The Neo-Liberal State and the Crisis of Public Service Broadcasting in the Anglo-American Democracies

by

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ABSTRACT

The Neo-liberal State and the Crisis of Public Service Broadcasting in the Anglo-American Democracies

The purpose of this analysis of the present condition of public service broadcasting in the Anglo-American democracies was to investigate whether such media can still be regarded as the primary public sphere for a dialogue between each nation's civil society and the State. The motivation for this thesis was based on a presumption that such fora for public discussion on the central issues of each society have become viewed as less relevant by politicians and policy-makers and the publics they were intended to serve in the Anglo-American democracies over the past two decades. It is speculated that this is the case because of a belief that the post-war consensus between the respective States and publics that led to the construction of the Keynesian Welfare State and the notion of public service broadcasting has been displaced by an individualistic, neo-liberal, laissez-faire ideology. In other words, broadcasting as a consumer-oriented, commercial commodity has superseded concerns pertaining to the importance of the public interest.

The methodology employed in this thesis is a comparative analysis from a critical political economy perspective. It was considered appropriate to focus on the United Kingdom, Australia, Canada and the United States because they comprise the four largest Anglo-American nations with democratic political systems and primarily market economies. Justification for this particular sample is reinforced by the fact that case study countries also share a common socio-political and economic tradition. The evidence assembled for this thesis consisted almost exclusively of existing literature on the subjects of public service broadcasting, global economic and political integration, and the ascendancy of the 'free-market' ethos in Western democracies since the late mid- to late-1970s. In essence, this thesis could be considered as a re-interpretation of the existing literature relevant to these issues.

Several important common features were found among the political, economic and broadcasting systems of the four case study nations. It is proposed that the prevalence of the neo-liberal world view throughout the political and policy environments of the four countries has undermined the stability and credibility of each nation's national public service broadcasting organization, although with varying intensity and effect. Deregulation of each nation's broadcasting system and the supremacy of the notion of 'consumer sovereignty' have marginalized the view of broadcasting on any basis other than strictly economic criteria in the four case study countries.

This thesis concludes that, for a reconstruction of a truly participatory and democratic public sphere to be realized in the present as well as the future, a reassessment of the conventional concept of the 'public sphere' is necessary. Therefore, it is recommended that the focus of policy-makers in each Anglo-American democracy be redirected from that which conceived of an all-encompassing, large, state-owned and operated public broadcasting service toward a view which considers alternative forms of public communication, such as local community and ethnic broadcasting operations, that are likely to be more responsive to the needs of the increasingly diverse and heterogeneous populations that comprise the modern Anglo-American democracies. The traditional conception of public broadcasters must change in accordance with its contemporary environment if the fundamental principles of the public sphere and public service broadcasting are to be realized.
CHAPTER ONE

The Decline of the Keynesian Welfare State

The primary intent of this thesis is to conduct an analysis of the ascendance of the neo-liberal, market-driven agenda among public policy-makers in the capitalist democracies of the United Kingdom, Canada, Australia, and the United States during, approximately, the past twenty-five years. Of particular interest to this researcher is the concomitant reduction in the contemporary public sphere of these societies, as exhibited in the gradual, yet determined, marginalization of national public-sector broadcasting organizations to the periphery of each nation's respective mass communications systems.

It is my hypothesis that the makers of broadcasting and communications policy in each of the aforementioned Anglo-American democracies have, essentially, acquiesced to the insistent demands from neo-liberal advocates in the private-sector that "fiscal restraint" and "free competition" required the unleashing of market forces in this sector. It is further speculated that the withdrawal of state economic support for non-profit, publicly-funded national broadcasters - such as the British Broadcasting Corporation (BBC), the Canadian Broadcasting Corporation (CBC), the Australian Broadcasting Corporation (ABC), and the Public Broadcasting System (PBS) in the United States - has been a crucial component of the neo-liberal assault on the public sector and on the credibility of the modern welfare state as a whole.

Moreover, when combined with the state-sanctioned abdication of their responsibilities as guardians of the public interest by national regulatory agencies, in favour of acting as facilitators for the development of so-called 'national' commercial broadcasting companies, it is asserted that these developments have largely contributed to the rise in a consumerist ideology and a inversely-related impoverishment of the concepts of a public sphere, a participatory democracy, and an informed citizenry.

A strong argument could be made that the period from the late 1970s until the present has been the most pivotal stage in the evolution of the social, economic, and political environment of liberal democratic societies since the beginning of the Second World War. The general prosperity found among the advanced, industrialized nations of North America and western Europe in the post-war years, coupled with bitter
memories of the extreme poverty and civil strife which resulted from the Great Depression during the inter-
war period in the 1930s, motivated the governments of North America, Western Europe, and Australasia
(including New Zealand), to support a more active role for the state in the management of each nation's social
and political spheres.

But rather than this development signifying a radical departure from the conviction that the capitalist
system of economic and social relations, as articulated by the proponents of neoclassical economics, was the
appropriate structure for democratic societies, this expansion in the state's activities in providing citizens with
the basic material necessities of life is viewed by some commentators as a preventative measure designed
to discourage the possibility that disgruntled working-class populations of these countries would agitate for
the dismantling of the capitalist system itself, in favour of the socialist model that was emerging in eastern
Europe. Albeit with certain nationally-specific variations, the sort of welfare states which prevailed in
western democracies between the mid-1940s and the early-1980s were based on the concept established by

The genius of Keynes was his ability to devise a technical solution to the crisis of capitalism, one that
sanctioned a measured degree of government intervention while maintaining market dominance . . .
Keynes shifted the focus of economic analysis towards the need for economic stability as the basis for
generating necessary levels of aggregate demand in the capitalist economy and away from the "concern
over the organization of production and supply.

