart Ltd., 1974), 158.

48. For an interesting discussion on the history of nationalism see George Heiman, "The 19th Century Legacy - Nationalism or Patriotism," in ed. Peter Russell, Nationalism, 323-339.

49. See Canada, House of Commons, Debates, 7 March 1878, 861. Quoted in K. A. MacKirdy Changing Perspectives in Canadian History (Don Mills: J.M. Dent, 1967), 198.

50. See Canada, House of Commons Debates 17 January 1881, p. 483. Quoted in Maurice Charland, "Technological Nationalism", 201.

51. Although they do not refer to it as a discourse, writers such as Edgar McInnis Canada: A Political and Social History (Toronto: Rhinehart and Co., 1947), Hugh Aitken "Defensive Expansionism", and Vernon Fowke "The National Policy" illustrate its presence during this period.

52. Canada, House of Commons Debates January 1881, 854-61.

53. See Michael C. McGee "In Search of the 'People': A Rhetorical Alternative" in Quarterly Journal of Speech 61 (October 1975) and Maurice Charland "Constitutive Rhetoric" for discussions of this rhetorical effect.

54. Of course the moment of birth of the concept Canadians is open to debate. However, the contention here is that the discourse of nationalism surrounding the National Policy offers a substantial contribution to that myth.

55. Taken from Raymond Tanghe, Laurier, Architect of Unity, trans. Hugh Bingham Myers, (Montreal: Harvest House, 1966), 53.

56. See Ryerson, Unequal Union, 415.

57. See Margaret Prang "The Origins of Public Broadcasting in Canada" in The Canadian Historical Review 46 (1, 1965): 2.

58. Ibid, p. 2.

59. See Offe, Theory of the Capitalist State, 144.

### Chapter III

1. Quoted from Frank Peers, Politics, 15.

2. Ibid, 16.

3. Ibid, 23.

4. Ibid, 24.

5. James W. Carey, "Canadian Communication Theory: Extensions and Interpretations of Harold Innis," eds. Donald F. Theall and Gertrude J. Robinson, Studies in Canadian Communications, 27-60, offers a thorough exploration of Innis' thought in relation to the space-binding nature of technique.

6. Quoted in E. A. Weir, The Struggle For National Broadcasting in Canada, (Toronto: McClelland and Stewart, 1965), 38.

7. Quoted in Frank Peers, Politics, 38. Apart from Mackenzie King's speech there is little evidence the state took up the discourse of nationalism in the context of broadcasting until the Aird Report.

8. The development of advertiser supported program production in the US, while there were still prohibitions against "direct" ads in Canada, might be seen to have given US broadcasters an advantage in the development of broadcasting infrastructure.

9. Quoted in Frank Peers, Politics, 33.

10. Canada. Report of the Royal Commission on Radio Broadcasting, Report, (Ottawa: Kings Printer, 1929), 6. This document is hereafter quoted as "Aird Report".

11. Ibid, 12.

12. Canada. House of Commons, Debates, (Feb. 16, 1932): 36. Documents of this type are hereafter quoted as "Debates".

13. Graham Spry "The Canadian Broadcasting Issue" in Canadian Forum (April, 1931): 246.

14. See Frank Peers, Politics, 82.

15. "Debates," (May 11, 1932): 2818-20. Taken from Frank Peers, Politics, 97.

16. "Debates," (May 18, 1932). Taken from Ibid, 101-102.

