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Critical Interests in Broadcasting Policy:  
Fashioning the Public Interest in the 1932 Broadcasting Act

Eric Durocher

A Thesis

in

The Department

of

Communication Studies

Presented in Partial Fulfilment of the Requirements for the  
Degree of Master of Arts at Concordia University  
Montreal, Quebec, Canada

August 1995

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----- 19 -----

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## ABSTRACT

### Critical Interests in Broadcasting Policy: Fashioning the Public Interest in the 1932 Broadcasting Act

Eric W. Durocher

This thesis set out to investigate how the "public interest" is fashioned in Canadian broadcasting policy through an examination of the policy-formation process between 1929 and 1932.

The study first identifies the interests that competed to formulate the "public interest" by listing the groups who participated in the 1932 parliamentary hearings on broadcasting and by identifying their policy positions on seven issues. The legislation is then analysed to uncover which positions were included, or privileged, in the 1932 Broadcasting Act. The analysis reveals that the positions advocated by interest groups supporting public ownership were incorporated more frequently in the act than were other positions.

Drawing upon the work of Bob Jessop and of Marc Raboy, the study then uncovers which interests the public-ownership positions represented: state, capital, or sociocultural. In finding that the interests generally represented sociocultural concerns, the inquiry next considers why these interests were privileged by applying Paul Pross' policy theories to the 1932 policy-making process.

Critical theory suggests that sociocultural interests are rooted in the public sphere. Employing criteria proposed by Jurgen Habermas, the social space that formed around the broadcasting issue from which the sociocultural interests arose is then examined to assess its relationship to the ideal public sphere.

The study concludes that the "public interest" in the 1932 act was fashioned by sociocultural interests in a policy-making process that was influenced by the social space which had formed around broadcasting. However, these sociocultural interests included a variety of particular interests, which raises questions about the utility of the terms "public" and "private" to describe the various interests that compete to fashion broadcasting policy.

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— to my five "silent" partners — four of whom now know that moms and dads still go to school "even if they have a job!" and the fifth of whom did all the things I should have done and a whole lot more.

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## I. The Public Interest

The 1991 Broadcasting Act outlines a 21-point broadcasting policy for Canada. The policy places a number of particular interests at the centre of the Canadian broadcasting system, a "public service" regulated and supervised by "a single independent public authority" (Art. 3.1-3.2). Included among those privileged interests are those related to the particular needs of: English- and French-language broadcasters; private, public, community and educational broadcasters; and of diverse groups, including aboriginal, official linguistic minority, multicultural, and multiracial. From this policy statement, one can conclude that Canada's broadcasting system operates as a public service regulated by a public authority in the public interest. It's a policy initiative that has been more than 60 years in the making.

While the broadcasting acts of 1932 and 1936 don't mention public-interest terms explicitly, they are implicit in the placement of broadcasting under firm public control — a control that includes the power to lease, buy, or expropriate private stations in the national interest (Bird 115). The 1958 act, which established a regulatory body separate from the CBC, tied the awarding of new licenses to the criterion of the "public interest" (Bird 273). Both the 1968 and 1991 acts state that conflicts between the objectives of the CBC and the interests of other broadcasting undertakings in the system will be "resolved in the public interest" (Bird 375).

While it's evident that the concept "public" is fundamental to these acts, who and what "the public" is in broadcasting policy or

what means are used to determine the "public interest" isn't self-evident at all. What is even less clear is the nature of the relationship between particular interests and the public interest in broadcasting policy.

### **I.1 Problem**

The particular interests that have been inscribed in the current broadcasting policy are indicators that a certain conception of the "public interest" has been constructed. The legislation has identified the current terms of reference that spokespersons for various interests must employ in their discussions about the application of broadcasting policy. These terms have set the stage, and various interests — both those which have been inscribed directly or indirectly and those which haven't been included in the policy — will advance their interpretations of how the broadcasting policy should be applied or changed. The policy has already placed some interests centre stage.

As the various "interests" fall into a particular configuration, a host of questions emerge. Why were some interests privileged over others? How did certain interests become equated with the public interest? Who articulated the broadcasting policy, and, hence, the public interest? At what sites, if any, can the policy or its application be modified to accommodate other interests? Are there underlying principles that have framed the current construction of the public and its attendant interests in broadcasting policy?

In the literature on Canadian broadcasting, interests are most often cast in terms of "private" and "public" (Peers, Raboy, Vipond).



There is some justification, rooted in history, which may explain this categorization. The fact that Canada adopted a dual-model approach in setting up its broadcasting system, instead of one that absorbs both private and public elements, may have predisposed historians and media theorists to employ these terms to classify the various interests in Canadian broadcasting. However, the framing of interests as either private or public may, in fact, obscure the role that particular interests have played in formulating Canada's broadcasting policies — policies based on a conception of "the public" and the "public interest."

Marc Raboy's Missed Opportunities provides an important critical perspective on these issues. He reviews the concepts of "the public" and the "public interest" in a theoretical study which spans 60 years of Canadian broadcasting history and which takes a close look at developments in Québec. Raboy argues that Canada's national interest has defined the public interest in broadcasting policy, and the public interest, in turn, is driven by the private interests of capital and state power. A conception of the state as the institutional embodiment of the public interest, he says, "tends to obscure the actual role of the state as the promoter of particular private interests, and obscures the fact that as a pivotal social institution, the modern state has its own particular private interest" (336).

This critical interpretation of the public interest in Canadian broadcasting policy was the subject of Raboy's doctoral thesis, in which he set out to investigate, among other hypotheses, whether a mixed economic broadcasting system would "consistently favour the 'private' sector at the expense of the 'public' " (Broadcasting 801). In

determining that it did, Raboy also discovered that contradictions exist between the interests of the state and of private capital that "may cause one or the other aspect to be dominant at any given point in time, and in the course of conflict between economic and political interests, emancipatory spaces for public media will occasionally open up" (Ibid.). These emancipatory spaces have either been overlooked or only partially accessed and have resulted in a 60-year track record of missed opportunities. The bottom line for Raboy is that social and cultural objectives have taken a back seat to political and economic concerns (Broadcasting 748).

Raboy's focus is the democratization of the media. He calls for the creation of "new social spaces between the state and the economy" that rely on "emancipatory communication" (Broadcasting 805). Within these spaces "the different constituent elements of the public can articulate their needs and entertain a reasonable expectation of obtaining meaningful results" (Missed 357). However, Canada's history of communication suggests otherwise. Public service broadcasting has been "rooted in national policies, state corporations, and market relations," his thesis concludes (Broadcasting 803). In the late 1980s, political and economic concerns continued to drive broadcasting policy, according to Raboy. He wrote, at the time, of "the need to recentre broadcasting decision making in the public sphere" (Missed 339) — an ideal social space, conceptualized by Jurgen Habermas (The Structural Transformation of the Public Sphere) which will be elaborated in Chapter One.

## I.2 Purpose

This thesis seeks to uncover how the public interest was fashioned in Canada's broadcasting policy between 1929 and 1932. It asks why were some interests privileged over others; in other words, how do these interests become equated with the public interest? Raboy's claim that the public-interest element within Canadian broadcasting is based upon the private interests of the state, as well as of the capitalist economy, suggests an answer.<sup>1</sup> It's an answer that some may find disturbing for many reasons, not the least of which is the challenge it poses to the popular perception, nurtured since 1929, that broadcasting in Canada caters to the public interest.

The conclusion that Raboy has reached, however, is the anticipated consequence and the inherent strength of critical analysis. His study reveals the role that national-unity and private-enterprise issues have played in drafting broadcasting policy and it identifies the particular interests of the state and corporate capitalism, which articulated these issues as public-interest concerns. A cursory application of this finding to the 1991 legislation reveals correlations between Raboy's conclusion and the current broadcasting policies.

In the last decade before the third millennium, Canada's broadcasting system remains dedicated to delivering a "public service essential to the maintenance and enhancement of national identity and cultural sovereignty" (Art. 3.1.é). Its programming should "include a significant contribution from the Canadian independent production sector" (Art. 3.1.i-v). Private networks are

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<sup>1</sup> The needs and interests of the capitalist economic system will be referred to hereafter as capital.

asked to "be responsive to the evolving demands of the public" (Art. 3.1.s), and distribution undertakings (cable) are asked to "give priority to the carriage of Canadian programming services" (Art. 3.1.t-i). These are to be carried out, however, "to an extent consistent with the financial and other resources available to them" (Art. 3.1.s). The national public broadcaster, for its part, should offer programming that contributes to "shared national consciousness and identity" (Art. 3.1.m-vi) and that reflects "the multicultural and multiracial nature of Canada" (Art. 3.1.m-viii).

According to Raboy's analysis, the absence of social spaces in the broadcasting policy process has, in effect, privileged the interests of the state and of capital in fashioning the public interest. Social spaces enable segments of the public to express their needs and to participate in formulating the public interest; they exist between the state and the economy. These concepts, as presented by Raboy, provide a departure point from which to examine how the public interest is fashioned in broadcasting policy and why some interests are privileged over others — the focus of this thesis.

The privileged position that the particular interests (political and economic) of the state and of capital have had in formulating the public interest suggests that other interests (social and cultural) have been either poorly represented or squeezed out of the policy-making process. It also implies that social spaces have either not existed or have been so poorly constituted that they have been relatively ineffective in influencing broadcasting policy. These point to the need to examine (1) the policy-making process for broadcasting and the types of interests that have acted within that process and (2) the

type of social spaces that have existed around the policy-making process for broadcasting.

This thesis will investigate how the public interest has been fashioned in Canadian broadcasting policy through an examination of (1) the interests that competed to define it, (2) the policy process that privileged it, and (3) the social space that may, or may not, have influenced it. To do so, theoretical models that describe state functions and the policy-making process and that provide insight regarding the formation of social spaces must be examined. In addition, studies and histories of broadcasting, focusing on the period under study, must be reviewed.

### **I.3 Significance**

The time frame selected to examine these issues is the period leading up to the promulgation of the first broadcasting act, 1929 to 1932. This period was selected for two reasons. First, the policies developed during this era suggest that a social space existed which influenced the fashioning of the public interest in the 1932 legislation. Second, the Canadian Radio Broadcasting Act, and the debate that shaped it, identified the issues and established the principles that have framed subsequent developments in broadcasting policy. A clear understanding of the issues and policies of 1932 provides a reference point from which to examine the evolution of those policies in later legislation. The operation of any state system must be understood in terms of its past political strategies and struggles (Jessop 261).

## I.4 Review of Literature

In State Theory: Putting States in Their Place, Bob Jessop outlines a strategic-relational approach that provides complex descriptions of the state and its functions. This approach will be employed here to examine how the state formulated its broadcasting policy in 1932. The general interest, which the state defines, always privileges some interests, while marginalizing others. This concept furnishes some insights about the various interests that competed to define the public interest in the 1932 Broadcasting Act.

The policy-making process in Canada has been thoroughly analysed by A. Paul Pross in Group Politics and Public Policy. In it, he offers a uniquely Canadian study of pressure-group activity over the last century. Pross identifies the characteristics that indicate a group's policy capacity. This is particularly useful for examining the interest groups that sought to influence the policy-making process for broadcasting in the early 1930s. These groups formed part of an "attentive public," a concept that Pross devised, which also parallels the notion of the public sphere.

The public sphere is an ideal conception proposed by Jurgen Habermas in The Structural Transformation of the Public Sphere. This sphere consists of "a public of organized private people." An operative public sphere means that political authority is being rationally exercised according to the general interest. In this sense, the public sphere offers a social context from which to view the interest-group activity that Pross describes. It also provides the theoretical framework within which to consider how the public interest is fashioned in policy making, a concern of this study.

These theoretical models provide the framework within which to examine the interests, the social space, and the policy process that generates legislation in the public interest.

The period studied in this thesis spans three years, from 1929 to 1932. The primary sources that will be used are the Summary of Evidence of the Special Committee on Radio Broadcasting and the briefs that were presented. These are located in the National Archives of Canada. Other primary sources are the House of Commons Journal (1932), which contains the broadcasting debates and the minutes of the special committee, and the 1932 Canadian Radio Broadcasting Act.

There is a modest but fairly complete corpus of broadcasting history in Canada upon which to draw. Austin Weir and Frank Peers have each produced authoritative accounts of the first three decades of Canadian broadcasting. Weir, who had worked for the CBC from 1937 until 1956, provides an "insider's" account. He constructs an early history of radio, particularly the CNR initiatives, in his 1965 work The Struggle for National Broadcasting in Canada. Peers, too, had worked for the CBC (15 years), but he writes from the perspective of a political scientist. His account, The Politics of Canadian Broadcasting 1920-1951, was published in 1968.

This study is indebted to the work of two communications historians: Rev. John O'Brien, SJ, and Mary Vipond. O'Brien's unpublished thesis, "A History of the Canadian Radio League 1930-36," furnishes a detailed and invaluable look at the role of this group in formulating Canada's broadcasting policy. In addition, the first decade of broadcasting in Canada has also been fully documented by

Mary Vipond in Listening In. Here, Vipond lays out the broadcasting issues of 1922-'32 with methodological rigor and provides new insights into the role that private broadcasting filled before the era of public ownership. To establish the general historical context of this period, John Thompson's Canada 1922-1939: Decades of Discord was consulted at length. These aforementioned works contain some references to the term "public interest," but there is limited analysis of the concept.

To complete this core material for Canadian broadcasting are Marc Raboy's works: his unpublished thesis "Broadcasting and the Idea of the Public: Learning from the Canadian Experience," and Missed Opportunities. Both works draw upon the previously cited material and complete the historical account up until the mid-1980s. There is an essential difference, however, between Raboy's writings and the others cited. Raboy recounts the evolution of Canada's broadcasting system from a "critical" perspective. Utilizing Habermas' concept of the public sphere, which Raboy recasts as a social space, he proposes a framework from which to evaluate the democratic impact of public broadcasting. He also pin points the roles that "private" and "public" interests have played throughout 60 years of broadcasting history.

These comprise the major works that were consulted in examining how the public interest was fashioned in the 1932 Broadcasting Act.



## I.5 Limitations

This study has two inherent limitations that must be noted: theoretical and methodological.

The theoretical framework for this thesis relies heavily upon critical theorists (Fraser, Garnham, Habermas, Jessop), and, in particular, Marc Raboy, whose critical dimension in the study of Canadian broadcasting history has advanced our thinking about broadcasting issues. While this thesis may make a modest contribution to that field, it is not conceived as a critical study, but rather as a qualitative one. The aim of this thesis is to generate some insight about how particular interests participate in formulating the public interest in broadcasting legislation. As such, it required taking distance from the interests and resisting such categorizations as "private" and "public" interests. It also meant that the issue of democratization of the media, while critically important, is not central to this study, although it is briefly considered in the last chapter. This thesis has used Raboy's work as its starting point but it has a different research focus.

Second, the conclusions that are reached regarding the interests privileged in the 1932 Broadcasting Act are derived from quantitative analysis. (This is employed in Chapter Two, which is outlined in the following section.) However, due to the limitations of the primary sources, this analysis is limited in its empirical validity. It is employed here to bring systematic evaluation to a field of inquiry that is essentially qualitative. The conclusions that are drawn, therefore, will endeavor to respect these limitations by making general, rather than specific, observations.

## I.6 Chapter Organization & Methodology

This thesis employs several analytical instruments, each of which is particular to a chapter.

In this study, I assume that legislation, either implicitly or explicitly, articulates some definition of the public interest, which has been fashioned through some system of policy-making. In this policy process, various interest groups compete to define the public interest. Notions of the general interest, how it is fashioned, and where it is formulated are discussed in **Chapter One**, where a theoretical framework is examined which considers the roles of pressure groups, of an attentive public, and of the state in fashioning the public interest.

**Chapter Two** reviews the period under study, which begins with the publication of the report of the Royal Commission on Radio Broadcasting (Aird report) in September 1929 and concludes with the passage of the Canadian Radio Broadcasting Act in May 1932. To examine the public-interest component of this legislation, this study considers three aspects that can influence the fashioning of the public interest: (1) the groups or individuals who publicly articulated a position on broadcasting and participated in the policy process, (2) the policy-making process that resulted in the passage of the legislation, and (3) the type of social space that formed around the broadcasting debate.

Identifying the groups, and their positions regarding broadcasting, presented the greatest challenge. While many summaries outlining the major positions taken by leading groups have been written (O'Brien, Weir, Peers, Raboy, Vipond). I could

uncover no comprehensive list of interest groups or of the various positions they adopted regarding the organization of broadcasting in the early 1930s. To compile such a list, I treated the 1932 parliamentary hearings on radio broadcasting as the culmination of the three-year public debate that had been launched by the Aird commission. The hearings were held between March 11 and April 21, 1932. The three-year debate provided adequate public notice to interested parties that a public discussion was in progress; the parliamentary hearings made that discussion formal. A list of the 55 witnesses appearing before the committee and of the briefs submitted were obtained from the minutes of the committee (HOC, "Minutes" v-vi). These represented 45 groups or individuals; the list is presented in Chapter Two.<sup>2</sup>

To identify the various positions of each group and to trace their evolution in policy, content analysis was employed. There are three primary sources of evidence: the minutes of the parliamentary committee, the summary of the minutes, and the briefs filed with the committee. This study chose as its unit of analysis the "Summary of Evidence," which lists the principal points made by each witness drawn from more than 700 pages of testimony filed by the committee. This source was selected for analysis based on two assumptions. First, it appeared that the committee was more likely to consult its 61-page summary than the 700 pages of testimony when it prepared its report. Their report was filed May 9; the hearings had

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<sup>2</sup> Both the summary and the minutes record that six briefs were included, however, only four briefs are common to both lists. All the briefs listed in the minutes have been included in the analysis; the two additional briefs that were included in the summary, stations CHWC and CFCH, have not been included in this study.

concluded just two weeks earlier. Second, the summary serves as the committee's synopsis of the positions that the interest groups advocated. Whether or not the summary is an entirely accurate account of those positions does not alter the fact that it probably influenced the legislators and civil servants who drafted the committee report, and was a tool in fashioning the public interest. Even if the summary was not employed in this manner, it still provides an official record of the positions that groups appearing before the committee offered for consideration.

Briefs that were presented at the hearings were also examined. However, the testimony reported in the House of Commons Journal (1932) was not examined in great detail. As stated earlier, the unit of analysis used to locate the groups' positions and to identify the committee's perceptions was the Summary of Evidence. The minutes could have been helpful in clarifying positions, but they were not very accessible.

After examining the summary and noting the various positions taken by diverse groups, a list of issues was developed which corresponded to the positions offered. These issues were grouped under the following headings: ownership, operation/regulation, controls, funding, advertising, accessibility, programming, and national autonomy.<sup>3</sup> The central role that the issue of ownership occupied in the testimony led to a decision to create clusters based on this issue. The witnesses were grouped under one of three cluster headings: private ownership, public ownership, and non-declared.

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<sup>3</sup> Two issues that emerged were education and local stations. Education was broadly referred to by the majority of groups and did not appear to be a contentious issue. It is not treated in this study. The role that local stations play will be discussed briefly in Chapter Five.

The latter gathered witnesses who had not identified their position on ownership. In many cases, these represented single-issue groups who addressed a particular aspect of broadcasting, e.g. education.

The groups in each cluster were then coded in order to track the response of the various clusters and of the individual groups within each cluster. This coding (\* public ownership, ⊕ private ownership, ✧ non-declared) revealed patterns of response among the groups.

Although this analysis draws upon quantitative methods, it is not an empirical study. The reliability of the data is conditioned by the sources used. The various positions that groups adopted were deciphered from the "Summary of Evidence" and the submitted briefs available. Identifying a group with a particular position is, under the best of circumstances, a relative assessment, since groups continually adapt their positions to changing circumstances. Further, what a group says in a written brief may be qualified, adapted, or contradicted under questioning. This, indeed, often occurs during committee hearings. In addition, the summary is the report of a recorder and, therefore, is subject to the usual limitations of third-person reporting.<sup>4</sup>

While a group's position can be located generally, research of this nature must always allow that a group may modify its position pending new circumstances, thereby resulting in a more nuanced position. This study relies on the "Summary of Evidence" to determine the positions that various interest groups adopted regarding broadcasting, even when there appears to be a

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<sup>4</sup> Human factors, such as personal disposition, temperament, capability, biases, can affect the accuracy of the recording of evidence.

modification in position presented in another source. An example of such a shift is the position on ownership of the Association of Canadian Advertisers. Using the minutes as a source, Mary Vipond notes that the association "had no point of view on the question of who actually *owned* the broadcasting stations" (italics Vipond's emphasis), although private ownership was preferable (Listening 243). The summary, on the other hand, identifies the association as definitely favoring private ownership ("Summary 31 Mar." 3). So, this study classifies advertisers as private-ownership advocates, even though in the minutes their position is nuanced. In any case, as previously noted, this research must allow for the realignment of positions taken by particular groups. That, however, does not critically affect the analysis undertaken, since the adjustments of any one or two positions does not radically alter the results obtained and the conclusions drawn. Further, with the additional information supplied by the briefs and numerous secondary sources, I feel confident that the analyses, which follow in Chapter Two, generally reflect the positions that the various interest groups had advocated.

Content analysis was employed to trace the evolution of policy. For each of the issues under consideration, the policy recommendations that had been made by the Aird commission and by the parliamentary committee were identified. The article in the 1932 act that addressed the issue was also presented, so that comparisons could be made.

Through the identification both of the interest groups and of their positions on particular issues, it was possible to identify which

groups influenced and which positions were privileged in the 1932 Broadcasting Act.

In **Chapter Three**, the interests at work in the groups that participated in the parliamentary hearings are uncovered. Drawing upon theoretical and historical analyses, the operation of the Canadian state in the 1930s was examined. This included consideration of its organizational as well as its substantive forms, with particular emphasis on examining the state project. My analysis led to a discussion of the particular interests of the state and of capital, and it considered the role of sociocultural interests. The chapter concludes with a broad classification of the interests that competed to influence the broadcasting policy process and to define the public interest.

Through comparative analysis, the effectiveness and role of two interest groups, who participated in the 1932 policy-making process, were examined in **Chapter Four**. The Canadian Radio League and the Canadian Association of Broadcasters, both lead groups, were assessed to determine their level of political salience and policy capacity. These qualities enhance a group's effectiveness in the policy-making process. The two groups were examined according to four criteria: membership, resources, structure and outputs (Pross). These characteristics indicate a group's political salience and policy capacity, and, therefore, their degree of influence on the policy-making process.

Interest groups, who participated in the 1932 policy-making process, formed part of an "attentive public."<sup>5</sup> That public was part of a larger social community that had formed around the issue of broadcasting. This thesis names this community the "social space" around broadcasting. Chapter Five examined this social space and compared it to an ideal conception, the public sphere. Four criteria enable a social space to approximate a public sphere: universal access, rational debate, compromise or consensus, and objective agreement based on universal norms. The social space around broadcasting was examined according to these four criteria.

The **Conclusion** reviewed the claims that have been made about the role of Canadian pressure groups in fashioning the public interest in the 1932 Broadcasting Act. It also raised questions about the utility of the terms "private" and "public" when examining interests in Canada's broadcasting policies, and it argued that the complexity of the policy process suggest that new typologies need to be devised with which to theorize the field of broadcasting study.

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<sup>5</sup> Paul Pross develops the concept of the "attentive public," which functions as a policy-review catalyst in the policy community. This will be elaborated in Chapter One.



## CHAPTER ONE: IN THE INTERESTS OF SOCIETY

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## **1.1 Introduction**

To uncover how the public interest has been fashioned or inscribed in a particular public policy requires an examination of:

- the state, and its organizational and substantive forms, wherein public policy derives;
- the economy, which is distinct from the state, but nevertheless relies upon it to secure the conditions for the reproduction of capital;
- the society, which provides the social bases both of support for and of resistance to state power and which nurtures the political public sphere, and
- the policy process, wherein various interests, representing needs of the state, the economy or the society, participate in policy making and fashion the public interest.

This chapter will consider several theoretical formulations which address these elements. These will be employed to establish a theoretical framework with which to examine how the public interest is fashioned in public policy. Bob Jessop's work on state theory, Jurgen Habermas's concept of the public sphere, and Paul Pross's analysis of the Canadian policy-making process will be reviewed.

## **1.2 Affairs of State**

Any discussion of the public interest must include a discussion of the nature of the state and of its organizational and substantive forms, from which notions of the common interest or general will are derived.

In State Theory: Putting States in Their Place, Bob Jessop proposes that the state is "a strategically selective terrain which can never be neutral among all social forces and political projects" (353). Any bias the state exhibits is "always tendential and can be undermined or reinforced by appropriate strategies" (Ibid.). These strategies are conceived by the ever-changing balance of forces which act both within and beyond the state.

This brief account is drawn from the strategic-relational approach which Jessop adopts to examine the role of states (360-2). The theorist places his study of the state within the context of a theory of society. According to this view, the state is a system within society; it is interdependent with other systems, e.g. the economic, the cultural, the religious. Yet, the state is required to secure conditions in which the interdependent systems can thrive. To accomplish this, the state must exist in each historic period with a degree of relative unity; this is achieved in part through state projects. The exercise of state power, however, is activated through political forces acting in specific junctures, both within and beyond the state "institutional ensemble." The result is a terrain of "unequal chances" for different forces espousing political purposes, or "the strategic selectivity of the state system." But the state is dependent upon other subsystems as well, so the power it exercises is relational. This means that the state depends on structural ties with "its encompassing political system, the strategic links among state managers and other political forces, and the complex web of interdependencies and social networks linking the state system to its broader environment" (Jessop 365-7).

Jessop adopted this strategic-relational approach after failing to find a well-formulated theory of the state in Marxist theory. In a sweeping review of Marxist thought, Jessop observes that the classic theorists (Marx, Engels, Lenin) offer "historical generalizations and political insights," but no "well-formulated, coherent and sustained theoretical analysis of the state" (Jessop 29). He reviews theories that cast the state: (i) in the role of ensuring profitability through income distribution, an instrument of capital (neo-Ricardian); (ii) as the "ideal collective capitalist," ensuring the economics of competition ('capital logic' school) (35); (iii) as essentially interventionist, whose functions change to accommodate the class struggle over the labor process (historical specificity approach). According to the neo-Gramscian school, the state provides forms of organization and representation that (1) organize the bourgeoisie — whose class unity is threatened by capital competition and (2) organize their political-ideological domination to secure bourgeois hegemony (Jessop 25-44).

While these theories have contributed to knowledge of the modes of production and of their effects on social relations, they do not posit a theory of the state, Jessop concludes (44). To develop such a theory, Jessop proposes using a strategic-relational approach which offers an adaptable theoretical framework within which to produce complex descriptions of the state and its forms.

Jessop offers a broad working definition of the state:

"a distinct ensemble of institutions and organizations whose socially accepted function is to define and enforce collectively binding decisions on the members of a society in the name of their common interest or general will" (341).

This definition, Jessop explains, accounts for common features that characterize states. It allows for a specific form of macro-political organization that has a specific political orientation; it includes links with the political sphere and wider society; and, by reference to the common interest, it acknowledges that contradictions and dilemmas exist in political discourse (341). However, Jessop cautions that for this broad definition to be useful in researching the nature of specific states, six qualifications must be made.

First, account must be taken of the role of institutions and organizations within society that surround the state core and act upon it. Second, to examine the relationship of these organizations to both the state core and society requires knowledge of the groups' social formation and past history. Third, the forms in which the state institutionalizes its political functions will necessarily be based upon political discourses, which may be multiple and mutually contradictory. Fourth, consideration must be given to the means of intervention the state can draw upon. Fifth, it must be recognized that society and its common interest are not empirically set, any more than the state is an empirical given. Sixth, although the state enforces decisions in the name of the common interest, "There is never a general interest which embraces all possible particular interests" (Jessop 342).

### **1.2.A General interest & state projects**

Claims about the common interest are central to the state system (Jessop 341). Even so, these claims represent "the illusory general interest of a divided society" (Jessop 365).

Jessop labels the common interest or general will "illusory" because they are formed on a "strategically selective terrain" — the purview of the state — through a process that marginalizes some interests and privileges others (342). Strategic selectivity precludes the possibility of the general interest embracing all possible particular interests. Further, whenever a consensus of the common interest is formed, there are always structural constraints and resistances which limit the effectiveness of the means chosen by the state to act upon the consensus (Jessop 361). For these reasons, the common interest upheld is labeled "illusory."

This thesis will specifically examine how the "illusory general interest" was fashioned in the 1932 Broadcasting Act. To uncover what comprises this "general interest of a divided society," Jessop proposes an examination of state projects that emerge to promote the general interest and of the changing balance of forces involved (365).

The state is not "a fully constituted, internally coherent, organizationally pure and operationally closed system"; rather, it's an open system, a hybrid marked by contradictions. The state does not possess an inherent or substantive unity; rather, its unity must be intentionally created. It is state projects and practices (policy-making) which impart a measure of internal unity to the "institutional ensemble" known as the state. (Jessop 346).

State projects give operational unity to the state as an apparatus (Jessop 161), providing the state with "operational procedures, means of coordination and guiding purposes" (Jessop 346). Such projects restate the institutional, territorial and national boundaries of the state, as well as its purposes and activities. They

offer "models of state-building which were undertaken at particular points in time" (Jessop 349).

At each historical period, the state core is marked by specific institutions and forms. Since states exist in an ongoing process of formation, Jessop argues that it is insufficient to study a state's institutional building blocks only: "We must consider the 'state projects' which bond these blocks together with the result that the state gains a certain organizational unity and cohesiveness of purpose" (353). In this study, the concept of state projects is particularly useful in identifying the sociopolitical context that existed in Canada during the early 1930s.

### **1.2.B State forms for analysis**

Jessop views the state as an "institutional ensemble," a system which exists in a broader social system, an entity in an ongoing process of formation. That leads him to propose six dimensions with which to produce complex descriptions of specific states. These dimensions incorporate the qualifications he attached to his definition of the state and address issues related to the public interest — the concern of this particular study. The first three deal with organizational forms; the latter, with substantive forms.

1. **Representation** includes identification of both the form of the governing regime and of the various representational roles that exist: political parties, corporatist bodies, social movements and state managers (Jessop 345). Forms of representation have an impact on which interests are strategically selected and which strategies are favored over others (Jessop 161).

2. **Articulation** refers to the internal organization of the state: the distribution of powers, the weight of various sectors of representation, the role of bureaucracy (Jessop 345). It looks at both the vertical and horizontal distribution of power and at the dominance of particular branches of representation (Jessop 161).

3. **Intervention** examines the means the state employs to intervene in civil society and in the economy. Intervention results in a fluctuating demarcation of the boundaries between what is considered the public domain and what is deemed to be the private domain (Jessop 345).

4. **Social bases** of the state refer to the supporting classes, social forces, alliances, principal beneficiaries — in short the stable core of state support in civil society (Jessop 346). Even though there is consensus of opinion that emerges from among these social bases, there is also "resistance underpinning the effectiveness of state power," which results in an " 'unstable equilibrium of power' " (Jessop 161).

5. **State projects** and practices create the internal unity and cohesion that the state requires. They define the boundaries of the state system through operational procedures, co-ordination and guiding principles (Jessop 346).

6. **State discourses** "define the illusory community whose interests and social cohesion are to be managed by the stage [sic] within the framework of a given historic bloc and hegemonic project" (Jessop 346). If effective, global political projects (identified as hegemonic or national-popular projects) create substantive unity (Jessop 268).



Examining these forms can provide a complex description of a particular state and its selective strategies and will be employed in this study to examine the state's role in formulating Canada's first broadcasting act.

### **1.2.C Non-state forces**

Jessop locates the state as a system within a broad political system that operates within a wider social environment (365). He notes that there are "various spheres of society" that "have their own distinctive logics and capacities which prevent their direct control by the state" (361). These comprise "non-state forces" and may include "the economy, society, the church or religion, sport, the public sphere;" these spheres can interpenetrate with state institutions and operations (351). This supports Jessop's claim that the state must be analyzed in relational terms, however, it doesn't offer a theory of how non-state forces interact with the institutional ensemble which is the state. Jurgen Habermas's concepts of opinion-forming associations and the intraorganizational public sphere, and Paul Pross's analysis of pressure groups and the policy community furnish some insight into the strategic relationship that exists between state and non-state forces.

