The Public/Private Tension in Broadcasting

The Canadian Experience with Convergence

John D. Jackson & Mary Vipond

Canada's *Broadcasting Act* designates Canadian broadcasters, public and private alike, as a *single system* to which the Act and all subsequent regulations apply. The Act is based on the premise that the airwaves are public property, but allows for the existence of a private sector within the whole (Canada, 1991). Thus does it signal: (1) the tension between the public good and private gain; (2) the fact of a particular relation between private and public broadcasting in Canada; and (3) the possibility that the relationship may simultaneously address issues of national sovereignty and benefit capital accumulation. These themes will be placed in the context of Canada's economic culture and the current process of corporate convergence. Though convergence is presently taking place on several fronts – across media platforms, within media platforms, and across distribution technologies – we concentrate on the first of these and on the implications for the public remit.

The convergence of broadcasting, production, distribution and print raise two important issues. First there is a very real anxiety over the possibility that cross-media convergence will reduce the variety of voices expected from an open broadcasting system (public and private alike). Secondly, there is concern that national and regional public broadcasting units may, in the end, carry the principal responsibility for ensuring a multiplicity of voices. Indeed, and somewhat ironically, national public broadcasting may well be the sole defence against monopoly. Convergence within specific media platforms, across media platforms, and across modes of delivery has reduced the sheer number of independent and competitive players in the market. In so doing the process has moved toward monopoly conditions and homogenisation of content.

Though convergence is global in scope, the process and response varies according to the role of particular states with respect to capital in general and broadcasting in particular. This must be taken into account if the various paths open to public broadcasting are to be located and evaluated. Central to our argument, therefore, is the proposition that the processes of convergence, the relations between private and public broadcasting, and regulatory regimens evolve from *specific economic cultures*. Though globalisation may well, in the long run, lead to the homogenisation of social organisation and cultural practices, we suggest that in the process states will retain a relative autonomy. That autonomy makes necessary particularity in the analysis of convergence, itself a concomitant of the current phase of capital accumulation and globalisation.

With this premise in mind, we first develop a general framework for analysis, define the concept of *economic culture* and accent the distinctive socio-economic contradictions manifest in Canadian society. Secondly, this will set the matrix of structures and practices within which we examine the development of Canadian broadcasting, originating, as it did, in a very early convergence of private and public interests. One might note in contrast that in European states private broadcasting generally followed public services, and, in many situations, not until the mid-1980's (Alm and Lowe, 2001: 369). Finally, we look at the current situation and position public broadcasting accordingly.

The state & economic culture

The general model requires that we address the role of the state in advanced capitalism. Here we have drawn from earlier work on Canadian political economy (Innis, 1956: 62-90; Panitch, 1977). The arguments advanced by Panitch are, in turn, tied to debates opened by O'Connor (1973) and, more recently addressed by Leys (2001: 108-211) in his examination of the BBC and the National Health Service. We open with the assumption that the state in advanced capitalism must meet three principal functions: (1) the reinforcement of capital accumulation; (2) the creation and maintenance of the conditions of social harmony, or legitimation; and, (3) the monopolisation of the instruments of coercion (O'Connor, 1973: 6; Panitch, 1977: 8).

Functions (1) and (2) have a direct bearing on the issue at hand. With respect to capital accumulation, the state directs *social capital* to production in the private sector. In Canadian broadcasting this takes the form of infrastructure support through investment in broadband delivery systems and production support through such agencies as Telefilm Canada and the Canadian Television Fund. In part this type of indirect subsidy to private broadcasters came about through favourable regulatory arrangements. Arrangements which, for example, redirected funds from the CBC to the Canadian Television Fund which, in turn, funnelled support to independent, private sector production firms from which both public and private broadcasters purchased programming. Additionally, foreign ownership restrictions and other regulatory practices such as a reluctance to cancel licences allowed the industry to develop in Canada.

We should note that the concept, 'social capital', or expenses required for private accumulation (O'Connor 1973: 7), as used here, differs from its use in current social policy discourse where it refers to "the trust that flows through social networks" (Rice and Prince, 2000: 210). Regarding legitimation costs, *social expenses* are incurred through direct funding to public broadcasting units at both federal and provincial levels (O'Connor,1973: 6-10). This direct funding is a portion of the total social expenses of the state; remaining portions are directed to such areas as education and health care. In addition, public broadcasting receives direct funding from the private sector through advertising revenue and donations.