In other words, the Keynesian model of the welfare state (in its various forms) served to safeguard
the privileged status of the capitalist elite, while at the same time, ensuring a sufficient level of economic
well-being among the majority working-class populations of western countries, which, it was anticipated,
would deter any serious threat to the dominant ideology of the ruling classes. The state would intervene in
the economy in the provision of unemployment insurance schemes, basic minimum health care, universal
access to public education, and an assortment of other social programs, to the extent necessary to pacify the
working-classes and ensure that Soviet-style communism would not attain a serious measure of credibility.
In essence, the Keynesian welfare state's primary purpose was the maintenance of the status quo in the liberal
democratic nations of North America and western Europe, because an adjacent benefit of providing the
working-classes with a modicum of economic well-being was that it also solidified the structure of the entire
capitalist system by guaranteeing the owners of commercial and industrial enterprises a continuing supply of consumers for their products.

The accommodation between the interests of capital and labour embodied in the Keynesian welfare state model remained relatively intact throughout most of the western world during an approximate thirty year period between 1945 and 1975. The social consensus which provided the material and ideological foundations of the Keynesian welfare state in North America and western Europe began to unravel in the 1970s because of the combined effect of economic stagnation, the global oil crisis, the decline of industrial activity, and dramatic innovation in technology. Because of this combination of circumstances, there was a philosophical sea-change among the ruling classes of western societies, one which was marked by a transformation from an emphasis on Keynesian welfare policies to monetarism. Although the promise of monetarist policies that has often been offered by neo-liberals is that they lead to more efficient practices by public sector institutions, and stimulate productivity among private-sector industries. Margaret Thatcher's program of deregulation and privatization in the United Kingdom during the 1980s was based on just this assumption. Critics, however, argue that trade liberalization policies such as those implemented by Thatcher's government had the effect of encouraging British corporations' exploitation of the cheaper labour markets in the 'Asian Tiger' countries, rather then increasing the level of foreign investment in the U.K. countries of the Far East. On this point, Philo (1995: 213, 230) argues that:

Monetarism had little to offer to redress such a crucial area of imbalance. Indeed, the application of monetarist policies to the economy, with high interest rates between 1979 and 1981, had seriously damaged British manufacturing, reducing output by between 15 and 20 per cent... This reduction was critical because when the economy expanded with the credit boom British industry could not adequately meet the demand. The very predictable result was an unparalleled balance-of-payments crisis at the end of the 1980s, as imports grew to far greater volumes than could be matched by British exports... Instead, the short-term concerns of financial capital and the lack of any co-ordinated long-term strategy for investment produced a terminal decline in key areas of the industrial economy.

The decline of industrial manufacturing as the economic base of most western nations and the rapid evolution of technological advancements over the past quarter-century, in particular, prompted many observers to doubt the possibility that the Fordist (mass-assembly line) mode of production - which had
provided the economic support for the modern welfare state - could be sustained as the basis of national economies in the West. According to MacDonald (1997: 37), Fordism can be identified as:

\[ \ldots \text{the era of the dominance of mass production (economies of scale, assembly-line production, detailed division of labour, separation of execution and control at the level of the workplace) balanced by high levels of mass consumption maintained by institutional supports which include Keynesian demand policies, and an accord between business and labour.} \]

In their efforts intended to promote the notions of common national citizenship, universal accessibility of public services and social programs, and social and economic justice, the governments of most western democracies viewed the rapidly-evolving mass communications media of radio and television transmission as indispensable instruments for the project of socializing their respective citizens in the virtues of the capitalist economic system moderated by the Keynesian doctrine. It was envisioned that the new media could help inculcate the values of late capitalism among populations captivated by the mesmerizing new technologies. Graeme Murdock contends that, as the populations of western countries grew and became more mobile and widely dispersed during the post-war period, the organs of these nations' mass communications systems assumed increased importance in the evolution of their respective societies. With the expansion of the welfare state, and the concomitant extension of the rights, obligations, and benefits of citizenship in modern, liberal, capitalist democracies during this period, it has been postulated by some commentators that it has been left, "\ldots to the mass media system to provide the informational and cultural resources that would underwrite the rights and responsibilities of citizenship" (G. Murdock, cited in Tracey, 1998: 13).

**The Concept of Public Service Broadcasting:**

Some might question why the decline of public service broadcasting organizations, in particular, should warrant special attention when the all spheres of western societies have witnessed a reduced role for

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the state during the past two decades, as the forces of economic "globalization", the pervasive spread of a neo-liberal economic ethos, and unprecedented technological innovation have, in tandem, destabilized aspects of life generally considered certainties for the better part of four decades following the Second World War. It is precisely because this transformation from a predominantly industrial/manufacturing economy (1945-1975) to one defined by instantaneous and pervasive systems of communication, the so-called 'information society' (1980s onward), has placed systems of public communication - their purpose, nature, and ownership - at the forefront of an ideological confrontation between those who still believe that a democratic polity and society requires a public sphere (Habermas, 1989), and their neo-liberal, private-sector opponents who believe that no sphere of human activity is beyond the permissible limits of commercial exploitation, that the issue of public service broadcasting in the Anglo-American democracies is deserving of academic inquiry. Attacks against the notions of a public sphere, public service broadcasting, and public broadcasting organizations in particular, demand special attention because they are indicative of the wider neo-liberal challenge to the very notion of the public as a collectivity of citizens, and to the idea of a democracy as a product of social and political consensus. Mulgan posits that:

Perhaps the most important quality that television has in this view is its democratic, levelling character. When it is universally and freely available, it embodies communitarian, egalitarian values not present in other areas. Whatever is on the screen is available to all, regardless of wealth or class (cited in Atkinson, 1997: 41).

By virtue of their constitutive characteristics, public service broadcasters are supposed to be accountable to the entire society they purport to serve, not simply those who have purchased shares and whose main interest is that the service show a profit. But serving the public interest, in the complex, class-stratified, pluralist societies of western Europe and North America comes with many contradictions, ambiguities, and tensions. For example, in a nation composed of culturally-distinct regions, how can a public service broadcaster reconcile the inherent conflict between providing programming in the 'national' interest as well as 'local' interests? Paddy Scannell reports that the conception of the public interest, as introduced in the British Broadcasting Corporation's National Programme in 1930, which guided the BBC for many
years, was based on a notion of the 'audience-as-nation'. Scannell (1995: 26) reports that the image of the public, as conceived by the National Programme:

... was a radically new kind of public, one commensurate with the whole of society - all members of the newly extended, now fully representative, nation-state. This was the way in which the BBC interpreted its representative mandate, as providing a service that was available to each and all, no matter where they lived; a non-exclusive service that could be enjoyed by people of different social classes, living in different parts of the country, women and men, young and old. What cultural institution before broadcasting could have been delegated such a task? It was, essentially, a task of democratic representation on the terrain of culture rather than politics. The task was to create a common culture that speaks to a whole society and that can be shared by people of widely different backgrounds, with different tastes and interests.