### **1.3 Spheres and Spaces**

Habermas' concept of the intraorganizational public sphere is an attempt to reintroduce into the current political system a process that worked for non-state forces in the early nineteenth century. Needless to say, such a project generates numerous questions and

critiques, which can make its utility for research purposes problematic (Eley, Fraser, Garnham, Hohendahl). The concept is, however, central to this study for three reasons.

First, Habermas's concept identifies a space, distinct from that occupied by the state and the economy, where competing interests (including non-state forces) are forged into a common interest. Second, the characteristics of that space — which Habermas calls a public sphere — form the basis for Marc Raboy's notion of social spaces. That leads to the concern of this study: to identify whether such a social space existed in the 1920s and '30s and to explore the influence it may have exerted in drafting Canada's initial broadcasting policies. Third, an examination of Habermas's classification of interests that compete in the public sphere offers some insight into the usefulness of the terms "private" and "public" to classify interests in Canadian broadcasting policy studies.

In "Further Reflections on the Public Sphere," Habermas incorporates elements from two decades of work in discourse ethics into his current view of the public sphere (1992). The concern of the former is with the conditions for rational interpersonal communication, the moral dimension of political decisions, and the search for universal norms ("Further" 441-52). It is significant to note that even though the German theorist pursued a different level of inquiry from the sociopolitical direction that marked his earlier work on the public sphere, thirty years later he offers a synthesis that incorporates both — a discourse-centred concept of democracy ("Further" 447). Needless to say, this latest development in Habermasian thought is neither the focus of this study nor is it

necessarily central to it. That is not to say that further development of a theory which combines these concepts — communicative action and the public sphere — can't furnish additional insights into the subject under investigation. For the purposes of this study, which focuses on the notion of social spaces based on the public sphere, consideration of Habermas's conception then and now is necessary.

First, an overview of the concept as outlined in his 1962 work, *Strukturwandel der Oeffentlichkeit*, is presented. This will be followed by a critique of Habermas's formulation, an examination of the concept "intraorganizational public sphere," and a consideration of "interests" as employed by Habermas.

### 1.3.A Overview

Although many theorists have drawn upon Jurgen Habermas' concept of the public sphere (Eley, Fraser, Garnham, Hohendahl, Raboy), there has been vigorous criticism that the sphere's Golden Era — the bourgeois public sphere — was, in fact, limited to a particular gender and social class (Fraser 114; Garnham 43; Raboy, Broadcasting 90) and that he idealizes the bourgeois public sphere (Eley 306).

Despite this criticism, critical media theorists, such as Garnham and Raboy, defend the concept as a useful tool in identifying the strength of democratic principles in broadcasting legislation and policies.

Habermas proposed the concept of the public sphere in 1962 when he published *Strukturwandel der Oeffentlichkeit* (The Structural Transformation of the Public Sphere). He drew conclusions

about the role of the public sphere under advanced capitalism by tracing the sociopolitical developments from the eighteenth century through to the 1950s. Raboy notes that Habermas could not then have anticipated the impact that popular movements, technological developments and economic changes would have upon society and upon his analysis of the public sphere (Broadcasting 84).

(i) Public sphere

For Habermas, the public sphere is "private people gathered together as a public," who engage in rational-critical debate and articulate the needs of society (Structural 176). The sphere's primary function is publicity, that is the exposure of political domination by the public use of reason (Structural 195).

The public sphere is marked by the following characteristics:

- the public sphere is open to all — universal access (Habermas, Structural 85; Garnham 42)
- a public is formed when individuals who enjoy private autonomy (private people) gather for rational-critical debate (Habermas, Structural 74, 107, 128, 222)
- the rational-critical debate produces informal opinions that are the basis of consensus and are formed by a "conscious grappling with cognitively accessible states of affairs ... [and by] the pro and con of a public conversation" (Habermas, Structural 221)
- finally, there exists "the possibility of an objective agreement among competing interests in accord with universal and binding criteria" (Habermas, Structural 234).

The bourgeois public sphere worked, Habermas says, because the particular interests that arose and that would have mitigated against arriving at a consensus for the common good were neutralized because private people formed "a relatively homogeneous public" (Habermas, Structural 179).

(ii) Bourgeois constitutional state

The historical period in which these characteristics were most evident, according to Habermas, is the eighteenth century. He upholds the bourgeois public sphere as a type of benchmark. In this period, private persons who gathered as a public were indeed autonomous individuals, in that they were male property-owners and free to engage in commodity exchange in the evolving capitalist market (Structural 110).

Publicity — the public use of reason to expose political domination — became a social preoccupation for the bourgeois (Habermas, Structural 195). Publicity was effected through the circulation of ideas in published works (press, books, pamphlets) and through various ongoing informal forums for discussion (coffee houses, salons, Tischgesellschaften) (Habermas, Structural 36). The rational-critical debates that took place resulted in the "regulation of civil society" (Habermas, Structural 55).

The main criticisms of the bourgeois public sphere is that the homogeneous "bourgeois" public excluded the vast majority of people — the unpropertied and the uneducated masses. In this respect, this sphere did not wholly embrace the principle of universal access that was implied by publicity.

### (iii) Liberal constitutional state

Initially, the bourgeois constitutional state fell short of the ideal implied by the principle of universality. However, in addressing this shortcoming, the liberal constitutional state into which it evolved sacrificed other essential characteristics that define the public sphere.

The public sphere of the nineteenth century included more classes of people who gathered in a public as autonomous individuals, but the extension of the franchise changed the nature of rational-critical debate itself, because "unreconciled interests ... flooded the public sphere" (Habermas, Structural 133).

"As soon as the mass of non-[property]owners made the general rules governing transactions in society into a topic of *their* critical public debate, the reproduction of social life as such (and no longer just its form of private appropriation) became a universal concern" (italics, Habermas' emphasis) (Habermas, Structural 127). In a public sphere that includes numerous social classes:

"Group needs that could not expect to be satisfied by a self-regulating market tended to favor regulation by the state. The public sphere, which now had to deal with these demands, became an arena of competing interests fought out in the coarser forms of violent conflict. Laws passed under the 'pressure of the street' could hardly be understood any longer as embodying the reasonable consensus of publicly debating private persons. They corresponded more or less overtly to the compromise between competing private interests (Habermas, Structural 132).

The ordered development of the public sphere (rational-critical debate of private people as a public) was cut off in the nineteenth

century because "the horizontal competition among the interests of commodity owners invaded the public sphere via advertising ... and the vertical competition between class interests had also entered the arena of the public realm" (Habermas Structural 192).

(iv) Social welfare state

The enlarged public sphere of the liberal constitutional state evolved into the public (intermediate) sphere of the twentieth-century social-welfare state. This transformation, however, represents a "continuity" rather than a "break with liberal traditions," Habermas argues, for the "social-welfare state was compelled to shape social conditions to continue the legal tradition of the liberal state." Those private realms protected from invasion by the (bourgeois/liberal) state did not provide for "anything that comes even close to equal opportunity in the sharing of social recompenses and in participating in political institutions; these become now explicitly ensured by the state" (Structural 224-6).

Regulation of the press offers one example of state intervention in a previously exempted private realm. As an institution of the bourgeois public sphere, the press was protected from invasion by public authority so that the "expression of opinion by individuals as private people" could contribute to the rational-critical debate. The assumption was that there was equal access to this institution of the public sphere. In the late nineteenth century, the press "became the gate through which privileged private interests invaded the public sphere" (Habermas, Structural 185).

"Equal access to the public sphere" through the press, Habermas observes, "is [now] provided to all other private people

only through the state's guarantee of active interference to this end" (Structural 227). Even so, the end result of "active interference" is a mutual penetration of state (public authority) and society (private realm) and the subsequent collapse of the public sphere of civil society (Structural 232).

In today's social-welfare state, even though there is universal suffrage, private persons do not form a public engaged in rational-critical debate, as, Habermas contends, had existed in the bourgeois constitutional state. Rather, decisions concerning the common good are hammered out between political parties, special-interest associations, public administration and private bureaucracies (Structural 176).

"Organizations strive for political compromises with the state and with one another, as much as possible to the exclusion of the public; in this process, however, they have to procure plebiscitary agreement from a mediated public by means of a display of staged or manipulated publicity" (Habermas, Structural 232).

This staged or manipulated publicity results in the production of informal, nonpublic opinions among private people (Habermas, Structural 245-6) arrived at without the benefit of rational-critical debate. The exercise and equilibration of power takes place outside the public sphere, he states. "The public as such is included only sporadically in this circuit of power, and even then it is brought in only to contribute to its acclamation" (Habermas, Structural 176).

In Habermas' bourgeois constitutional state, society (private realm) and state (public realm) were two separate spheres (Structural 127, 142, 176), and the public sphere provided the link.



In the social-welfare state, the state has taken on many functions of society, and society has taken on many functions of the state, so that what exists is a intermediate sphere (Structural 176) of semipublic, semiprivate relationships (Structural 231).

### 1.3.B Critique

Habermas' concept of the public sphere has three vantage points, Nicholas Garnham says. First, it identifies that there is a sphere in democratic politics which is distinct from the economy and the state. Second, it locates this sphere in historical reality; Habermas doesn't claim it exists in the realm of ideology. Third, it demonstrates that rationality and universality are essential elements in democratic practice (Garnham 43).

While critical theorists, such as Garnham and Raboy, have readily employed Habermas' concept to analyse sociopolitical developments and the role of the media in the advanced social-welfare state, they have found the theorist's application of the concept less useful for reinventing the public sphere in the late twentieth century.

First, the ideal upheld by Habermas — the bourgeois public sphere — was limited to a certain group with particular class interests: male bourgeois (Eley, Fraser, Garnham, Raboy Broadcasting, Ryan). That in itself restricted the concept's applicability to other sociopolitical periods, which are marked by competing class interests and gender issues. Habermas' view that this period constituted the classical public sphere is not shared by these media theorists. Eley concludes that Habermas idealizes the bourgeois public sphere by not

recognizing its inherent élitism and that he ignores other sources of emancipation, such as the peasant and working-class movements. This calls for the recognition of "*competing publics*" (italics, Eley's emphasis) (306). In fact, competing publics or "a multiplicity of publics is preferable to a single public sphere," Nancy Fraser argues (136-7).

Fraser points out that, despite claims of accessibility and equality within the public sphere, participatory parity does not exist in practice. Social inequalities locate participants in "structural relations of dominance and subordination" (120-1). In such a stratified society, acknowledging the existence of multiple, but unequal, publics widens and enhances the emancipatory potential of public debate (Fraser 124). Fraser proposes a typology for these multiple publics: the public sphere of the dominant group and spheres of subordinate, usually disadvantaged, groups, which the theorist labels "subaltern counterpublics" (122-3). The feminist movement formed one such counterpublic. It was a sphere that was excluded from the "official public sphere," Fraser notes (115-6). From the beginning there were counterpublics.

Habermas fully agrees. In his 1992 reflection, the theorist concedes that a different picture emerges of the public sphere "if *from the very beginning* one admits the coexistence of competing public spheres" (italics, Habermas' emphasis) ("Further" 425). He readily acknowledges "the patriarchal character of the public sphere itself," concluding that "unlike the exclusion of underprivileged men, the exclusion of women had structuring significance" ("Further" 427-8). The upshot, Habermas now says, is that these counterpublics

transform the discourses and structures of the public sphere from within ("Further" 429).

This leads to another criticism of Habermas' original formulation: that the emancipation which the public sphere afforded benefited individuals (Garnham 44), while the role of collective emancipation has been overlooked (Raboy, Broadcasting 96).

Raboy says the concept of the public sphere must take into account the "collective identity in advanced industrial societies," which is different from the class society of the nineteenth century. He cites the work of Oskar Negt who had proposed "the idea of a 'collective counter public sphere,' bypassing the notion of emancipation as an individual process" (Broadcasting 96) and as a class struggle (Broadcasting 97). Raboy, and other theorists, were grappling with the phenomena of protest movements in the late 1960s and '70s and their impact on reconstituting the public sphere.

The notion of publics as competing or subaltern, as proposed by Eley and Fraser, address this criticism. Habermas also responds with his conception of autonomous public spheres, organized around opinion-forming associations. For these spheres to represent the sovereignty of the people, Habermas contends that sovereignty "must be uncoupled from the concrete understanding of its embodiment in physically present, participating, and jointly deciding members of a collectivity" ("Further" 451).

Garnham says the casting of emancipation in individualistic terms does not account for the critical role played by knowledge brokers and expertise in the public sphere. Habermas assumes "that all participants possess complete information and engage in all

debates," Garnham observes. Labeling that "wholly unrealistic," Garnham argues that "there is no place in the theory for the social role and power of expertise and expert knowledge nor, and this is crucial, for the role and social interests associated with knowledge-broking" (44-5). He is particularly concerned that Habermas does not adequately account for the role played by journalists and politicians nor by a "central organizing institution within the Public Sphere, the political party" (Ibid.).

In proposing that the public sphere in late-capitalist societies is characterized by the unequal participation of multiple publics, Fraser points to the improbability that a clear demarcation exists between the state and civil society. She suggests the existence of weak and strong publics. Weak publics are concerned exclusively with opinion formation; this is the role usually pursued by associational groups. Strong publics also generate opinion formation, but they are equally involved in decision making as well (parliament) (Fraser 134). The interrelationship between and methods of accountability for these publics have yet to be defined, Fraser notes (136).

### **1.3.C Intraorganizational sphere**

Habermas did single out the bourgeois public sphere as the most "public" of spheres to date, while at the same time, he acknowledged its inherent contradictions: namely, that it did not meet the condition of universality. That contradiction resulted in another form of domination (Structural 87-8). Habermas says bourgeois domination was curtailed, in part, by the extension of the franchise during the nineteenth century (Structural 132) and by the

evolution of the social-welfare state (Structural 224-5). In his 1992 reflection, the theorist steps back from holding up the bourgeois public sphere as normative of the ideal public sphere, as has been noted previously ("Further" 424-5).

Habermas's somewhat pessimistic account of the transformed public sphere in 1962 ends with the observation that the public sphere in a social-welfare state can be constituted through intraorganizational public spheres, "a public of organized private people" (Structural 232). In his 1992 reflection, Habermas proposes the notion of "opinion-forming associations, around which autonomous public spheres can be built" ("Further" 454). This study will draw upon elements from these concepts to identify the type of public sphere that may have formed around the early broadcasting debates.

#### (i) Critical publicity

In the social-welfare state of the twentieth century, Habermas says, the public sphere has been structurally transformed into an intermediate (public) sphere, in which two types of publicity compete: staged and manipulative publicity, and critical publicity. These forms are in conflict, Habermas contends. The extent to which critical publicity is dominant "gauges the degree of democratization of an industrial society constituted as a social-welfare state — namely, the rationalization of the exercise of social and political authority" (Structural 232).

To privilege critical publicity and to re-establish the public sphere in the advanced social-welfare state, Habermas proposed in 1962 that intraorganizational public spheres must be formed

(Structural 248), in which "... a no longer intact public of private people dealing with each other individually would be replaced by a public of organized private people" (Structural 232).

Critical publicity takes place when private people participate "in a process of formal communication conducted through intra-organizational public spheres." An intraorganizational public sphere is formed when political parties and special-interest associations permit an internal public sphere to develop within their organization (Structural 248). An internal public sphere is comprised of the organization's members acting as private people.

Habermas doesn't privilege any particular categories of private people, such as experts or knowledge-brokers, however, it can be argued that the internal public spheres he speaks about would include and require the participation of the persons whom Garnham identifies as central to rational debate in an advanced industrial state.

(ii) Interorganizational public sphere

Habermas says critical publicity can again drive the social-welfare state by the interconnectedness of a public that is formed by the debate within intraorganizational (internal) spheres and that communicates, via the mass media, with societal and state institutions (Structural 248-50). Habermas does not label the communication that results when intraorganizational spheres interconnect with each other, however, it would not be off the mark to label this an *interorganizational* public sphere (italics, my emphasis).

The bases for re-establishing this *interorganizational* public sphere rely upon the same presuppositions of the bourgeois public sphere: "the objective possibility of reducing structural conflicts of interest and bureaucratic decisions to a minimum," and "the possibility of objective agreement among competing interests in accord with universal and binding criteria" (Habermas, Structural 233-4).

On reducing bureaucratic decisions to a minimum, Habermas says the administration in state and society can be made subject to critical publicity through political parties and pressure groups, provided they themselves are "subject to control within the framework of their intraorganizational spheres" (Structural 234). However, it is on the level of competing interests and universal norms that Habermas now says this model has run into difficulty.

The search for universal norms has remained a preoccupation for Habermas, marking the work of three decades (Hohendahl 149). His current discussion of the public sphere offers a synthesis of discourse ethics and critical political analysis, which he argues includes the "appropriate application of norms embodying such general interests" ("Further" 447).

### (iii) Universal norms and general interest

In 1962, Habermas saw the establishment of internal public spheres within special-interest associations and political parties (intraorganizational public spheres) as the best vehicle of critical publicity. The limitation of this model, he now concludes, is that it doesn't account for "that pluralism of irreconcilable interests" ("Further" 440). He proposes a discourse-centred theoretical

approach, based on concepts derived from discourse ethics, which include the possibility of identifying universal norms ("Further" 447) and which supports the creation of autonomous public spheres ("Further" 452). Since universal norms and the conditions for discursive public communication remain Habermas central concern, he doesn't elaborate on the role or utility of intraorganizational public spheres, nor, for that matter, does he elaborate on autonomous public spheres. It appears, however, that Habermas considers the intraorganizational model limited. That may be because (1) the theorist conceives of special-interest associations in very narrow terms, as compared to the broad terms which mark opinion-forming associations around which autonomous public spheres are established, and (2) the modalities in which intraorganizational public spheres can interconnect (to establish an *interorganizational* public sphere) were not developed.

However, nothing in his description of a discourse-centred approach suggests that it cannot, in fact, include *inter-* and intraorganizational public spheres. His description of discursive public communication, for example, calls for "corporatively organized opinion" to remain "*permeable* to the free-floating values, topics, topical contributions, and arguments of the *surrounding* political communication," which take place "within a public sphere that is not geared toward decision making but toward discovery and problem resolution and that in this sense is *nonorganized*" (italics, author's emphasis) ("Further" 451). This description, which is remarkably similar to Paul Pross's outline of the attentive public, can serve to define the operation of internal public spheres and does not exclude



an *interorganizational* public sphere from generating the corporatively organized opinion which is needed for rational decision-making.

In revisiting the concept of critical publicity, Habermas says this publicity consists of "self-regulated, horizontally interlinked, inclusive, and more or less discourse-resembling communicative processes supported by weak institutions" ("Further" 437). This description also fits the model of an internal public sphere, particularly for special-interest associations, such as those which participated in the early debates about broadcasting in the 1930s.

In the end, Habermas refers to "opinion-forming associations, around which autonomous public spheres can be built up." They are different from political parties, he says, which are part of the political administrative system, but they have "a political impact via the public media because they either participate directly in public communications or, as in the case of projects advocating alternatives to conventional wisdom, because the programmatic character of their activities sets examples through which they implicitly contribute to public discussion" ("Further" 454). Among the voluntary unions, which can act as opinion-forming associations, are churches, cultural associations, independent media, sport and leisure clubs, groups of concerned citizens, petition campaigns, occupational associations, political parties, labor unions, etc. (*ibid.*). Certainly, it can be argued that these groups also act as special-interest associations or "organized groups of private people," which can function as an internal public sphere — the basis of an *intraorganizational* public sphere.

Habermas proposes autonomous public spheres to accommodate the discursive process, which lends itself to identifying general interests and norms. According to Peter Uwe Hohendahl, this latter requirement poses an unnecessary limitation upon the Habermasian concept. He argues that "rational debate does not have to be based on demonstrative universal norms" (154). Instead, he proposes that a rationality derived from a local context could suffice where "overarching norms of rationality" aren't readily applicable. It's not a guarantee that a consensus will evolve, he notes, but it does offer "a comparative analysis of needs and values so that a compromise can be reached" (Ibid.).

This lengthy discussion demonstrates the difficulty of establishing the conditions that support the creation of a public sphere. Simply stated, the public sphere is an ideal conception. Everyday public debate, which should take place in such a sphere, is conducted under conditions that are anything but ideal. The public debate that takes place around an issue, at best, reflects the ideal public sphere. These reflections of the public sphere, I've termed social spaces for the purposes of this study. It is within these social spaces that "organized groups of private people" and "opinion-forming associations" gather for public debate. These concepts will be used to examine the type of social space that evolved around the broadcasting debate of the early 1930s.

#### **1.3.D Private or public interests?**

The relationship between private interests and the public sphere in Habermas' formulation requires careful scrutiny.

Habermas does not frame his discussion in terms of private interests and public interests, as though each represented an opposing set of interests that were in a proportional relationship to each other. Rather, he employs the terms private interest and general interest, which function, theoretically, at different levels: the former in the private realm of civil society, the latter in the political realm of the state.

One might argue that the terms "general" and "public" could be used interchangeably i.e. general interest = public interest. However, I suspect that this would cloud the relationship that Habermas constructs between the interests of private people and the public sphere.

Habermas uses the term "private," usually, to refer to the interests of the bourgeoisie as property owners. The interests of the bourgeoisie as human beings, which are, in effect, the interests of the bourgeoisie class, are classified as a "common interest in the preservation of a civil society as a private sphere," i.e. a society where private interests are protected (Habermas, Structural 87). These class interests, "via critical debate, could assume the appearance of the general interest," which, indeed, they did (Habermas, Structural 88).

In Habermas's view, the modern "public sphere" was found in the private realm of the eighteenth century, because "it was a public sphere constituted by private people" (Structural 30).

Those private persons brought two roles, and, consequently, two sets of interests, into the rational-critical political debate: that of property owner and of human being (Habermas, Structural 56).

However, the "private interests" of property owners, according to Habermas, "were neutralized in the common denominator of class interest" (Structural 179). These class interests, in turn, framed the "general" interest. If class interests subsumed "private" property interests on one hand, yet articulated the "general" interest on the other, where is the demarcation point? Habermas doesn't say, which leads to a theoretical casting of the public sphere, as constituted in the eighteenth and early nineteenth centuries, as a sphere of private persons, with particular interests, engaged in critical-rational debate about what they believed was in the general interest of all. In this presentation, when private persons gathered in a public sphere, engaged in rational debate, represented their interests, and arrived at a consensus or compromise, it was assumed that they acted in the interest of all (general interest).

This formulation accounts for Habermas' later observation that in the nineteenth century, when consensus couldn't be reached because "organized private interests invaded the public sphere" (Structural 179), compromises were made "between competing private interests" (Structural 132).

Raboy states that "Habermas referred to these as 'private' interests for the sake of consistency, but the point was that the dominant interests continued to speak in the name of 'the public', essentially denying the class character of society" (Broadcasting 86). Setting aside the argument that dominant interests spoke in the name of the public, the claim that "consistency" necessitated Habermas' use of the term "private" to describe general (class) interests competing in the public sphere seems out of character for

the German theorist. Do these "organized private interests," related to class, represent the "general interests" of a competing plebeian public sphere? That is what Habermas suggests in his 1992 reflection ("Further" 425-7). With his revised formulation, it can be argued that a "private" class interest is in the "general" interest of a counterpublic sphere, which competes with the dominant public sphere for the articulation of the "general" interest.

Habermas' 1992 reflection also focuses on the process through which interests, whether they are particular to individuals, groups, or classes, evolve into general (public) interests, through consensus or compromise and are based on universal norms. The approach emphasizes that an "orientation to the common good" is the result of formal and informal processes of "organized opinion formation" ("Further" 449-552), and not the result of "public" interests triumphing over "private" interests.

Nancy Fraser points out that some so-called "private" interests are structurally determined to serve the interests of dominant groups. Labeling interests "private," and therefore removed from the public sphere, can serve to restrain an interest from acquiring a "general interest" status, e.g. wife battering; or it can serve to protect an interest from acquiring that status, e.g. workplace democracy (130-2).

This suggests, I propose, that the current use of the terms "public interest" and "private interest" to denote interests that are clearly delineated and necessarily opposed to each other is an inadequate model to gauge the strength of the public sphere at any given moment in modern history. This raises a fundamental question:

Does use of the term "private" to categorize a type of interest obscure the role of various interests in articulating the public interest?

"Private" when used to describe "interests" could denote economic interests (which may or may not serve the public interest), or individual interests of private people (which could be self-serving or altruistic), or particular interests of a group (not necessarily economic, which may serve the public interest but not be recognized as such). To employ the terms "private interest" and "public interest," without clearly defining the parameters of each and their relationship to one another, can lead to various interpretations and, consequently, to various conclusions.

For this reason, in examining the role of interests in formulating Canada's first broadcasting policies, all interests in this study will be referred to simply as "interests" without specifying whether these are "private interests" (economic, particular, class) or "public interests" (social, collective, altruistic). The term "general interest" will replace the phrase "public interest," except where the latter term is used in policy statements. These operational terms will bring greater clarity to this study of Canada's broadcasting policies and its notions of the general interest, particularly since, from the outset, broadcasting policies have provided for both public and private elements within a single system.

#### **1.4 Interests in Action**

Jessop acknowledges that non-state forces and interests act both from within and beyond the state to influence policy and projects. Habermas identifies a site distinct from the state and the

economy (intraorganizational public sphere) where non-state forces meet to consider what is in the interest of all. Neither theorist, however, tackles how these interests influence and become infused into the state's policy-making process.

In Group Politics and Public Policy, A. Paul Pross examines interests, pressure groups and the Canadian political system. Pross' field of study is public policy and the role played by pressure groups. He divides all interests, which can have the potential to affect policy, into three groupings. Interests that are shared, held in common, mobilized and organized into a group are called **formal interest-groups** or pressure groups. Interests that are shared, held in common, but not formally organized are called **solidary groups**. Outputs from this grouping (e.g. survey responses) take the form of individual or cluster responses, but the group's influence is largely indeterminate. Interests that are not yet recognized as shared, but could be mobilized under specific circumstances, are called **latent interests**. "Policy-makers are aware that latent interests are potentially able to achieve self-consciousness and eventual mobilization, and that once they are set in motion their political impact is incalculable" (Pross 6). Although, Pross' study focuses on the interests of pressure groups, he points out that both solidary and latent interests, as perceived by policy-makers, represent a part of the public "that can be mobilized into political action should its interests not be accommodated in public policy" (9).

#### 1.4.A Pressure groups

"Pressure groups are *organizations whose members act together to influence public policy in order to promote their common interest*" (italics, author's emphasis) (Pross 3). This definition points to the most distinguishing feature of pressure groups: they seek "to influence those who hold power rather than to exercise the responsibility of government" (Pross 4). Other characteristics of formal interest-groups are: the reliance on persuasion, the level of organization, and the ability to articulate and aggregate common interests. Pross offers three principles of categorization to evaluate interest-group typologies (92). Consideration must be given to:

- the inherent characteristics of a group which can be employed to exert influence (membership size, economic status, etc.) — political salience;
- the group's ability to devise and implement strategies intended to influence (policy capacity); and
- the group's level of institutionalization.

Institutionalization is a process whereby a group's interests (claims) have been identified, articulated, modified, and incorporated into its ideology, culture and operating structure. If society responds positively to these claims through policies or agencies, it can be said "that the group's values are considerably institutionalized in the society" (Pross 96). A negative response could indicate that the group's claims are rejected by society, or that society has not, as yet, institutionalized the values upon which the group's claims are based.



Institutionalization is at the high end of the continuum that Pross devises to trace the developmental stages of interest-group formation: nascent, fledgling, mature and institutionalized (100). In this typology, interest groups display varying levels of policy capacity and institutionalization; they also have varying inherent characteristics. Nascent groups are organizations in the process of formation. A group forms around shared interests and mobilizes members, but the group does not have a developed organizational structure (protest groups). Nascent groups evolve into fledgling organizations when they develop structures to ensure continuity. They adopt proactive as well as reactive responses by setting up structures to co-ordinate policies and activities. Mature groups display greater organizational complexity; they monitor policy development, intervene regularly in the policy process, and have a professional staff (Pross 98-9). At the end of the continuum are institutionalized groups which display more than "organizational sophistication" (Pross 95); they relate as an institution to the policy institutions they seek to influence.

To locate groups on the continuum, Pross proposes an examination of four features that indicate a group's political salience and policy capacity. They are: **membership** (size, representation, expertise, and connections); **structure** (in terms of capacities to articulate and aggregate interests, to develop strategies, to mobilize members, and to participate in coalitional groups); **resources** (human, financial, and material [tangible]; leadership, internal cohesion, track record, public reputation [intangible]); and **outputs** (range of external activities — newsletters, releases, policy positions).

These furnish indicators that must be applied in combination- to evaluate a group's level of institutionalization (Pross 101-12).

Although Pross proposes this typology to categorize interest-group development at particular junctures, he finds evidence in political history to suggest that it also describes the evolution of interest groups in Canada. The late nineteenth century saw the emergence of groups that were generally nascent or fledgling, coming together for a particular purpose and then disbanding. In the early twentieth century, groups began to acquire policy capacity. They were not highly institutionalized, for the most part, but they did develop lobbying skills and set up national ties. Fledgling groups matured. During the era of the "mandarins," from the 1930s on, established groups developed complex organizations and technical expertise with which to communicate with government leaders and bureaucracy. Many became fully institutionalized during this period (114-5). In different policy fields, interest groups formed having varying levels of political salience, policy capacities and institutionalization. This created a specialized community which articulated and aggregated interests and which acquired specialized knowledge, including knowledge of the policy system. In this development, Pross suggests that:

"Society permits specialized publics to dominate decision-making in sectors of policy where they have competence, interfering only when larger concerns must take precedence, when systemic or technological change necessitates intervention, or when conflict within the special public spills over into the larger political arena.

Two terms are commonly used to describe these specialized publics: policy communities and networks" (118-9).

#### **1.4.B Policy communities**

A policy field activates interests; it includes those directly and indirectly affected, those likely to benefit as well as those likely not to, those who perceive their related interests will be affected as well as those who have an abiding interest in the policy area. Similar interests tend to form networks within a policy community. This is one aspect of a specialized public. The other is the policy community itself, which consists of two segments: the sub-government and the attentive public (Pross 119-20).

The sub-government is the policy-making body, a strong public. It usually comprises a small, close-knit group that includes the lead government agency, top political leaders and those institutionalized interests whose advice and support are essential to policy formation (Pross 121). The sub-government can keep policy-making stable and routine, which serves to minimize interference (Pross 126).

The attentive public, which includes mainly weak publics, gathers all those interests (government agencies, private institutions, pressure groups, individuals) who are affected, or interested in, the policy being formulated but are not included in the sub-government. This public works to influence policy-making and in so doing sets up "a perpetual policy review process" for the sub-government (Pross 122). At times, external circumstances — such as technological innovations, economic downturns or shifts in public mood — will overload the sub-government's routine approach to policy-making.

"At this point the attentive public becomes influential. Interventions from it draw attention to inadequacies in policy, force the pace of change, and introduce new blood and new ideas. They shake up the policy community. Policy debate broadens as levels of conflict rise, so that eventually central issues may be taken out of the hands of the sub-government and the policy community and resolved at the highest political levels" (Pross 126).

The concept of policy communities, as specialized publics, share some common characteristics with Habermas' notion of an intraorganizational public sphere. Habermas says that specialized groups and political parties must establish internal public spheres in which private members, through rational discourse, arrive at a consensus or compromise of what is in the interest of all its members. Similar discourse among other internal public spheres would support the mobilization of an *interorganizational* public sphere. The description of policy communities, to some extent, matches Habermas' theoretical formulation. The ability of pressure groups to articulate and aggregate interests, to maintain internal cohesion, and to modify claims according to other interests, suggest that these groups offer sites where internal public spheres can develop. These groups are comprised of "organized private people" who inhabit Habermas' intermediate political public sphere. The dynamic role of the attentive public in maintaining a perpetual policy-review process supports the Habermasian concept of the public sphere as a site distinct from the public authority and civil society. Moreover, the notion of an attentive public can include the opinion-forming associations that comprise Habermas's autonomous public spheres.