The contradictory practices that may arise in particular times and places among these functions are many. We need not elaborate that any move to assist the expansion of private broadcasting is, in effect, a reinforcement of capital accumulation. And also, on the other hand, that the creation and sustaining of public broadcasting, an apparatus designed to promote official culture and create the symbols of a common identity, fulfils a legitimation function. Given the overlap, an actual separation between social capital and social expenses and their respective functions is difficult to make. However, analytically an emphasis is placed upon functional differentiation and its policy implications. The relations highlighted are neither purely economic, nor political, but entail negotiations within a complex of economic, cultural and political interests and groups. As the state moves through the dialectical relations arising from these contradictory interests it at once frames and moves within an economic culture.

Economic culture

The term "economic culture" might be an oxymoron to some. Economics is viewed as a set of rational decisions embedded in supply/demand markets and oriented toward maximum returns on investments. Economics is 'real' while culture is subjective, embedded in language, symbols, values and ideologies. Real or unreal, not an argument we wish to entertain at this time, the inter-penetration of economic and cultural systems is well established in the literature (Habermas 1987: 301-403; Marx, 1947: 13-14; Parsons, 1960: 98-131) across several paradigms. Meanings, values, norms, beliefs – elements of cultural systems – penetrate economic systems (Parsons, 1961: 34-36). Economic practices feed back into cultural systems, creating a discursive synthesis, at once cultural and economic. The descriptive terms of economics – supply, demand, markets, investment – give meaning to and frame decisions and subsequent action in particular economic cultures.

The emphasis on 'particular' is important. The economic cultures of given states, though broadly similar insofar as they share in the historical movement of capitalism, vary according to specific conditions surrounding their own development in time and place. Contradictions specific to time and place frame the playing out of state functions and the development of a discursive synthesis around economic practices. The clash among interests and groups to funnel money toward the legitimation of society or to capital accumulation coalesces around ideologies in the name of economics and well being. Values underlying perceived and real needs regarding entertainment, education and health are interwoven with policy questions regarding public broadcasting and its significance or lack thereof to the society as a whole.

Public broadcasting may be perceived by a particular political/economic interest as a means for promoting national definitions of self. While another interest might perceive it as contrary to greater economic freedom. One interest might perceive broadcasting and its content as a commodity for private gain, another as a public good. Just how these positions and contradictions play out will vary considerably from state to state. Thus, the *economic culture* of a given state expresses the totality of the system of relations. In this respect we propose a set of continua which represent the core of Canadian economic culture, specifically relevant to its broadcasting history and the role of public in relation to private broadcasting.

Axes of Canadian economic culture

State and economic practices in Canada may be read as the manner in which the state meets capital accumulation and legitimation functions, and the interaction between the practices emanating from these functions. Such responds to the positioning of corporate entities, political institutions and competing interest groups along private/public, regional/central and continental/national continua (Jackson, 1995). We visualise the continua in interaction around a central point. Theoretical-ly, a move toward the nationalist pole on one axis tends to trigger a move toward the centralist and public enterprise poles on the other two. A move toward the continentalist pole will tend to trigger a move toward the regional-ist and private enterprise poles on the other two. The use of continua implies, first, that the polar positions are ideal types, and, second, that the structure as a whole is continuous rather than discrete.

Movement along the three axes responds to and also constrains the limits of policy decisions with respect to budget allocations, the question of advertising, regional and network production emphasis and so on. This suggests, for example, that a shift toward the private pole on one continuum is accompanied by a shift toward the continental on the other. Additionally, a strong regional position on a given issue is likely to move the marker toward the private enterprise pole on the private/public continuum. Shifts to the public and national, at the federal level, tend to emphasise the legitimation function; shifts to the continental and private poles, the capital accumulation function.

The story of broadcasting in Canada is entrenched in these contradictory movements along the proposed continua. Convergence in the industry and the concomitant remit of public broadcasting unfolds in this setting. Our analysis is thus limited to a specific state, a necessary limitation. Capitalism and globalisation may be universal, but specificity is required in order to understand local or national variations. The matrix comprises Canadian economic culture: i.e., the totality of practices and institutions which have evolved over time and which organise discourse and activity around capital accumulation and legitimation.