Habermas posits a normative notion of the public sphere as an indispensable component of social life wherein citizens can exchange views on matters of importance to the common good, so that public opinion can be formed (Calhoun, 1993). The public sphere comes into being when people gather to discuss issues of political concern. Habermas' conception of the public sphere is heavily influenced by a period of European history during the seventeenth and eighteenth centuries, when coffee houses, literary societies, and salons became the locus of public debate for the learned members of society.

He extends this to an ideal of participation in the twentieth century, which is most apparent in the contemporary mass media. Rational-critical debate, in the form of discussion, is an essential component of the Habermasian public sphere, which contains a set of clearly understood rules that emphasize reason over emotion, with a particular focus on the rationality of content alone. The public sphere envisioned by Habermas has an idealistic, utopian tone to it because of its assumption that all participants share a common interest in pursuing the 'truth', and that dialogue will be unaffected by influences external to the content of discussion, such as the differential socio-economic status of its participants. Criticism is not only appreciated in the public sphere, it is to be encouraged, because only through such scrutiny can a consensus can be achieved as to the value of the arguments put forward.

The field of electronic mass communication, specifically television broadcasting, has become an arena of heated contestation since the 1980s, as technological developments and the ascendance of a laissez
faire, neo-liberal mentality among relevant government policy-makers of most western governments have combined to contribute to a widespread belief that the old rationale for state intervention in the field of broadcasting is no longer applicable in the current era. In previous decades, government regulation of a nation's broadcasting environment was based on the premise that the airwaves through which television signals were transmitted were a scarce commonly-held resource, and that regulation is necessary to ensure that the best interests of the public, to whom they belong, remained the overarching goal. Since concern for resource (electro-magnetic spectrum) scarcity, as regards the public airwaves, has been rendered obsolete by developments in communications technology, it may now be argued that state intervention in the area of broadcasting is no longer justifiable. Concurrent with this logic is a debatable proposition that the public interest being served is equatable with advancing the ideal of 'consumer sovereignty', which, by implication, demands a lessened role for the state in the management of the broadcasting environment.

The case for state intervention in the sphere of broadcasting has shifted from that which emphasized the electromagnetic spectrum as a public resource in need of government oversight, to one which confers a role for the state to act as a counterweight to growing influence of enormous multinational media corporations resulting from ever-escalating levels of corporate ownership concentration. Those who argue that there remains a need for government involvement in the field of broadcasting base their opposition to private-sector demands for self-regulation on the belief that the undue concentration of media organizations in the hands of a relatively small number of huge conglomerates is antithetical to the creation of broadcasting environment which allows for freedom of expression, a diversity of political voices, and programming for marginal segments of the population.

A more serious threat to the public interest, it is argued here, are the potential consequences that recent trends in media ownership and government broadcasting regulation might hold for the concept of a mass communications public sphere as an elemental component to the effective functioning of a democracy. It is suggested that the commercial members of this virtual oligopoly - who happen to control a vast amount
of the contemporary mass media - are indifferent at best, and hostile at worst, to democratic notions of the collective good, and the individual as a citizen rather than simply as a commodity to be sold to advertisers by broadcasters.

As information, and the means by which it is transmitted, increasingly become perceived as objects suitable for commodification, not simply as vehicles to assist the sale of commodities, media organizations have become among the most desired acquisitions of the shrinking number of enormously wealthy and powerful transnational commercial conglomerates. The threat to democracy posed by this trend is that the information conveyed through the properties of such monolithic media corporations will pertain almost exclusively to the consumption of commercial products, rather than offering the viewer a wide range of information about social, economic, and political events that is a necessary prerequisite for an informed public capable of participating in a democratic system. The common space necessary for a dialogue between the citizens of a society, and between civil society and the state, is inevitably jeopardized by the encroachment of commercial interests into all areas of the broadcasting sector - program production, advertizing, delivery and distribution, and regulation - and this process has contributed to the increased marginalization of public broadcasting organizations, as well as to the common perception that the notion of public service broadcasting is both obsolete and irrelevant in this era of "consumer choice".

The Notion of a Public Sphere:

Americans traditionally conceived that an effectively free public sphere in the media depended on sheltering such a sphere from the 'far-reaching tentacles of the state'. However, authorities in that country have displayed far less concern about the potentially corruptive influence of the market. In the traditional notion of the public sphere, as imagined by Habermas, a truly democratic public sphere must be independent of all interests, state or business, that would seek to control it for their own self-serving purposes:

In Habermas's original description, the public sphere should be free of restrictions - not only from government, but from the great and overbearing forces of the economy - so that the exploration of
issues, the development of points of view have a certain authenticity. . . . The public sphere, in this classic aspiration, is a zone in which there is sufficient access to information so that rational discourse and the pursuit of beneficial general norms is made more likely (Price, 1995: 24).

The importance, or lack thereof, assigned to the ideal of 'public service' broadcasting by public policy makers in the advanced capitalist societies of North America, Europe, and Australia, since the 1980s, reflects a great deal more about these societies than merely the attitudes of those individuals toward their respective nation's public broadcasting entity; rather, it speaks volumes about the intellectual and political climate in which such policies are formulated and implemented. In essence, the decline in support for the concept of public service broadcasting among the political elites of western nations, and the corresponding, but inversely-related, level of unbridled enthusiasm demonstrated by those same officials for the benefits of the 'market', leaves little reason for optimism with regard to the possibility of genuine democracy in the twenty-first century. As Michael Tracey (1998: 35) eloquently puts it, the condition of national public broadcasting institutions, indeed the very notion of public service broadcasting, and whether either will continue to exist in any form, is reflective of the relative priority our societies accord to such issues as 'public' versus 'private', 'citizen' versus 'consumer', and 'service' versus 'choice':

These are questions which I believe are not only, or even primarily, of academic importance. They touch upon some of the most profound issues of how are societies are being formed, as information systems, as cultural systems, as moral systems. To ask questions about public broadcasting is to ask questions about the character of our societies. That is why one might be reasonably concerned with the health of public broadcasting, because if it is less than well then this is probably suggestive of a much wider and troubling pathology.