This is not to say that the concept of policy communities can be substituted for the concept of intraorganizational public spheres. A more thorough analysis must be undertaken. However, there are sufficient similarities between the two concepts to suggest that they each refer to a social space that is distinct. In both concepts, groups are horizontally interlined, autonomous in relation to each other, and, to varying degrees, self-regulating. The *interorganizational* public sphere is a space distinct from both the state and the economy, although political parties have a designated place there. The attentive public, on the other hand, includes groups from the state and the economy, along with non-state/economic groups, however, all groups in this space are bound by one common function — they ensure that those who routinely set policy are kept in a "continuous policy review process." It can be argued that the attentive public represents a type of *interorganizational* public sphere in policy practice. The strength of this sphere depends on the level of critical publicity.

### 1.5 Levels of Analysis

This study will now examine the interests that were incorporated into Canada's broadcasting policies in the 1930s — legislation that has set the framework for successive broadcasting acts. To examine this era, the groups and the interests represented in the specialized public that formed around the broadcasting debate will be identified. These groups will be assessed in terms of their political salience and policy capacity. The legislation that was subsequently passed will then be examined to identify which

interests from the specialized public are dominant in the consensus/compromise that claims to be in the "common interest."

The groups whose interests assume a dominant role will be assessed for the type of publicity they espoused: critical or manipulative/staged. This will indicate the relative strength of the social space, and hence of the public sphere, that existed in this policy period.

In addition, the legislation will be examined for its relation to the state project. State projects offer "models of state-building which were undertaken at particular points in time" (Jessop 349). They are supported by particular forms of representation, articulation, intervention, and social groupings. Examining a state project includes identifying structural constraints and resistances that limit the effectiveness of the means chosen by the state to implement the policy. Finally, assessing the structural constraints upon policy and the role of policy in the state project can lead to identifying the competing projects that affect its implementation.

This analysis should enable conclusions to be drawn about:

- (1) the interests that defined the "general interest" in Canada's early broadcasting policies,
- (2) the role of "private interests" of the state and of capital in the policy-making process, and
- (3) the type of social space that influenced the policy development.

## CHAPTER TWO: POLICY BIRTH PANGS

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## 2.1 Introduction

The 1932 Broadcasting Act brought radio operators out of four years of broadcasting limbo, where some may have preferred to have stayed.

Since the announcement in 1928 of a Royal Commission on Broadcasting, radio operators had inhabited a world charged by technical wizardry, but, at the same time, frustrated by refusals for power increases or operating licences and by the threat of nationalization which hung menacingly overhead. That all changed with the passage of Bill 94, the first broadcasting act. One month after the courts had placed broadcasting firmly under federal control, a parliamentary committee was convened, public hearings organized, a report delivered to Parliament, a broadcasting bill introduced and, after three readings, the Canadian Radio Broadcasting Act passed with only one member opposed — all within 12 weeks! This legislative efficiency suggests either that a broad public consensus had been reached or, as a spokesperson for the private broadcasters put it, that Parliament's treatment "was so casual as to be almost frightening" (Allard 89).

This chapter will examine this 12-week period, particularly the six weeks when the parliamentary committee conducted public hearings on radio broadcasting. It will identify the groups that participated in the hearings, who together form a specialized public in the policy field of broadcasting (Pross 119). The various interests that these groups represented (some of which are shared; others, unique) will be examined from the viewpoint of the issues stemming from the Aird report and those which surfaced since. This



examination should reveal which groups and what interests influenced the 1932 Broadcasting Act and the public-interest policy it represents.

To examine the issues, groups, and interests that were part of the policy-making process, a brief look at the period will be undertaken, beginning with Sir John Aird's report and concluding with R. B. Bennett's bill.

## 2.2 Broadcasting Issues Get Aird

The Aird Commission was given the mandate to examine the "broadcasting situation in the Dominion of Canada and to make recommendations to the Government as to the future administration, management, control and financing thereof" (qtd. in Bird 42).

The commission, which was appointed Dec. 6, 1928, visited seven countries (O'Brien 44-7), 25 Canadian cities and received oral or written statements from 288 persons (Bird 43).

Its report concludes with a summary of recommendations that address seven issues: the type of broadcasting system that would best serve Canadians, the operation/regulation of such a system, the controls, the accessibility, the funding formula, the nature of programming, and the role of advertising.

Taking as their basis "the interests of the listening public and of the nation," the commission recommended a **system** of public ownership, in which radio stations offer Canadians a public service (Bird 44).

For a publicly owned system to **operate** and to **regulate** broadcasting, a national company should be set up as a public utility

and should hold the same powers and authority as private enterprise (Bird 52).

Control of the system would reside at three levels. The national company would be led by a 12-member board, which would include one representative from each province who would also serve as a provincial director. Provincial directors and advisory councils would exercise control over programs broadcast within each province. Licensing, fee collection, and suppression of interference would remain with the Department of Marine and Fisheries (Bird 45).

The company's first priority, according to the commission, rested upon the principle of **universal access**, defined by reception — "to provide good reception over the entire settled region of the country" (qtd. in Bird 46). They recommended a chain of seven high-power stations to provide coast-to-coast broadcasting, supplemented by lower-power stations where coverage is ineffective (Ibid.).

The commission proposed three sources of **funding**: licence fees, revenue from indirect advertising, and a government subsidy (Bird 53). They also proposed that the receiver fee Canadians pay be increased from \$1 to \$3 (Bird 48).

The Aird recommendations stated that the national broadcasting system must offer network **programming**, coast to coast and regionally, and its primary purpose was "to produce programs of high standard from Canadian sources" (Bird 53). That didn't preclude the broadcasting of quality programs from other countries, however. The commission also suggested that time be reserved for educational broadcasting. They noted the educational

potential of broadcasting "not only as it is conducted in the schools and colleges, but in providing entertainment and of informing the public on questions of national interest" (qtd. in Bird 43).

With regard to advertising, the commission preferred that it be eliminated entirely, but then quickly conceded that the Canadian situation — a vast landscape, unevenly and sparsely populated — ruled out full subsidization. Some indirect advertising would be tolerated to generate revenue to meet operating costs (Bird 49).

Although the recommendations did not make any specific reference to nation building or cultural sovereignty, these issues are never far from view. In describing the situation in Canada, the report states that many programs originate outside Canada, and

"the continued reception of these has a tendency to mould the minds of the young people in the home to ideals and opinions that are not Canadian. In a country of the vast geographical dimensions of Canada, broadcasting will undoubtedly become a great force in fostering a national spirit and interpreting national citizenship" (qtd. in Bird 43).

The Aird report, released Sept. 11, 1929, caused private broadcasters to panic and public-service advocates to delight. But the deluge of reactions was quickly smothered in the wake of the November stock market crash — the Dirty Thirties had dawned.

### 2.3 A Three-Year Waiting List

A government would be ill-advised to commit public funds to new projects, such as radio broadcasting, in an economic climate that had spawned the Depression. That's the message several witnesses

delivered to the parliamentary committee on broadcasting in 1932 (CAB, "Submission" 1; ORL, "Statement" 3). Their point is well taken. Jim Allard noted sardonically that at a time when many Canadians were "drought-stricken, or unemployed, or wondering how soon they would be," a group, known as the Canadian Radio League, "had managed to create, in the political world, the impression that implementation of the Aird report was the most urgent desire of nearly all Canadians" (68). In a period ill-disposed to the type of social project that the Aird report had proposed, a vibrant public debate on broadcasting took place, nevertheless.

Many groups joined the debate; each had its own reasons or interests. The groups, the positions, and the interests that were part of this public discussion will be examined in the following chapters. However, mention will be made here of the organizations who assumed lead roles by gathering like-minded groups together to participate in this debate. The dynamics, which fueled the debate and which culminated in the 1932 parliamentary hearings, will be discussed in Chapter Five.

The lead groups were:

- 1) The Canadian Pacific Railway (CPR) — the railway operated telegraph lines for chain broadcasting and initiated its own broadcasting service in 1930. It submitted a written brief to the Aird commission. The railway's position will be discussed in Chapter Three.

- 2) The Canadian Association of Broadcasters (CAB) — the association was formed in 1926; it also submitted a written brief to the Aird commission. The CAB will be discussed in Chapter Four.

3) The Canadian Radio League (CRL) — it was formed one year after the Aird report had been submitted, in December 1930. It was established to support the recommendations of the Aird commission and will be discussed in Chapters Four and Five.

The debate was in full swing when, in early 1931, the Government of Québec launched a constitutional challenge questioning the federal government's jurisdiction over broadcasting. The case was heard by the Supreme Court in May, which ruled in favor of the federal government. Québec appealed to the Privy Council. In February 1932, the British council upheld the Canadian court ruling (Peers 69-72).

Within a week of the February 9 Privy Council decision, Prime Minister R. B. Bennett announced that a parliamentary committee would be formed to consider a broadcasting policy for Canada (O'Brien 249). An eight-member committee was appointed on March 2. It comprised four Conservatives, three Liberals and one Independent, and included three technical advisors (O'Brien 253). Its mandate was:

(1) To consider the Report of the Royal Commission on Radio Broadcasting dated the 11th day of September, 1929, and, commonly known as the Aird Report.

(2) To advise and recommend a complete technical scheme for radio broadcasting for Canada, so designed as to ensure from Canadian sources as complete and satisfactory a service as the present development of radio science will permit.

(3) To investigate and report upon the most satisfactory agency for carrying out such a scheme, with power to the said committee to send for persons

and papers and to examine witnesses, and to report from time to time to the House. (Royal Commission, "Mandate")

This was the signal for competing interests to convince legislators of the merits of their particular position. Among the critical factors, which each group had to consider before meeting the committee, were: the predilections of the governing party, the prevailing social conditions, and the propensity of public opinion.

Two of these factors were well known to all. In terms of government, the Conservatives held power; they were considered the traditional allies of free enterprise. In addition, the Aird commission, whose report was now under consideration, was a creature of the previous Liberal administration and would, therefore, be viewed cautiously. In terms of social conditions, the effects of the 1929 stock market crash were deepening, not easing. Social conditions were marked by budget cuts, rampant unemployment, and fiscal frugality. In themselves, these factors leaned heavily in favor of those interests advocating a private-enterprise, no-public-risk approach to broadcasting. When combined, these factors posed structural challenges to those interests advocating public ownership, or so it was thought. The third factor, public opinion, had to be gauged.

The legislation that was tabled, and subsequently passed, appeared to offer private enterprise little and public-ownership advocates a lot. The role that public opinion played may have proved decisive; that will be examined in Chapter Five. Before proceeding with a detailed analysis of the interests that were incorporated into the 1932 act, this study will examine the legislation that was passed.

## 2.4 Bennett Nurtures Canadian Broadcasting

Roger Bird observes that the Canadian Radio Broadcasting Act, the nation's first broadcasting legislation, is "not a visionary document" (115). It doesn't mention the criteria for selecting programming for Canadian listeners, nor does it make reference to terms such as "culture" or "national unity" (Ibid.) — terms heard often by the parliamentary committee that proposed the legislation. This deficiency in form, however, doesn't establish conclusively that the act was drafted in absence of visionary principles, even if they're not self-evident in the document. The policy principles that were used to draft the legislation, it can be argued, are outlined in the motion that Prime Minister R. B. Bennett put forward to introduce second reading of the bill.

In his motion, the Conservative prime minister outlines three policy positions which the proposed legislation supports.

First, it ensures that broadcasting from Canadian sources will be under Canadian control, "free from foreign interference or influence." This is essential, Bennett says, if radio is to become "a great agency for the 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 national consciousness may be fostered and sustained and national unity still further strengthened" (HOC, Journal 3035). In addition, Bennett adds, such control and operation forges a Canadian link in the chain of empire communications that can serve the British Commonwealth of Nations (Ibid.).

Second, the legislation establishes public ownership which ensures all Canadians, "without regard to class or place, equal enjoyment of the benefits and pleasures of radio broadcasting" through a chain of high-power stations and through the provision for low-power stations to meet the particular requirements of communities (Ibid.).

Third, the assignment of frequencies — available through a natural resource that is under federal jurisdiction — cannot be given over to private exploitation, which the government holds in trust for all the people, until scientific advancements make other arrangements possible (HOC, Journal 3036).

Controls on foreign influence and private exploitation, diffusion of national thought and fostering national consciousness, equality of service and benefit, and recognition of a natural resource held in trust by federal authority — these are the principles that underlie the 1932 Broadcasting Act and that should be applied to its interpretation. However, had someone failed to read Bennett's speech or hadn't followed the broadcasting debate during the previous three years, they could read other interpretations and objectives into the 1932 act. Bennett's speech pin points the intention and purposes of the legislation, and it would be difficult to interpret Canada's first broadcasting act without it.

For example, no where does the act mention the subjects of curtailing foreign influence or offering programs to sustain national consciousness. It does point out the need for national programming, and for determining the proportion of local programming (Arts. 8.b, 8.e, 9.a). The purposes for which national programming should be



developed must be inferred. Nor is the requirement to provide equality of service through a coast-to-coast system of high-power stations clearly pointed out. Instead, the act calls for the Canadian Radio Broadcasting Commission, acting as a regulator, to "determine the number, location and power of stations required in Canada" (Art. 8.a). Nor does the legislation rule out that private stations won't play a role (Arts. 8.c, 8.g). It does, however, privilege the commission's broadcasting needs over those of the private stations. The commission can switch the channels allotted to private broadcasters (Art. 8.d); request the non-renewal, suspension, or cancellation of their licences (Art. 8.c); and expropriate their stations (Arts. 11, 12, 13).

Bennett's speech provides both the context and policy direction for the 1932 Broadcasting Act.

The act does contain several fundamental principles. It establishes and privileges public ownership for radio broadcasting in Canada. This is achieved, first, by the creation of a three-person, salaried commission, known as the Canadian Radio Broadcasting Commission (CRBC) (Art. 3.1-2), and, second, by the appointment of nine assistant commissioners, one from each province. The latter appointments are made by the federal cabinet after consultation with the provincial governments (Art. 6.1). Public ownership is further strengthened by the work of local advisory committees, under the assistant commissioners, who co-operate with the CRBC and with any private stations who request such participation (Art. 6.2). The commissioners are to form a general council to which representatives from the advisory committees and private stations

may be invited (Art. 7.1). As previously stated, the powers handed the commission to regulate all aspects of broadcasting, which includes the allotment of frequencies, the recommendations for licences, and the expropriation of licenses, clearly placed it in the dominant position over the private broadcasters.

The act mentions only two categories of programming: national and local. The programming mandate which the legislation clearly hands the commission is to provide national, not local, programming. This is significant for two reasons. First, while it focuses the energy of the public system and responds to an urgent need in the short term, it serves to limit the function of the national broadcaster in the long term. Second, it identified a niche for the private broadcaster in the Canadian system, a provision that wasn't accidental. The legislation permits the commission "to assist and encourage the construction of small private stations" (8.g). Further, in its own stations, the commission is prohibited from determining the local programming, but that is the responsibility of the station director "in consultation with and in accordance with the policy formulated by the local Advisory Committee" (9.d). The legislation intended the commission to originate national programming and to stay out of local programming, which is provided on either a public or private station.

In summary, the main elements enshrined in this act are:

1. Public ownership is dominant; private ownership, secondary.
2. Control and operation is vested in a public body: a commission.
3. Federal (dominant) — provincial controls exist.

4. Advertising is limited.
5. Publicly owned system will produce and distribute national programming.
6. Local broadcasting needs and the role of private broadcasters are recognized.
7. No public subsidies are required.

To uncover which interests were incorporated into the 1932 Broadcasting Act, an examination of the groups, and their various interests, that formed a specialized public around broadcasting will be undertaken.

## 2.5 Issues Beget Clusters

Many interest groups were already at work before the Special Committee on Radio Broadcasting conducted its first hearing on March 11. To examine them, the positions that each group adopted regarding the issues that stem from the Aird report will be identified. As previously mentioned, the issues were: type of system, operation/regulation (Issue I), controls (Issue II), funding (Issue III), advertising (Issue IV), accessibility (Issue V), and programming (Issue VI). In the intervening period, however, interest groups brought other issues to bear. Issues regarding the broadcasting needs of local communities, nation building, and cultural sovereignty would also be laid before the parliamentary committee.

The parliamentary committee's mandate was threefold. It was required to recommend (1) a technical scheme and (2) an agency that would deliver as complete and satisfactory a broadcasting

service to Canadians; this was contingent upon (3) consideration of the Aird report (HOC, Journal 414-5). The report had recommended a technical scheme set up by a publicly owned national company. Ownership emerged as the pivotal issue upon which hung the choice of broadcasting system that Canada would adopt, and interest groups quickly staked out their positions.

#### 2.5.A Ownership

The question of who should own, and therefore operate, radio broadcasting in Canada was first laid before the Aird commission. The Order in Council establishing the royal commission presented three scenarios for consideration. Radio stations could be operated: (1) by private enterprise with a government subsidy, (2) by a federally owned company, or (3) under provincial authorities (Bird 44). The third scenario was no longer a strong contender, since the recent Privy Council decision had placed broadcasting under federal jurisdiction (Bird 105-10). The Aird commission had recommended a modified version of the second scenario. Various interests would now press hard for the first scenario.

The 1932 parliamentary committee hearings were essentially a public debate on broadcasting ownership, which would determine the type of system Canada would adopt. Positions on other issues — operation/regulation, funding, accessibility — often reflected an "ownership" preference. The debate took place in the shadow of two expanding, but completely different broadcasting systems, each based in countries that provided Canada with its largest foreign investments (Nader 210): the private-enterprise radio system of the United States and the public-ownership radio system of Great Britain.

The central role that the issue of ownership played in determining Canada's broadcasting system will be used to group the interests that formed the specialized public around broadcasting. Groups espousing the same "ownership" interests will be clustered under the following terms: public ownership, private ownership, and non-declared. This classification will be used to examine the position that individual groups took within a cluster and that various clusters took, if any, with regard to the issues considered during the parliamentary hearings.

To identify the positions that groups advanced, the Summary of Evidence, the briefs, and related materials from the parliamentary hearings were examined at the National Archives of Canada. The response of each group to the various broadcasting issues was noted. Drawing upon these primary sources, many of the interests of most participating groups have been identified.

Of the 45 groups, individuals, and briefs that the committee heard, 32 articulated clear positions on the ownership of radio broadcasting in Canada. Of those remaining, 3 groups displayed preferences, and 10 either held no preference or withheld their opinion. The number of individuals and groups in the private-ownership cluster were the most numerous: 18. Those advocating public ownership numbered 14.

### 2.5.B Clusters

A list of the groups and individuals that appeared before the committee follows. The names are listed under their cluster grouping; each cluster has been assigned one of the following codes: Ⓢ private ownership, ✱ public ownership, ❖ non-declared.

## **❖PRIVATE-OWNERSHIP CLUSTER**

- ❖ CKAC, La Presse (Montreal): Arthur Dupont  
Leonard Spencer
- ❖ CHRC (Quebec): Arthur Dupont (rep.)
- ❖ CKGW (Trans-Canada Broadcasting): R. W. Ashcroft
- ❖ Canadian Pacific Railway: Edward Beatty
- ❖ CKCO (Ottawa): G. Geldert
- ❖ CFCN (Calgary): W. Grant
- ❖ Canadian Association of Broadcasters: Ewart Greig  
H. Moore  
W. Morgan-Dean
- ❖ Cie Cinematographic Franco-Can.: Robert Hurel
- ❖ Radio, Toronto Globe: Chas. Jenkins
- ❖ Canadian Manufacturers Association: J. C. MacFarlane  
J. Walsh
- ❖ CHGS, Holman Co. (Summerside): A. E. MacLean, MP
- ❖ Campbell-Ewald Advertising: C. Pasmore  
E. Bushnell\*  
E. Rogers\*\*
- ❖ Government of Quebec: Aime Geoffrion
- ❖ Government of Nova Scotia: E. Phinney
- ❖ Ontario Radio League: G. Plaxton  
Meryl Plaxton  
H. Tremaine
- ❖ CKCK, Leader-Post (Regina): H. Stovin

⊙ Trans-Canada Telephone System      J. C. MacFarlane  
Harold Daly

*\*E. Bushnell, announcer with CKNC, doesn't appear to be representing the station; he gives limited testimony with advertisers' group.*

*\*\* E Rogers of Rogers Majestic Corporation — owner of CFRB (Toronto) — participated in both the radio manufacturers and the advertising presentations.*

BRIEFS: (Non-appearing witness)<sup>6</sup>

⊙ CKNC, Canadian Carbon Company (Toronto)

### \*PUBLIC-OWNERSHIP CLUSTER

* Aird Commissioners:	Sir John Aird C. A. Bowman Augustin Frigon
* All Canadian Congress of Labour:	W. T. Burford
* Single Tax Association of Ontario:	A. Campbell
* Canadian Radio League:	Brooke Claxton Alan Plaunt Graham Spry
* McGill Faculty of Music:	Douglas Clarke
* University of Alberta, Extension:	E. Corbett
* Western Producer:	J. Garrett
* Association of Professional Musicians: (Toronto)	Clement Hambourg

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<sup>6</sup> Some groups listed as appearing before the committee, e.g. CHRC of Québec City, sent briefs only. However, they are listed as appearing witnesses because they named a committee witness to represent them. Arthur Dupont of CKAC Montréal also represented CHRC at the hearings.

- \* Canadian Legion: J. Herwig
  - \* Trades and Labour Congress: Mitchell Humphrey, MP (rep)
  - \* British Broadcasting Corporation: Gladstone Murray
  - \* Individual: N. Rowell
  - \* National Council of Women: J. Wilson
- BRIEFS: (Non-appearing witness)
- \* Manitoba Telephone System

### NON-DECLARED CLUSTER

- ❖ Department of Marine: J. W. Bain  
C. P. Edwards
- ❖ National Research Council: W. Arthur Steel
- ❖ Acadia University: F. Patterson
- ❖ National Council of Education: Roy Campbell
- ❖ National Committee on Education by Radio (U.S.): Joy Elmer Morgan
- ❖ Canadian Authors Association: B. Sandwell
- ❖ Canadian and Unionist Authors: T. de Montigny
- ❖ Toronto Conservatory of Music: F. MacKelcan  
Ernest MacMillan
- ❖ Association of Radio Manufacturers: A. Patience  
E. Rogers
- ❖ Institute of Radio Service Men (Intl.): Arthur Perkins
- ❖ Imperial Radio System: A. McRae, Senator, B.C.



BRIEFS: (Non-appearing witnesses)

- ❖ Dalhousie University, Halifax
- ❖ Lee de Forest, U.S.

Each cluster is comprised of several types of groups. The private-ownership cluster represents, for the most part, the commercial broadcasters (10) and the business interests most closely associated with commercial broadcasting (5) i.e. manufacturers, advertisers, and telegraph/telephone companies. It also includes two provincial governments and a (voluntary) listeners' association. The public-ownership cluster includes a very diverse membership, although the number of groups is less than in the private-ownership cluster.

There are four voluntary groups (three of which are national), two labor groups, two government-owned broadcasters, two educational institutions, a music association, a newspaper, three Aird commissioners and a politician.

The non-declared cluster includes a diverse membership as well. It includes two government-related bureaus, four educational institutions, three artists' groups, two technical concerns, a radio imperialist, and radio manufacturers.<sup>7</sup> The groups in the non-declared cluster had two traits in common. First, they either wouldn't or couldn't take a position on ownership within Canada's

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<sup>7</sup> General McRae earned the title of radio "imperialist" in this study for his staunch support of an empire broadcasting system, which would maintain and extend "the predominance of the British race" ("Brief" 2). Mary Vipond points out that the Association of Radio Manufacturers told the committee they had "no point of view on the question of who actually *owned* the broadcasting stations" (243). Nevertheless, the allegiance of the radio manufacturers is clear. They appeared with the Canadian Manufacturers Association and the advertising association, both of whom backed private ownership for broadcasting.

broadcasting system. Second, in many cases, they represented a single-interest position, so that they show up infrequently on the following tables.

The positions that various groups took and the scenarios that they proposed, regarding the issues laid before the parliamentary committee, will be examined in the forthcoming pages. Identification will be made, first, of the major positions/scenarios for each issue. Groups will be located under the positions they endorsed to identify the range of interests for each issue. A resumé will be presented of the recommendations or legislation regarding the issue under discussion drawn from (1) the Aird report, (2) the recommendations of the parliamentary committee and (3) the Broadcasting Act. This will be followed by an analysis of the groups' positions and the legislation that resulted. Each analysis will reach a conclusion regarding the interests that were incorporated into sections of the Broadcasting Act.

## **2.6 Issue I: Operation/Regulation**

After the question of ownership, the modality by which Canada's broadcasting system would be operated and regulated was of vital concern to many groups. Among the various scenarios proposed, three were mentioned most often: the status quo (i.e. a government department), a commission, and a public corporation. Each entailed a different level of involvement. The Department of Marine and Fisheries, which oversaw broadcasting, was essentially concerned with and interested in technical developments. Government commissions functioned as regulatory bodies,

intervening only when difficulties occurred; the railways were governed by a commission. Public corporations, on the other hand, were a relatively new governmental initiative. Like private corporations, they operated in hands-on fashion with direct involvement, but, like commissions, they could also hold regulatory power.

The positions that various groups adopted are presented below. Not all groups offered opinions. Nor were they always clear in stating which scenario they favored. Groups whose position on an issue is clearly implied but not clearly stated are listed at the bottom of the appropriate column beneath the rule.

STATUS QUO	COMMISSION	CORPORATION
<ul style="list-style-type: none"> <li>⊙ CKGW (Trans-Canada Broadcasting)</li> </ul>	<ul style="list-style-type: none"> <li>⊙ CKAC, La Presse (Montreal)</li> <li>⊙ Canadian Pacific Railway</li> <li>⊙ Government of Quebec</li> <li>⊙ CFCN (Calgary)</li> <li>⊙ Canadian Association of Broadcasters</li> <li>⊙ Cie Cinematographic Franco-Canadienne</li> <li>⊙ Canadian Manufacturers Association</li> <li>⊙ Ontario Radio League</li> <li>* Manitoba Telephone System</li> <li>❖ Association of Radio Manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>* Aird Commissioners</li> <li>* All Canadian Congress of Labour</li> <li>* British Broadcasting Corporation</li> <li>* Canadian Radio League</li> <li>* Manitoba Telephone System</li> </ul>
<hr/> <ul style="list-style-type: none"> <li>⊙ Campbell-Ewald Advertising</li> </ul>	<hr/> <ul style="list-style-type: none"> <li>⊙ CHGS, Holman Co. (Summerside)</li> </ul>	<hr/> <ul style="list-style-type: none"> <li>* University of Alberta, Extension</li> <li>* National Council of Women</li> <li>* Trades and Labour Congress</li> <li>* Individual: Rowell</li> </ul>

AIRD REPORT proposed that broadcasting is a public service that is provided by stations owned and operated by one national company, vested with the powers of private enterprise and acting as a public utility (Royal Commission, "Summary" a, b).

PARLIAMENTARY COMMITTEE recommended a "Nationally-owned System of Radio Broadcasting," handled by a three-person commission, which has the power to regulate and control all broadcasting in Canada (HOC, Journal 415-6).

1932 BROADCASTING ACT created a Canadian Radio Broadcasting Commission to regulate, control and "carry on the business of broadcasting" (Art. 8, 9).

In the three years since the Aird commissioners filed their report, their proposal for the operation/regulation of the broadcasting system underwent a metamorphosis from a nationally owned company into a nationally owned system, overseen by a commission. While the public-ownership status remained in effect, the modality for the operation/regulation of the system shifted its orientation. It changed from a system built around one broadcasting corporation to one built around a commission that regulated numerous local broadcasters and that was responsible, at the same time, for national broadcasting. Who influenced this shift? The groups who asked that a commission be established came almost exclusively from the private-ownership cluster.

Three observations can be made. First, it was generally accepted by the participants that another body, in addition to the Department of Marine and Fisheries, was needed to oversee "the business of broadcasting" in Canada. There was a consensus, however, that the department should continue its technical supervision of broadcasting and the issuance of licences.

Second, during the hearings, the parliamentary committee heard "commission" being recommended two and a half times as often as "corporation." This is not to suggest that preponderance, in itself, is a deciding factor with regard to the dominance of interests, but rather to point out that this is one issue where the public-ownership advocates were not as vociferous nor as effective in presenting their case.

Third, the commercial interests who proposed a "commission" did so while advocating a private-ownership approach to broadcasting. In a private-ownership system, a radio commission could be expected to offer a limited amount of government interference, but not so in a publicly owned system. In a public system, the establishment of a commission only partially reflects the interests that the private-ownership groups had advanced since, as an operator, the radio commission must also take a hands-on approach to broadcasting. The commission's hands-on approach to broadcasting may put it at odds with the interests of commercial broadcasters. The commission, in fact, can acquire stations, allot channels, control advertising and produce programs, determining their broadcast time and the stations for distribution. These reflect the interests advocated by the public-ownership groups.

The establishment of a commission, which appears to reflect the interests of private-ownership advocates, may have been a compromise or conciliatory strategy on the part of the parliamentary committee and Conservative government to soften the blow that the legislation would deal commercial broadcasters. Any number of motivations can be suggested for such a strategy. Whether or not such a strategy existed, however, does not alter the effects of the act which, by establishing a commission, partially serves the interests of its private-ownership advocates and partially serves those of the public-ownership proponents.

## 2.7 Issue II: Controls

The Aird Report identified three levels of controls: at the national level, the company's board; at the provincial level, directors and advisory councils; and at the government level, the Department of Marine and Fisheries. As previously stated, the consensus during the parliamentary hearings was that the department should continue its technical functions; the Broadcasting Act provides for this in part (Art. 8). It was the federal/provincial relationship that needed to be addressed. Prior to the 1932 Privy Council ruling, both federal and provincial governments claimed jurisdiction over broadcasting, and broadcasting proposals tended to court both. When the council ruled in favor of the federal government, the ruling eliminated the need to appease both. The groups who responded to this issue follow.

## FEDERAL/PROVINCIAL

- ⊕ CKAC, La Presse (Montreal)
- ⊕ Government of Quebec
- ⊕ Canadian Pacific Railway
- \* Aird Commissioners
- \* Canadian Radio League
- \* Manitoba Telephone System
- \* Association of Radio Manufacturers
- \* National Committee of Education (U.S.)

## NO PROVINCIAL

- \* All Canadian Congress of Labour
- \* Trades and Labour Congress

- 
- \* Individual
  - \* National Council of Women

**AIRD REPORT** proposed that the national company accords full control to provincial authorities over the programs in their areas by the appointment of a provincial radio director and an advisory council (Royal Commission, "Summary" c, d).

**PARLIAMENTARY COMMITTEE** recommended that (1) the commission have assistant commissioners in each province, who would head the regional advisory program committees and who would be selected in consultation with the respective provincial governments, and that (2) it delivers programs that are "acceptable to provincial and local requirements," making facilities available to provinces (HOC, Journal 415-6).

**1932 BROADCASTING ACT** called for assistant commissioners in each province, appointed after consultation with the provincial government, who would head the provincial or local advisory committees (Art. 6) responsible for local/regional programs (Art. 9.d), and who would sit on the General Council of the commission (Art. 7).

From Aird to the 1932 act, the provisions for provincial commissioners (directors) and regional (program) advisory councils



remains intact, even though the courts had ruled that broadcasting was under federal jurisdiction. In fact, the 1932 act enlarges the role of assistant commissioners that the parliamentary committee had prescribed for them. The legislation appoints them members of the commission's General Council (Art. 7). It also confirms that provincial/local advisory councils set policy for local programming on the commission's stations (Art. 9.d). Under no legal obligation to promote provincial interests, the act devotes substantial detail to outlining the entry points for provinces. There must have been strong support for such a policy among the groups appearing before the committee.