With this in mind, we turn to a brief historical overview emphasising both the factors unique to the development of Canadian broadcasting and those that are relevant to current developments in Europe. The three most salient aspects of the Canadian situation in relation to the axes are: a) the vast size and relatively small population of the country; b) the fact that private broadcasting preceded the introduction of public service broadcasting and continued to co-exist alongside it; and c) the propinquity of the United States. The latter has given Canadian audiences access to the technically and professionally more advanced products of American broadcasting since the 1920s. These three factors explain many of the differences between the situation in Canada and in most European countries; the latter two, however, also bear directly on issues of corporate and public/private convergence and "Americanisation" that currently preoccupy many Europeans.

Historical overview

Broadcasting in Canada began as private enterprise (Peers, 1969; Vipond, 1992). Early station owners were mainly manufacturers, newspapers and retailers desiring spin-off sales or publicity. With little incentive to invest large amounts and weak advertising revenues, most radio stations in the 1920s transmitted at low power, and could be heard only locally. Thus private-enterprise broadcasting developed from the first as a community-oriented medium similar to the newspaper. The stations in the main cities in each province also became the 'voices' of the rural communities surrounding them. In this sense they were not just local but regional stations, fostering regional over national interests.

At the same time, there was considerable pressure to utilise radio's potential as a national medium. Governments, advertisers, broadcasters and listeners alike perceived that radio's ability to construct a national audience for simultaneous listening was probably its most important attribute. By the late 1920s it was clear that networking was the most feasible method to achieve national coverage. But in a country as large as Canada with a limited population financing such networks was problematic. Moreover, most Canadians could listen without much difficulty to the hugely powerful, highly sophisticated broadcasting stations and networks of the United States. Radio station and network development in the United States was spurred by desire of the large electrical manufacturers to sell their equipment. In Canada, the manufacturers were for the most part subsidiaries of American firms; they had no incentive to set up stations in Canada because they knew that most Canadians could easily hear the high-powered stations situated south of the border.

Thus the potential of this new communications medium to create a national listening community was not being fulfilled in Canada under private enterprise ownership. Not only did that mean that radio remained resolutely local and regional in its orientation, but also that it was potentially continental – that is, it might well be swallowed up in the powerful American radio system. Along two of our axes, then, there was a missing element. The national/continental axis lacked the "national" element. And the solution implicated the private/public axis, also missing one element. To the 'private,' some began to argue, must be added the 'public,' precisely in order to create the 'national.'

All the elements of the Canadian broadcasting system were in place by the late 1920's, albeit in the very early stages of articulation. While convergence across media platforms – newspapers and radio stations – was present at the start, Canada for the most part lacked the more profitable convergence across corporate entities – manufacturers and networks. Canadian radio at this point was at once regional and continental. This latter fact stimulated the appearance of interest groups prepared to lobby for broadcasting as a 'nation-building' legitimation mechanism.

Public broadcasting recommended

While throughout the 1920s the development of Canadian radio was supervised by a federal government agency, at the political level radio was barely on the radar screen. All this changed suddenly in 1928, when a regulatory decision shutting down some religious stations led to the creation of a Royal Commission to investigate all aspects of radio broadcasting, including the issues of under-financing, lack of networking and American penetration (Raboy, 1990).

Sir John Aird, the Chairman of the Royal Commission on Radio Broadcasting appointed in the fall of 1928 was the president of one of Canada's largest banks. As a banker, he was linked historically with the mercantile capitalists who had developed the Canadian economy as a trading economy based on shipment of raw materials to markets in Europe. Throughout the Nineteenth Century, these merchant capitalists had allied with the state to develop the canals, railways, wholesaling, insurance and banking firms necessary to the development of a national economy (Clement, 1975). Aird embodied this characteristic of the "old" economy.

By the end of the 1920s, however, the vast majority of Canadian trade was moving along a north-south axis to and from the United States, and an increasing proportion of the growing manufacturing sector (including, as just mentioned, electrical manufacturing) was financed by or actually owned by American corporations. By the time radio began to develop, to the distress of the old Canadian elites, the national economy based on exports overseas was rapidly becoming a continental economy dependent on exports to the United States. Enter "defensive expansionism" as a component of the rapidly changing economic culture.