It is also important, at this point, to clarify terminology; in particular, what is meant, in the context of this thesis, by "public service broadcasting" in the most democratic sense of the term, as compared to, for instance, a state-owned broadcasting organization that serves the interests of the political elite rather than the general public. In the estimation of some observers, the distinction between the two often-confused, yet qualitatively distinct, types of broadcasting systems bears a direct relation to the particular source and mode
of financing which supports the system.\(^2\) Ruth Teer-Thomaselli (1996: 1 of 20) offers a relatively simple conception of the qualities, which, in her estimation, constitute true public service broadcasting:

I take the purpose of public service broadcasting to be the provision of a universal service of excellent programming, while maintaining public legitimacy through an editorial independence from both the government of the day, and rampant commercial interests. By 'universal' I mean programming which covers a full range of genres, from information to education to entertainment, for the widest possible audience covering the most extensive geographical spread. There is only one caveat to this definition: public service broadcasting must be carried out within the means available to the public broadcaster.

Lord John Reith, first Director-General of the BBC and widely considered to have been the founding father of public service broadcasting, adhered to a philosophy which took as its inspiration, the notions of universality and modernity, as expressed by the great thinkers of the European Enlightenment period of the eighteenth and nineteenth centuries. His vision of the proper role of a public service broadcaster was remarkably similar to the function served by the bourgeois coffeee houses and salons of Habermas's description of the public sphere.

Perhaps the most cogent, comprehensive, and pragmatic description of the requisite functions of a contemporary public service broadcaster is supplied by Michael Tracey, who provides us with eight general principles which broadcasters should endeavour to fulfill. According to Tracey (1998: 26-32), a legitimate public service broadcaster should ensure that:

1. Their services are *universally available* throughout the nation, with no segment disadvantaged because of cost or geographic factors;

2. Their programming possesses a *universality of appeal* - "Public broadcasting does not expect that it can please all the people all of the time - indeed it sees in that approach precisely the kind of populism which nurtures cultural mediocrity, as quality is sacrificed on the altar of maximizing the audience size. Public broadcasting does, however, believe that well-produced programmes can please a lot of the people a lot of the time, and everybody some of the time" (1998: 27);

3. *Provision of minorities, especially those disadvantaged by physical or social circumstance* - Based on a presumption that some audiences have particular characteristics and needs which may vary from those of the mainstream audience;

4. *Serving the public sphere* - "It (public service broadcasting) understands that while within civil

society individuals pursue their own private self-interests, it is within the public sphere that they function as citizens. It is a fundamental principle then that public broadcasting must motivate the viewers as citizens possessing duties as well as rights, rather than as individual consumers possessing wallets and credit cards" (1998: 29);

5. A commitment to the education of the public - "Public broadcasting knows that political and social literacy, as well as course literal literacy, is an essential prerequisite to the healthy working of a democratic order. . . . that it treat its audience as mature, rational beings . . ." (1998: 30);

6. Public broadcasting should be distanced from all vested interests (political or economic) - "Of particular importance to this principle is the ability of public broadcasting to support a cadre of independent-minded programmers, who are thus well able to speak with authentic tones and to offer that singularity of vision allied to creativity and passion which has traditionally produced some of television's finest moments" (1998: 31);

7. Broadcasting should be so structured as to encourage competition in good programming rather than competition for numbers - In other words, regardless of the particular form of financing, the broadcaster's main focus should be fixed on producing programming of high quality, which does not underestimate the intelligence of the public-as-audience;

8. The rules of programming should liberate rather than restrict the programme-maker - Basically, this principle implies that aside from certain 'community standards' legislation, such as restrictions on the broadcast of obscene, extremely violent, racist/sexist, and otherwise offensive material, regulators should avoid, at all costs, interfering with the editorial and creative autonomy of broadcasters.

It has also been postulated that direct ownership of broadcasting organizations by national governments may be incompatible with the ideals inferred by the term public service broadcasting - promotion of democracy, pluralism, diversity and autonomy in programming, and political impartiality - and that more stringent enforcement of these principles by state regulatory authorities on both public and commercial broadcasters would accomplish those same objectives in a more efficient and expedient fashion. This analysis will examine some of the more effective, yet less intrusive, policy instruments that have been employed by state regulatory authorities in Australia and the United Kingdom to ensure that non-state-owned broadcasting organizations authorities abide by such fundamental public interest provisions as educational and children's programming.

This study will also assess the merit of certain alternative notions of public service broadcasting, such as publicly-owned broadcasting organizations such as Australia 's Special Broadcasting Service (SBS), where programming decisions are reserved for representatives of members of that country's ethnic minority
communities, and the commercially-funded public-service broadcaster Channel Four in the United Kingdom.

Among other things, this analysis will attempt to put aside the commonly-held perception that the broadcasting systems of liberal western democracies must inevitably be situated within a dichotomous framework in which all broadcasting organizations can be described as either public enterprises, or private, and necessarily commercial, entities. In the estimation of Canadian communications scholar, Marc Raboy, the performance of the above-mentioned broadcasters in the United Kingdom (Channel Four) and Australia (SBS) lend credence to the assertions of public service broadcasting proponents in North America who challenge the narrowly-defined conceptions of broadcasting which have long prevailed in Canada and the United States:

In both Great Britain and Australia, for example, popular dissatisfaction with traditional "public" and "private" television has led, in the past decade, to the state-sanctioned creation of new, non-commercial complementary services - the independent Channel Four, in the case of Britain, and the multicultural Special Broadcasting Service in Australia. The interesting thing about both these initiatives is that they are clearly in the public domain but outside of the corporate structures of the established national public broadcasters (1990: 351).