To the contrary, less than 25 per cent of the groups participating in the hearings addressed this issue. If preponderance is an indicator of significance, the federal/provincial issue was at the low end of the eight issues under consideration. The presence of competing state projects, which will be discussed later in Chapter Three, may furnish some insight into this response or lack of one.

Among those groups which did advance a position, labor was single-minded in its opposition to any form of provincial control ("Summary 15 Mar." 2; "Summary 7 Apr." 3). This split the public-ownership cluster into two camps.

Among those supporting provincial involvement in broadcasting were, not surprisingly, two provinces — Manitoba and Quebec — the former had two stations it wanted to hold on to, the latter wanted to set up its own stations. The proposals of the Aird commissioners, which the Canadian Radio League backed in principle if not in policy, focused on maintaining good federal/provincial and

English/French relations. Two commercial groups made statements acknowledging the presence of "provincial committees" in the broadcasting system. The American educational council simply called for the recognition of the rights of states, provinces and localities ("Summary 13 Apr." 3). Except perhaps for the Aird commissioners and the league, the positions noted do not really constitute a ringing endorsement for federal/provincial controls.

Neither was this a concern of a particular "ownership" cluster; the responses came from a handful of groups with different interests, not all apparent, from each cluster.

Other interests, in addition to those advocated during the parliamentary hearing, must have represented provincial sensibilities to effect the consideration which the issue of controls (i.e. federal/provincial) received in the Broadcasting Act. This may be an instance where parliamentary and state interests exerted influence in an area which had ceased to be a pressing issue for groups in the specialized public.

Four groups put forward concrete proposals for federal/provincial controls. The policies advocated by the Aird commissioners and the CRL for provincial controls over local programming were generally incorporated into the legislation. Some aspects of the proposals submitted by the Manitoba and Québec governments were also included. Other than the interests represented by these four groups, the issue of controls wasn't a priority for most groups.

## 2.8 Issue III: Funding

In its report to Parliament, the Special Committee on Radio Broadcasting noted that consideration of the Aird recommendations had to be tempered by the "great change in the science of radio broadcasting, and in the financial condition of the country, in the last three years" (HOC, Journal 414). That was a direct reference to the limited funding options available to the government in the throes of the Depression.

The Aird proposal, tabled just weeks before the 1929 stock market crash, set out three revenue sources for the national broadcasting company: licence fees, advertising, and a government subsidy. The latter was now fiscally difficult and politically ruinous for the current government. The Aird report had called for a \$3 licence fee, which it estimated would deliver \$1,000,000 in revenue; the licence fee then was \$1. Indirect advertising would bring in an estimated \$700,000 (Bird 48-9). That was before the Depression. The current government was not likely to offer a subsidy, but should the subsidy proposal be equated with licence-fee revenue, then, that would serve both the needs of the struggling private broadcasters and of a cash-strapped government. At the 1932 hearings, some groups collapsed these two revenue sources — licence fees and subsidization — into a single funding strategy. Other groups worked to keep these sources separate. An examination of each follows. The third revenue source, advertising, involved other areas of concern and will be dealt with as a separate issue.

## LICENCE FEES

STATUS QUO	FEE INCREASE
<ul style="list-style-type: none"> <li>⊛ Canadian Association of Broadcasters</li> <li>⊛ Canadian Pacific Railway</li> <li>⊛ Government of Nova Scotia</li> <li>⊛ Ontario Radio League</li> </ul>	<ul style="list-style-type: none"> <li>* Aird Commissioners (\$3)</li> <li>* All Canadian Congress of Labour (\$4)</li> <li>* Canadian Radio League (\$3)</li> <li>* Western Producer (\$5)</li> <li>⊛ CKCK, Leader-Post (Regina) (\$3)</li> </ul>
<hr/> <ul style="list-style-type: none"> <li>* Manitoba Telephone System</li> <li>⊛ CKCO (Ottawa)</li> </ul>	<hr/> <ul style="list-style-type: none"> <li>* Manitoba Telephone System</li> <li>* Trades and Labour Congress</li> <li>* Individual: Rowell</li> <li>* National Council of Women</li> </ul>

AIRD REPORT proposed receiver fees be set at \$3, up from \$1 (Bird 1988, 48).

PARLIAMENTARY COMMITTEE recommended that licence-fee rate be determined by Governor in Council (HOC, Journal 415).

1932 BROADCASTING ACT tied the commission's funding from Parliament to the estimated revenue from all licence fees (Art. 14.2).

The response to a licence-fee increase was evenly divided and appears to be based upon cluster groupings. Private-ownership advocates pressed for either a minimum or no increase for receiver licence-fees. The fee had been raised to \$2 in February 1932 (Ellis 7). Public-ownership groups favored another increase; the Aird commissioners and the CRL representing the more moderate increase to \$3, in comparison to what others suggested. CKCK, which on first glance appeared to break rank with its association (CAB), was, in fact,

responding to a committee member's question on the acceptability of a \$3 licence fee among their listeners. The Manitoba Telephone System appears as supporters of both positions, because it recommended a sliding-fee approach to licences based upon the size of the set from \$1 to \$5. Interestingly, despite the large number of radio stations that intervened at the hearings, in general, they avoided commenting on receiver fees, leaving their association to represent a position. It could indicate that receiver fees were a low priority for station owners or that their listeners were divided over the issue and it would be more prudent to withhold comment on the issue, referring it to the association. In any case, the position advanced by private-ownership groups was upheld by the government. There would be no increase in the receiver-licence fee.

### **PROGRAM SUBSIDY**

The second funding strategy involved government subsidies. There were two positions adopted: those advocating a government subsidy based upon receiver-licence fees and those advocating the receiver-licence fee plus an additional public subsidy.

## FEE-BASED SUBSIDY

- ⊕ Canadian Pacific Railway
- ⊕ Canadian Association of Broadcasters
- ⊕ Canadian Manufacturers Association
- ⊕ Ontario Radio League
- ⊕ CKGW Trans-Canada Broadcasting
- \* Canadian Radio League
- \* Manitoba Telephone System

- ⊕ CKAC, La Presse (Montreal)
- ⊕ CHRC (Quebec)
- ⊕ CKCO (Ottawa)
- ⊕ CFCN (Calgary)
- ⊕ CHGS, Holman (Summerside)
- ⊕ CKCK, Leader-Post (Regina)
- ⊕ Government of Nova Scotia
- ❖ Association of Radio Manufacturers

- 
- \* Trades and Labour Congress
  - \* Individual: Rowell
  - \* National Council of Women

## TAXPAYER SUBSIDY

- \* Aird Commissioners
- \* All Canadian Congress of Labour

AIRD REPORT proposed that the broadcasting company should be funded through licence fees, indirect advertising and a federal subsidy (Royal Commission, "Summary" i).

PARLIAMENTARY COMMITTEE recommended that the broadcasting service should be funded only through licence fees and advertising (HOC, Journal 415).

1932 BROADCASTING ACT stated that the commission shall be financed by licence fees and from its business of broadcasting (Art. 14.2)

Despite "hard times," the Aird commissioners and the All-Canadian Congress of Labour still backed a public subsidy for a national broadcasting company, in addition to the revenue from licence fees. This was needed to put a broadcasting system in place that would meet the objectives outlined in the report. This was the minority response and the most unpopular view.

Almost all private-ownership groups lined up behind the licence-fee subsidy, since all asked the government to support national programming by subsidizing transmission (line) costs. Radio advertising was still in its infancy stages, so volume was low (Vipond, Listening 59), and long-distance telegraph/telephone costs were high (Vipond, Listening 77). For private broadcasters to deliver quality national programming, some form of subsidization was necessary (CAB, "Submission" 1-2). The appeal of the fee-subsidy from the government was twofold: it didn't require a fee increase and, without any cost to the government, it would deliver a national service on a regular basis. Certainly, it could meet the government's broadcasting needs for special occasions, addresses, and the like.

Were it not for two public-ownership groups, this response would also suggest a cluster position. However, both the CRL and the Manitoba Telephone System also adopted the same position as the private-ownership advocates. Manitoba's motivation in taking this position was clear: the government already owned the two stations in the province — an additional government subsidy would result in "robbing Peter to pay Paul." The CRL interest was different. It appeared to be a strategic move, based on economic and political reality and on popular necessity. On one hand, it had to demonstrate

that a publicly owned system could operate on this funding formula, given the state of the economy; on the other, it had to argue that licence fees were to be used for a public service, not for private subsidization. The league scored high on both counts, and the funding interests it represented were included in the legislation by the provision for a publicly owned broadcasting system financed by licence fees and the business of broadcasting.

It would have been disastrous had the government agreed to set up a public-ownership system, but one financed by the private-ownership formula — through licence-fee revenues set at current rates. To make the fee-subsidy formula work, the CRL needed a licence-fee increase.

## **2.9 Issue IV: Advertising**

The battle over broadcasting may have been nothing more than a skirmish were it not for the issue of advertising. For advertisers, radio delivers potential consumers; for commercial broadcasters, advertising offers profits. While advertising is central to any discussion of funding strategies, it also has a decisive impact on other broadcasting issues as well, including accessibility, programming and education, not to mention its effect on the general economy.

There were three positions advanced during the hearings: no advertising, direct advertising, and indirect advertising. The positions can be traced to the policy choices made years earlier by the Radio Division of the Department of Marine and Fisheries. These were "highly restrictive and somewhat ill-defined regulations" that remained in effect until 1933, according to Austin Weir (24), when



the Canadian Radio Broadcasting Commission issued new regulations. The department set up two classifications for advertising: "direct" and "indirect." Indirect advertising meant a client paid for general-interest programming during which the client's name, as the program's sponsor, was periodically announced. Direct advertising meant a client paid for a broadcast segment to extol "the virtues and merits" of its products (qtd. in Bird 35-6). In both cases, clients paid for program time on stations. This appears to be the only feature that distinguishes "direct" advertising from "spot" advertising, which are announcements "unaccompanied by a programme" (CRL, "Memorandum" 16). The latter, which constitutes the basic form of broadcast advertising today, was frowned upon in the early 1930s (Vipond, Listening 62). As clear as these regulations may have appeared to the department, by 1932 some indirect advertising appeared to include mention of a client's products and its merits (Weir 100; CRL, "Memorandum" 16). The ambiguity associated with these classifications were evident in the hearings. This makes clear-cut delineation of interests difficult.

Within this context, this analysis will identify the underlying concepts of this classification method in order to classify the various positions that groups took during the hearings. The principle of direct advertising served the client's interests and enabled an advertiser to impart as much information as possible about its product or service in the time prescribed. Indirect advertising, on the other hand, subordinated the client's interests to programming objectives and limited the advertiser to presenting a minimum amount of information about its product or service.

Spot announcements are a modified form of direct advertising. In the analysis that follows, direct and spot advertising are combined for clarity of interpretation.

Although the classification of advertising appeared to be clouded by ambiguity, there did exist general unanimity on one point, which was confirmed at the hearings: radio advertising should be regulated. The question was how much and what type of advertising would be available through Canadian broadcasting. The positions are presented below.

DIRECT	INDIRECT	RESTRICTED TO 5%
<ul style="list-style-type: none"> <li>⊕ Canadian Pacific Railway</li> <li>⊕ Campbell-Ewald Advertising</li> <li>⊕ Canadian Manufacturers Ass.</li> <li>⊕ CFCN (Calgary)</li> <li>⊕ Government of Nova Scotia</li> <li>⊕ Canadian Association of Broadcasters*</li> <li>⊕ Association of Radio Manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>* Aird Commissioners</li> <li>* Canadian Radio League</li> <li>* Western Producer</li> <li>* Association of Professional Musicians</li> <li>* British Broadcasting Corporation</li> <li>* Individual: Rowell</li> <li>⊕ Canadian Association of Broadcasters*</li> <li>⊕ CKCO (Ottawa)</li> </ul>	<ul style="list-style-type: none"> <li>⊕ Canadian Association of Broadcasters*</li> <li>⊕ CKAC, La Presse (Mtl.)</li> <li>⊕ CKCO (Ottawa)</li> <li>⊕ Government of Nova Scotia</li> <li>* Canadian Radio League</li> <li>* Western Producer</li> </ul>
<hr/> <ul style="list-style-type: none"> <li>⊕ Ontario Radio League</li> </ul>	<hr/> <ul style="list-style-type: none"> <li>* Trades and Labour Congress</li> <li>* National Council of Women</li> </ul>	<hr/> <ul style="list-style-type: none"> <li>⊕ Canadian Pacific Railway (5% to 6%)</li> <li>⊕ CHGS, Holman (Summerside)</li> <li>* All Canadian Congress of Labour: no ads</li> </ul>

AIRD REPORT proposed that time should be made available to businesses or others who seek to sponsor broadcast programs for indirect advertising (Royal Commission, "Summar." k).

PARLIAMENTARY COMMITTEE recommended that advertising be limited to five per cent of each program period with no reference made to either direct or to indirect advertising (HOC, Journal 416).

1932 BROADCASTING ACT upheld the committee's recommendation and restricted the proportion of advertising to five per cent of each program period; the commission was responsible for prescribing the character of such advertising (Art. 8.b).

Only the All-Canadian Congress of Labour advocated an advertisement-free broadcasting system; many groups in both the public- and private-ownership clusters supported some form of radio advertising. While none of these groups suggested an unregulated field, eight did set limitations; the majority proposing that advertising occupy no more than five per cent of a program period. This was the CRL's policy. In 1931, CAB adopted this policy for evening broadcasts only, which meant that a larger proportion of program time could still be devoted to advertising prior to 6 p.m. (CAB, "Submission" 3). Only the Canadian Pacific Railway argued for a slightly higher percentage, six per cent ("Summary 20 Apr." 2). Even though both lead groups from the "ownership" clusters had recommended the five-per-cent proportion, only one — the league — had argued that it apply to the entire broadcast day. This restriction, represented by the public-ownership groups, was incorporated into the legislation. It is unknown to what extent this satisfied CAB and its supporters, since they had sought a limited rather than a full restriction of advertising.

The issue of direct/indirect advertising was neither addressed by the parliamentary committee nor by the legislators. Presumably, that would be the domain of the new radio commission to regulate. An examination of the responses, nevertheless, reveals an interesting pattern. While the public-ownership groups clearly backed indirect advertising; the private-ownership groups were divided on the issue. CAB and an Ottawa station fell in with the public-ownership groups and suggested indirect advertising for evening programming, but direct advertising at other times; while other private-ownership groups backed direct advertising wholly. This raises the question: What interests does CAB have in partially supporting indirect advertising, when its allies are pressing for direct advertising? The difference in policy emphasis is quite clear for some of the direct-advertising advocates. Two are manufacturers; another, an advertising agency. The interest of the Government of Nova Scotia in direct advertising is, at best, unclear. This leaves three other groups: the CPR and CFCN, both advocating direct advertising, and the Ontario Radio League, which asks that advertising regulations regarding sponsored programs "shall not place their sponsors at a disadvantage with other Canadian sponsors who originate their programs in the United States and broadcast them into Canada" (ORL, "Statement" 5-6) — clearly tying Canada's advertising policy to that of the United States, which had allowed direct advertising since the late 1920s (Vipond, Listening 63).

This is the first trace of evidence that suggests a competing interest group existed among the broadcasters within the private-ownership cluster. The case that a competing group existed within the cluster will be made later. For the moment, I am pointing it out to suggest a possible explanation for this apparent policy deviation of a significant private-ownership group.

The public-ownership advocates assumed that indirect advertising would meet the needs of Canadian businesses and radio stations without compromising the public-service mandate of broadcasting. However, Spry's description of indirect advertising, it can be argued, is a conservative form of the direct advertising he opposes (CRL, "Memorandum" 16). The yardstick that groups appear to use in determining the boundary separating indirect from direct advertising is the amount of ad information that is broadcast and the amount of time.<sup>8</sup>

This aspect of the issue was not dealt with in legislation, but it was addressed in the regulations issued by the Canadian Radio Broadcasting Commission in 1933. Five regulations dealt with advertising policy. Regulation 100 stated that "No station shall broadcast advertising spot announcements between the hours of 7:30 p.m. and 11:00 p.m. No advertising spot announcement shall exceed one hundred words. Spot announcements shall not total more than three minutes in any one hour" (qtd. in Bird 131-2). This upheld the policy of indirect advertising during the peak broadcast hours — a

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<sup>8</sup> Mary Vipond shows that the definitions offered of direct and indirect advertising during the parliamentary hearings made distinctions that seemed "trivial" (Listening 235). I suggest that the distinctions did not rely as much in qualitative distinctions than in quantitative ones

public-ownership concern — however, it also allowed the use of spot (direct) advertising at other hours of the day. But the use of spots were restricted by the fact that they were limited to 100 words. Further, stations were prohibited from mentioning or suggesting prices in connection with any advertising programs or announcements (Regulation 92). The previous year, radio stations in the U.S. had been allowed to broadcast the price of products in their commercials (Vipond, Listening 63). This put Canadian advertisers at a slight disadvantage to their American counterparts whose broadcast signals reached Canadian listeners.

As a result, all advertising was limited to five per cent of programming, and a policy of indirect advertising was in force during peak broadcast hours in Canada. This certainly reflects the interests of the public-ownership groups. Direct "spot" advertisements were permitted at other hours — a request of private-ownership groups, but they were limited to the five-per-cent formula and restricted in the amount of information that they could present. Of the competing interests with regard to advertising, public-ownership groups succeeded in limiting the amount and type of advertising permitted.

## **2.10 Issue V: Accessibility**

The principle of universal access with regard to broadcasting includes several dimensions, but in the first decades of radio the most pressing one was distribution equity or coast-to-coast coverage. Prime Minister R. B. Bennett, in supporting public ownership of broadcasting, put it succinctly:

"Private ownership must necessarily discriminate between densely and sparsely populated areas. This is not a correctable fault in private ownership; it is an inescapable and inherent demerit of that system. It does not seem right that in Canada the towns should be preferred to the countryside or the prosperous communities to those less fortunate" (HOC, Journal 3035).

Bennett supported a system that, "without regard to class or place, equal enjoyment of the benefits and pleasures of radio broadcasting" would be available to Canadians (Ibid.). The parliamentary committee was to recommend a technical scheme to ensure "as complete and satisfactory a service as the present development of radio science will permit" (Royal Commission "Mandate").

While groups appearing before the committee weren't required to set out the details of such a scheme, although some did, it was assumed that groups did hold an opinion on this issue. The two positions that were most often proposed were: a power increase to private stations and the configuration of a high-power national chain.

## POWER INCREASE

- ⊕ Canadian Association of Broadcasters
- ⊕ CKAC, La Presse (Montreal)
- ⊕ CHGS, Holman Co. (Summerside)
- ⊕ CKCK, Leader-Post (Regina)
- ⊕ Government of Nova Scotia

## HIGH-POWER CHAIN

### I

- \* Aird Commissioners
- \* All Canadian Congress of Labour
- \* Canadian Radio League
- \* Canadian Legion
- \* Individual

### II

- \* Manitoba Telephone System
- ❖ National Committee of Education (U.S.)

### III

- ⊕ CKGW (Trans-Canada Broadcasting)
- ⊕ CFCN (Calgary)
- ⊕ Ontario Radio League

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### I

- \* Trades and Labour Congress
- \* National Council of Women
- \* Western Producer

### III

- ⊕ Canadian Pacific Railway

AIRD REPORT proposed the erection of seven high-power stations to provide good reception coast to coast and supplementary lower-power stations, where necessary, for areas not effectively covered ("Summary" f). These will provide national or regional chain broadcasting (Royal Commission, "Summary" j).

PARLIAMENTARY COMMITTEE recommended a chain of five high-power stations, complemented by 11 stations of lesser power, to provide coast-to-coast coverage (HOC, Journal 415).

1932 BROADCASTING ACT called for a commission "to determine the number, location and power of stations required in Canada" (Art. 8.a) and to "take over all broadcasting in Canada" (Art. 9.g).



The act did not outline a technical scheme, but it gave the commission responsibility for devising and implementing the scheme that would meet a basic tenet of universality for broadcasting — access to Canadian radio signals. Many Canadians already enjoyed access to American radio broadcasts (Peers 20).

Of those groups who addressed the issue, the positions adopted by the Canadian Manufacturers Association and the Association of Radio Manufacturers are unique in their claims. The former argued that Canada is "reasonably well covered" by the current system ("Summary 31 Mar." 1), the latter suggested that the government operate stations in isolated (unprofitable) areas and be "turned over to private interests later" ("Summary 31 Mar." 3).

CAB, backed by some of its members and the Government of Nova Scotia, advocated that the government "should definitely declare itself committed to private ownership of radio stations and permit the radio stations of Canada to go ahead and increase their power and improve their facilities" (CAB, "Submission" 4). It was the obvious position for private-ownership groups to take, but the least defensible since under that system many Canadians were either poorly or not served at all by radio broadcasting. These groups failed to demonstrate how power increases to existing stations would technically meet the demand of Canadians, coast-to-coast, for access to Canadian radio signals. In this issue, the question of national programming is secondary, nevertheless, that is the issue which these groups focused on when CAB proposed that the "finest" artists and orchestras would be delivered "to the radio listener in the far northwest, just as they are today delivered to the residents of the

metropolitan centres" if only the government subsidized national programming (Ibid.).

The groups that proposed high-power chains tackled the issue of universal access head-on. This response contains groups from the three clusters, with groups from the public-ownership cluster predominant. Although 10 groups took this position, different scenarios were proposed for implementing such a scheme. Scenario I proposed a publicly owned, national system set up by the federal government; Scenario II, a publicly owned, national system set up by the provinces but co-ordinated by the federal government; Scenario III, a privately owned, national system operated by the railways and big business with an interest in radio ("Summary 20 Apr." 2).

Scenario I entailed a modified version of the AIRD proposal, since most groups in this category backed the CRL plan. The league called for six high-power stations, plus 13 lesser-power stations, which would establish a national system of broadcasting. The Aird plan had proposed a chain of seven high-power stations and four of lesser power. This technical modification stemmed from a more detailed study of broadcasting conditions in Canada and not from a policy shift away from the Aird report. However, there were two points on which the league's proposal and the Aird report differed. The league argued that the system could be financed through licence fees and advertising revenue (CRL, "Memorandum" 21); the Aird commissioners included a third source of revenue: government

subsidy. The league insisted that low-power local stations played a role apart from a national broadcasting system ("Summary 18 Apr." 15); the Aird report envisaged low-power stations only as connectors in the national system (qtd. in Bird 46).

In Scenario II, the Manitoba Telephone System — a public corporation — proposed that each province would own and control five stations, one being high powered, and that the federal government would operate a super-power station for national and empire-chain broadcasting ("Summary 1 Apr." 2-3). Surprisingly, no other provincial governments made similar representations, in fact the governments of Nova Scotia and Quebec went on record in support of private ownership for broadcasting ("Summary 7 Apr." 2; "Summary 14 Apr." 3). The National Council on Education by Radio (U.S.) was included in this scenario, since it argued that "the rights of states, provinces and localities should always be considered" ("Summary, 13 Apr." 3) but it did not specifically support the Manitoba proposal. The scheme did not gain much support from other groups, although the issue of federal/provincial controls for the system did, as noted earlier.

Scenario III called for a national broadcasting system to be set up as a private monopoly that would serve Canadians coast-to-coast. It was proposed by CPR president Edward Beatty, who furnished many details about company ownership, operation and relationship to government, but few about the technical scheme he had in mind. He simply stated that the company "would have power to establish

stations to improve the coverage in Canada" ("Summary 20 Apr." 2). Three private-ownership groups also called for a type of private monopoly by arguing for a small number of high-power private stations to deliver national programming. CKGW, the flagship for the CPR broadcasts, said there should be "fewer large private stations with chains subsidized by the government" ("Summary 5 Apr." 4). CFCN-Calgary called for 12 high-power stations that would use the railway transmission lines (as opposed to the telephone lines). These stations would be overseen by a three-person commission, two members of whom would be delegates of the two railroads ("Summary 6 Apr." 2). The Ontario Radio League called for **"the abolition of all Private Commercial Broadcasting Stations in the Province of Ontario of low power and obsolete equipment (their emphasis)"** ("Statement" 3). They recommended reducing Ontario's 18 stations to six ("Statement" 4). In this scheme, Toronto's CKGW and CFRB would be protected, but CKNC would be lost. This prompted CKNC to dispatch a memorandum to the parliamentary hearings denouncing the plan (CKNC "Memorandum"). The Ontario league also proposed using the railway transmission lines for national programming. All three groups stated that no good-will payments should be made to stations that are closed down under a scheme of establishing high-power stations ("Summary 5 Apr." 4; "Summary 6 Apr." 1-3). By contrast, CAB stated repeatedly that their members expected a good-will payment if they were forced to close under a national scheme. They also stated categorically that CAB did not back the CPR scheme ("Summary 20 Apr." 3-4).

In the end, the Broadcasting Act, as read in the context of Prime Minister Bennett's motion to introduce the legislation, upheld the principle of public ownership of a national broadcasting system. The system was to rely on a chain of high-power stations, whose primary goal was to provide Canadians, coast to coast, with quality Canadian programming. This system most represented the interests represented by the public-ownership groups, particularly the CRL.

### **2.11 Issue VI: Canadian Programming**

Three years after conducting an intensive examination of broadcasting in Canada, Sir John Aird lamented that radio programming in Canada had still not improved and he observed that many parts of the country are without Canadian broadcasting ("Summary 14 Apr." 1). The chairperson of the Aird commission focused on two issues that the commission's recommendations had addressed: accessibility and Canadian programming. Many groups raised the issue of programming during the 1932 hearings. Their responses generally fell under one of three descriptions: (1) Canadian programs are acceptable, (2) Canadian programs need government subsidies, and (3) the approach to providing Canadian programs needs to be overhauled.

**ACCEPTABLE**

- ⊕ CHRC (Quebec)
- ⊕ Canadian Manufacturers Association
- ⊕ Ontario Radio League

**NEEDS SUBSIDY**

- ⊕ CKAC, La Presse (Montreal)
- ⊕ CKGW (Trans-Canada Broadcasting)
- ⊕ Canadian Association of Broadcasters
- ⊕ CHGS, Holman Co. (Summerside)
- ⊕ Government of Nova Scotia
- ❖ Association of Radio Manufacturers

**NEEDS OVERHAUL**

- \* Aird Commissioners
- \* All Canadian Congress of Labour
- \* McGill Faculty of Music
- \* Canadian Radio League
- \* Association of Professional Musicians
- \* Canadian Legion
- \* Trades and Labour Congress
- \* British Broadcasting Corporation
- \* Individual
- \* National Council of Women
- \* Western Producer
- ❖ National Committee of Education (U.S.)
- ❖ National Council of Education
- ❖ Toronto Conservatory of Music
- ⊕ Canadian Pacific Railway
- ⊕ CFCN (Calgary)

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⊕ CKAC, La Presse (Montreal)

- 
- ⊕ Canadian Manufacturers Association
  - ⊕ CKCK, Leader-Post (Regina)
  - ⊕ CHRC (Quebec)

AIRD REPORT proposed as the primary purpose of a national system the production of high-standard, Canadian programs for Canadian listeners; similar quality programs from foreign sources may be used as well (Royal Commission, "Summary" j).

PARLIAMENTARY COMMITTEE recommended that the development of Canadian art and artists be encouraged, and the procurement of "outstanding programs from outside Canada" be arranged (HOC, Journal 416).

1932 BROADCASTING ACT empowered the commission to make arrangements with private stations for broadcasting national programs (Art. 9.a); to originate and secure programs from within or outside Canada (Art. 9.e) and to make contracts with performing artists (Art. 9.f).

The act does not say what type or quality of programming the national service is expected to deliver. "It is not a visionary document," observes Roger Bird (115). Even Bennett's motion in the House provides little context for uncovering the objectives for programming. Bennett announced that radio is an agency for "the 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 national consciousness may be fostered..." (HOC, Journal 3035). From those general principles, the act mandated the commission to originate and deliver national programming on a regular basis, to work with Canadian artists and to secure programming from foreign sources. This is curious treatment of an issue that highlighted the hearings of a royal commission and, later on, of a parliamentary committee. It must also be noted that, after the question of ownership, programming was the issue which most groups commented on most frequently, according to the terms employed by this analysis. These factors begged for a closer examination of the discourse on programming in 1932.

In many presentations to the committee, the difficulties of programming were attributed to technology or economies of scale, not to content. CAB said that changes should be made solely "with the object of improving, in so far as possible, the class of programmes broadcast from stations located in the four Western Provinces and in the Maritime Provinces," since the class of programs in Central Canada is "of a very high order and requires no great expenditure of money to improve at this time" ("Submission" 1). They advised the government to subsidize programs and transmission lines to make



national programming affordable and accessible to these stations ("Submission" 2). Calgary station CFCN proposed that 12 high-power stations deliver one hour of national programming daily; that would supply 12 hours of programming for which the government would pick up the transmission costs ("Summary 6 Apr." 3). J. F. Garreth of Regina's Western Producer reported that the best radio concerts now come from south of the border, "since the C.N.R. quit their chain features on account of high cost of wire lines" ("Summary 12 Apr." 3). McGill's Dean of Music, Dr. Clarke, states that "our musical organizations would flourish if they had steady support such as a government system would provide" ("Summary 12 Apr." 2). As for content, there was no lack of endorsements. Canada can produce programs as good as the United States, the National Council of Women argued ("Summary 6 Apr." 4). Canadian choral music can hold its own with that of any country in the world, the Toronto Conservatory of Music claimed ("Summary 13 Apr." 2).

Programming was an issue in the broadcasting debates of the 1930s because quality national programming couldn't be delivered affordably on a regular basis. There were two reasons for this. First, great distances meant that high transmission costs were incurred to deliver comparatively small audiences to sponsors; that made national programming unattractive to advertisers (economies of scale). Second, even if it were affordable, under the current system of broadcasting, radio infrastructure developed in urban areas but left technological gaps across the rural expanse (technology).

The answer to the challenge of providing national programming in 1932 — as presented by those who were there — lay in a technological, financial solution, which the Broadcasting Act addressed. Five of the private-ownership groups argued for a financial solution, i.e. government subsidy drawn from licence fees to finance national programming. Eleven of the public-ownership groups called for a financial/technical solution, i.e. a publicly owned chain of high-power stations funded by an increase in licence fees. Three groups from the non-declared cluster backed this scheme: two national education committees and a music conservatory. Two private-ownership groups proposed a similar solution — a chain of high-power stations — but operated by a privately owned chain.

It should be noted that on this issue, the private-ownership groups were scattered across three positions. Three thought the current level of programming was acceptable; six said it required a subsidy to correct the situation; and two admitted that it needed an overhaul. Whereas the public-ownership groups lined up behind one position: programming system needs to be overhauled.

In establishing a public commission that would operate a chain of high-power stations and that would originate, secure, and deliver programming across the nation on a regular basis, the Broadcasting Act addressed the program issue. Apart from setting up a commission instead of a corporation, the act incorporated the programming interests that were represented by the public-ownership groups, particularly those put forth by the CRL. It provided a financial/technical solution to the question of programming. Private-ownership groups would get a form of

government subsidy, by way of supplied programming, but they are relegated to the low-end of the system and the public stations, according to the legislation, would be privileged.

## 2.12 Whose Interests?

The Canadian Radio League called it a "complete victory" when it read the unanimous report delivered by the Special Committee on Radio Broadcasting to Parliament (Potvin 82). When the bill was passed on May 26, 1932, Alan Plaunt wrote: "This implies the creation of a Canadian National Broadcasting System and may well prove one of the [most] important incidents in our national life since Confederation" (qtd. in Nolan 93). Six weeks later, Graham Spry reported on a meeting with R. B. Bennett during which the radio commission was discussed: "My views on a whole series of points had been accepted" (Potvin 84). Such were the perceptions of CRL organizers, even though reservations were being expressed privately about the creation of a commission instead of a corporation (O'Brien 301), and of the legislative silence on a licence-fee increase (Weir 135). Both issues imposed serious handicaps on the newly formed commission and would lead Spry to conclude three years later that "the Canadian experiment has failed," and a new one must be undertaken (Potvin 84). To what extent were the Canadian Radio League's policies incorporated into the Broadcasting Act?