Aird's bias, and that of the other members of the Royal Commission, was toward protecting Canada from Americanisation by co-ordination between capital and state (Aitken, 1959). It is therefore not surprising that they concluded that extreme measures must be taken to ensure that Canadian radio broadcasting prosper, and that it remain in Canadian hands. The Royal Commission's *Report*, issued in late 1929, concluded that Canadian private enterprise radio would inevitably fall into American hands. The Commissioners recommended the creation of a national "public utility" that would own and operate all Canada's broadcasting stations. Seven high-powered stations would be built at scattered intervals across the country to create a national network. The previously existing private stations would be shut down, with compensation. The Commission's recommendations rested on the assumption that radio must not be only an entertainment medium but also a means of creating and fostering national unity and identity. Given the scarcity of resources, duplication of services could not be afforded. Radio must be a monopoly, and in the hands of the government.

While the Commission's recommendations represented one strain in Canadian society, they were in tension with another world-view that also had considerable historical credence. Canadians have, for the most part, shared a liberal ideology with their American neighbours. This ideology assumes that the least government is the best, that private enterprise provides prosperity for all, that free speech is essential to democratic debate, and therefore that cultural and intellectual institutions should be in private hands (Vipond 2000). Certainly there was no precedent in either country for a national media institution to be solely owned and operated by the government.

The web of tensions that would dominate broadcasting policies to the present was thus in place. The particular role of the Canadian state, with respect to the accumulation and legitimation functions, was becoming apparent. The private/public tension was becoming well established in broadcasting, and the same with regard to the national/continental tension. The historical union between social and private capital in building infrastructure to insure dominance of east-west transportation and communication lines was breaking down as industrial capital developed along a north/south axis.

The introduction of public broadcasting

The Canadian Radio Broadcasting Act of 1932 was therefore a compromise. It created a public broadcaster, but did not give it a monopoly. Private stations continued to coexist alongside the Canadian Radio Broadcasting Commission [CRBC] and its successor the Canadian Broadcasting Corporation

[CBC]. Nor was the public broadcaster given sufficient funds to erect the high-powered stations foreseen by the Aird *Report*. Instead, the CRBC set up only a few publicly owned stations; it created the desired national network by making affiliation arrangements with private stations from coast to coast. Although the public broadcaster was given all regulatory responsibility and the only national network, the affiliate arrangement placed public and private broadcasting in a symbiotic relationship, mutually dependent in a 'mixed' system. This is the system that prevails in Canada to this day.

By the end of World War II public broadcasting in Canada rested in a particular complex of political, cultural and economic relations informed by an overarching economic culture of state/capital interdependency. The CBC was the national broadcaster and regulator, a fact not favourably received by private broadcasters who were beginning to ride the wave of post-war consumerism. Audiences showed a continuing preference for American programs. The CBC's programming was ambivalent and dichotomous: Popular American programs co-existed with those that promoted a particular vision of Canada as a nation. And, in spite of the linkages between public and private broadcasting since the beginning, private broadcasters increasingly opposed the prominent position of the CBC in the field, notwithstanding the move in the private sector toward corporate consolidation and cross-media convergence.

The introduction of television in Canada was carefully controlled by the federal government, which at first allowed only one station per city, either owned by or affiliated with the CBC (Peers, 1979). Competing private television stations began to develop after 1958**,** mostly owned by those already in the broadcasting business. The privately owned television stations in Canada made most of their money by purchasing popular American television shows at bargain rates. Indeed even the CBC's television program schedule was heavily filled with American programming because popular demand and the obvious financial benefits could not be gainsaid. In 1960 the Board of Broadcast Governors, later to become the Canadian Radio-Telecommunications Commission [CRTC], the new body that had taken over regulatory duties from the CBC, introduced Canadian content regulations for television programming, regulations that still exist and are still evaded whenever possible by the private broadcasters. In exchange for this limitation, however, the private broadcasters were given a number of privileges, the most important being more or less permanent hold on their licences (Hardin, 1985). As had been the case since the 1930s, the state continued to foster the growth of the private industry whilst maintaining national public broadcasting.

Cross-media convergence

In the Canadian private sector today there are five major players, most of which have acquired their coverage and strength over the last four years.

CanWest Global now controls thirteen city dailies across the country and one newspaper distributed nationally. It controls one of the two private television national networks, six interactive sites, and two production services in film and video. Internationally it controls TV and radio networks in Australia, New Zealand, and Ireland as well as film production and distribution services in the UK and USA. *Bell Globemedia* controls wireless and standard telephone operations nationally and in three provinces, as well as in the far north. It controls satellite delivery systems and e-commerce sites. In addition it owns Canada's second private, national TV network and a major national daily. *Québecor Inc.,* a major international printing firm, is heavily invested in the pulp and paper industry, owns seven English-language and two French-language dailies, eight French-language book and magazine publishers, Vidéotron, Québec's cable and Internet provider, TV channels, and media investments in Europe, Asia, and South America. *Shaw Communications Inc.* and *Rogers Communications* (tied to AT&T) together operate the major cable delivery systems in English-speaking Canada, TV specialty channels, radio stations, satellite delivery systems and a national news magazine. These five, examples of robust convergence, control most of Canada's media properties.