Ventures similar to Channel Four and SBS have previously been proposed in Canada, but, such proposals have lacked the required level of political and financial support of former Canadian governments to come to fruition. An examination of the factors which prevented the realization of such alternative forms of broadcasting in Canada in the 1980s is undertaken in chapter five of this study. The recent non-traditional experiments with community-owned and operated broadcasting in Australia receives a more complete analysis in Section 'H', and is assessed in accordance with the criteria articulated in the democratic-participant model of the media.

It has occasionally been suggested that a credible case has not been made by supporters of public service broadcasting to justify the assertion that state-owned public broadcasting organizations in western capitalist democracies should be expected to subscribe to a set of public interest obligations any more than were the state-controlled broadcasters in the communist nations of the former Soviet Union and Eastern Europe. In other words, it is questioned by some that, if the state-supported broadcasters of formerly
communist countries were, essentially, nothing more than propaganda agents for their respective regimes, why should publicly-funded broadcasters in liberal democracies be held to a higher standard of accountability to the public?

It will be demonstrated in chapter two, as well as in the chapters which consist of case studies of the broadcasting systems of the various countries included in this analysis (chapters 3, 4, 5, and 6), that this distinction between the public service obligations of western nations' state-owned broadcasting institutions and those of former communist states is a direct manifestation of the nature of the relationship between the political systems and civil society under these two forms of governments. Put another way, because the broadcasting organizations of former communist nations were expected to act as propaganda organs of the reigning political regimes, their primary responsibility pertained to satisfying the demands of their political rulers. In western democracies, on the other hand, it is assumed that elected officials are, first and foremost, representatives of the public at large, and as such, are servants of their constituents; therefore, although state-owned broadcasters in the United Kingdom, Canada, Australia, and the United States may receive direct funding from their respective governments, their ultimate duty is to provide programming which serves the public interest.

Various commentators have also posited that since privately-owned commercial operators share space within the same electromagnetic spectrum as state-owned broadcasters, both types of broadcasting organizations are, essentially, components of the same broadcasting system. Because of this fact, it is further argued that both private and state-owned broadcasters should necessarily be held to the same standard of public service principles. This study concurs with the above proposition, and consequently will include an evaluation of novel hypothetical scenarios which might contribute to a more equitable distribution of economic resources and public service obligations.

It is my intention to demonstrate that the simple designation of a broadcaster as 'private' or 'commercial' is not an acceptable excuse for allowing such an organization to be exempt from the same
expectations, with respect to the fulfilment of public service programming responsibilities that have traditionally been imposed on so-called 'public' state-owned broadcasters.

A different assessment of the requisite characteristics of what constitutes a genuine public service broadcasting system, and one that I personally believe offers a more practical set of criteria for identifying whether a broadcaster is serving the public interest rather then the self-serving objectives of partisan politicians or commercial entrepreneurs, is articulated by Robert McChesney:

By public service broadcasting, I mean a system that is nonprofit and noncommercial, supported by public funds, ultimately accountable in some legally defined way to the citizenry, aimed at providing a service to the entire population, and one which does not apply commercial principles as the primary means to determine its principles (McChesney, 1997: 1 of 38).

As the inspirational visionary of public service broadcasting's dominant philosophy and guiding principles; therefore, the ideals espoused by Lord Reith will suffice as the basis by which the various national formulations of public service broadcasting in this study will be analyzed, as will the eight principles of Tracey's outlined earlier in this chapter. The ascendance of the commercial imperatives within the policy environments and broadcasting systems of the countries included in this study will also be situated within the wider context of developments which led to the neo-liberal ascent to the top of the political hierarchies of Canada, the U.S., Australia, and the United Kingdom in the last two decades.

There are also two other dominant philosophical perspectives which inform the views of many of the communications scholars and political scientists whose approaches to the subject of broadcast regulation and public service broadcasting are covered in this study. At one extreme lie critical (Marxist) theorists who view the autonomy of forms of public communication, such as broadcasting, from vested commercial interests as the most important criterion for the maintenance of a broadcasting system that can effectively fulfil the best interests of the public. At the other, are the proponents of individualism and economic

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liberalism, most prevalent in American discussions about the most democratic form of broadcasting, who argue that the prohibition of state interference is the surest means by which individual liberty and the freedom of expression can be guaranteed. Until the 1950s, British officials endorsed the notion that the public interest would be best served by a state-owned broadcasting monopoly. Conversely, in the United States, American politicians determined that it was advantageous to the public interest if the state limited its involvement in the nation's broadcasting system to the enforcement of specific public service commitments upon the owners of broadcasting organizations, which they believed would be most effectively met by commercial services operating according to the principles of a 'free market'.

Given the historic and divergent approaches of government authorities in the United Kingdom and the United States, with respect to the appropriate and optimal level of state intervention in the broadcasting system, and since the contemporary broadcasting environments of most western democracies can be located at various points along a continuum on which the respective systems of the U.K. and the U.S. represent two polarities, the historical development and current situation of the broadcasting systems of these two nations will serve as the principal cases in this analysis.

Between these two polar opposite perspectives stands the position which maintains that civil society is related to, but distinct from both the political and economic spheres of life. For this reason, therefore, a significant segment of a nation's broadcasting system must be independent from the unwarranted domination of its operation from both of the above-mentioned spheres. This view has, until fairly recently, provided the conceptual framework which guided state broadcasting policy and the decisions of regulatory authorities in two other Anglo-American democracies, Canada and Australia.

Both Canada and Australia have been subject to cultural, economic and political influence exerted by the U.K. and the U.S. But, because these nations have had to contend with geographical, economic, and cultural factors particular to themselves, it is believed that the experiences of broadcasters in these two countries will illustrate sufficient differences from their fellow anglophone democracies to merit individual
attention on the broadcasting systems in these two countries.

Not surprisingly, the Canadian and Australian broadcasting environments have long exhibited tensions between the elements characteristic of the United Kingdom's predominantly public service tradition, as well as the United States' primarily free enterprise systems; these countries broadcasting regulators have, consequently, gained more experience in trying to find an acceptable balance between these competing, and apparently, contradictory forces.