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

18. Ibid, Section 9.

19. Ibid.

20. See Margaret Prang, "Origins," 1.

21. See Harold Innis, Problems, 80-81.
22. See Michel Foucault, Archaeology, 50-56.
23. See Leo Panitch, The State, 17.
24. Carey and Quirk employ this term in describing Innis' perception of how capitalist economics structure media content: "Innis placed the 'tragedy of modern culture' in America and Europe upon the intrinsic tendencies of both the printing press and electronic media to reduce space and time in the service of a calculus of commercialism and expansion". See James W. Carey and John J. Quirk, "The Mythos of the Electronic Revolution," in American Scholar, 39 (1, 1970): 238.
25. As Offe (1975a) illustrates, this appears to be the logic underlying capital accumulation. See Clause Offe, "Theory of the Capitalist State," 143. Jurgen Habermas, "Technology and Science as 'Ideology'," in Toward, 81-127 offers a good discussion of how this logic has developed over time and is now embedded in social structures and institutions.
26. See Frank Peers, Politics, 80.
27. Of course what is deemed non-partisan for one group of interests might easily be construed as against the interests of another group. Here, the power to define "non-partisan" is seen as a key political power bestowed on dominant political groups as they struggle to determine how resources are allocated.
28. See Frank Peers, Politics, 118-128.
29. See E. Weir, Struggle, 139.
30. Moncton was obsolete and soon scrapped.
31. Weir illustrates that the "bargain basement" price by which the Commission came to acquire these stations was brandished in Parliament as an example of the supposed inefficiency of the CNR's operation. Thus, the sale of these properties would appear to be part of the campaign conducted against the CNR during this period. See E. Weir, Struggle, 139-40.
32. E. Weir, Struggle, 165.
33. See Frank Peers, Politics, 135.
34. See Canada. Canadian Radio Broadcasting Commission, "Rules and Regulations," (Ottawa: April 1, 1933).
35. See Frank Peers, Politics, 285-287.
36. See William Malone, "Broadcast Regulation in Canada: A

Legislative History," (Unpublished PhD. dissertation, Harvard University, 1962), 31.

37. Ibid, 31, illustrates that in 1936 75% of the Commission's budget was devoted to network operations and program production.

38. See Frank Peers, Politics, 134.

39. See David Wynn Walters. "Broadcasting in Canada" (Unpublished M.A. Thesis, Northwestern University, 1960), 40-41.

40. See Frank Peers, Politics, 138.

41. Ibid, 141.

42. Quoted in Ibid, p. 144.

43. Quoted in Ibid, p. 147.

44. See for example E. Weir, Struggle, 137-204 and Frank Peers, Politics, 63-164.

45. See David Ellis, Evolution of the Canadian Broadcasting System, (Ottawa: Department of Supply and Services), 15.

46. Here, it would appear that the received wisdom of the time saw problems in conflating what Offe refers to as bureaucratic and purposive rational activities.

47. See "Debates," 209 (1936), 3077-8.

48. See Harold Innis, Problems, 80-81.

49. See Clause Offe, "Theory of the Capitalist State," 143.

50. Frank Peers, Politics, 134-135.

51. One exception to this might have been CRCT in Toronto which was an NBC affiliate. See Ibid, 133.

52. Canada. Canadian Radio Broadcasting Commission, "Rule 101," (Ottawa: April 1, 1933).

53. See Frank Peers, Politics, 134.

54. See Clause Offe, "Theory of the Capitalist State," 143.

55. Ibid,

56. See Canada. Canadian Broadcasting Act, Statutes of Canada (c. 24, 1936).

57. Ibid, Section 8.
58. Ibid.
59. Ibid, Section 22.
60. See Frank Peers, Politics, 199.
61. See E. Weir, Struggle, 210.
62. Quoted in Frank Peers, Politics, 204.
63. E. Weir, Struggle, 228 reports that in 1946-7, a "fairly typical" year, over \$550,000 worth of business was rejected on revenues of \$1,781,000.
64. E. Weir, Struggle, 229 and Frank Peers, Politics, 286.
65. E. Weir, Struggle, 227.
66. William Malone, "Broadcast Regulation", 34.
67. See E. Weir, Struggle, 217 and Frank Peers, Politics, 243.
68. E. Weir, Struggle, 239-241.
69. Quoted in Frank Peers, Politics, 246.
70. See Frank Peers, Politics, 334-343.
71. Ibid, 336.
72. See E. Weir, Struggle, p. 241 and David Ellis, Evolution, 25.
73. See for instance Canada. Royal Commission on Broadcasting, Report, (Ottawa: Queen's Printer, 1957), 249-250. This document is hereafter cited as the Fowler Report.
74. See Frank Peers, Politics, 379.
75. Ibid, 367 illustrates this point.
76. Ibid, 394.
77. Frank Peers, The Public Eye, (Toronto: University of Toronto Press, 1979), 10-11.
78. Canada. Public Announcement No. 26, (Ottawa: CBC, April 11 1949).