Public broadcasting pales in the face of these giants. The *Canadian Broadcasting Corporation/Radio-Canada* [CBC/RC] is the country's national public broadcaster – a major corporation operating under a Board of Governors and CEO appointed by the federal cabinet and responsible to Parliament through the Minister of Canadian Heritage. Of its 1,172.2 million dollar operating costs for 1999-2000, 65.2 per cent was from parliamentary appropriations and 34.8 per cent from self-generated funds, principally TV advertising (there is no advertising on radio) and programme sales. CBC/RC delivers its programming in French and English via satellite, microwave and landline feeding 97 owned stations, 1,164 rebroadcasters, 27 private affiliates and 292 community broadcasters. In addition to the national broadcaster there are three prominent provincial public broadcasters supported by a combination of public funding, subscriptions and private support.

Private and public broadcasters, as noted above, operate under the *Broadcasting Act* and fall under the regulatory control of the Canadian Radio-television and Telecommunications Commission [CRTC]. The separation of private and public in the Canadian broadcasting industry is not clear-cut. Certainly the CBC/RC and the three provincial broadcasters are state owned and financed, though self-secured funds do come from advertising and private support. As mentioned above, the private sector has also historically received both direct and indirect subsidies from the federal government.

In these examples of corporate convergence, one intention is to enable a single reporter to produce a story for several different media (including the Internet) simultaneously. The fear, of course, is that this will reduce the multiplicity of voices and worldviews. The broadcast regulator, the CRTC, has agreed to these practices, requiring only that independent management structures be maintained. But that is a requirement the CRTC has not been enthusiastic about enforcing. The CRTC seems to have been confused by these rapid developments and by the contradictions in its role. While both CTV and CanWest Global were given mild warnings about keeping the management of their print and broadcast newsrooms separate, in fact their consolidation will inevitably occur.

One problem is that the CRTC has no right to regulate newspapers. More importantly, we must remember that the CRTC has always tended to encourage the development of broadcasting as an industry rather than as a public good (Vipond, 2000). This tendency has been exacerbated in the current tempestuous climate. As of this writing in late 2001, a new Chairman has just been appointed to the CRTC; the position had been vacant for almost a year. The resulting paralysis seemed of little concern to the current government. Bewilderment and drift seem to characterise the key regulatory body in an environment, national and global, in which rapid transformations continue.

If not bewilderment, then, at best, ambivalence reigns along each of the axes. While encouraging private/public alliances in the interest of "good business sense," the Minister of Canadian Heritage, Sheila Copps, has also taken what appears to be a contradictory move on the international scene. In 1998, Copps hosted a meeting of her counterparts from twenty other countries concerned about how to sustain national cultures in a world of globalisation. The consequence was the creation of the International Network on Cultural Policy, which has subsequently met three more times, most recently in Lucerne. Forty-five countries now participate; needless to say, the United States, whose cultural dominance lies behind most of these countries' concerns, is not a member (Magder, 1999, August).

The public remit

At issue is not U.S. cultural dominance *per se* but, rather, the commodification of ideas, modes of debate, systems of thought, and instruments of dialogue; in a word, the vitality of public broadcasting. Commodification fundamentally changes social relations – relations heretofore based on reciprocity and expressivity are transformed into relations resting on instrumentality and private gain. The public domain becomes an unexploited potential market to global corporations (Leys, 2001: 211-212). In the process, resources previously allocated to social expenses in 'the national interest', however that may be defined, are shifted to social capital. In effect, the state reduces investment in the legitimation of society as it increasingly participates in the commodification of social relations.

The legitimation function of the state cannot withstand a total commodification of social relations. As health, education, and public broadcasting, to name but three domains of public activity variously organised according to the economic culture of particular states, are fully commodified the very collective interests upon which societies rest are under threat. Over the last two decades the march toward commodification has increased considerably as global capital has sought to reduce social expenses and increase social capital. Can public broadcasting survive in Canada? Elsewhere? To answer, it must be admitted that public broadcasting is fundamentally an issue of values and governance. It is an issue of values insofar as it rests on the weight given to the public weal, and it is an issue of governance insofar as the state, however structured, must make decisions regarding the balance between legitimation and capital accumulation.