An examination of the issues treated in this study reveals that the positions advanced by the league for four of the seven issues were wholly adopted (ownership, controls, accessibility,

programming), and three were incorporated in the act with some modification (regulation/operation, advertising, funding).

Of the three positions which were modified in the act, only one — the licence-fee increase (funding) — was not dealt with at all; nor would it be until 1938 (Peers 215). The creation of a radio commission, while not effective, did incorporate more of the functions that the league had requested (Peers 100) than of those which the private-ownership groups had expected. The advertising regulations that the radio commission later issued generally limited advertising, particularly on commission programming (Allard 95), but it opened the door to restricted spot advertising.

The chronicler for the Canadian Association of Broadcasters does not record the association's reaction to the legislation, but he does offer a personal opinion on the bill's passage: "The astonishingly brief section-by-section discussion that followed was desultory, superficial, and bored" (Allard 90). The private broadcasters' reaction, however, may be supposed by identifying which CAB positions were incorporated into the legislation — only one.

Under funding, the association had requested that the receiver licence-fee remain at \$2; it did. However, the fee-based subsidy, which it had also requested under the issue of funding, for transmission costs and national programming, went to a public broadcaster, instead. Some private broadcasters would benefit under the new radio commission, but as a consequence of the policies, not as the objective.

Three of the proposed positions (operation/regulation, advertising, programming) were incorporated in the act with

modifications. The regulatory commission, an idea the CAB supported, also operated as a broadcaster that controlled chain programming and could "take over all broadcasting in Canada." While it soon became clear that the current government was in no hurry for this to happen (Vipond, Listening 273), the threat of expropriation had moved from a recommendation to an article of law. The five-per-cent advertising restriction on evening broadcasts that CAB had proposed was extended to the entire broadcast schedule. Subsidized national programming now passed through the public broadcaster. And CAB's request that the government "declare itself committed to private ownership of radio stations" ("Submission" 4) received only minor attention; the act told the commission it could "encourage the construction of small private stations" (Art. 8.g).

On the issue of ownership and accessibility, CAB's positions were not incorporated into the legislation. The establishment of a public broadcaster, who was also a regulator, was not a declaration in favor of private ownership, although it didn't exclude it. Public broadcasting ruled out any development, for the immediate future, of a private broadcasters' chain to deliver Canadian radio to Canadians. The sought after power increases, though possible, would now have to be justified on grounds other than to improve accessibility of Canadian radio to more citizens — that was now the mandate of the public broadcaster.

In its presentation, the association did not state a position on the issue of federal/provincial controls.

The positions that were incorporated, wholly or partially, into the 1932 Broadcasting Act, represent the various interests of two lead groups. The Canadian Radio League played a lead role in representing the interests of public-ownership groups; similarly, the Canadian Association of Broadcasters acted as a lead group for many of the private-ownership groups. In general, the interests of the CRL were incorporated into the 1932 act; they emerged as the dominant interests. The CAB interests received modest attention in the legislation. In privileging public-ownership interests and marginalizing private-ownership interests, the act sets up a strategically selective terrain for radio broadcasting (Jessop 342). It does not necessarily follow, however, that in the interpretation and application of the act, the dominant interests will always be privileged. On the contrary, other groups, interests and processes are at work — structural constraints and resistances — which limit the effectiveness of privileged interests and of the means chosen by the state to act upon the consensus that it has achieved (Jessop 361).

This study has uncovered which interests were privileged in the 1932 act and which articulated the "public interest." It has not yet uncovered what these interests represent nor why these, and not others, generated a consensus. The answer to the latter may partially lie in the ability of each organization to function as a formal interest group and in the role that each occupied in the specialized public formed around broadcasting. These questions will be addressed in the succeeding chapters.

## CHAPTER THREE: STATE, CAPITAL, SOCIAL TRENDS

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### 3.1 Introduction

This chapter will examine the influence of state and capital interests upon the private- and public-ownership groups who fashioned the "public interest" in the 1932 Broadcasting Act.

To do so, the particular interests of the state and of capital will be considered, particularly with regard to the broadcasting legislation. This requires some knowledge of Canadian sociopolitical/economic life during the 1930s. It is neither the intention nor within the limits of this study to undertake a thorough analysis of this period, however, some general observations can be made.

The inter-war years in Canada were marked by the worst economic hardship that would be experienced this century. These years also coincided with the introduction of co-operative strategies, an antidote for the Depression (McCrorie), with modest displays of nationalist sentiment, English-style (Vipond, "Nationalist"); and with a new type of administration — technocratic. The managerial revolution had arrived (Burnham), so too had the moment come to formulate Canada's broadcasting policy.

The policy-making process is part of the internal organization of the state. It is a form of articulation, which, according to Jessop, is one of six forms that can be employed to examine the complex operation of a state, an entity in an ongoing process of formation (Jessop 345). This chapter will examine state forms and the needs of capital in the policy-making process for broadcasting.



### **3.2 Matters of State in Between Wars**

The state's "socially accepted function is to define and enforce collectively binding decisions on the members of a society in the name of their common interest or general will" (Jessop 341). To gain insights into how, in the name of the common interest, a collectively binding decision was made regarding broadcasting in Canada requires an examination of the state itself: its institutions (representation), processes (articulation) and functions (intervention) (Jessop 345). In addition to surveying these organizational forms, Jessop extends the levels of analysis to include an examination of three substantive forms of the state: social bases of support, state projects and state discourses (346). Drawing upon these forms, this study will undertake a rudimentary analysis of the Canadian state during the inter-war years to produce a general description of the nation — the guardian of the common interest — and to identify its role in formulating Canada's broadcasting policy. It will also consider the role that the interests of capital played in the policy-making process.

#### **3.2.A Organizational forms for policy making**

Canada in the 1930s was a democratic state in transition, according to A. Paul Pross. The parliamentary system as the forum for public discussion of government policy was in decline, the reliance on administrative experts was on the rise, and the Cabinet held firm control over policy (Pross 22-3). In the realm of commerce, corporate and economic concentration had accelerated since the turn of the century (Ibid.); in the political realm, the concentration of

government power within the executive paralleled this corporate development (Pross 36-8; Clement 86).

In addition to the forms of representation already provided within a parliamentary system of government, there were new expressions of representation. This was the era of national movements and organizations. A national fervor swept across one strata of society, primarily in urban centres, resulting in a host of nationalist associations, with different political emphases (Faris 2; Vipond, Nationalist 32).<sup>9</sup> Rural movements also sprang up across Canada — Antigonish, New Canada — that challenged those government policies which favored the urban interests of Central Canada (Faris 17-8). Some evolved into co-operatives: credit unions in Nova Scotia and wheat pools in the Prairie provinces (Faris 18, Thompson 36); others, into political parties: Progressive, United Farmers of Alberta (Faris 17, Thompson 28-37). These agrarian groups relied on adult education as a means to further their aims (Faris 19). National education groups also formed during this period: the National Council of Education, the Canadian Association for Adult Education (Faris 4-5; 21-3).

Other forms of representation had already developed. In the previous decade, various corporate and labor groups had formed national associations to represent their interests: the Canadian Manufacturers Association, Trades and Labour Congress (Thompson 139). Numerous women's groups had formed and new ones were being set up: the Federation of Medical Women of Canada, Canadian Federation of Business and Professional Women's Clubs (Prentice et

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<sup>9</sup> Faris points out that these groups had cross-membership, were essentially English-speaking and adopted elitist membership criteria (7-16).

al 263-4). Boards of trade and chambers of commerce had been established (Pross 38).

During this period, the press was slowly distancing itself from political association and becoming more aligned with corporate, rather than political, interests (Vipond, Media 14-5).

These were the various forms of representation that existed during the inter-war years.

With growing corporate concentration, a new political economy evolved that relied less and less on the influence of local parliamentary representatives and community élites (Pross 36-7). While their diminishing influence in policy formation may have been imperceptible to the public eye, the policy process now evolving, based on submitted briefs and formal reviews, was duly noted by interest groups (Pross 38). As the policy process became more formal, more delegations made their way to ministers' offices, parliamentary committees and government officials than to local leaders or local parliamentary representatives. The form of articulation for policy making had changed.

This change in the policy-making process had an impact on the forms of intervention. As Habermas has pointed out, with the extension of the franchise to all citizens, the state was used to redress the inequalities created by the bourgeois system of capital accumulation (1989, 133).<sup>10</sup> The Liberal platform of 1919 had promised an Old Age pension scheme and unemployment insurance, but once in power (1921) they dragged their heels (Thompson 198).

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<sup>10</sup> Canadian women, with the exception of those in Québec, had been given the vote by 1922 (Prentice et al 207). Aboriginal men and women were still disenfranchised.

The Old Age Pension Act was passed in 1927, but Thompson says the stringent conditions attached did not exactly herald the arrival of the welfare state (129-30). Canada's unemployed would wait two decades before unemployment insurance kicked in (Thompson 26). The free-enterprise Conservatives were elected on the heels of the Depression. They adopted some social reforms reluctantly — an eight-hour workday, a six-day workweek and a federal minimum wage (Thompson 264) and provided for a nationally owned broadcasting system. This signalled the government's increasing intervention in the private realm — the interpenetration of state and society was well under way.

During this period, the pork-barrel politics of the late nineteenth-century, which reached its peak in the 1920s, was no longer acceptable, Pross says. Public dissatisfaction deepened during the inter-war years. Party-dominated policy making was now seen as "inappropriate" (Pross 53-4), and "...the competence and purity of technical administration" by a neutral professional performing a public service was perceived as "part of a reform movement." Legislation in 1918 had already ensured that civil servants would henceforth be appointed on merit, not on party affiliation (Pross 53). The result was that the administrative arm (technostructure) of government grew from the 1930s onward at the expense of the political.

Thus, policy making in the 1930s straddled two systems. One operated by the rules of nineteenth-century élite politics, where a policy issue could be effectively addressed by a word in the right ear at the right club. The other relied on a formal process, where the

participation of interested groups and technical advisors in a formal policy review were needed to deal with the increasingly complex social issues and competing accumulation strategies that required public policy.<sup>11</sup> This often resulted in more economic intervention by the state in the civil realm. As Pross notes: "By the late 1930s, governments had become equal partners with the private sector in the management of the economy" (48-9).

The forms of representation, articulation, and intervention were shifting to reflect the changing balance of forces within society. These shifts in the policy-making process and in the balance of forces were evident in the initiatives and debates that lead up to the promulgation of the 1932 Broadcasting Act. On one hand, there were numerous official and unofficial contacts between interested parties and both the prime minister's office and department officials. On the other, formal briefs were submitted and presentations made before an all-party committee. This resulted in a report that was publicly scrutinized before legislation was tabled.

This shift in the policy-making process is best illustrated by the broadcasting proposal submitted by the CPR. The railway's president, Edward Beatty, appeared before the committee with a detailed plan for a private monopoly. The written brief was thoroughly prepared. The CPR proposal was backed by Beatty's prestige and the railway's reputation. The company had made a serious commitment to national radio broadcasting the previous year (Weir 80). The proposal had all the makings of draft legislation,

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<sup>11</sup> "An 'accumulation strategy' defines a specific economic 'growth model' complete with its various extra-economic preconditions and also outlines a general strategy appropriate to its realization" (Jessop 198).

particularly since the party in power traditionally supported the privately owned railway. In addition, Prime Minister Bennett was a personal friend of Beatty and had served as a CPR lawyer. A decade earlier, Beatty would have probably discussed the matter with Bennett informally, in a social setting. In ensuing discussions, they might have worked out an acceptable plan designed to placate the most vocal opponents, and legislation would have been brought before the House.

Beatty, however, adapted to the new form of public policy making. He appeared before the committee to argue his case. Three years earlier, the CPR had not bothered to appear before the Aird commission but had submitted a brief instead (Royal Commission, Report 23). In the current round, Beatty may have had informal discussions with Bennett prior to his appearance and may have received encouragement. It was to no avail though. Beatty's plan was passed over by the committee. Since the report was made public, Bennett would have risked public protests had he decided to intervene on his friend's behalf. After the committee report had been tabled, Graham Spry suspected that Beatty was counselling Bennett privately to delay implementation of the report, which would have allowed the private monopoly forces to regroup (O'Brien 300).

In the élite model of policy making, Beatty held all the cards; in the formal policy-making process, Beatty was not as well prepared as the public-ownership groups. The policy-making process had evolved.

### 3.2.B Substantive forms for project making

Within each historic period, there are national projects that impart a degree of "relative unity" to the state, Jessop proposes. These projects bind the state's institutions and forms together imparting to the state "a certain organizational unity and cohesiveness of purpose" (Jessop 353). During the inter-war years, the state project that appeared to bind Canada's institutions together with a measure of cohesiveness was nationalism. This period has been characterized as the culmination of "the 'colony to nation' saga," a period of unprecedented "artistic and literary nationalism" (Vipond, "Nationalist" 32).

Margaret Prang labeled it "English-Canadian nationalism" to acknowledge that there was a nationalist sentiment among some French Canadians that differed (377). Many historians point to the unprecedented rise of Canadian voluntary associations during this decade as evidence of and the source for this nationalist fervor (Faris; Prang; Thompson; Vipond, "Nationalist").

In his study Passionate Educators, Ron Faris traces this source to a small group of English-Canadian élite, comprising intellectuals and businessmen (16). Mary Vipond, who builds upon Faris' work, includes writers and artists among this élite ("Nationalist" 33) She concludes that these groups represented the élites' perceptions of national problems and of their particular role in addressing them, so that their formation was "deliberate, political, and élitist," not spontaneous (Nationalist 48-9). The nationalist intellectuals adopted a "tactic of forming a number of separate associations, each with a fairly specific and focused purpose but with 'interlocking

directorates' " (Ibid.). Their purpose was to secure a strong executive to generate publicity and to lobby governments. The groups that Faris referred to were: the Canadian League, the Association of Canadian Clubs, the Canadian Institute of International Affairs, and the League of Nations Society; Vipond included the Canadian Authors' Association and the Group of Seven.

Laying the credit for Canada's "nationalist" decade on the doorstep of the nation's (English-speaking) intellectual *élite* doesn't preclude the use of nationalism as the cement that binds state institutions during the inter-war years. In fact, *élite*-supported projects are the essentials of hegemonic control. But, before consigning these decades to a state project set up by an *élite*, are there other groups or factors in these two "nationalist" decades that contributed to constructing the state project? Some historical facts bear recounting.

William Lyon Mackenzie King, Canada's prime minister throughout most of the 1920s, used his time at two Imperial Conferences in London to disentangle Canada from the British Empire's foreign policy (Thompson 46-9). His predecessor, Sir Robert Borden, had been the leading advocate pressing for more participation of the dominions in formulating British foreign policy (Thompson 38). Both were working from the concept of dominion autonomy but from completely different perspectives. In Borden's Canada, the dominion stood as an equal partner alongside Britain, setting empire foreign policy and maintaining its traditions; King's Canada was a nation that set its own foreign policy while remaining a member of the Commonwealth of Nations. Since Canada was



multicultural, King's "primary external affairs objective" was securing the nation's internal unity (Thompson 40). Both leaders espoused nationalist positions based upon Canada's aspirations for autonomy. But one privileged an empire connection with strong British ties, while the other preferred a commonwealth link without predetermined conditions of reciprocity.

There were two competing visions, purposes, projects identified by these positions, and there are others. Some Canadians were drawn to international solidarity over and above national sentiment. The aspirations of others lay in regional autonomy, "sectionalism" — the Maritime Rights Movement (Thompson 107-8), the western United Farmers' groups, Quebec nationalists. The desire to assert Canada's autonomy in its dealings with the powerful neighbor to the south was perceived as equally pressing. The motivations varied widely, but the discourse took place under the same heading: dominion autonomy. In this thesis, I propose that the dominant state project of the 1920s was "dominion autonomy," which encompassed a range of interests and interpretations, some of which would emerge later as competing state projects.

Did this state project stem from the work of "the political-corporate-educational elite" who, through voluntary associations, "interpreted 'national unity' in terms of their own hegemony"? (Faris 19).

The Farmers' Platform, a political manifesto revised in 1918 and adopted by farmers' organizations in 1919, had called for a series of economic reforms, which included free trade with Britain and reciprocity with the U.S. The manifesto also sought dominion

status for Canada, public ownership of a wide range of utilities, and reforms to bring about "a greater measure of democracy" — particularly regarding the senate and proportional representation (Morton 122). The farmers' groups called the policy "The New National Policy." It was a direct challenge to the detested old National Policy that had driven the policy decisions of both the Conservatives and the Liberals since the 1880s. The New National Policy guided the political farmers' parties which formed and which, subsequently, took seats in Alberta, New Brunswick, Nova Scotia, Manitoba and Ontario (Ibid.). In Alberta, the United Farmers' Party formed the government from 1921 until 1934. The farmers also formed a federal party, Progressives, and took 65 seats in the 1921 election (Morton 126-7). This rural-style nationalism had an impact. It did not arrive at the same conclusions, necessarily, that the intellectual élite did, but it was committed to dominion autonomy. By the end of the decade, with the exception of Alberta, the nation's farmers had stepped out of politics and into co-operative strategies in an effort to tackle the economic issues head-on. Nevertheless, the inclusion of such national concerns as dominion status, public ownership and democratic practices in their political agenda, and their participation in government, made nationalism a topic of discussion among farmers during the 1920s.

There was a major split of labor groups in 1927. Fifteen unions, which had been affiliated with Trades and Labour Congress, the nation's largest union, formed the All-Canadian Congress of Labour (ACCL). It had a membership of 40,000 (Thompson 146). The parent body, the Trades and Labour Congress, had 190,000 members and

strong connections with the reactionary American Federation of Labour (Thompson 139). The ACCL supported a "co-operative commonwealth" for Canada, leaned towards socialism and pledged "to achieve 'complete independence from United States control' over the trade unions" (Thompson 144). The Confédération des travailleurs catholiques du Canada, the most nationalistic union, also decried the foreign influence in the Canadian labor scene (Thompson 146-7). Two of the three largest Canadian unions had policies that fell under "national autonomy," and the two English unions supported the public ownership of broadcasting during the 1932 hearings.

The Catholic Women's League was among the many national groups that formed during the 1920s. At the league's first convention in 1921, President Bellelle Guerin noted that out of a population of 8.8 million (Thompson 2), one million were Catholic women ("As It Was" 42). At that time, the league adopted for its motto: For God and Canada; its national team was called the "Dominion Executive." An address by Margaret Jones, a convention organizer, focused on religious and social action issues, but it included several "nationalist" references. Jones exhorted the members to practise "good fellowship ... so that we may present a solid front on questions which affect nationally the life of this great country, which is ours by right of occupation and inheritance" ("The Way" 39). Though founded for reasons that transcend nationalism, the Catholic league's agenda was national and its rhetoric, nationalistic.

In referring to the numerous national groups that emerged during the decade, Prang claims that "expressions of the new national consciousness were not confined to intellectuals" (377). "The precise

effect on the country of this growing trans-continental network of concerns and personal relationships is impossible to document but its significance in strengthening the fabric of the nation cannot be questioned" (Prang 378). In her somewhat personal essay, Prang concludes that the unrecorded conversations from the period "would demonstrate that never before had so many Canadians shared a universe of discourse that was so distinctly Canadian in its references" (Ibid.).

In these few examples, it appears that the push for dominion autonomy was an issue Canadians were debating before the rise of the oft referred to nationalist voluntary organizations. Nationalism wasn't the primary focus of most groups, as it was for the nationalist associations, but it was a prominent issue and it was discussed. No doubt developments throughout the '20s fueled the discussions about Canadian nationalism, which were framed by the drive for dominion autonomy.

The 1926 Imperial Conference officially acknowledged the dominions as "autonomous Communities." The following year, Canada sent its first diplomatic staff to Washington (until then, the British ambassador represented Canada's interests in the U.S.). In 1929, the British Parliament renounced its powers to disallow or reserve legislation passed in the dominions, and in 1931, the new autonomy for the dominions became law with the passage of the Statute of Westminster (Thompson 49).

While there may have been several state projects operative in Canada during this epoch, it seems certain that "dominion autonomy"

was among them. Nevertheless, Jessop puts the role of the state in determining state projects in context:

"Although the state plays a key role in defining the identity of the society, its identity is contested in turn by forces rooted in other spheres. ... the state is widely considered to speak on behalf of society. But, on the other hand, a host of non-state forces within and beyond the political system struggle to (re)build the state and redefine its projects. This produces continuous cycles of definition and redefinition in which states shape society and social forces shape the state" (361).

Governments rely upon state projects to provide the cohesiveness of purpose that a state requires to function. Of the three clusters that formed during the parliamentary hearings on broadcasting, only the public-ownership groups included, in any consistent manner, the state-project discourse within their presentations. Discourse does not easily fall into categories for analysis as do the issues of operation/regulation, funding, or advertising. To employ the same type of analysis for the state-project discourse that various ownership groups adopted, I've grouped the discourse under three themes: Values, Ideals; Culture; and Economics. The heading Values, Ideals refers to issues of nation building and state autonomy; Culture takes in made-in-Canada cultural issues, such as promoting Canadian talent; and Economic includes the commercial issues that have been situated in a "national autonomy" context, such as labour codes.

VALUES, IDEALS	CULTURE	ECONOMICS
* Aird Commissioners	❖ Toronto Conservatory of Music	❖ Institute of Radio Service Men (Intl.)
* Canadian Radio League	* Association of Professional Musicians	* All-Canadian Congress of Labour
* University of Alberta, Extension	⊙ CKGW (Trans- Canada Broadcasting)	
* Western Producer		
* Canadian Legion		
* British Broadcasting Corporation		
* Individual		
* National Council of Women		
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	⊙ CKAC, La Presse (Montreal)	
	⊙ CKCO (Ottawa)	
	❖ Imperial Radio System	

From the chart, it's clear that public-ownership groups did not hesitate to bring up issues of "national autonomy" in their presentations on broadcasting. Under the heading Values, Ideals, most references that these groups made were to the dominance of U.S. programming, which, they claimed, resulted in the transmission of American consciousness to Canadian listeners, particularly to children ("Summary 7 Apr." 3-4; "Summary 18 Apr." 1-2). These groups also proposed that high-quality Canadian programming would provide an alternative ("Summary 14 Apr." 3). The issue of nation building was mentioned frequently as well ("Summary 7 Apr." 4).

Under Culture, groups referred to the untapped wealth of Canadian talent and culture that, under the present broadcasting

system, was unavailable to Canadians. N. C. Hamburg of the Association of Professional Musicians (Toronto) complained that typical Canadian programs are not being developed, "yet, we have an abundance of material — French Canadian Folklore — Indian music — Coast music — Canadian history" ("Summary 12 Apr." 1). Also under Culture are three related responses, two of which (CKAC and CKCO) made references to radio's use of language other than English; CKAC was concerned that the use of French would be limited on a national system ("Summary 19 Apr." 5).

Under Economics, two labor groups suggested that American labor interests were trying to impose American-style labor practices in Canada ("Summary 15 Mar." 2; "Summary 19 Apr." 2).

Only three out of 18 groups in the private-ownership cluster used the "national autonomy" argument in their presentations; whereas 10 out of 14 groups in the public-ownership cluster did so. This is significant, I suggest, because governments rely on state projects to bind their institutions, practices, and policies together with a "cohesiveness of purpose." The fact that the public-ownership groups framed their positions within the context of the "national autonomy" state project supported the government's need to maintain "cohesiveness of purpose." By locating their positions within this state project, the public-ownership groups made it easier for the government to adopt their recommendations.

### **3.3 Capital Needs Considered**

The most distinguishing feature of the capitalist state, according to Jessop, is its "institutional separation from the circuit of

capital" (206). Because of this, it is "always problematic for capital how far political action will promote rather than undermine accumulation [strategies]" (Jessop 186). Jessop also points out that the "interests of capital" exist at two levels: "capital in general" and "particular capitals" (152). Capital in general is produced by the "overall circuit of capital," whereas particular capitals compete within and produce the circuit of capital (Ibid.). Herein lies the dilemma of capital. For while there is an interdependent relationship between capital in general and particular capitals, there are also "potential conflicts of interest in their reproduction requirements" (Jessop 153). Simply stated: capital in general needs some particular capitals for its reproduction but not all, and it may, in fact, require "the bankruptcy or depreciation of some capitals as a condition of its own survival" (Jessop 152-3). Add to this dynamic of competing particular capitals the ambivalence of the state regarding particular accumulation strategies, and the impact on a particular capital interest, such as the Canadian Pacific Railway, can be most unsettling.

The CPR had proposed that a private monopoly be set up for broadcasting in Canada. Edward Beatty's plan called for a buy-out of all radio stations, and the establishment of a private company in which the two railway concerns would hold the majority of stock. The company's revenue would come from receiver-licence fees and advertising. The company would permit small local stations, but they could not carry advertising. A commission would regulate the private monopoly in the public interest ("Summary 20 Apr." 1-3).

In this scheme, the capital needs of the 66 station owners are eliminated through the buy-out, except for the large stations that



become shareholders in the new company. All advertising revenue would accrue to the company, since all competition would be eliminated. In addition, operation costs would be lowered through the rationalization of resources; one station in each locale. The accumulation strategy would set up conditions to deliver the maximum profit for the minimum investment. These conditions would ensure the reproduction of capital for broadcasting, but at the expense of the particular capitals that had been eliminated through the buy-out.

Of all the proposals, this one best served the needs of capital in general and, at the same time, would have delivered a national service. It would have originated and delivered national programming on a regular basis, acquired foreign programming and facilitated empire broadcasts. Furthermore, it would have kept the railways' telegraph lines profitable, maintained low receiver-licence fees, and perhaps, at the end of the broadcast day, turned a modest profit. All this would have been done without government involvement, but under the watchful eye of a radio commission ever ready to hand down a ruling should the company misinterpret the public interest at any time.

Although it appeared to be the scheme best suited to the particular needs of the state and to the general needs of capital, it wasn't adopted. This study suggests several reasons for this, including the dilemmas of capital reproduction.

As pointed out earlier, the needs of "capital in general" do not always coincide with the needs of "particular capitals." Further, capitalism faces an unresolved dilemma regarding profitability and

wages. Profitability requires that wages be kept at a minimum; whereas to obtain the greatest surplus value for a commodity requires rising wages to create more demand. "At the level of capital in general this constitutes an obvious dilemma and at the level of particular capitals it generates conflicts of interest according to their precise location in the circuit of capital" (Jessop 154).

These contradictions were inherent in the broadcasting system of the 1930s. Advertisers wanted to reach large audiences through radio. Canada's policy only allowed for indirect (sponsored) advertising during the peak evening hours. Advertisers incurred two costs in sponsored programs: the cost of the air time and of the production. In return, they received about three minutes per hour of indirect advertising — a mention of the company's name and, perhaps, mention of products sold. After a period of experimentation, companies discovered that the cost of direct ads, where more product information is delivered, cost the same amount as indirect advertising ("Summary 31 Mar." 2). Their particular accumulation strategy required that they lobby for direct advertising instead of indirect, since more product information would be allowed. More product information increased sales and raised profits. However, advertising revenue helped to produce better programs that drew larger audiences. This allowed radio owners to charge more for advertising, which in turn raised the product's price. And the circuit of capital continued. A broadcasting monopoly was one way to ensure that advertisers could not drive down broadcasting charges by seeking the services of competing stations or broadcast chains.

These dilemmas of capital lead Jessop to observe that:

"Government manipulation of contrary and/or contradictory demands might produce a mechanical compromise but it cannot produce an organic solution transcending particularistic demands. This requires leadership and the elaboration of a general economic strategy" (156).

He concludes that in a parliamentary system, where political forces are only indirectly concerned with economic forces, there appears to be "few advantages for capital" (165). Further, given the inherent contradictions of capital accumulation "there can be no single, unambiguous reference point for state managers how the state should serve the needs and interests of capital" (354). An examination of the accumulation strategies represented by groups within the private-ownership cluster highlights the difficulty.

The CPR and some large stations proposed setting up a private monopoly to divide advertising and receiver-licence revenue among themselves. Other large stations, however, wanted to maintain the status quo but receive power increases to enlarge their advertising markets at the expense of the smaller stations. If this group was favored, they would have negotiated the best deal for line costs with the competing railway and telephone companies.

Smaller stations wanted to maintain their presence in the local community and hold their market share against the large stations. The large stations felt the small broadcaster was draining the limited advertising revenue away from them.

Railway companies wanted chain broadcasting to use the telegraph lines; whereas the telephone companies wanted the long-distance business of chain broadcasting.<sup>12</sup>

Advertising agencies and manufacturers just wanted more advertising information included at lower costs, not less information at current costs, in whichever system could provide it: the status quo or a private monopoly. They felt public ownership couldn't meet these needs, but found out differently when the radio commission started operations.

Radio manufacturers wanted a broadcasting system that would deliver high-quality programs at low licence fees so more radios could be sold.

There was, however, consensus on one position in these various strategies: the government should subsidize national programming. This was one policy position tailored to benefit everyone's accumulation strategy in the private-ownership cluster.

There were, of course, other economic strategies at work, including those public-ownership groups who sought a licence-fee increase to pay for quality national programming, and the Manitoba Telephone System that wanted a provincially owned system which would probably use the new trans-Canada telephone system.

### **3.4 State and Capital in Second Place**

From this analysis of state forms, particularly of the state project, it can be said that the 1932 Broadcasting Act was conceived

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<sup>12</sup> Chain broadcasting was the term used in the 1930s to describe network broadcasting, i.e. the hook up of several stations to air the same broadcast.

within a discourse of "dominion autonomy" — an articulation of the prevailing state project. To this discourse, Prime Minister R. B. Bennett brought the Conservative free-enterprise agenda and his own "imperialist" disposition (state interests), which set the tone for civil servants and for policy making. However, the interests of Bennett and his government were mediated by the effects of the Depression, the expressions of public opinion, the needs of particular capital (in other words non-state interests) and the reactions of Parliament.

The broadcasting policy that resulted was the outcome of the complex interaction of various interests, which represent both state and non-state forces, within a policy-making process (Jessop 351). This legislation displayed a bias; it favored national (publicly owned) broadcasting, which was given the mandate to regulate local (privately owned) broadcasting. That bias is not particular to state interests, although some were included, but it "involves the differential articulation and aggregation of interests, opinions and values," in which some interests are marginalized, while others are privileged (Jessop 342). The interests of the public-ownership groups were privileged; those of the private-ownership groups were not.

However, any bias a state holds is:

"always tendential and can be undermined or reinforced by appropriate strategies. For, within the strategically selective limits established by state structures and operating procedures, the outcome of state power also depends on the changing balance of forces engaged in political action both within and beyond the state" (353).

The 1932 Broadcasting Act privileged the interests of the public-ownership groups over those advocating private ownership. The public-ownership positions were situated within the context of a state project, "dominion autonomy"; the private-ownership positions were not. In addition, the private-ownership groups represented an array of competing accumulating strategies, which meant that the state was faced with balancing the needs of particular capitals if it opted for a private-ownership position.

Up to now, it is clear that the interests of particular capitals, generally, were not privileged within this act. What then of the particular interests of the state?

In Missed Opportunities, Marc Raboy observes that since the state is regarded as the defender of the public interest, that "tends to obscure the actual role of the state, as the promoter of particular *private* interests, and obscures the fact that as a pivotal social institution, the modern state has its own particular private interest" (italics, Raboy's emphasis) (336). Raboy proposes that the state, in fact, promotes two sets of "particular private interests": those of the state and of capital. The particular private interest of the state includes:

"the need to maintain and promote a sound national economy based on the expansion of capital and the furnishing of a minimal social welfare net; (2) the need to maintain social peace by minimizing class conflict and cross-cultural, interregional harmony; (3) the need to negotiate a favourable position for the national entity it represents on the global, geopolitical scale; and (4) the need to maintain its own legitimacy above and beyond question" (Missed 336).