79. See "Debates," (March 28 1949): 2050-1.
80. Frank Peers, The Eye, 20-21.
81. See Canada. Royal Commission on National Development in the Arts, Letters and Sciences, Report (Ottawa: King's Printer, 1951), xvii.
82. Ibid, 4.
83. Ibid, 279-280.
84. Ibid, 283.
85. Ibid, 47 & 301-302.
86. Ibid, 302-303.
87. Ibid, 295 & 304.
88. Ibid, 289-291.
89. See Frank Peers, The Eye, 19.
90. See "Debates," (June 29 1951): 4925. Taken from Ibid, 24-25.
91. See "Debates," (Nov. 20 1951): 1206.
92. Taken from the Fowler Report, 250.
93. Canada. 1936 Special Committee on Broadcasting, Minutes of Proceedings and Evidence, 664. Hereafter cited as Proceedings. Quoted in Frank Peers, Politics, 181.
94. See E. Weir, Struggle, 272.
95. See William Malone, "Broadcast Regulation," 42.
96. It would appear that the Second World War contributed heavily to the demise of CP's monopoly on domestic news, or as the CBC moved to undertake wartime responsibilities it developed a news generating capacity of its own.
97. It should be noted here that the discourse does not operate here in a purely functional relation to the state, for it also to some degree constitutes the conditions of possibility for conceiving the state as a nation.
98. See for instance William Malone "Broadcast Regulation", 84-94 for a discussion of the reasons for this delay.
99. See D. Walters, "Broadcasting," 94: .

100. See Fowler Report, 315.
101. Ibid, 315.
102. Ibid.
103. See D. Walters, "Broadcasting," 97-98.
104. Quoted in D. Ellis, Evolution, 35.
105. See Peter Anderson, "The CBC and Its Mandate," (Unpublished Thesis, Simon Fraser University, 1976), 64.
106. See Fowler Report, 315.
107. Ibid, 256.
108. Ibid, 143-157.
109. Ibid, 148.
110. Ibid; 130.
111. Ibid, 144.
112. Ibid, 90-91.
113. Ibid, 91.
114. Ibid, 130-36.
115. Ibid, 224.
116. Ibid.
117. Quoted in Weir, Struggle, 351.
118. See for instance Robert E. Babe, Canadian Television Broadcasting Structure, Performance and Regulation, (Ottawa: Economic Council of Canada, 1979), 11-13.
119. See Canada. Broadcasting Act, Statutes of Canada, (c. 22, 1958), Section 10.
120. See Fowler Report, 203.
121. Ibid, 262.
122. See E. Weir, Struggle, 320-22.
123. See Fowler Report, 212.
124. See Harold Innis, Problems, 80-81.