Thus is an affirmative or negative response a political act within a particular economic culture, not an abstract economic act or even "good business sense". It is an ideological decision, one that will ultimately be decided within a complex system of interacting interests. A commitment to the affirmative requires a commitment to a concept of public goods – goods defined as beneficial to the society as a whole – not to market-place commodities but as properties held in common. Public goods not only nurture the citizenry, but also define the citizenry. Note too, that acceptance of the concept requires that 'the consumer' be replaced by 'the citizen' – the discourse changes. The concept of public goods does not negate private goods or consumer commodities, but it is a necessary starting point if one is to explore the role of public broadcasting.

In practice, values and policy decisions are imbedded in the economic culture of the state. Canadian economic culture, as we have tried to demonstrate, is grounded in a set of relations wherein the state and capital have combined to secure enterprises, largely, but not totally, specialised to the extraction and sale of resources – the commodity market. This, combined with the realities of Canadian geography and demography, set the stage for state/capital alliances in the establishment of transportation and communication infrastructure.

When the technology of broadcasting appeared it was certainly not unexpected that it would take shape within the established economic, political and cultural framework. Broadcasting, like education, health and welfare, also provided the means to enhance the state's legitimacy. The dialectical relation, at times contradictory, at times complementary and at times ambivalent, between social capital and social expenses was manifest at the beginning as it is presently. Then as now, these relations are played out along the three axes: private to public; central to regional; and national to continental. The Ministry responsible tries to uphold "good business sense" while simultaneously calling for the exclusion of public goods from commodity definition. The communication conglomerates, moving, as they must, into global markets, forego local and regional broadcasting and so does the national public broadcaster.

In this contemporary economic culture and its dialectic of values, what role might public broadcasting take? There are trends in motion, trends that might provide the route, and, ironically, these trends are a consequence of the very culture that threatens to destroy the concept of pubic goods. *On the negative side*, (1) NAFTA in which an overwhelmingly dominant partner, the United States, overshadows Canada and Mexico, makes it difficult for the latter two to resist commodification of public domains. The absence of parliamentary institutions at the trading level, as enjoyed by the European Union makes it all the more difficult. (2) The locally based conglomerates have suggested that they receive additional public support for production of Canadian content programming, thus reducing the amount available to the CBC, a call for the shifting of state resources from the public to the private pole. (3) There is a continuing pressure to "privatise" the CBC as well as the provincial public broadcasters. This call originates from two sources: from capital which defines public broadcasting as competitor and from within the public sector on the part of those seeking to shift funds to health care and education. (4) Parliamentary appropriations for the CBC have, in the long run, declined, though there is some sign of increased input.

On the positive side, (1) as broadcasting convergence in all it forms continues, the possibility of near-monopoly conditions in the private sector is very real indeed. The high debt load carried by the five majors in Canada and the decreasing return on investment in spite of increasing revenues certainly point in the direction of fewer players in the field. In this climate, public broadcasting may be the one remaining defence against monopoly conditions. (2) Co-operation between the CBC and the conglomerates, as contradictory as this may at first appear, is consistent with the economic culture and may present one way of sustaining the public sector. (3) Co-operation between the nationally based CBC and provincially based and funded public broadcasters may enhance regional and local broadcasting, an area of concern which the conglomerates and the CBC have all but abdicated. (4) The CBC and, to a lesser extent, the provincial public broadcasters have rapidly adopted Internet technologies and interactive components. The CBC has acquired digital television channels, placing it in a position to exploit present and future multi-media broadcasting.

To return to the premise upon which this presentation was based, discussions of the public broadcasting remit must be specific to the economic cultures of particular states. The public broadcasting remit in Canada, for example, cannot be built from a generic analysis of public broadcasting in the West, or from particular analyses focussing on the United States or the European Community. All share the problems of convergence, but the response of each is constrained by its own particular economic culture.

The response of Canadian public broadcasting is constrained by the positions historically taken with respect to the Canadian state's ambivalence along the three axes used in this analysis, which, in turn rests on the ambivalence rooted in choices around *social capital* and *social expenses*. Currently, the overall shift tends to be toward social capital and away from social expenses. Likewise, a vision based on the NAFTA agreement tends to draw discourse and practices toward the private and continental poles on two of the three axes. In turn, this draws interests toward the regional on the central/regional axis. These trends do not bode well for public broadcasting. But, there are counter trends.