For Canada, in addition, this means protecting the domestic market for Canadian business and national integrity both from the pull of the neighbor to the south and from internal fragmentation (Ibid.). Raboy says all these interests are included in the "particular private interest" of the state.

While some of these interests, such as providing a minimum welfare net and maintaining the legitimacy of a particular government, clearly refer to benefits accruing to particular groups, the other interests carry a range of benefits for large segments of the citizenry, i.e. the public. Maintaining social peace in Western democracies, if not enforced repressively, is generally viewed by the public as being in its interest; in the same way, negotiating a favourable position in the global network often benefits all citizens generally, although not always. Certainly, the 1932 negotiations to secure more clear channels for broadcasting was in every citizen's interest, and not particular to the state's interest only. It would seem that some state interests are particular to itself, as Raboy points out, but that others include the general interests of the citizenry as well. Drawing upon the distinctions that Jessop makes between the needs of particular capital and those of capital in general, I would suggest that the nature of state interests require that a similar distinction be made: the state has both particular and general interests.

The 1932 act did include some particular interests of the state. It was in the Conservative government's interest to establish a commission, instead of a corporation (Art. 3). Commissions conjure images of regulation, not private enterprise, whereas corporations are associated with free enterprise and profit making. The policy of

creating independent boards, commissions, or corporations to operate publicly owned enterprises was being widely adopted in the 1920s (Corry 301-2). However, the "independent public corporation, organized and administered on business principles, as a substitute for capitalistic monopoly" that Corry described in 1936 (303) was not the type of autonomous commission Prime Minister Bennett presented. In introducing the legislation, Bennett noted that provision had been made for a commission, comprised of nine assistant commissioners (one from each province) and local advisory committees, "so that from the small unit up to the dominion there is effective democratic control of broadcasting" (HOC, Journal 3036). Framing the commission in this way emphasized its sociocultural character, rather than its commercial function. It provided the politically correct structure that enabled a free-enterprise government to justify the public ownership of radio stations. How committed the government was to this policy of "democratic control over broadcasting" is unknown — the provincial commissioners were never appointed. However, it did serve the interests of a government who needed to mask its support for public enterprise behind a regulatory commission rather than create a public corporation that functioned as a commercial broadcaster.

The legislation also limited the commission to providing national programming. Local programming, even on commission stations, was to remain in local hands (Art. 9.d); thereby, assuring a place for private local stations in the national system, which could be filled by a commercial interest. Bennett's rationale for encouraging "the construction of small private stations" (Art 8.g), "otherwise such



communities be deprived of the value of any national broadcasting efforts" (HOC, Journal 3042), is unconvincing, since the chain of high-power stations was to provide such coverage. It appears, instead, that the proliferation of small local stations was intended to provide more local broadcasting, a provision that would later compromise the pre-eminent position of the national broadcaster. Yet, that provision was not too far removed from the one espoused by the Canadian Radio League (CRL, "Memorandum" 19).

Expropriation of stations required to establish the national chain was also on condition that the commission was in a position to do so financially (HOC, Journal 3036), which would take years.

In these three examples — establishing a commission, protection for local programming and financial limits on expropriation — the legislation reflects the state's particular interests over those of the public-ownership groups. Still, these particular state interests are not dominant. They limit, but do not challenge, the policy of public ownership and the principles of universal access to radio signals and equal access to national programming. In the same way, some interests of the private-ownership groups are included in the legislation too — the provision for local private stations to serve community needs — but neither are they dominant. For the moment, these state and private-ownership interests provided checks; in the future, they would provide the points of resistance and of structural constraints. Their capability to challenge the dominant interests would depend upon the changing balance of forces.

### 3.5 Social and "Public" Interests

If the interests that were privileged are not primarily comprised of either the particular interests of the state or of capital, what interests do the public-ownership groups represent? The broad classification that Raboy employs to categorize the interests that competed to define Canada's broadcasting policy offer a reference point. While Raboy does not provide a detailed typology, he does refer to three types of interest groupings. Each offered a different conception of the public and sought to influence broadcasting policy: state, capital and social (Broadcasting 748-55; Missed 20. 335-7). With regard to cultural interests, Raboy observed that some aspect of these were appropriated by the interests of state, as issues of cultural sovereignty, and by the interests of capital, as issues of cultural industries (Broadcasting 12, 754). Other cultural interests that fall within the realm of the social, such as the promotion of indigenous cultures, I've termed "sociocultural" for the purposes of this study.

Raboy has proposed that "social and cultural objectives were consistently made subservient to political and economic interests" in the development of Canada's broadcasting policies (Broadcasting 748). He says that the separation of cultural interests from sovereignty and industry-related issues requires the democratization of public media, that would allow "us to distinguish particular, private interests from social, or public interests" (Missed 341). Raboy uses the terms "social interests" and "public interests" interchangeably. Employing his broad classification, then, would suggest that the interests privileged in the 1932 act were

sociocultural, since they neither comprised, in the main, the particular interests of the state nor those of capital. Raboy suggests this himself when he described the public-ownership groups who lobbied for the 1932 act as "public interest groups," hence representing social interests (Missed 33).

According to these terms, then, the dominant interests of the 1932 act represented social or "public" interests. Social interests, for Raboy, place sociocultural objectives before economic or political ones (Broadcasting 750), and lead to policies which democratize the media and which are formed by public participation (Missed 341). Certainly, the positions advanced by the public-ownership groups upheld sociocultural objectives. They argued for universal access to Canadian radio signals, equal access to national programming, programming based on educational objectives in the widest sense and not on advertisers' needs, and a public broadcaster answerable to the public through Parliament, not to the government through a department.

### 3.6 In Summary

This chapter set out to identify the influence of state and capital interests within the private- and public-ownership groups who fashioned the 1932 Broadcasting Act. The act represented the aggregation of interests, opinions, and values of both state and non-state groups, which were represented within the private- and public-ownership groupings. The legislation that resulted clearly privileged public-ownership interests. While some particular interests of the state and of capital were incorporated in the act, these interests were

not significantly represented within the public-ownership grouping. Using the classification of interest groupings found in Marc Raboy's works on Canadian broadcasting policy, it was uncovered that the public-ownership grouping espoused mainly sociocultural or "public" interests. Even though the act included some particular state interests, these limited but did not challenge the public-ownership interests. The act also marginalized the interests of the private-ownership groups, but it did not exclude them.

## CHAPTER FOUR: INTEREST GROUPS IN OPEN SPACES

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## **4.1 Introduction**

Chapter Two uncovered that the interests represented by the public-ownership groups were privileged in the 1932 Broadcasting Act. Chapter Three then argued that the interests, which the public-ownership groups advanced, did not, generally speaking, mask the particular private interests of the state or of capital. In a broad sense, these interests represented sociocultural concerns, which leads to the second concern of this thesis: why were some interests privileged over others? This requires an examination of the policy process and the lead groups within the public- and private-ownership clusters.

The public-ownership groups were led by the Canadian Radio League (CRL); the private-ownership groups had two obvious champions: the Canadian Association of Broadcasters (CAB) and the Canadian Manufacturers Association (CMA). This study will investigate the relationship, if any, between the internal organization and makeup of these pressure groups and the influence they exerted on the policy-making process of 1932.

This comparative analysis will draw upon A. Paul Pross's theory of interest-group formation. The political salience and policy capacity of two lead groups will be considered by identifying the particular characteristics of each group. The characteristics that will be considered are: membership, resources, structure, and outputs.

## **4.2 Anatomy of an Interest Group**

Graham Spry told the 1932 parliamentary committee that the Canadian Radio League was "the agency of all federations and

organizations" that support "public ownership of Canadian broadcasting" (qtd. in O'Brien 262). It was an informal alliance, an association of groups bound by their support for public ownership, operation, and control of radio broadcasting, principles enunciated in the Aird report. Many groups had held this position prior to the league's formation: the All-Canadian Congress of Labour, the United Farmers of Alberta, the Canadian Legion (O'Brien 88). With the founding of the league in 1930, groups supporting public ownership now had a catalyst that could channel support for nationalized broadcasting into the political (public) sphere and that could become a key player in the policy-making process. The league was founded as a pressure group.

The influence that pressure groups, such as the league or CAB, exert on the formulation of policy is related to their level of institutionalization, the process by which a pressure group becomes central to and integrated within the policy-making procedure (Pross 94-8). A group's level of institutionalization is based upon its political salience and policy capacity. Even though participation in policy making is usually a secondary interest of most groups, each organization has an inherent potential to influence public policy. Pross calls this potential the group's political salience, and it is derived from the group's inherent characteristics: membership, resources, etc. The means a group has at its disposal to participate actively in a policy field indicate its policy capacity. Assessing a group's membership, resources, structure, and outputs and the way it draws upon these to influence policy will indicate its political salience and policy capacity (Pross 101). Since the CRL and CAB were

formed primarily to influence the policy field of broadcasting, an analysis of their characteristics can assess both their political salience and policy capacity.

#### 4.2.A Canadian Radio League

##### i) Membership

To gauge the political salience of a group's membership, Pross notes that size and domain (representativeness) are usually considered first. Next, the members' socio-economic status is assessed; this indicates the type of financial resources and connections available to the group. This is followed by consideration of the members' level of knowledge or expertise upon which the group can draw (Pross 102-4).

As a formal group, the CRL's membership was small (size), but as the hub of an informal alliance, its network was extensive (domain).<sup>13</sup> The CRL did not always distinguish between these two aspects of membership (size and domain). That presented difficulties for the league regarding its claims of popular support and, later, raised questions for scholars. Pross's distinction sheds some light on this double-sided aspect of membership.

The league was comprised of a national council — an honorary list of notables who offered advice and endorsed nationalization of broadcasting as espoused by the league — and an executive, which developed the policy and presided over day-to-day operations

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<sup>13</sup>The term "domain" refers to "the proportion of the latent group represented by an organization" (Pross 103). The extent to which an organization is considered one of several voices or "the sole mouthpiece" of an group, determines its proportion of domain.



(O'Brien 90-2). Together, they comprised about 100 persons (O'Brien 198-200), of whom perhaps less than a quarter took an active part in the policy-making process. In terms of size, then, the league's numbers were small; yet, its influence on the 1932 act was considerable. That led Allard to complain that "the Army of Phantoms had clearly won the first round" (90). Who then was this phantom army and how did it form?

Mary Vipond says it was "the culmination of a decade of organization and networking among English-Canadian cultural nationalists striving to foster unity among the different provinces and peoples of Canada and to strengthen the sense of national identity, particularly vis-a-vis the United States" (Listening 227). This cultural network was the handiwork of a nationalist élite (Vipond, Nationalist 48-9). Since members of this élite were at the heart of the CRL (O'Brien 90), there's a tendency to ascribe élite motives to the league and to its influence on broadcasting policy. However, as noted in Chapter Three, the captains of this phantom army represented other interests in addition to cultural nationalism and an élite conception of Canada. For, if the CRL didn't rate high on the scorecard for size, it had a significant score when it came to measure the domain (representativeness) of its core members.

Humphrey Mitchell of the Trades and Labour Congress informed the 1932 parliamentary committee that the union had 175,000 members in 1,600 branches in every province. He noted, also, that the declaration endorsing the public ownership of broadcasting was passed unanimously at each annual convention in the last several years ("Summary 7 Apr." 3). The National Council of

Women with 500,000 members and the Canadian Legion with 115,000 members made similar representations before the committee ("Summary 7 Apr." 3-4).<sup>14</sup> Each group was represented either on the CRL council or on the executive (Potvin 73).

On the other hand, the United Farmers of Alberta, who were also members of the league, did not appear before the committee. The farmers' party, which held power in the Alberta legislature, had a representative on the parliamentary committee itself (Peers 78). This group, which sprung from a popular rural movement, had its own interests. In early 1931, a Canadian Press story reported that the United Farmers of Alberta had passed a resolution supporting the nationalization of radio broadcasting in Canada to "oppose the creation of a private monopoly in which the railways, eastern financial and manufacturing interests would have control to the detriment of agriculture and other western interests" (qtd. in Allard 77). These interests rate low on the scorecard of a centralist cultural nationalism, but they were included in the league's concept of public-service broadcasting.

There were many groups, such as these, that endorsed either the league's position or its detailed plan for the public ownership of broadcasting. No doubt, not all the CRL partners were equally up to date on the league's policy or the adaptations that were made in the months leading up to the hearings. Some groups either rethought their position or had just considered it and, then, publicly withdrew their support from the league before the parliamentary committee, as Allard is eager to point out (81-3). This led some committee

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<sup>14</sup> The National Council of Women is described as "bourgeois and urban-based" by Thompson (74).

members to question the league's claim of popular support for their position (O'Brien 261), a response that is best explained by distinguishing between membership size and domain.

Vipond points out that many ordinary Canadians, who were members of groups supporting the league, may have been indifferent or even opposed to the notion of public broadcasting (Listening 231). This is no doubt true. Nevertheless, when a group endorses a particular policy, such as nationalized broadcasting, that doesn't signify the unqualified support of each member; rather, it signifies that a process of deliberation, usually democratic, was employed before the group's representatives adopted the position. As the largest groups among the league's supporters had pointed out to the parliamentary committee, their resolutions in support of public ownership and of the league's position were passed at annual meetings of local representatives. While a close examination of the deliberative process within these groups may reveal that opportunities for public discussion (intraorganizational public sphere) varied widely among them, that doesn't invalidate the claim that wide support existed within these groups for public ownership, nor can it be employed to label the position élitist.

Even though some members of the nationalist élite were at the heart of the CRL, the members of the league's network brought other interests to bear along with their common support for public ownership: the Canadian Legion focused on British connections ("Summary, 7 Apr." 4); the All-Canadian Congress of Labour and the Trade and Labour Congress called for restricted provincial powers ("Summary, 15 Mar." 2); rural groups, such as the United Farmers

and the Extension Department of the University of Alberta wanted prime-time radio reserved for education in a broadcasting system that would be responsive to rural, not just urban, needs ("Summary, 1 Apr." 2). The league attempted to respond to these interests in the development of its proposal, which included both nationalist and public-service objectives (O'Brien 153, 470; Raboy, Missed 36-8). "The League, in fact, was much more adept at assessing public opinion and adjusting its policies to what was practicable than were the private broadcasters" (Weir 120).

The social-economic status of the core CRL members, a second membership criterion, was impressive. Half of the national council was comprised of business leaders, industrialists, bankers, lawyers, politicians. While this did not guarantee an unlimited supply of funds, it did offer a measure of financial security. The other half of the national council were educators, religious leaders and representatives of voluntary organizations, including eight women's groups (O'Brien 149-51, 199). What these members readily provided was a network of connections to aid the league's "quiet approach to the policy-makers, especially at the highest levels of power and decision" (Spry qtd. in Vipond, Listening 232).

Among the contacts that the league could rely on were: Rod K. Finlayson, a former league member who became executive assistant to Prime Minister R. B. Bennett (Allard 72); William Herridge, a "silent supporter" and Bennett's future brother-in-law, who, as Canadian legate (ambassador) to the U.S., negotiated the wavelength increase for Canada (Weir 130; Potvin 268).

The third criterion for assessing membership is knowledge or expertise. Alan Plaunt, a CRL co-founder, had worked briefly with Charles Bowman prior to his involvement with the league (Nolan 71). Through Bowman — an Aird commissioner anxious to see the report's recommendations adopted — Plaunt gained access to the Aird commission's files and to Donald Manson, secretary of the 1929 commission and chief radio inspector for the Department of Marine and Fisheries (Potvin 68). Graham Spry knew Austin Weir, head of radio for the CNR; he helped the league prepare for the 1932 committee hearings (Weir 119). Lawyer Brooke Claxton was able to represent the league before the Canadian Supreme Court and the British Privy Council (Peers 70-1). Edward Corbett, who had "a burning social conscience" (Faris 23), brought his knowledge of rural needs and educational models for broadcasting.

The league had the technical expertise that the Aird commission had relied upon, the experience of CNR broadcasters, as well as an inside line on the policy process that was unfolding through contacts such as Finlayson and Herridge.

#### ii) Resources

The second measure of a group's political salience and policy capacity is its resources. This entails its financial, human, material resources, as well as such intangible aspects as leadership, experience, public reputation and status with government.

For numerous scholars, the CRL's greatest assets were its co-founders, Alan Plaunt and Graham Spry (Weir, Ellis, Peers, Raboy, Vipond). The attribute most frequently associated with the CRL leaders is their position in a Canada-wide network of influential

citizens.<sup>15</sup> However, Plaunt and Spry possessed many other qualities that contributed to the league's success.

They were young, Oxford-educated graduates, which meant they had energy, idealism, and resources; they were also bachelors, which meant they had time to devote to causes (Nolan 71); and, as mentioned above, they were part of the nationalist élite — a well-connected group of citizens interested, for varying reasons, in Canada's status as an integrated, sovereign nation, as a continental trading partner, and as a member of a commonwealth (Faris 7-16).

In addition to these traits, the co-founders contributed particular skills and resources. Alan Plaunt, 26, was independently wealthy; his family of French-Canadian origin was part of the Ottawa Valley business establishment (Nolan 16, 22). Graham Spry, 30, was a compulsive organizer; when the league was formed, he had been working as national secretary for the Association of Canadian Clubs since 1926 (Potvin 46). Spry came from a "comfortable middle-class Protestant" family (Potvin 5).

This combination of skill, availability, and goodwill, capped by youthful enthusiasm and idealism, although impressive, was not sufficient to sustain public discussion on nationalized broadcasting when the nation's economy lay in shambles and the champions of free-enterprise ruled Parliament Hill. Spry and Plaunt did have something more; they had a purpose. It is tempting to equate their purpose with that of the nationalist élite, who had particular

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<sup>15</sup> Alan Plaunt was a member of the Canadian Institute of International Affairs (Nolan 65). In addition to serving as national secretary of the Association of Canadian Clubs, Graham Spry was connected with the Canadian League of Nations Society and with the Canadian Institute for International Affairs (Potvin 46-8).

interests of their own (Vipond, Nationalist 48). Nolan, Raboy, and Potvin offer evidence, however, to suggest that the league's co-founders were motivated by a commitment to nationalize broadcasting as a public service and to nationalism as a multi-racial and inclusive force (Nolan 65-6, 71, 177-8; Raboy, Missed 36-8) rather than as stepping stones to advance their own position.

Anticipating Parliament would ask the CPR to set up a private radio monopoly, Edward Beatty asked Spry in April 1932 to head up the railway's national radio service (Weir 129). At the same time, Spry considered letting his name stand for commissioner on the new radio commission that would set up the national system toward which he had laboured (Potvin 83-4). He walked away from both. Within a year, Spry openly described himself as "a socialist" and directed his energies to sinking CCF roots into Ontario (Potvin 89-91). Plaunt, for his part, emerged from the broadcasting battle "a socially committed philanthropist," who helped fund the national office of the CCF Party and who then founded a left-leaning, rural youth organization, New Canada Movement (Nolan 97-8). Their career *interests* favored a type of social, economic, and political view that is "in conflict with the values espoused by traditional [élite] voluntary association leaders" (Faris 17). During the inter-war years, Faris notes, "the political-corporate-educational elite [sic] were engaged in establishing voluntary associations which served as a national communication network for elites which interpreted 'national unity' in terms of their hegemony," while agrarian movements, based upon radical political and social movements, cultivated a mass membership (19). Spry and Plaunt appeared to have a foot in both

worlds, as did Edward Corbett. The league's co-founders had a purpose, not one commonly held among members of the nationalist élite.

The leadership provided by Spry, as chairman, and Plaunt, as honorary secretary, was the league's most valuable intangible resource. That leadership provided both the impetus and the continuity such a group required to carry the broadcasting debate into the political (public) sphere. These leaders, while not skilled lobbyists, were skilled at networking. The numerous connections Spry and Plaunt had through the Aird commissioners, nationalist groups, university contacts, family acquaintances, and like-minded friends enabled a cross-country network to be formed within three months. By the end of December 1930, the league had more than 60 names of influential Canadians for its national council and regional groups activated in seven of the nine provinces (O'Brien 126-9). As previously stated, these contacts helped to open doors to senior politicians, bureaucrats, and radio experts (Bennett, Massey, Herridge, Edwards, Manson, Weir), who were well acquainted either with the government's policy process or the mysteries of radio broadcasting.

The CRL had tangible resources as well. Allard dismisses the league's claim that it had limited finances. No doubt, Plaunt's financial position aided the league's position. Plaunt worked full time, without remuneration, and covered the league's initial operating expenses. By day, Spry worked for the Association of Canadian Clubs, but lunch hours, evenings and weekends were devoted to work for the league (Potvin 79). During the league's 18-month operation, it



raised \$5,529 from private contributions (O'Brien 304)<sup>16</sup>; however, Weir has pointed out that the co-founders together had contributed the largest amounts (123). Following its formal foundation on Dec. 8, 1930, the league set up an office across from Parliament Hill and employed secretarial services (Potvin 72). It published four pamphlets and two booklets. After this initial phase, Plaunt's home served as the league's mailing address.

### iii) Structure

The third indicator of a group's political salience and policy capacity is its level of structure. A group's skill in aggregating interests, planning appropriate strategies, mobilizing its members, and co-operating with other organizations has a direct impact on its ability to influence policy making (Pross 105). In the short period that the league operated, it developed capabilities in three of these four areas.

J. T. Allard, a longtime critic of the league, notes that the Canadian Radio Broadcasting Commission "came about simply because Graham Spry and Alan Plaunt wanted it and knew how to use political and public relations contacts and techniques" (269). This perception underscores the strategic efficiency with which the league operated. For example, it rescheduled its founding meeting to Dec. 8, 1930 in order that press coverage of the event would coincide with the prime minister's return from the 1930 Imperial Conference (O'Brien 105-6). The following month, just before the parliamentary session opened, it lobbied government officials and pressed for

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<sup>16</sup> Austin Weir places the league's operating budget for the same period at \$7,500 (123).

broadcasting legislation. A delegation visited the Minister of Marine and Fisheries, and letters were sent to MPs and senators (O'Brien 182-3). When its drive to have a broadcasting bill introduced was stymied by the Quebec government's constitutional challenge of broadcasting jurisdiction, the league promptly obtained intervener status at the Supreme Court hearings, which were held in May. It then followed the appeal to England in December, sending Brooke Claxton to argue for federal jurisdiction over broadcasting before the Privy Council (O'Brien 241-2). As the economy worsened, the league felt financial conditions might require "a temporary abandonment of the idea of a single government company" (qtd. in O'Brien 230). It prepared a compromise proposal that would include private interests in partnership with government; it was presented before the Royal Commission on Railways and Transportation (January 1932) (O'Brien 230-5). When word came out that the Privy Council would render its decision quickly, the league was reactivated and pressure applied to introduce legislation in the spring parliamentary session (O'Brien 307). During the previous 18 months, different interests among the private-ownership groups launched their own offensive against the proponents of public ownership, to which the league's response was immediate and effective, such as the feature articles on broadcasting in Saturday Night and Canadian Forum (O'Brien 168-75, 202-13).

This all transpired within a period of 18 months!

The league's contacts with the press and national organizations, and its network of sympathizers, enabled it to call forth demonstrations of popular support to encourage action, such as obtaining a government pledge to introduce legislation; or to back up

its claims, such as furnishing evidence of popular support when that was challenged during the parliamentary hearings (O'Brien 283-4).

By its structure, the league was a coalitional group, an informal alliance. This was both an asset and a liability. It invited the support of sympathetic groups such as the All-Canadian Congress of Labour, the United Farmers and the National Council of Women, but not all branches of these groups supported their national councils or parent body; some made that known during the parliamentary hearings, as previously discussed. On the other hand, because it was an alliance, the league had a large number of sympathizers. It served as the hub of a network of organizations committed to public ownership of broadcasting in Canada. Some backed the league's particular plan (National Council of Women); others supported parts of the CRL plan, adding elements of their own (All-Canadian Congress of Labour). The league provided groups committed to nationalized broadcasting with a context and, for some, a venue to make their views known in a public forum.

The confusion regarding the distinction between league members and sympathizers did have an impact on the league's perceived ability to aggregate interests. In so far as the league purported to represent groups favorable to the Aird recommendations, with some modifications, it was effective in representing the interests of its broad-based alliance. In addition, the league modified its initial policies to meet particular needs (the broadcasting needs of community interests, the different interests regarding federal/provincial controls). As long as the needs expressed could be accommodated within the public-service

objective that the league had set out to establish for Canadian broadcasting, it was incorporated, although the procedures for making these interests known to league organizers may have been too informal.

However, league organizers didn't account for changes in, or didn't thoroughly assess, the positions of the various groups regarding the public-ownership concept. This was an inherent weakness that was exposed during the parliamentary hearings, encouraged to some extent by the league's over-zealous claim of membership. Allard was only too willing to point out the handful of denunciations of CRL support made during the parliamentary hearings. Col. Phinney, representing the Nova Scotia government, told the committee that some names listed on the CRL council opposed the public ownership of broadcasting; he felt that while Canadians generally could support most of the league's proposals, few supported the entire scheme ("Summary, 7 Apr." 1).

#### iv) Outputs

The last indicator of a group's political salience and policy capacity is its outputs. From the overview of the league just presented, the number of publications, articles, interventions, and press releases that were produced by the league is impressive, given the organization's small staff and the relatively short period of operation.

## 4.2.B Canadian Association of Broadcasters

### i) Membership

Although CAB's membership was smaller than the league's, as a professional association it could claim a high domain, since it could represent an entire grouping. Its potential to be perceived as broadly representative of Canadian broadcasters was diminished, however, for several reasons.

The CAB was formed in 1926 to protect the interests of radio operators in negotiating copyright contracts for the use of artists' material in broadcasting (Allard 114; Vipond, Listening 90). Before 1931, CAB represented a range of interests: radio pioneers, publishers, manufacturers, railways, governments, and entrepreneurs (Vipond, Listening 242). But, by the 1932 parliamentary hearings, the association had begun to lose members. That fact alone would diminish its representativeness before the parliamentary committee (which will be discussed under "resources" and "structure"), but there was another factor.

The radio owners had their own particular motives for being in the broadcasting business and they had different accumulation strategies to finance their operations. Statements filed with the 1932 parliamentary committee reveal that Canadian broadcasters, on average, were just breaking even ("Summary 21 Apr." 4). Many of their owners, however — the CPR, Canadian National Carbon, Marconi, La Presse, Edmonton Journal, Rogers Majestic — were quite successful, for the most part. Since most stations were financially dependent upon their owners, CAB members had limited discretionary financing for activities other than broadcasting and

they were tied to the interests of their owners.<sup>17</sup> The extent to which the interests of the owners differed had an impact on CAB's ability to aggregate the interests of its members.

CAB members did, however, contribute significant corporate and broadcasting experience to the association. The directors included broadcasters such as Ralph Ashcroft (CKGW) and J. A. Dupont (CKAC), and corporate leaders, such as Joseph Atkinson (CFCA), owner of the Toronto Star, and J. O. Apps (CPRY), executive assistant to CPR president Edward Beatty. Although the association had broad expertise upon which it could draw, it was limited by its resources and structure.

#### ii) Resources

Unlike the league, CAB's leadership did not assume a high profile from 1930 to 1932, with the exception of Ralph Ashcroft. It should be noted that before the parliamentary hearings were held, Ashcroft pulled out of the association.

The association had an elected executive, and, at the time of the 1932 hearings, it had 11 directors. There was no office, nor staff, although the association had retained the services of a copyright lawyer since 1926 (Allard 115).<sup>18</sup> CAB could muster financial resources, since it was able to produce a pamphlet in 1931 to counteract the effect of the league's publications (O'Brien 201). What the broadcasters had an abundance of was free publicity. They could

<sup>17</sup> J. T. Allard estimates CAB's annual operating budget during this period at \$500 (116).

<sup>18</sup> After 1939, CAB retained a lawyer; it hired a full-time senior executive in the early 1940s (Allard 119).

operate their stations along the same lines as the partisan press, that is to publicize their particular point of view, which many did.

### iii) Structure

CAB's liabilities emerged clearly in its structure. The majority of broadcasters were in Central Canada; so were CAB meetings, which from 1929 to 1932 were held annually, usually in February. At the 1929 meeting, the association authorized the formation of a Western committee, "which almost immediately grew into the Western Association of Broadcasters," and which subsequently became the "more active and aggressive group" (Allard 116). The following year, the association agreed to oppose government ownership of radio. At the 1931 meeting, CAB mandated three members to prepare a private-ownership pamphlet as a response to the newly formed Canadian Radio League. Before the pamphlet was published, three broadcasters sympathetic to the public-ownership proposal resigned from the association (CKY-Winnipeg, CFAC-Calgary, and the CNR stations) (Vipond, Listening 242). Within a year, Ashcroft also would pull CKGW out of the association, because it was "not tough enough in its defence of private broadcasting" (Ibid.). The broadcasters, who had pulled together around the copyright issue, were now pulled apart by issues of regionalization and nationalization. The association had difficulty aggregating the interests of its members, and so the association's domain diminished along with its numbers.

The public-ownership campaign was vigorously resisted by a handful of the most powerful CAB broadcasters: CKAC (Montreal) and CKGW (Toronto). Ashcroft of CKGW led the way in the spring of 1931. Through his station, he broadcast that receiver fees would reach \$30

under the league's scheme. He wrote each CRL council member to verify whether they in fact supported the league. He published a defence of private broadcasting in Saturday Night, proposing that two radio networks be set up, operated by each railway. Ashcroft, now CAB vice-president, joined CPR's J. O. Apps and CKAC's Arthur Dupont to produce a pamphlet for the association on the merits of private broadcasting (Peers 74; Allard 117). At the same time, Gibbon, a CPR spokesperson, attacked the league's position and endorsed Ashcroft's railway radio proposal in the Canadian Forum. These initiatives, which CAB members could reasonably assume also represented the interests of the association, had a pattern — they involved a railway connection.

The CPR was the new broadcaster on the block; it had received its phantom licence in 1930. Phantom licensees broadcast their programs on another station's equipment. CPR's main stations were Ashcroft's CKGW and Dupont's CKAC — the pamphlet people! Within a year of publishing the CAB pamphlet, Ashcroft had left the association and was encouraging the formation of the Ontario Radio League. Meanwhile, the CPR was stepping up its efforts to secure a private radio monopoly headed by the railways (O'Brien 243). The CPR and Ashcroft presentations before the parliamentary committee were remarkably similar. CAB president H. S. Moore told the committee outright that the association did not support the CPR plan ("Summary 20 Apr." 4). The private broadcasters were a house divided. These divisions can be traced, in part, to the competing needs of the particular capitals of the various CAB members, as previously discussed.



Allard is unusually candid in his assessment of CAB at this period: "the CAB, for any practical purpose, was little more than a letterhead by that time" (117). While that observation appears a little suspect, it does suggest that the CAB's policy capacity was diminished.

#### iv) Outputs

When the air time, friendly newspaper editorials, pamphlet distribution, and the initiatives of individual broadcasters are put together, there was a reasonable amount of output generated by an organization that was as loosely organized as the CAB. However, the breakdown of internal cohesion and the competing interests of the various members only served to limit the group's political salience and policy capacity. Vipond notes that CAB didn't officially respond to the Broadcasting Act and "the organization became dormant for a few years" (275).

CAB's interests were not privileged in the 1932 act. It did not receive the declaration for "private ownership" that it had sought (CAB, "Submission" 4), nor was its recommendation adopted which would have enabled private broadcasters to originate national programming that was subsidized. From the above analysis, it appears that the CAB did not exert much influence on the policy process, with one significant exception.

The act recognized, and safeguarded, the role of local private broadcasters within the publicly owned system. The parliamentary committee heard about 10 submissions from radio stations. The majority argued that a national system could not serve the particular broadcasting needs of local communities. Many of the public-

ownership groups agreed. While this wasn't one of the CAB recommendations, its members did successfully articulate this particular interest, such that it was incorporated as part of the "general interest."