125. See Fowler Report, 267.
126. See Canada. Canadian Broadcasting Corporation Annual Report, 1959.
127. See D. Ellis, Evolution, 35.
128. See for instance Frank Peers, The Eye.
129. Quoted in E. Weir, The Struggle, 307.
130. See Walters, "Broadcasting," 103 and Broadcasting (June 23 1958): 83; E. Weir, Struggle, 331.
131. E. Weir, Struggle, 331.
132. The tax advantages often associated with such lease arrangements were not available to the CBC.
133. See Fowler Report, 64-71.
134. See E. Weir, Struggle, 331.
135. See Walters, "Broadcasting," 96.
136. See Fowler Report, 224.
137. See for instance Weir, Struggle, 353.
138. See Fowler Report, 131-6.
139. See Frank Peers, The Eye, 176-214.
140. See Peter Anderson, "The CBC," 84.
141. Quoted in Frank Peers, The Eye, 247.
142. Canada. Secretary of State, Committee on Broadcasting, Report (Ottawa: Queen's Printer, 1966), 106-7. Hereafter cited as Fowler II.
143. See D. Ellis, "Broadcasting," p.50.
144. Canada. Canadian Broadcasting Corporation, Annual Report, 1965-1966, 11.
145. See Frank Peers, The Eye, 220.
146. Ibid; 247-254.
147. See Ibid, 243-46 and D. Ellis, "Broadcasting," p. 52.
148. See R. Babe, Broadcasting Structure, 20.

149. See especially Frank Peers, The Eye .
150. Ibid, 223.
151. Fowler II, 45-61, offers a discussion on the enforcement of quotas.
152. Canada. Board of Broadcast Governors, RR64-Reg., (12 SOR/64-49).
153. See R. Babe, Broadcasting Structure, 23.
154. See David Ellis, "Broadcasting," 53-54.
155. Frank Peers, The Eye, 206-207.
156. Canada. Canadian Broadcasting Corporation, Annual Report, 1960-1961 , 27.
157. Canada. Canadian Broadcasting Corporation, Annual Report, 1959-1960, 9.
158. Canada. Canadian Broadcasting Corporation, Annual Report, 1960-1961, 26.
159. Canada. Canadian Broadcasting Corporation, Annual Report, 14.
160. See Fowler Report II, 91-94.
161. Ibid, 123-124.
162. Ibid, 126.
163. Ibid, 34-35.
164. Canada. Parliament, "White Paper on Broadcasting," (Ottawa: Queen's Printer, 1966), p. 16.
165. Ibid, 16-17.
166. See Canada. Standing Committee on Broadcasting, Films and Assistance to the Arts, Minutes and Proceedings, (December 1, 1966), 1350.
167. Canada. Senate Standing Committee on Transport and Communications, Proceedings , (Feb. 20, 1968), p. 43.
168. See Canada. Broadcasting Act, Statutes of Canada, (c. 25, 1968), Section 22.
169. Ibid, Section 23.

170. Ibid.
171. Ibid, Section 3 (g).
172. See for instance R. Babe, Broadcasting Structure, 19.
173. See Canada. Canadian Broadcasting Corporation, Annual Report, 1962-1963, 16.
174. See Canada. Board of Broadcast Governors, Annual Report, 1960, 23.
175. See W. H. N. Hull, "Captive or Victim: the Board of Broadcast Governors and Bernstein's Law, 1958-68," in Canadian Public Administration, (Winter, 1983): 543-562.
176. See CBC, Annual Report, 1962-1963, 14-15.
177. See Fowler Report II, 34-35.
178. CBC Annual Report, 1962-1963, 15.
179. See Frank Peers, The Eye, 409.
180. See CBC Annual Report, 1964-1965, 13.
181. See E. Weir, Struggle, 321-322.

#### Summary and Conclusions

1. See Rhianne Mahon, "Canadian Public Policy," 165.
2. Alfred Dubruc, "The Decline," 116.
3. Ibid, 117.
4. See Clause Offe, "Theory of the Capitalist State," 144.
5. See George Thomas Streeter, "Technocracy and Television," 16.
6. Maurice Charland, "Technological Nationalism," 198.
7. See Karen Biggs, "Public Enquiries," 6.
8. See for instance Hugh Windsor's column in The Globe and Mail (June 27, 1988): A2.
9. While literature on the subject appears to be rather scarce, Prof. Maurice Charland of Concordia University has raised this subject in lectures and discussion.

10. Whether these can be extended to include the structure of class relations requires further study.

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