Central to the argument presented in this thesis is the contention that the formation of a 'public' - the key to democracy - is impossible without communication which is distanced from the voices of the state and the private sector. Reducing the concepts of democracy and the 'public' to the relation of either to the political and economic spheres allows for too narrow a vision to fully explain the actual composition of such concepts. Atkinson (1997: 39) explains the connection between communication and the creation of a 'public' as follows:

The idea of promoting citizens' access to and participation in culture in fact aims to strengthen their own power, to make them better citizens who are able to become involved in public life and in their environment. We are clearly talking about a dynamic democracy here, which can in no way be reduced to mere politics. The democratic philosophy of culture entertains the vision of a society where interaction among citizens in a sort of civic forum where they can discuss issues, exchange views, and compare their ideas and interests, allows all of those citizens to form a 'public'. . . . This 'entity', this public, is formed by communication. Without communication there is no public: there are only isolated individuals . . . Strengthening citizens' access to and participation in culture and, by so doing, maintaining an active public requires preserving what is now commonly referred to in the critical literature as the public sphere.

Atkinson's statement indicates why public service broadcasting, and its current condition, should not be relegated to the status of just another state institution. To serve its public interest function properly, and to facilitate the environment necessary for modern and public sphere, albeit a mediated one, the health, or lack thereof, of public service broadcasters, whether state-owned or otherwise, must be seen as constitutive, rather than derivative, of an effective democracy. It is also argued here that the public dialogue concerning important social, economic, and political matters that is best achieved within the public sphere provided by an autonomous public service broadcaster demands guardianship by the state; otherwise, the goal of an open
forum for citizens' discussion and participation in a legitimate democracy will invariably be subordinated to the imperatives of the commercial marketplace. It is hoped that some of the insight gained from this investigation into the forces at work in the context of the contemporary political, economic, and broadcasting realms will contribute towards a better understanding of the steps that are necessary to ensure the survival of some form of public service broadcasting in the nations examined in this study.

Chapter two of this thesis consists of a critical analysis of the influential political trends and technological events contributing to the rise of a pro-market, neo-liberal, laissez-faire climate which has seen the growth of the worldwide trends towards economic integration, and the accompanying phenomena of deregulation, privatization of the public sector, and the displacement of cultural and social goals in favour of economically-motivated decisions by those who formulate and implement public policy in the nations included in this study.

In chapter two, therefore, the impact of technological developments on the broadcasting environment will also examined, with particular attention devoted to the effect of such advancements on the behaviour of regulatory authorities responsible for public broadcasting, the notion of public service broadcasting, and the level of political support for either commercial broadcasting, or public service broadcasting. This chapter also features an exploration of the possible causes which led to the obsession of politicians and regulators in the Anglo-American democracies with the idea of economic "globalization", its accompanying discourse, and the consequences of the growth in the number of international trade agreements and regimes (NAFTA, GATT, the WTO, the EU, etc.) on labour, the cultural sovereignty of nations, and the viability of egalitarianism and democracy. The genesis and history of public service broadcasting in each society will, in turn, be chronicled in separate chapters, with discussion of some of the most important similarities and contrasts of the experiences of public service broadcasters in each nation, where relevant and appropriate.

Chapter three consists of an examination of the events which forever changed the internal structure...
of the broadcasting system in the United Kingdom. As the nation with the longest history of national public broadcasting, established by the BBC, it was felt that the political and economic factors which transpired in the U.K. during the 1980s and 1990s would provide a conceptual vantage point from which developments in the other Anglo-American democracies could be assessed. Furthermore, as the first prominent political figure representing the 'New Right' elected to leadership among the four countries of this analysis, Margaret Thatcher's aggressive policies of deregulation and privatization have set a standard by which the actions of political leaders in Canada, the U.S., and Australia, could be measured.

The BBC, and its strong public service ethos, were anathema to Mrs. Thatcher, because the principles it embodied represented everything she opposed. In her vision of what was required for the political and economic transformation of Great Britain - from a fading middle-power, to a free-enterprise beacon for foreign investment in a competitive global environment - the BBC's social democratic emphasis, in terms of its news and public affairs programming, on issues of unemployment, economic inequality, and social justice, were contrary to the political agenda which Thatcher had in mind for the country. The fact that the BBC itself consisted of employees belonging to several very strong labour unions simply added to the sense of antipathy Thatcher felt toward the corporation. The British experience of the 1990s, although radically different from that which existed twenty years before, provides proponents of public service broadcasting in other countries with some reason for optimism, as the BBC appears to have emerged from the neo-liberal onslaught as a leaner, reconfigured national broadcaster. The performance of Britain's Channel Four also serves a model of adaptability by quasi-public broadcaster in the competitive broadcasting environment of the present era. Chapter four focuses on the always-precarious position of public service broadcasting in the United States. As the nation which historically has represented the epitome of a society which places a premium on the virtues of individualism, self-reliance, limited state intervention, and a 'free' market, public service broadcasting has faced even greater obstacles in the U.S. than it has in the other Anglo-American democracies. Given that, a national public broadcasting service had a later inception, and
a more fragile status, within the American broadcasting system than has generally been the case of public broadcasters in other western industrialized countries. Similarly to the United Kingdom, however, the situation for the Public Broadcasting System worsened even further in the 1980s, commencing with the election to president of Mrs. Thatcher's ideological comrade, Ronald Reagan, in 1980. Democrat Bill Clinton's election victory in 1992 lent supporters of public broadcasting in the United States reason for limited optimism; however, despite the fact that Clinton did not publicly espouse the discourse of unrestrained neo-liberalism - as did his Republican predecessors, Reagan and Bush - the passage of the 1996 Telecommunications Act virtually removed what few ownership restrictions and public service provisions had been the responsibility of the U.S. broadcasting regulator, the Federal Communications Commission (FCC) prior to the 1996 Act. Added to the financial pressures which jeopardized the existence of American public broadcasting in the 1990s, was the intensive lobbying campaign waged against PBS by political conservatives and members of the religious right in that country. Chapter four concludes with a description of the current state of PBS, which, it is hoped, will serve as a warning of how serious the situation of public-service broadcasting in Canada and Australia could become if the lessons from the U.S. are ignored.