### 4.3 Tracking the Pressure Groups

Pross suggests that the evaluation of a group's characteristics (membership, resources, structure, and outputs) be employed with a system of scores to plot each group's position on the institutional continuum (112). It is not within the range of this study to undertake such a detailed analysis; however, the facts related above should enable some general conclusions to be drawn concerning the function of the CRL as a formal pressure group.

Pross' definition of a pressure group is an organization "*whose members act together to influence public policy in order to promote their common interest*" (italics, Pross' emphasis) (3). In doing so, the CRL acted as both a pressure group, with its own plan of action, and as a lead group, representing the forces for public ownership. The league started out as a nascent group and, within 18 months, had developed the characteristics of a mature pressure group, operating with a high level of institutionalization. This rapid development was hastened, in part, by the league's association with established groups (fledgling and mature) who had already adopted a position in favor of public ownership. As a mature pressure group, the league displayed sophistication in its organization, technical expertise and ability to respond to changing policy concerns and directions.

Although founded four years earlier than the CRL, the Canadian Association of Broadcasters (CAB) was functioning as a fledgling group in 1932. It had achieved a modest level of organization, but was neither consistent in its strategic planning nor effective in aggregating the interests of its members. It was unable to respond to the full range of policy issues that had surfaced during the parliamentary hearings. It had no position on federal/provincial controls, nor did it address the nationalist concerns that were part of the broadcasting discourse. It acted as a pressure group, but, unlike the league, it did not function as a lead group, since it could not represent the divergent interests that the private-ownership groups espoused. It had achieved a lower level of institutionalization than the league.

Chapter Two concluded that the interests of the public-ownership groups were privileged in the 1932 act. Interest groups within this cluster brought their particular concerns to the public-ownership positions advanced during the parliamentary hearings. However, among the public-ownership groups, it was the interests advanced by the Canadian Radio League that were incorporated most frequently in the legislation. The league, this chapter has uncovered, functioned at a high level of institutionalization within the policy-making process. This, I propose, was a significant factor which led to the privileging of the public-ownership interests in the 1932 Broadcasting Act.

#### 4.4 Life After 1932 — League Postscript

As stated earlier, institutionalization is a process by which a pressure group becomes central to and integrated within the policy-making process. A group operating at this level has developed shared understanding, common language, and personal ties with policy advisers. Its "accumulated knowledge and understanding enhances its credibility with policy-makers, the media, and the public" (Pross 97). The league was certainly moving toward becoming a fully institutionalized group. It had already developed strong personal ties with policy-makers and advisers. The policy field was relatively new, so the league had made a significant contribution to creating the common language that would be used in further policy development. It had clear, well-documented positions on all the issues that were raised. It also raised issues, such as the U.S. private radio monopoly. Some shared understanding was developed, but there were competing interpretations regarding the role of private broadcasters in the nationalized system. That was in the spring of 1932.

During the next four years, evidence suggests that the league was treated as a mature interest group. Its submission to the 1934 committee hearings on radio, its role in drafting the 1936 Canadian Broadcasting Act, and the fact that its proposals were incorporated into the act (O'Brien 365) meant that the values it was promoting had been institutionalized in society (Pross 96).

But by the 1936 parliamentary hearing on broadcasting, the league was no more than a handful of core members held together by Alan Plaunt (O'Brien 353). In fact, the previous year, Plaunt had advised Charles Bowman that the league not be revised until after

the October 1935 general election, to avoid any association with "partisan considerations" (O'Brien 322). Although, at this point, the league comprised an executive only, policy-makers knew it could rally solidary groups to its cause<sup>19</sup>; the league still possessed residual political salience and policy capacity (O'Brien 358-60). As a pressure group, acting as an opinion-forming association, it was now very vulnerable. The league could have maintained its monitoring function and its role as an opinion-forming association, as Plaunt had suggested in 1932 (O'Brien 314-5), or it could cease to exist. The latter scenario had been the one most frequently adopted by the previous generation of socially-oriented pressure groups (Pross 114-5). That essentially became the league's fate, too, when Plaunt accepted a position on the first board of governors of the newly created Canadian Broadcasting Corporation (O'Brien 371, 374). Several league supporters also became involved in the corporation, either through employment or programming.

Marc Raboy has observed: "Having seen its main policies incorporated in legislation, the public broadcasting lobby considered its purpose achieved and went out of existence" (Missed 60). He adds that the 1936 act, although a setback for private broadcasters, did inaugurate a process that served to strengthen the commercial sector and to transform the public broadcaster into a state institution (Ibid.). The league's absence was keenly felt in the decades that followed. Did the CRL executive decide that the 1936 act made its

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<sup>19</sup> Pross uses the term "solidary" to describe individuals who share a common interest and respond publicly but are not formally organized within a group (6). It is employed here to signify the diversity of individual groups that the league could call upon to respond publicly in support of a public broadcasting system.

continued existence redundant or were the league's members co-opted by the process they helped to create?

Pross' model of the policy community offers some insight. There are two levels of participation in the developed policy community: the sub-government and the attentive public (Pross 123). As outlined in Chapter One, the sub-government is the policy-making body. It includes the lead agency, top government officials, and the institutionalized interests whose advice is essential to the policy process. The attentive public includes all those interests (pressure groups, private institutions, government agencies) who are affected by or interested in the policy field. The attentive public influences policy making and maintains "a perpetual policy review process" for the sub-government (Pross 122).

Pross says that a policy field activates a community (119). Using this model to examine the policy field of broadcasting in the 1920s and '30s, would reveal that, prior to the Aird commission, the broadcasting policy field was quite small and restricted. The lead policy agency was the Department of Marine and Fisheries, and the institutionalized interests were the individual station operators. The attentive public consisted of individuals (amateur broadcasters and listeners) who had very little political salience or policy capacity; it was not a policy-forming attentive public. After the Aird report and the launching of the league, the attentive public for broadcasting policy formed. The lead agency — the Department of Marine and Fisheries — was asked to 'preside over its demotion; the institutionalized interests — private broadcasters — were ranked among the new members of the attentive public. Within this new

specialized public, two major networks formed: one gathering the private-ownership interests; the other, the public-ownership interests. With the establishment of the Canadian Radio Broadcasting Commission in 1932, a new lead agency was created, and the league emerged as the most institutionalized pressure group in the policy field. This becomes evident when the role that the league played in drafting the 1936 act is examined (O'Brien 346-53). From its position in 1932 as a leading interest in the attentive public, the league emerged in 1936 as the most institutionalized interest group in the sub-government. Then it self-destructed. A pressure group that has achieved such a measure of influence usually continues to exist.

Further research may reveal that the 1936 Broadcasting Act may have, in fact, co-opted the league, perhaps knowingly, by bringing its leadership into the newly created lead agency — the CBC. This would have been a reasonable course for the league to adopt given that during the 1930s "objections to party patronage" led to popular support for "the competence and purity of technical administration" (Pross 53). "The promotion of neutral competence was more self-consciously directed at reducing the influence of politicians in policy and administration," Pross explains (ibid.). This was one of the aims of the league — an arm's length relationship to government. Technical administration spawned the growth of bureaucracy, which Pross calls the "new policy actor" (40).

The establishment of the CBC coincided with rising public confidence in "technical" administration. It may be, then, that the league executive expected their public-ownership concerns would be protected under technical administration (Peers 293; Nolan 132-3).

What the league didn't realize was that "the Depression, the war years, and the growth of the technostucture" would all contribute "to the extension of group participation in policy-making and the elaboration of pressure group organizations" (Pross 64). That would have put the public-ownership interests at a decided disadvantage, since it entrusted its interests to the lead agency.

The disappearance of the public-ownership interests after 1936 created a void in the policy community. The league had been the hub of a network that mobilized the public-ownership and public-service forces. That hub was absorbed by the lead agency for broadcasting; the CBC would now be the key player in the policy community and it would be responsible to Parliament through Cabinet. With the remnants of the league absorbed by the lead agency for broadcasting, the public lost a pressure group that could monitor the public-service dimension of Canadian broadcasting and that could serve as a catalyst for groups with related interests. The attentive public shrunk; its main pressure group would be the Canadian Association of Broadcasters, who would grow in political salience and policy capacity. When Alan Plaunt resigned from the CBC in 1940 over the direction the corporation was heading (Peers 311), there were no well-organized public-ownership/public-service groups in the attentive public that could initiate a policy review.



## CHAPTER FIVE: LESS THAN IDEAL SPACE

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## 5.1 Introduction

The public sphere is an ideal conception (Habermas, "Further" 424-5). It provides a standard with which to gauge the democratic impulse of a society. The public discussion that takes place around issues, such as broadcasting, ideally should take place in the public sphere. But, as noted in Chapter One, public discussions do not take place under ideal circumstances. At best, these discussions mirror the public sphere with varying intensities of reflection. For the purpose of this study, I've termed the forum of public discussion, which takes place around an issue, a social space.

Social spaces reflect, to varying degrees, the ideal public sphere. The qualities that mark a social space as an ideal public sphere are: universal access, rational-critical debate, consensus/compromise formation, and objective agreement among competing interests based upon universal norms. The means that enable a social space to approximate a public sphere are the actions of opinion-forming associations, who have "political impact via the public media" (Habermas, "Further" 454). Opinion-forming associations, I argued in Chapter One, are found among the "public of organized private people" who engage in a formal process of communication through *inter-* and *intraorganizational* public spheres. In the context of the policy-making process just discussed, opinion-forming associations would be among the members of the attentive public, who help maintain the ongoing policy-review process.

This chapter will examine the type of social space (i.e. the type of public discussion) that evolved around the broadcasting debate of

the early 1930s. It will consider the influence this social space may have had on the policy process that fashioned the public interest in the Broadcasting Act — the third concern of this thesis. It is not possible within the scope of this study to undertake a comprehensive analysis of this public discussion; such an analysis would, no doubt, produce a complex description of the social space within which the legislation was drafted. This thesis will limit itself, instead, to identifying the qualities of this social space that approximate the ideal public sphere.

## 5.2 Social Space for Policy Making

A social space was probably forming around the issue of broadcasting prior to the circumstances that sparked the creation of the Royal Commission on Radio Broadcasting, known as the Aird commission.<sup>20</sup> The Aird commission served two functions with regard to the social space around broadcasting. First, it gauged the intensity of, and in so doing focused, the public discussion regarding broadcasting. Second, it provided the state with firsthand knowledge of that social space.

An examination of the commission's list of 164 witnesses and 124 briefs indicates the scope of both citizen participation and interests that constituted this social space. The fact that the commission held public hearings in 25 cities located throughout the nine provinces indicates that it was accessible to a large proportion

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<sup>20</sup> For example, Charles Bowman, editor of the Ottawa Citizen, published several editorials, which were carried in six Canadian dailies, calling for a Canadian broadcasting policy. They were written between 1927-8 (121).

of the population.<sup>21</sup> Through this countrywide consultation, the state supported the development of the social space.

The fact that two of the three commissioners were not disposed, reportedly, to the public ownership of broadcasting (Bowman 123-4), suggest that the commission's findings in favor of public ownership reflect the public opinion that was expressed across the country. The commission reported consensus on one issue:

"In our survey of conditions in Canada, we have heard the present radio situation discussed from many angles with considerable diversity of opinion. There has, however, been unanimity on one fundamental question — Canadian radio listeners want Canadian broadcasting" (qtd. in Bird 43).

The means chosen to respond to this consensus — the public ownership of radio broadcasting — did not, however, engender the same agreeable unanimity. As might be expected, the commercial interests associated with broadcasting firmly disagreed. Those who would become the most vociferous opponents of the public-ownership option (stations CKAC and CKGW, the CPR and the CAB), it should be noted, had not bothered to appear before the Aird commission, even though hearings had been held in the cities where they were located (Royal Commission 18-23).

This general consideration of the public discussion about broadcasting in 1929 does not take into account the deliberations that took place within organizations who developed positions on the issue, the newspaper articles reporting and commenting upon the

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<sup>21</sup> Rural citizens were at a disadvantage if they wished to appear before the commission, however, the list of briefs submitted indicate that members of rural communities across Canada did contribute to the public discussion (Royal Commission 21-3).

commission's meetings, and the day-to-day public conversations that ensued regarding the future of radio broadcasting in Canada. Suffice it to say that when the Aird report was delivered in September 1929, a type of social space had formed around the broadcasting issue.

Those opposed to the conclusions drawn from the public discussion wanted the discussion dropped, and the events of the next 10 months could have accomplished just that. The stock market crashed, which made any form of government intervention, other than to save capitalism, unthinkable; and the Conservatives, the champions of free enterprise, formed the new government in Ottawa. In the meantime, La Presse mobilized an anti-public-ownership campaign (for which some cash prizes were awarded) that resulted in 22,000 dump-the-report requests mailed to the Minister of Marine and Fisheries (O'Brien 67-8). Public opposition is one indicator that a social space does indeed exist. The findings of the public consultation may have become yet another statistic of parliamentary neglect were it not for the fact that a social space existed and would continue to develop. Private-ownership advocate J. T. Allard noted that were it not for Quebec's court challenge and the Canadian Radio League "the Aird Report might have become a curious historical document mouldering in the Archives" (65).

It is a temptation to view that social space as the unique initiative of the Canadian Radio League, since its goals and policies ooze of public-service objectives. However, the league was one participant, albeit significant, among many in the social space that then existed around broadcasting.

Still, the league's role was decisive. Like the Aird commission, its appearance in December 1930 and the initiatives it undertook focused ongoing public discussion; it was instrumental in broadening the social space. The expanded social space meant the circulation of more information and more participation in the public discussion about broadcasting. What, then, was the nature of the public discourse?

The nature of this public discussion will be considered by employing the four criteria of Habermas' ideal public sphere: universal access, rational debate, consensus/compromise and objective agreement based upon universal norms. These criteria will be examined by considering the following questions: How open, how accessible was the public discussion? Did it include rational-critical debate of the issues or was it a behind-closed-doors discussion? What consensus/compromise evolved? To what extent was there objective agreement among competing interests? These questions will be applied to the public discussion leading up to and including the 1932 parliamentary hearings.

### **5.3 Public Access to the Broadcasting Debate**

The degree to which the public discussion about broadcasting was accessible to the public will be considered by looking at the means of publicity used and the means through which the public could respond.

In the early 1930s, the press was the mass medium for news (Vipond, Mass 15). Radio had not developed its own news sources, and the newspapers, who regarded radio as a competitor for

advertising, jealously guarded their sophisticated news-gathering system — the Canadian Press.

As previously discussed, the various issues that surfaced during the broadcasting debate were, for the most part, funnelled through the opinion-forming organizations concerned either with public ownership or private ownership of broadcasting.<sup>22</sup> Groups in both ownership clusters used the written press extensively, although the private-ownership groups had, in addition, access to radio broadcasting (Bird 58).

The league relied essentially on the written press. It had compiled a list of "friendly" newspapers to whom information and articles were sent to counteract the publicity generated by the private-ownership groups. Similarly, private-ownership groups furnished newspapers and radio stations with anti-public-ownership material. While coverage varied, and was never as "aggressive" as league organizers wished (O'Brien), there's no doubt that some information about the broadcasting issues was available to Canadians from 1930 to '32 through the press. Canadians had access to publicity about broadcasting and to the social space that formed to the extent that they read newspapers and magazines.

No doubt, such a conclusion raises numerous questions. How accessible were these publications to the majority of Canadians? How impartial was the information that Canadians received through the press of the 1930s? How useful were the newspapers in providing

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<sup>22</sup> For analytical purposes, references to public-ownership issues and private-ownership issues do not mean that the positions adopted on these issues by the groups within the cluster are the same (Chapter One demonstrates otherwise). It is used here simply to refer to the broad platform that groups within each ownership cluster endorsed in its publicity.

critical publicity? The analysis which these questions raise is necessarily complex and cannot be fully considered here, but some observations can be made.

The Canadian press during the inter-war years was in transition from a partisan to an independent press. Newspapers described their editorial position by declaring their political affiliation or by claiming their independence. Among Ontario dailies in 1930, 25 called themselves independent; 11 declared their political affiliation. Two decades earlier, the proportion had been the reverse (Vipond, Mass 14-5). Independent newspapers enabled publishers to act "in their own interest and that of their business allies," Vipond points out (Ibid.). This meant that there were two factors that could influence newspaper coverage of broadcasting: political affiliation and business interest.

In terms of political affiliation, Liberal papers could be expected to lend support to the public-ownership groups, since the Liberal leadership had backed the Aird report. Despite speculation that Conservative papers usually sided with private-ownership groups, analysis of press support for public ownership taken between 1929 and 1931 showed that publications of both Liberal and Conservative affiliation backed the public-ownership proposal. An analysis of press support for private ownership (1929) showed that independent papers, and not partisan ones, backed this proposal (O'Brien 61). Partisan affiliation doesn't appear to have been a factor in supporting the public-ownership principle; it is unknown whether it was a factor in press support for the private-ownership principle.



Of the press coverage favoring public ownership, this support grew consistently. Twenty-two publications backed the proposal in 1929; 35 in 1930; and 46, in 1931 (O'Brien 60, 85-6, 110-11, 157-8).<sup>23</sup> This support appears widespread, except in New Brunswick and Prince Edward Island. It is doubtful that similar statistics listing press support for private ownership were compiled; however, it is known that major dailies in Montreal, Toronto, Ottawa, and Quebec City did back the proposal. The combined circulation of the pro-private-ownership newspapers in these cities was around half a million in 1939 (Can. Year 759). The private ownership groups, also, did receive editorial support from the radio stations, whose position in Canadian broadcasting under the Aird proposals was considered redundant. There were 112 daily newspapers in 1931 with a circulation of 2.2 million; there were 965 weekly publications (Can. Year 771). It would be reasonable to assume that, in most parts of Canada, the issues raised by either ownership group were available to many Canadians via the written press or radio broadcasts.

If citizens could obtain information about the positions advocated by these ownership groups, to what extent was the information skewed by particular interests, especially business? Analysis of the positions taken by some partisan press reveals that political affiliation was not decisive in a newspaper's editorial position on the issue of broadcasting ownership. However, the fact that radio was a potential competitor of newspapers for advertising revenue may have influenced their coverage, a liability the league

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<sup>23</sup> The 1931 list actually records 47 newspapers, not 46, which favored the public-service approach to broadcasting (O'Brien 158). Among the papers listed is the Regina Leader Post, which at the 1932 hearings said it did not support the league proposal ("Summary 21 Apr." 1).

tried to exploit to garner more newspaper coverage and editorial support. League leaders claimed that there was "a definite quickening of interests in the subject and in [League] dispatches" after they had circulated the league pamphlet Radio Advertising — A Menace to the Newspaper and a Burden to the Public (qtd. in O'Brien 217). However, many of the 47 publications that supported the public-ownership proposal had done so prior to the issuance of the league propaganda (O'Brien 200). Newspapers' initial support for public ownership may have masked these vested interests from the beginning. Without a content analysis of newspaper coverage, however, it is difficult to determine whether these publications were motivated "editorially" by business interests. It should be pointed out, in any case, that the standards of journalism evolving in that era began to favor a news-reporting style that distanced itself from the editorial position taken by publications (Siebert et al. 83-7).

What type of coverage was available? The press was not only in transition during the inter-war years, but journalism was evolving. More and more, readers had access to press coverage that adopted a third-person point of view. A report on the press in the 1939 Canadian Year Book states: "although opinion as expressed in the editorials often has party leanings, the news of the better-class modern newspaper is usually unbiased and the strength of the 'independent' press has shown consistent growth" (757). This approach to news reporting supported the development of rational-critical debate in public discussion. That becomes evident when the league's consistent dissatisfaction with Canadian Press coverage is considered. Spry complained in 1931 that:

"the Canadian Press will hardly carry any statement we issue and some of the papers ignore us. Fortunately, in every city there is one newspaper strongly favoring us, with the exception perhaps of Montreal, and we are hearing many echoes of the discussion started" (qtd. in O'Brien 213).

While the league didn't regard Canadian Press as an ally, it does not necessarily follow that CP was favorable to private-ownership concerns either. Although the so-called "independent" press may have been.

It appears that many Canadians had access to varying points of view on the subject of radio broadcasting, presented mainly by the proponents of either the private- or public-ownership groups and available through the written and radio broadcasts. The question remains, how many Canadians had access to newspapers and radio?

I propose there are several variables that indicate the newspapers' utility as an instrument for public discussion: literacy rate, subscription price, availability and likelihood that readers would be exposed to varying points of view.

It has been estimated that Canada's literacy rate reached 95 per cent by the 1920s; with urban dwellers being more literate than rural residents (Vipond, Mass 8). Almost all Canadians could read, although for many it was at a very rudimentary level. Newspaper subscription costs were kept low in the early twentieth century to bolster circulation, which was needed to attract advertising revenue (Vipond, Mass 17-8). Newspaper penetration was high. By 1911, two decades before the broadcasting debate, "in some large cities the average family took two and a half papers per day" (Vipond, Mass 15). There was evidence that prior to the advent of other news

sources, such as radio and television, Canadians read several newspapers, and, consequently, had access to several editorial viewpoints and reporting styles.

Publicity about the issues related to broadcasting was accessible through public media. It was probably necessary to consult several sources to obtain the range of views that were being put forward. Those who didn't could be manipulated into offering an opinion based upon partial information e.g. the Ontario Radio League pamphlet which predicted a \$30-licence-fee increase if broadcasting was organized under public ownership (O'Brien 265-7). However, even if citizens only had one source of public communication, which promoted a particular position, the coverage would certainly indicate that a debate was well under way. National consent could not be readily manufactured when the media made opposing views public. Although some manipulation of information was evident, the range of publicity available to Canadians suggests that the social space itself was not manipulated. Citizens could express their opinions to newspapers, their MP, or local groups that had taken a position on broadcasting.

This seemingly positive account, suggesting that an open public discussion took place, must be qualified. Publicity was not evenly distributed nor available to all citizens across the country; not all citizens had ready access to varying points of view; nor were all points of view necessarily represented (non-radio owners, Aboriginal people, new Canadians). In short, the circumstances of publicity were not ideal. Nevertheless, for the reasons previously cited, many Canadians did have access to some publicity about broadcasting,

enough to indicate that a public debate was under way. Not all chose or cared to follow the public discussion, and social inequalities did influence social participation. This leads to the question: Did this publicity generate rational-critical debate?

#### 5.4 Rational Talk About Critical Publicity

Rational-critical debate results in the rational exercise of social and political authority (Habermas, Structural 232). The rational exercise of power draws its authority from the sovereignty of the people. This sovereignty, however, must be separated from the concept of "physically present, participating, and jointly deciding members of a collectivity," Habermas says ("Further" 451). That's where opinion-forming associations play a role. Through the media or through "projects advocating alternatives to conventional wisdom," they contribute implicitly to public discussion (Habermas, "Further" 454). The league and CAB functioned as opinion-forming associations in the public discussion on broadcasting. Is there evidence that the public discussion, which these opinion-forming associations fostered, was rational and critical?

Several publications gave space to private- and public-ownership advocates to state their case and their views on related broadcasting issues. In January of 1931, Saturday Night featured articles by Ralph Ashcroft of CKGW and by Graham Spry of the league (O'Brien 168). In March, John Gibbon of the CPR extolled the virtues of private broadcasting and lambasted the BBC and the league in the Canadian Forum; Spry delivered a rebuttal the following month. This exchange resulted in additional national press

coverage, since the BBC replied to the "malevolence" of Gibbon's remarks (O'Brien 202-13). These publications, and the commentaries that were published, allowed for the presentation of differing views to bring critical reasoning to the public discussions.

There were some re-evaluations of positions. The Toronto Star, who owned CFCA, stepped back from its private-ownership position and backed the league's proposal after 1931 (Nolan 79). On the other hand, the Raymore Lodge of the United Farmers of Canada (Saskatchewan Section) disassociated itself from its parent body who had endorsed the league. The lodge sent a resolution to the committee hearings ("Summary 21 Apr." 2). The government of Nova Scotia went on record opposing the public ownership of broadcasting. Col. Phinney stated that the public is only beginning to take an interest in the question now and "quite different evidence would be obtained to-day [sic] if sittings were held in Nova Scotia" ("Summary 7 Apr." 1).

There is some evidence that various individuals and groups were engaged in rational consideration of their position on broadcasting: the public debates in the press, including the numerous editorials; the internal reappraisals by groups of the positions they had adopted; the resolutions debated and passed at annual meetings of voluntary and professional associations; the shifts in position among radio owners; the regular updates of CRL support to account for those joining and those leaving the league. No doubt, for some the shift in position was probably motivated as much by self-interest as by rational debate. Joseph Atkinson of the Toronto Star told a meeting of CAB members that his radio station could be maintained

if monopoly conditions existed. He then asked: "How many of us believe that we can retain it as a monopoly? I do not. How can we expect the government to say that there shall be only one newspaper station in Toronto and that shall be the *Star* [sic]?" (qtd. in Nolan 79)). Atkinson felt he should resign from the CAB executive so that he could express his own private opinion (Ibid.). Rational debate does not exclude the influence of self-interests, rather it accounts for it.

The public discussion that took place between 1929 and 1932 did not take place behind closed doors, although at times there was strategic maneuvering. Some back-room strategies (e.g. the CPR private-monopoly proposal) made it into the press or was brought up during the parliamentary hearings. There is evidence to suggest that aspects of the public discussion which took place was rational and critical. Other aspects of the discussion did not encourage rational-critical debate but were manipulative, such as the postcard campaigns organized by CKAC and the Ontario Radio League, and the advertising pamphlet distributed to newspapers by the Canadian Radio League.

### 5.5 Consensus, Parliamentary-Style

The 1932 parliamentary hearings moved the public discussion on broadcasting from the civil realm (society) into the political realm (the state). The hearings provided the context within which rational-critical debate could evolve a consensus or compromise.

The state, which has its own particular interests, oversees public discussions in the political realm. Public discussion can be used to formulate public policy, which lays claim to being in the

public interest. If the policy does not include the components of the consensus/compromise arrived at through rational-critical debate, it can spark another round of public discussion in the civil realm, as happened in 1935 when the radio commission fell drastically short of its goals. Not all policy issues, however, were rooted in the public discussion that characterized the broadcasting debates of the early '30s.

For its part, the league had made attempts to reach some consensus prior to the parliamentary hearings. Uncertain whether its public-ownership plan could survive both the economic turmoil and the enterprising Conservatives, the league developed a compromise proposal — a public-private broadcasting partnership that included the government along with the railways and telephone companies. Spry laid out the plan before the Royal Commission on Railways and Transportation in January 1931 (O'Brien 231-5). The following month, he lobbied the CAB to seek support for a \$3 receiver-licence fee. Spry overstated his case and received a coy response for his efforts (O'Brien 250-3). While the league wasn't changing its essential position, it was seeking backup compromises should the tide have shifted in favor of private ownership. The league, as it turned out, sailed right into the path of the prevailing political winds. In early February, the Privy Council ruled that the federal government had jurisdiction over broadcasting, and, a week later, the Conservative government announced that a parliamentary committee would be convened to consider broadcasting legislation.

The groups — many of them opinion-forming associations — who joined the parliamentary public discussion and the positions



they put forth have been examined in Chapter Two. The positions advocated by the public-ownership groups were, on the whole, incorporated into the legislation. An examination of the positions represented by the two clusters reveals that the league appeared to have provided more points where compromises could be reached than had the private-ownership groups.

Two issues will serve to illustrate this claim. The broadcasting needs of local communities were repeatedly raised throughout the hearings. This need was inherent in CAB's policy of maintaining the status quo, although the association did not highlight this in its brief. The CPR proposal could have easily incorporated this need into its proposal, instead, it offered a begrudging compromise that revealed its motives. Edward Beatty told the committee he hadn't envisaged small local stations, but they could be incorporated for educational purposes, as long as all advertising went to the private monopoly. In his plan, the private monopoly could well supply local broadcasts to meet the advertising needs of local business ("Summary, 20 Apr." 1-2).

However, this issue placed the league in a difficult position, since the principles proposed by the Aird report had called for a publicly owned system to provide national programming but had not accounted for broadcasting that meets local needs. This was the Achilles' heel of the Aird report, and it became the target that local broadcasters and community leaders kept firmly in sight. The league's early publications state that local needs should be met by "small, short-range radio broadcasting stations" (qtd. in O'Brien 155). However, as Peers points out, the league's early policy statements

still favored a publicly owned company that would absorb all private stations (66). Spry's April 1931 article in the Canadian Forum proposed that a company "would own, operate and control all broadcasting in Canada"; it then factored in \$1 million to cover the buy-out of Canada's "70 stations" (qtd. in Bird 66-7). A year later, near the end of the parliamentary hearings, the league had clearly moved to accommodate the need for local broadcasting that had been consistently raised. Spry's brief to the committee stated that up to 150, 50-watt. stations could be erected to provide local broadcasting. These could be licensed to private enterprise, municipalities, school boards, etc., and would be under the supervision of the national company (CRL, "Memorandum" 19).

The league held firm to its principle of public ownership of a national system that would provide wide access and national programming, but it conceded on the issue of local broadcasting, which the Aird report had not accounted for. In the short term, this compromise position enabled the committee to consider adopting the league's public-ownership position, since it accommodated a publicly stated local need, one the committee could not ignore. In the long term, this compromised the principle of establishing a single broadcasting system that was essentially publicly owned.

On the issue of providing wide access to Canadian radio signals, the league and CAB were now in the reverse position. The league had a reasonable plan for extending network service from coast to coast without a taxpayer subsidy (CRL, "Memorandum" 20-1). However, this issue now placed CAB in a difficult spot. The private broadcasters that CAB represented offered radio service to earn

advertising dollars from large audiences and not to win public-service awards from small clusters of listeners in isolated areas. As such, CAB could offer no practical compromise that would match the broadcasters' goals with the needs of rural listeners, which could provide the committee with a rationale for adopting their plan. Instead, CAB clung firmly to the merits of the status quo, asked for power increases and government subsidies to provide national programming to existing stations, and offered little assistance in making Canadian radio signals available to the largest number of citizens, which include those in villages, hamlets, and on farms.

The league held firm to its essentials: a publicly owned national system that provides high-quality national programming and is available to most Canadians for a \$3 receiver-licence fee. It made compromises on the status of small local stations, federal/provincial controls, and advertising policy. These accommodations, I submit, provided the committee with a margin of maneuverability that enabled it to arrive at and defend the consensus/compromise it delivered in its report to Parliament.

The league offered the parliamentary committee more maneuverability within its proposal than did the private-ownership groups, which enabled some compromise to be reached among competing interests.

A consensus/compromise can be forged if there exists "the possibility of an objective agreement among competing interests" (Habermas, Structural 234). In terms of consensus, there were four objectives to which everyone agreed: Canada should have more clear channels than it currently held; broadcasting in Canada needed to be

regulated more effectively; Canadians needed access to more national programming; and more citizens should receive Canadian radio signals. It was the means to achieve these objectives that stirred public discussion.

General agreement upon these objectives provided a context within which the public discussion about broadcasting could take place. The state policy that was fashioned did address each of these issues, even if some participants still disagreed with the means. The result was, however, a broadcasting act that privileged some interests, while it marginalized others. That left competing interests still locked in a struggle, in which one set of interests had been rendered dominant by the policy process. It was to address this phenomenon that Habermas stressed the need for "universal and binding criteria" to provide objective agreement among competing interests (Structural 234). That's in an ideal situation. In some situations, Hohendahl suggests, a rationality could be derived from a local context where "overarching norms of rationality" aren't readily applicable (154). That local context for Canada in the 1920s and '30s was dominion autonomy. The drive for autonomy — a state project — did provide a rationale and a discourse upon which many of the broadcasting issues were framed. In fact, the four objectives to which everyone agreed did promote aspects of this state project. This doesn't eliminate competing interests but it did provide the means to maintain internal cohesion among competing interests. The legislation that was drafted from the committee's report employed a rationality derived from the state project to appease competing

interests. Bennett's motion introducing the legislation offers numerous examples:

"...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.... Equality of service is assured by the plan which calls for a chain of high power stations throughout Canada. And furthermore, the particular requirements of any community may be met by the installation of low power stations by means of which local broadcasting service may be obtained" (HOC, Journal 3035).