As mentioned earlier, corporate convergence is likely to continue as the current dominant players find themselves dealing with increasing debt loads. In addition, they have put their bets on digital speciality channels, which may or may not be successful, especially in the short run. The story of broadcasting convergence may run parallel to the transportation industry – a reduction to one or two players in the marketplace. This presents the national public broadcaster (as well as the three major provincial broadcasters) as the only defence against monopoly and a defence which can be articulated in the name of the public good as well as in the discourse of classical liberalism. This, in turn, will present a political opportunity to shift policy support to social expenses and to the national, regional and public poles on the three axes of Canadian economic culture.

With respect to public broadcasting in general, it is easier to state what cannot be done than to plot a route for sustaining it. To seek and maintain a complementarity between social capital and social expenses as imbedded in Canadian economic culture may succeed in other states. However, the possibility becomes less and less open to public policy as capital centralises globally and seeks to commodify the public domain. Altering program schedules and content, searching for new and increased audiences, and adopting digital and satellite technology are perhaps all to the good. These moves will not, in the end, set up a wall against commodification. What is required is a regulatory regimen based on an articulate doctrine of the role of public broadcasting in a democracy. This does not and should not negate private broadcasting, but should clearly state the values inherent in the public weal. Such a move is indeed a political act.

References

Aitken, H.G.J. (ed.) (1959) *The American Economic Impact on Canada*. North Carolina: Duke University Press.

Alm, Ari & Gregory Ferrell Lowe (2001) Managing Transformation in the Public Polymedia Enterprise: Amalgamation and Synergy in Finnish Public Broadcasting. *Journal of Broadcasting and Electronic Media*, 45, 367-390

Canada (1991) *Broadcasting Act* 1991, C.11. http://lois.justice.gc.ca/en/B-9.01/6760.html#rid-6767.

Canada. House of Commons (1932) *Debates*. Ottawa: King's Printer.

Clement, Wallace (1975) *The Canadian Corporate Elite: An Analysis of Economic Power*. Toronto: McClelland and Stewart.

Habermas, Jürgen (1987) *The Theory of Communicative Action*. Volume 2. Boston: Beacon Press.

Hardin, Herschel (1985) *Closed Circuits: The Sellout of Canadian Television*. Vancouver: Douglas and McIntyre.

Innis, Harold A (1956) edited by Mary Q. Innis, *Essays in Canadian Economic History*. Toronto: University of Toronto Press.

Jackson, John D.(1995) "Contradictions: Cultural Production, the State and the Electronic Media" *Frequency* , Vol. 3-4, pp.27-35.

Leys, Colin (2001) *Market Driven Politics: Neoliberal Democracy and the Public Interest.* London: Verso

Magder, Ted (1999, August) "Going Global". *Canadian Forum.*

Marx, Karl & Frederick Engels (1947) *The German Ideology*. New York: International Publishers.

O'Connor, James R (1973) *The Fiscal Crises of The State*. New York: St. Martin's Press.

Panitch, Leo (1977) "The Role and Nature of the Canadian State" Pp. 3-27 in Leo Panitch (ed.) *The Canadian State: Political Economy and Political Power.* Toronto: University of Toronto Press.

Parsons, Talcott (1960) *Structure and Process in Modern Societies.* Glencoe, Ill.: The Free Press

Parsons, Talcott, et al. (eds.) (1961) *Theories of Society*. Volume 1. New York: The Free Press of Glencoe, Inc.

Peers, Frank W. (1969) *The Politics of Canadian Broadcasting 1920-1951*. Toronto: University of Toronto Press.

Peers, Frank W. (1979) *The Public Eye: Television and the Politics of Canadian Broadcasting 1952-1968*. Toronto: University of Toronto Press.

Raboy, Marc (1990) *Missed Opportunities: The Story of Canada's Broadcasting Policy.* Montreal and Kingston: McGill-Queen's University Press.

Rice, James J. & Michael J. Prince (2000) *Changing Politics of Canadian Social Policy*. Toronto: University of Toronto Press.

Vipond, Mary (1992) *Listening In: The First Decade of Canadian Broadcasting, 1922-1932*. Montreal and Kingston: McGill-Queen's University Press.

Vipond, Mary (2000) *The Mass Media in Canada*. Toronto: James Lorimer (3rd ed.)