Chapter five focuses on the history of public broadcasting in Canada, with considerable attention devoted to the political and economic difficulties that have encumbered the CBC since the early 1980s. As a crown corporation and public enterprise, the CBC has always sensed its vulnerability to volatility of changing political climates in Ottawa. Furthermore, the corporation has often been the site, in microcosm, of the perpetual antagonism and animosity which has frequently characterized relations between Canada's two dominant official language communities, French and English. Tensions between Canada's "Two Solitudes" has often been exhibited by the separate English- and French-language divisions of the national public broadcaster: the CBC and la société radio-Canada (SRC), respectively. During the 1980s and early 1990s, the CBC's (1984-1993) fortunes were threatened by the presence of a Conservative government in Ottawa, under former Prime Minister Brian Mulroney, which, like its 1980s counterparts in the UK. and US,
was ideologically opposed to the notion of a public broadcaster competing with private sector broadcasters. Also similar to the UK and US experiences of that decade, the CBC was suspected by Mulroney's government of harbouring a disproportionately large number of 'leftist' journalists, who it believed were hostile to their neo-liberal political agenda.

The situation of public broadcasting in Canada in the 1990s, and the CBC in particular, did not improve, despite the more friendly overtures made toward the corporation by the Liberal Party before its leader, Jean Chrétien, was elected as Prime Minister in 1993. Chrétien had made campaign promises not only that, if elected, his government would not reduce the CBC's annual parliamentary appropriation any further than what it already had been by Mulroney's Conservatives, but that it would restore the broadcasters funding to a level at which it had been prior to the Conservatives reign in 1983. Neither of the Liberal promises materialized; in fact, finance minister Paul Martin has demonstrated a willingness to reduce the corporation's funding to an extent which matches that of his PC Party predecessors.

To make matters worse for the CBC, Canada's supposedly independent broadcasting regulator, the Canadian Radio-television and Telecommunications Commission (CRTC), appears to have adopted a stance in the 1990s which indicates that it now views itself in a manner comparable to the American FCC. Indoctrinated in the belief that global technological and economic trends have obviated the need for an agency which regulates the broadcasting system primarily in the public interest, which entails regulatory support for a strong, non-commercial public service broadcaster, the CRTC has consistently approved an ever-increasing number of Canadian private-sector specialty channels and corporate mergers. Evidence that the regulator has been 'captured' by private sector interests can be witnessed by the fact that it seems to have bought into the neo-liberal notion that the Canadian public's interests will be best served by the strengthening of Canada's private-sector television industry, so that it can compete in the 'ultra-competitive' international broadcasting environment. Amidst this changed broadcasting environment, the CRTC appears to have lost sight of its original purpose: to regulate this sector in the public interest, with the viability of the CBC
Chapter six examines the broadcasting environment in Australia. At the time of broadcasting's introduction in that country, the Reithian model of public service broadcasting was followed by Australian authorities, although a commercial element has long been permitted by federal policy-makers to co-exist alongside the publicly-funded ABC. Afforded a certain degree of shelter from the constant encroachment of foreign programming for many decades, because of its geographic remoteness in relation to the other Anglo-American democracies (the U.S., the U.K., and Canada), relieved Australian political and broadcasting authorities from encountering the issues of inordinate foreign cultural influence and excessive pressure to deregulate the system from the private-sector broadcasting lobby that has been the constant preoccupation of their Canadian counterparts.

Australia's relative isolation, with respect to its autonomy in the area of broadcasting policy, ended in the 1980s, as technological innovations and economic globalization - encouraged by the widespread adoption of the neo-liberal perspective of Australian as well as foreign political leaders - have brought the issues of deregulation, commercialization, foreign and cross-media ownership concerns, etc., to the forefront of the Australian broadcasting and communications policy agenda also. Because, like Canada, Australia's population is very unevenly distributed throughout its expansive land mass, which also happens to be sparsely populated, the commonwealth's broadcasting policy-makers and regulators have long been faced with the need to balance the tensions between offering programming that serves the interests of the nation's disparate local communities versus that which contributes to the nourishment of a unified and cohesive national identity.

In recent decades, however, because of increased pressure from both foreign competition, ostensibly native commercial media magnates (such as News Corporation's Rupert Murdoch), have persuaded Australian policy-makers that they must loosen regulatory prohibitions on levels of ownership restrictions and public service obligations, such as enforcement of public service broadcasting principles such as
guaranteeing universal access to broadcasting signals throughout the vast territory of the southern country/continent. The immediate benefit of such regulatory relaxation to powerful domestic media companies has been that it has enabled them to control a larger share of Australia's broadcasting outlets, allowing them to increase their audience and profit maximization by concentrating their services in the large metropolitan centres of Sydney and Melbourne, the markets most desired by advertisers.

As with the other broadcasting systems examined in this thesis, Australia's television market has become saturated in recent years, as an ever-widening number of subscription-based pay-TV channels and satellite services have been approved by the nation's federal broadcasting regulator, the Australian Broadcasting Authority (ABA). Consequently, the opportunity for growth for the Australian-based media companies has stagnated. In an effort to combat the imbalance between the country's television imports and exports by increasing the number of programs sold to foreign buyers, Australian broadcasting authorities — at the insistence of government officials — have consciously diverted government financial support from the ABC to the private-sector independent production industry and the 'ethnic' public broadcaster, SBS. While the long-term effect of such a redirection of policy is yet to be determined, there is some evidence, in regard to SBS, that the Australian government's export-oriented broadcasting strategy has somewhat successfully managed to maintain a certain balance between the fulfillment of one important public service broadcasting principle — provision of programming for minority audiences — and increasing the economic strength of the country's private-sector broadcasters and independent producers.