However, the legislation did more than justify compromises among competing interests through its appeal to the state project. Once the hearings concluded, the parliamentary committee withdrew to work out additional compromises among the political parties. The initial result was the parliamentary report, followed by another round of policy formation — the privilege of the Government of the day. That resulted in the proposed legislation. In its final version, the Canadian Radio Broadcasting Act replaced the league's call for a national company with a national commission. It tied the commission more closely to government bureaucracy than the league had advocated and referred the issue of the receiver-licence fees to the Cabinet. Mary Vipond reports that Conservative advisor W. Herridge, a silent league supporter, told Bennett that "private ownership will not necessarily suffer from the operation of the Bill" (qtd. in Vipond, Listening 273).

Vipond suggests that the legislation acted in the interests of (1) the state, in ensuring national control; (2) the citizens, in expanding

access to programs; and (3) the advertisers and broadcasters, in subsidizing "audience acquisition" (Listening 278).

" 'Public' broadcasting to Bennett meant a broadcasting system that balanced pluralistic interests, it meant a Canadian and national broadcasting system; it did not necessarily mean one in which educational, cultural, or public-service priorities predominated" (Ibid.).

Viewed from another perspective, Vipond's critical analysis of the 1932 act supports the claim that consensus and compromise were at work in this policy-making process. This process — this study suggests — generated some measure of rational-critical debate within a public discussion about which many citizens were aware. If this appears to be a cautious description of critical publicity, it is intentionally so because this process, as pointed out before, did not occur under ideal circumstances. Still, the social space that formed around broadcasting in the early 1930s did approximate, to varying degrees, some aspects of the ideal upheld by the concept of the public sphere.

### **5.6 Right to Receive or Right to Profit**

The ideal public sphere has as an objective the exposure of political domination by the use of reason. The ideal public sphere is essentially a democratic sphere that leads to emancipation through rational discourse. To what extent was the social space regarding broadcasting emancipatory and democratic?

As concluded earlier, the interests of the public-ownership groups were privileged in the act. The discourse these groups employed, for the most part, ascribed democratic motives to their

support of and rationale for the public ownership of broadcasting. Democratic rhetoric does not necessarily mean democratic practices and policies. The rationale Prime Minister Bennett offered to justify the establishment of a publicly owned system included: (1) creating a public opinion on matters of national concern; (2) offering a universally accessible public service; and (3) providing equal access to information (HOC, Journal 3035) — elements that an informed public requires. The rhetoric does indicate the intended use of broadcasting, even if, in its application, its track record may fall dismally short of the ascribed goals. The rhetoric can mask other objectives, however. This is where the quality of the social space is tested, and, in the policy-making context, this is when the attentive public can be effective in maintaining an ongoing policy-review process.

Is there any other evidence, in addition to the broadcasting discourse, that reveals the legislation as emancipatory and supportive of democratic practices?

There are three that this study suggests. The act upheld the principle of universality as fundamental over other needs and interests. The co-ordinated extension of radio facilities so that Canadians "in the most settled parts of the country" will benefit from the public service that broadcasting renders was listed as a priority. This is the first element in the principle of universality — the availability of the radio signal. The private-ownership groups would meet this objective as long as it was profitable to do so. This is "not a correctable fault in private ownership; it is an inescapable and inherent demerit of that system" (HOC, Journal 3035). In this ordering of priorities, the interests of all citizens came before the interests of

commercial broadcasters. The argument that this ordering, in fact, served the interests of nationalism, a particular interest of the state, has been dealt with in Chapter Three. This provision freed citizens from being hostage to urban demographics and advertisers' needs in order to receive the benefits of radio broadcasting.

Second, in the legislation the advertisers' needs are subjected to programming objectives, not the other way around as some private-ownership groups had argued. In this case, the broadcasting structure allowed that programming could be developed for the democratic purposes, which the public-ownership advocates had proposed. While the public broadcaster's record of performance in this area was initially poor, the development of the National Farm Radio Forum and of the Citizens' Forum as part of CBC programming demonstrate the application of this provision first privileged in the 1932 Broadcasting Act (Faris 94-111).

It has been argued that the extension of radio broadcasting to small pockets of citizens, through public funding, served the interests of advertisers in providing "audience acquisition" at public expense (Vipond, Listening 278). While that was, in fact, a by-product of this common-interest policy, it does not diminish the emancipatory effect of this provision. The evidence that it was the intent of the legislators to privilege the common interest of citizens over the particular interests of advertisers lies in the advertising policy that was subsequently adopted by the radio commission. The national audience, which advertisers acquired gratis through public funding, was unavailable for direct advertising initially; only indirect advertising was permitted (Bird 131). No doubt advertisers could



still find ways to circumvent the intention of such a policy by advertising on local stations before and after national programs aired, however, this does not alter the intent of the commission's advertising policy.

A third area relates to the provision governing federal/provincial controls. Articles 6 and 7 of the Broadcasting Act were a crude attempt to maintain federal jurisdiction while upholding the integrity of provincial involvement in broadcasting. It provided for a provincial director, who would sit on the commission's general council and who would chair the regional or local programming advisory committees. An important feature of these provisions is that on commission radio stations, it is the advisory councils who determine the local programming, not the radio commission (Art. 9.d). Bennett stated that this structure was devised "so that from the small unit up to the dominion there is effective democratic control of broadcasting" (HOC, Journal 3036). None of these provisions were acted upon in the four years that the commission operated. Nevertheless, their inclusion in the legislation signaled the potential for a democratic approach to broadcasting.

The 1932 act freed citizens from their dependence on the profitability of broadcasters in order to receive Canadian broadcasting, and it delivered programming from the dictates of advertisers. In addition, citizens' needs for access to radio broadcasting and to programming based on public-service principles were given priority in the act.

It must be kept in mind that privileged interests, such as those just elaborated, do not exist in isolation. There are always restraints,

constraints, and competing interests interacting within any sphere of interest activity. This would be evident as the Canadian Radio Broadcasting Commission set out to implement the 1932 act.

## CHAPTER VI: CONCLUSION

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## C.1 Fashioning the Public Interest

This thesis set out to investigate how the "public interest" is fashioned in Canadian broadcasting policy. This inquiry was initially guided by the concept of the public sphere, as developed in critical theory. The public sphere exists when "private persons, assembled in a public and making political use of their critical faculties" arrive at a consensus or compromise in the general interest. But the notion of the public sphere is an ideal conception. Therefore, the emphasis of this study switched to a search for social spaces that may have formed during Canada's 75 years of broadcasting policy history and that may have reflected to varying degrees the ideal public sphere. If such a social space existed, was it effective in influencing public policy and in fashioning the public interest? If it was, what interests were privileged in fashioning the "public interest"?

The period selected to examine these concerns was 1929 to 1932. It was framed by two significant policy developments: the completion of the report of the Royal Commission on Radio Broadcasting in September 1929 and the promulgation of the Canadian Radio Broadcasting Act in May 1932.

The theoretical frameworks within which these questions would be examined were discussed in **Chapter One**. This study drew upon state and policy theories as developed by Bob Jessop and Paul Pross, and upon theories of the public sphere, first advanced by Jurgen Habermas and later developed by Geoff Eley, Nancy Fraser, Nicholas Garnham and Peter Uwe Hohendahl.

Jessop's strategic relational approach was explored to provide insights about the way in which Canada functioned as a state during

this period. This approach revealed that a state project existed in the 1920s and '30s, built around a discourse about "dominion autonomy" (Chapter Three). This project — "dominion autonomy" — provided a measure of internal state cohesion and a context within which a social space around broadcasting developed.

Pross's theories of policy communities and the role of attentive publics were also studied. These would be employed in Chapter Four to examine the political salience and policy capacity of various groups within the social space that formed around broadcasting. Drawing upon Habermas' principles, the critical publicity that was generated by this social space would be evaluated in Chapter Five to assess its proximity to the ideal public sphere.

In **Chapter Two**, the groups that gathered to form the social space were listed under three clusters: private-ownership, public-ownership and non-declared, i.e. groups who did not publicly state their position on ownership. After a detailed examination of the positions that each group put forward regarding six broadcasting issues, it became clear that those advocated by the public-ownership groups were incorporated and privileged in the 1932 Broadcasting Act. Consequently, the interests that these positions represented were likewise favored. These groups had called for a publicly owned broadcasting system that was accessible to all Canadians, that provided all radio owners with equal access to national programming, and that developed programming for cultural/educational (sociocultural) purposes.

The interests which these policy positions represented, as shown in **Chapter Three**, were subservient neither to the particular

interests of the state nor to those of capital. Employing terms derived from Marc Raboy's analysis of Canadian broadcasting history, these interests were identified as concerns rooted in sociocultural interests.

It was also clear that some particular interests of the state were incorporated into the act, too; although it was argued that these qualify, but do not contest, the privileged position of the public-ownership interests.

The public-ownership interests were framed in the context of the prevailing state project, "dominion autonomy." This state project, the collaborative effort of both state and non-state forces, fostered a measure of internal cohesion within the state. Within that relative cohesion, the public-ownership groups were able to advance their positions.

**Chapter Four** revealed that the public-ownership interests, which were privileged in the 1932 act, were spearheaded by an informal lead group, the Canadian Radio League. The league developed an effective policy capacity and was a member of the attentive public that began to form around the policy-making process for broadcasting. Attentive publics, an essential characteristic of the policy community, were in their embryonic development during the inter-war years. The league's success within this emerging policy community was related to its function within the social space that formed around broadcasting. The Aird commission had focused and gauged the potential strength of this social space or public discussion; the league galvanized and broadened that discussion.

The interaction of interests represented by the private- and public-ownership groups within the social space that formed around

broadcasting offered a strong reflection of the ideal conception of the public sphere. That interaction, examined in **Chapter Five**, resulted in the rational use of political authority i.e. the 1932 Broadcasting Act. The act was influenced by a critical public debate that produced a measure of compromise and that was, within the context of the 1930s, reasonably accessible to many Canadians.

The compromise that resulted was emancipatory in several respects. All citizens, throughout the country's settled parts, were to have access to Canadian radio signals; they were freed from profitability as the determining factor for radio reception. All radio receivers were to enjoy equal access to national programming; they were freed from market-density discrimination, in which urban centres received more quality programs. National programming was to serve social, cultural, national needs; it was freed from being set by the particular needs of state or of capital only. The national system was to be overseen by an independent commission, aided by provincial commissioners and local advisory councils; it was freed from the interference of particular state or other interests. That, at least, was the emancipatory potential of the 1932 act; its application would fall somewhat short of the potential the legislation had provided. The 1932 act did privilege sociocultural interests, since it was fashioned in a social space that provided a measure of freedom from political, and especially economic, dominance.

This study has also shown that the public-ownership position, and the interests it represented, existed within the complex interaction of state and non-state forces, in which structural constraints and resistances were at work and the balance of forces

were continually shifting. Among the strongest resistance and constraints acting upon broadcasting policy in the early 1930s were those represented by the particular interests of the state and of capital. These would gain in strength, as Raboy demonstrates in Missed Opportunities.

A central concern of this thesis was to uncover whether a social space, which approximated the ideal public sphere, had formed to influence the drafting of the 1932 Broadcasting Act. Such a social space did exist, this thesis has argued, and did exert a significant influence in fashioning Canada's first broadcasting legislation. Within this social space, there were groups that advocated broadcasting policies based upon the concept of public ownership. The positions and the interests of these groups were privileged in the act and institutionalized as components of the "public interest." The positions, and hence the interests, which these groups represent have been broadly classified as sociocultural. This brings me to the final observation I wish to submit in this consideration of the public interest in Canadian broadcasting policy.

## **C.2 Private Interests, Public Policies**

At the outset of this thesis, the decision was taken not to employ the terms "public" and "private" to identify the interests represented within the social space around broadcasting. This was justified methodologically by drawing upon the typology that Habermas used to describe interests: "general" and "private." Initially, however, it was based upon a hunch that the utility of the terms "private" and "public" for the examination of this policy field is



limited. In fact, in a system that comprises both public and private elements, the use of these terms to categorize interests may obscure the actual functioning and impact of these concerns in fashioning the illusory "public interest."

An examination of the interests of those groups who supported the public-ownership positions that were privileged in the 1932 act highlights this point. The positions in themselves — public ownership, universal access, national programming first and advertising second — reflect sociocultural interests, as has been identified and which some would call "public interests." However, these so-called "public interest" positions spring from a variety of particular interests.

Western farmers supported public ownership as a strategy to curtail national economic policies dominated by Central Canada needs. As James McCrorie points out, Saskatchewan farmers considered "nationalizing industries other than their own" not so much out of social concern as out of a need to make industrial development respond to agrarian interests (45). The All-Canadian Labour Congress supported public ownership to keep American labour practices from setting the standards for Canadian labour unions ("Summary 15 Mar." 2). All these groups also supported the use of radio as a means to provide adult education to Canadians who were at a structural disadvantage — labourers working a six-day week, farmers far from urban educational services, new Canadians, etc.

The Canadian Legion supported public ownership to maintain closer ties with the British empire and ethos ("Summary 7 Apr." 4).

The Association of Professional Musicians of Toronto supported public ownership to protect Canadian musicians; first professionally, regarding the range of music that would be available through broadcasting, and second financially, regarding the use of local talent ("Summary 12 Apr." 1).

Newspapers supported public ownership to safeguard national autonomy, but also to limit the growth of a potential competitor for advertising revenue.

All these groups favored a system that enabled more citizen participation, improved programming that was Canadian in origin, and government control to safeguard national autonomy. Nonetheless, support for these positions also advanced particular interests that each group had. In some cases, such as Western farmers, many would benefit; in other cases, such as Canadian musicians, few stood to gain. It may be argued that these represent disadvantaged groups; that's the same claim some private broadcasters would make regarding the passage of the 1932 act. Jessop notes that the common interest is formed on a "strategically selective terrain" that marginalizes some interests and privileges others (341). This investigation of interests in Canada's first broadcasting act illustrates this point.

All the interests of the public-ownership groups are not sociocultural. Yet, they all supported public ownership. Had these groups been labeled "public interest" groups from the outset of this thesis, the various particular interests that groups had (commercial, professional, sociocultural) would not have been apparent and may have been overlooked. Some of these groups later supported the

establishment of a separate regulatory body for broadcasting, e.g. newspapers. Did their commitment to the "public interest" change, or were their particular interests now being met by another policy option?

In the study of Canadian broadcasting policy, the use of the terms "public" and "private" to define interests, particularly in a system that has public and private elements, may shed very little light on the "differential articulation and aggregation of interests, opinions and values" that results in the fashioning of policy in the common or "public" interest. Without insights into how this aggregation of interests occurs, studies that examine the public interest in broadcasting policy may stay at the level of "public interest" versus "private interests." Often, underlying this level of analysis is an ideal conception of the public interest, which is ascribed to some groups, usually those not being heard. Rather, as the discourse of the public sphere suggests, it is the quality of the public discussion, which usually influences the quality of the policy process, that serves as a barometer of the "public interest" element.

Calling into question the utility of the terms "public" and "private" to investigate interests in Canadian broadcasting policy leads to several conclusions.

First, the study of interests in broadcasting policy must develop another typology other than "private" and "public," if researchers are to account for the various particular interests that have helped to fashion the "public interest" in legislation and policy. Only in this way can (1) all interests be identified, (2) the complex interaction of

competing interests be observed, and (3) their influence on policy formation be assessed.

Second, the interests of particular capitals and their competing accumulation strategies must be identified and accounted for within the examination of interests. The term "private" to refer almost exclusively to the interests of capitalist enterprises obscures the fact that social, cultural, and political interests also have particular accumulation or financial strategies, which are part of the competing interests within the economic system.

Third, the identification of the "public interest," and the interests that fashioned it, can be compared with an ideal conception of the "public interest," as long as this level of analysis is clearly stated. It would appear difficult to undertake such an analysis without some examination of the complex process by which the aggregation of interests, opinions, and values have fashioned a policy in the "public interest."

### C.3 Future Study

The articulation of the "public interest" in Canadian broadcasting policy needs further study. This thesis offers a point of reference for similar studies that seek to uncover how the "public interest" was articulated during major policy revisions. It also offers a context for comparison with other periods of policy development, provided the same types of analysis are applied. The primary analysis includes an examination of the prevailing state projects during major policy reviews and of the groups within the policy community during this period. A secondary analysis includes

consideration of social spaces that form around broadcasting, in which one compares an ideal conception of the "public interest" as a public sphere to the actual articulation of the "public interest" in broadcasting policy.

Specifically, this thesis raises questions about the impact that the disappearance of the Canadian Radio League in 1936 had. Was the league co-opted by the corporation it had worked so hard to create? Did the public broadcaster encourage the participation of sociocultural groups, like the league, within the policy community's attentive public? Did the concurrence of technical administration and broadcasting policy inhibit the participation of sociocultural groups in the attentive public? Was the attentive public now occupied on'y by the particular interests of the state and capital?

An examination of these questions can furnish additional insights about the interests which influenced subsequent broadcasting policies, and, more importantly, about the interests that didn't.

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## APPENDICES

**"An Act respecting radio broadcasting" May 26, 1932**

**Extract from the Summary of Evidence of the Special  
Committee on Radio Broadcasting, 1932**

# "An Act respecting radio broadcasting" May 26, 1932

116 DOCUMENTS OF CANADIAN BROADCASTING

1. This Act may be cited as *The Canadian Radio Broadcasting Act, 1932*.
2. In this Act, unless the context otherwise requires,
  - (a) "broadcasting" means the dissemination of radioelectric communications intended to be received by the public, either directly or through the medium of relay stations.
  - (b) "channel" means a wave length or frequency in the broadcast band authorized to be used for broadcasting.
  - (c) "Commission" means the Canadian Radio Broadcasting Commission.
  - (d) "local programme" means a programme organized for the purpose of local broadcast;
  - (e) "Minister" means the Minister of Marine;
  - (f) "national programme" means a programme organized by the Commission for the purpose of general broadcast in Canada.
  - (g) "private station" means any station licensed to a person other than the Commission.
  - (h) "radio" means and includes radiotelegraph, radiotelephone and any other form of radioelectric communication including the wireless transmission of writing, signs, signals, pictures, and sounds of all kinds by means of Hertzian waves.
  - (i) "station" means a station licensed under the *Radiotelegraph Act* and regulations as a private commercial broadcasting station or as an amateur broadcasting station.

## THE COMMISSION.

3. (1) A commission to be known as the Canadian Radio Broadcasting Commission is hereby constituted and shall consist of a chairman, a vice-chairman and a third commissioner who shall be appointed by the Governor in Council and who shall hold office for periods of ten, nine and eight years respectively.
- (2) The Chief Commissioner shall be paid an annual salary of ten thousand dollars, and each of the other commissioners an annual salary of eight thousand dollars.

- (3) Two members of the Commission shall constitute a quorum
  - (4) In any proceedings of the Commission the votes of the majority shall govern, but in case there are only two members present the chairman or vice-chairman may cast an additional vote
  - (5) The headquarters of the Commission shall be at Ottawa and the Commission may establish branch offices elsewhere.
4. The Commission may employ such technical, professional and other officers, and clerks and employees as may be necessary. Such officers, clerks and employees shall be appointed pursuant to the *Civil Service Act*.
5. (1) The Commission shall be a body corporate having capacity to contract and to sue and be sued in the name of the Commission.
- (2) The Commission shall have power, for the purposes of this Act, to acquire, hold and dispose of real and personal property
- Provided, however, that the Commission shall not dispose of any real property without the approval of the Governor in Council.
- (3) The Commission shall have power to enter into all ordinary commercial banking arrangements on its own credit but shall not be entitled to borrow either on its own credit or otherwise by issuing debentures or any other type of long term securities

### ASSISTANT COMMISSIONERS

6. (1) The Governor in Council may appoint not more than nine Assistant Commissioners who shall hold office during pleasure, and who shall not receive any salary but may be paid an annual amount by way of honorarium, to be fixed by the Governor in Council. There shall not be more than one Assistant Commissioner appointed in any province and the appointment shall be made after consultation with the Government of the province in which the Assistant Commissioner resides
- (2) It shall be the duty of the Assistant Commissioner to organize and to act as chairman of provincial or local advisory committees, and, at the request of any private station, to organize an Advisory Committee or Sub-Committee, for the purpose of co-operation with such station
- (3) The members of the advisory committee shall act without remuneration and shall be selected by the Assistant Commissioner after consul-

tation with the Government of the Province so as to represent the respective provincial or local communities.

### GENERAL COUNCIL.

7. (1) The Commission shall from time to time convene meetings of a General Council which shall consist of the Commissioners and the Assistant Commissioners, and which may include representatives of the local advisory committees and of private stations

(2) The functions of the General Council shall be to advise with regard to the general policy of the Commission, including the general composition, character and co-ordination of national and local programmes, the apportionment of time and any other matters which the Commission or the Minister may refer to the General Council.

### POWERS OF THE COMMISSION.

8. The Commission shall, notwithstanding anything contained in the *Radiotelegraph Act*, chapter one hundred and ninety-five of the Revised Statutes of Canada, 1927, and in the regulations made thereunder, but subject to the power of the Minister to license stations, have power to regulate and control broadcasting in Canada carried on by any person whatever, including His Majesty in the right of the province or of the Dominion, and without restricting the generality of the foregoing, these powers shall extend to the following matters .

(a) The Commission shall determine the number, location and power of stations required in Canada ,

(b) the Commission shall determine the proportion of time that is to be devoted by any station to national and local programmes respectively and the proportion of advertising that is to be authorized, which shall not unless by permission of the Commission, exceed five per cent of any programme period, and may prescribe the character of such advertising ;

(c) the Commission may make recommendations to the Minister with regard to the issue, suspension or cancellation of private broadcasting licences, and notwithstanding anything contained in the *Radiotelegraph Act* or regulations, the Minister may issue, suspend or cancel such licences ,

(d) notwithstanding anything contained in the *Radiotelegraph Act* or regulations, or in any licence heretofore issued thereunder, the Commission shall have power to allot channels to be used by stations in Cana-

da and may cancel any allotment and substitute any other therefor .

(e) The Commission may prescribe the periods to be reserved periodically by any station for national programmes .

(f) The Commission may prohibit the organization or operation of chains of privately operated stations in Canada .

(g) the Commission may, subject to the approval of the Minister, assist and encourage the construction of small private stations

### **BROADCASTING BY THE COMMISSION.**

9. The Commission shall have power to carry on the business of broadcasting in Canada and, without restricting the generality of the foregoing, may

(a) make operating agreements with private stations for the broadcasting of national programmes .

(b) acquire existing private stations either by lease or, subject to the approval of Parliament, by purchase .

(c) subject to the approval of Parliament, construct such new stations as may be required .

(d) operate any station constructed or acquired under the provisions of paragraphs (b) and (c) of this section, provided that the time allotted to local programmes by the Commission in respect to any such station shall be subject to the management of the station director, or other officer in charge of such station, who shall, in respect to the local programmes, act in consultation with and in accordance with the policy formulated by the local Advisory Committee, or Sub-Committee thereof assigned to such station ;

(e) originate programmes and secure programmes from within or outside Canada, by purchase or exchange, and make the arrangements necessary for their transmission .

(f) Make contracts with any person (or persons) in Canada or outside for the purpose of securing artists to perform in connection with programmes originated by the Commission .

(g) subject to the approval of Parliament, take over all broadcasting in Canada .



(h) do any other thing reasonably necessary for the performance of its functions and powers hereunder.

10. The Commission may, with the approval of the Governor in Council, make by-laws or regulations respecting any of the matters mentioned in the last two preceding sections and generally for the fulfilment of the purposes of the Commission

## EXPROPRIATION AND COMPENSATION.

11. (1) If the Commission is unable to agree with the owner of any property, which it is authorized to acquire, as to the price to be paid therefor, the Commission shall have the right to acquire the same without the consent of the owner and the provisions of the *Expropriation Act*, chapter sixty-four of the Revised Statutes of Canada, 1927, shall, *mutatis mutandis*, be applicable to the acquisition of such property by the Commission.

(2) Any plan and description deposited under the provisions of the *Expropriation Act* may be signed by the Chairman of the Commission or by one of the Commissioners on behalf of the Commission, and the property shown and described in such plan and description so deposited shall thereupon be and become vested in the Commission unless the plan and description indicates that the property taken is required for a limited time only, or that a limited estate or interest therein is taken; and by the deposit in such latter case, the right of possession for such limited time or such limited estate or interest shall be and become vested in the Commission.

12. The compensation payable in respect of the taking of any property so vested in the Commission or of any interest therein or of lands injuriously affected by the construction of the undertakings or works shall be ascertained in accordance with the provisions of the *Expropriation Act*, and for that purpose the Attorney-General of Canada may file an information in the Exchequer Court on behalf of the Commission to all intents and purposes as if such property had been expropriated by and vested in His Majesty under the provisions of the said Act. The amount of any judgment upon such proceedings shall be payable exclusively out of the funds of the Commission.

13. (1) In determining the compensation to be paid no allowance shall be made for the value of a licence terminated by the taking of any private station and no person shall be deemed to have any proprietary right in any channel heretofore or hereafter allotted, and no person shall be entitled to any compensation by reason of the cancellation of the allotment of a channel or by reason of the allotment of a new channel in substitution therefor

(2) If the Commission recommends the cancellation of or refusal to renew any licence in the interest of broadcasting generally in Canada and certifies that such cancellation or refusal is not on account of any failure to comply with this Act or the *Radiotelegraph Act* or regulations thereunder, compensation may be paid to the extent of the depreciated value of radio equipment, together with an allowance for the cost of restoring the premises to a tenable condition for ordinary purposes

### EXPENDITURE OF THE COMMISSION.

14. (1) The Commission may expend for the purposes of this Act the moneys appropriated by Parliament for such purposes

(2) The moneys appropriated for such purposes shall not exceed the estimated revenue from receiving licences, private commercial broadcasting licences and amateur broadcasting licences and from the business of the Commission under this Act

Provided that if at the end of any fiscal year there is a balance of appropriated moneys unexpended or if the revenue from the sources mentioned in the preceding subsection exceeds the amount appropriated, Parliament may appropriate any such balance or excess in addition to any appropriation permitted hereunder

(3) The Minister of Finance shall from time to time pay into a chartered bank to the credit of the Commission moneys appropriated by Parliament for the purposes of the Commission

15. All revenue received by the Commission arising out of its business under this Act shall be paid into a chartered bank to the credit of the Receiver General of Canada

16. All revenue of and expenditures by the Commission shall be subject to the audit of the Auditor General in the same manner as other public moneys

17. The Commission shall be subject to the provisions of *The Consolidated Revenue and Audit Act, 1931*

18. The Commission shall, through the Minister, submit an annual report to Parliament in such form as the Minister may prescribe

19. Each Commissioner shall devote the whole of his time to the performance of his duties under this Act and shall not accept or hold any other office or employment or have any pecuniary interest, direct or indirect, individually or as a shareholder or partner or otherwise, in broad

casting or in the manufacture or distribution of radio apparatus

20. Each Assistant Commissioner shall devote such time as may be necessary to the performance of his duties under this Act and shall not (except in respect of the compensation received by him as an officer or employee under the Commission) have any pecuniary interest, either direct or indirect, individually or as a shareholder, partner, officer or employee, in broadcasting or in the manufacture or distribution of radio apparatus

21. Each Commissioner, Assistant Commissioner and Provincial Director shall, before acting as such, take and subscribe before a Superior or County Court judge, and cause to be filed with the Minister, an oath of office in the following form:

" I DO SOLEMNLY SWEAR that I will faithfully, truly and impartially, to the best of my judgment, skill and ability, execute and perform the office of Chief Commissioner (or as the case may be) of the Canadian Radio Broadcasting Commission, and that, while I continue to hold such office, I will not accept or hold any other office or employment, (add in the case of an Assistant Commissioner, except as an officer or employees under the Commission) or have any pecuniary interest, direct or indirect, individually or as a shareholder or partner, or otherwise, in broadcasting or, in the manufacture or distribution of radio apparatus. "

22. Every person who commits a breach of any provision of this Act or of any regulation made thereunder shall be guilty of an offence punishable on summary conviction by a fine not exceeding two hundred dollars or by imprisonment for a period not exceeding six months or by both fine and imprisonment.

## **An Act to amend The Canadian Radio Broadcasting Act, 1932,**

*23rd May 1933*

His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1 Section four of *The Canadian Radio Broadcasting Act, 1932*, is repealed and the following is substituted therefor —

" 4. The Commission may employ such technical, professional and other officers as the Commission may deem necessary or desirable.

and such persons shall receive such salaries or remuneration as may be fixed by the Commission, subject to the approval of the Governor in Council. Clerks and all other employees of the Commission shall be appointed pursuant to the *Civil service Act* "

2. Paragraphs (b) and (c) of section nine of the said Act are repealed, and the following paragraphs are substituted therefor —

" (b) Subject to the approval of the Governor in Council, acquire existing private stations either by lease or by purchase.

(c) Subject to the approval of the Governor in Council, construct such new stations as may be required "

3. Section fourteen of the said Act is repealed and the following is substituted therefor .—

" 14. (1) The Commission may expend for the purposes of this Act the moneys appropriated by Parliament for such purposes, together with such sums of money as may be received by the Commission from any business carried on by it under this Act

(2) The moneys appropriated by Parliament for such purposes shall not exceed the estimated revenue from receiving licences, private commercial broadcasting licences and amateur broadcasting licences

Provided that if at the end of any fiscal year there is a balance of appropriated moneys unexpended or if the revenue from the sources mentioned in the preceding subsection exceeds the amount appropriated, Parliament may appropriate any such balance or excess in addition to any appropriation permitted hereunder.

(3) The Commission shall present to the Minister of Finance annually an estimate of the expenditure proposed to be made by it during the fiscal year, and the Minister of Finance shall from time to time pay into a chartered bank to the credit of the Commission moneys appropriated by Parliament for the purposes of the Commission "

4. This Act shall expire on the thirtieth day of April, 1934

# Extract from the Summary of Evidence of the Special Committee on Radio Broadcasting, 1932

## SPECIAL COMMITTEE ON RADIO BROADCASTING

Summary of Evidence -----Wednesday, April 6, 1932.

Mr. J. G. Flaxton - Ontario Radio League.

1. Summary of Position -
  - (a) Oppose any legislation likely to mar reception - to increase present listener costs - to reduce quality of service or to force them to listen to U.S. stations.
  - (b) Oppose public ownership in any form but favor present private control.
  - (c) Suggest a Radio Commission of three - one technical, one broadcaster, one musician.
  - (d) Close all low power or obsolete stations and compensate owners - no stations less than 5 K.W. in Ontario and limit these to six - increase station license fee - limit profits made by stations.
  - (e) Clear the six channels allotted to Canada and have U.S. protect our shared channels from high power stations.
  - (f) Ontario listeners should not be taxed to help other parts of Canada - use all Ontario fees in this province - collect all over-due fees.
  - (g) Allow advertising in sponsored programs on a par with U.S.
  - (h) Limit education to day-time periods - put receivers in all schools.
  - (i) Assist hospitals to install receivers.
2. O.R.L. has no legal status - 50,000 members (approx.) who have joined primarily to oppose nationalization. Ten people, names withheld, started and financed league - letter based on Ashcroft's article of a year ago used to attract members. Mr. Flaxton agrees that mention of \$30 license fee scared most of members into joining.
3. Mr. Flaxton wished to broaden scope of 1(f) and to ask government to use fees, wherever collected, to improve service in Canada. Collect sufficient fees to lease two transcontinental wire lines, one C.N. and one C.P. and to send out National Programs for use of all present stations. On yearly contract chain costs would be \$75 per hour per chain. These chains to be used for speeches by Premier, bankers, University professors - special musical or sporting events, etc.
4. General feeling among members of O.R.L. is that they get nothing now for \$1 license fee. Mr. Gagnon said same feeling existed in Quebec. Mr. Garland and Mr. Cardin pointed out that this was due to ignorance mainly.
5. 50% of Toronto musicians and artists either idle or forced into other lines of work. Government sponsored programs would find work for many of these. Government assistance would improve quality of present programs.