As stated earlier, this thesis will also attempt an discover the underlying interrelationship between the political systems which inform the idea of public service broadcasting in each country under analysis and the organizations themselves; in addition to the contrasts and similarities in the approaches taken towards public service broadcasting in Great Britain and Canada, as well as those of Australia, and the United States. It is hoped that certain trends in the experiences of public service broadcasters in the four nations can be identified which might suggest possible options that could be undertaken to remedy the generally fragile
condition of public-service broadcasters, and by extension, the public interest and democracy, in the Anglo-American democracies at the beginning of the twenty-first century.

Great Britain and the United States warrant analysis because of the strong cultural, geographical, and political/historical ties between Canada and these two countries. Australia is included in this study because of the many parallels found between Canada and its sister commonwealth nation: both are young countries, occupy vast land masses, have relatively small, multicultural populations, and both have historically been predominantly resource-based, export-oriented economies.

This analysis will conclude with an educated hypothesis about the possible implications for public service broadcasting resulting from recent changes political and economic philosophies of the governing parties, and the accompanying philosophical orientation of the relevant regulatory agencies, with particular attention focussed on the political economy of the contemporary international broadcasting environment, and the impact of such on national public-service broadcasting organizations. Finally, suggested alternatives to traditional notions and structures of public service broadcasting will accompany a prognosis for the future of public service broadcasting.

In summary, it is intended in this thesis to dissect the major economic, political, technological, ideological, and social developments which have led to the current critical condition for the majority of the developed world's public broadcasting organizations, which, in turn, has jeopardized the very notion of public service broadcasting as something that should be valued in a democratic society, and to situate its precarious situation within the wider socio-political and economic environment of the late twentieth and early twenty-first centuries.
CHAPTER TWO

The Rise of Neo-liberalism, Globalism, and the Retrenchment of the State

As noted at the beginning of Chapter One, in the late 1970s in the Anglo-American democracies, public confidence in the ability of the Keynesian Welfare State to maintain the post-war balance between social stability and capital accumulation was seriously undermined by the international energy crisis and the accompanying phenomenon of 'stagflation' (a combination of stagnant economic growth — even mild recession and rising unemployment — with inflation). As a result, the compromise between the interests of private capital and the public at large, which had endured for thirty years after the Second World War, began to unravel. The social contract which enabled the creation of the modern welfare state in western societies had been broken by profound changes in the political economy of these states, thus opening the door for the re-emergence of laissez-faire capitalism and the political 'New Right' to take hold of the social, economic, and political agendas.

The policies of the Thatcher government in the United Kingdom, the Reagan administration in the United States, the Conservative government led by Brian Mulroney in Canada, and even Bob Hawke's Labor government in Australia were predicated on a neo-liberal belief that the key to national economic revival lay in reducing the size of government and creating a more favourable environments for private enterprise. The hegemony of neo-liberalism in public policy discourse in the Anglo-American democracies in the 1980s did not occur simply as a consequence of the election of Mrs. Thatcher's Conservative government in 1979 and Ronald Reagan's victory in the 1980 US Presidential election. Rather, it emerged in a political/ideological vacuum resulting from the failure of centre-left political parties in all four countries to recognize and adjust to the 'overloading' of the welfare state. Thus, the intellectual and philosophical weakness exhibited by liberal and social democratic parties, given the apparent impotence of Keynesianism, left the parties of 'The New Right' virtually unchallenged in their quest to reform the state apparatus according to principles of free-market ideology. Even the least 'conservative' government of this era, Bob Hawke's administration in Australia, believed for the most part that it had no alternative other than to accommodate its policies to the neo-liberal agenda of multinational capital. Although Thatcher, Reagan and Mulroney were philosophically
sympathetic to the concerns of big business, Hawke (a former president of Australia’s largest trade union) was not. Nonetheless, because the Australian economy (like Canada’s) had always been heavily dependent on foreign investment, Hawke’s government appears to have been persuaded that — in the era of so-called ‘globalization’, with its attendant technological changes and economic restructuring — the increased mobility of international capital necessitated policies which would entice corporations to continue to invest there.

The case of Australia will be examined later in this chapter, along with the policies of the Reagan and Mulroney administrations. However, this chapter begins with an overview of the ‘Thatcher Revolution’ and its effects on British society, for two principal reasons. First, the election of the Thatcher administration constituted the initial installation of an avowedly ‘neo-liberal’ (or neo-conservative) government among the major western industrialized democracies. Second, the policies of that government set a precedent, or created a paradigm, of economic, social and political transformation for a large number of other countries, both developed and developing. Mrs. Thatcher’s revolution was based on a set of assumptions, and policies, which would be emulated, to different degrees and with varying results, by the governments of the other three Anglo-American democracies in this study. Central to her stated objectives of overhauling British society and the national economy was her conviction that public expenditures and corporate and individual taxes had to be reduced, which ideally, would enable a greater share of the U.K.’s Gross Domestic Product to be dedicated to private investment.

‘Thatcherism’ and the Decline of ‘Consensus Politics’ in the UK

Conservative Party leader Margaret Thatcher’s election victory in the United Kingdom in 1979 signified the first crucial challenge to the social/political/economic consensus which had produced the modern welfare state. For Thatcher, the welfare state was not only a contributing factor in the economic collapse of the late 1970s and 1980s, but was also the most obvious impediment to Britain’s recovery from decades of economic decline. The only solution to Britain’s woes, according to Thatcher, was to unleash the generative potential of Britain’s private-sector, which she believed, would help the country regain some of the international prestige and political/economic dominance it had lost with the dissolution of its once-global
empire, since the end of the Second World War. Her government's policies for renewal in the U.K. were predicated upon the premise that the social benefits provided by Britain's welfare state had stifled the individual initiative and resourcefulness required for economic prosperity, contributed to a lazy and complacent, largely-unionized labour force, and stagnated the national economy.

One measure which the British prime minister believed was necessary to increase the productivity of the country's manufacturing sector involved the elimination of what she perceived to be the repressive and restrictive labour practices in the national economy, because of what she saw as excessively militant and unwieldy trade unions. Along with her government's plan to improve the productivity of industrial workers in British industry came the dictate that the country's public sector institutions, including the civil service, must become more 'efficient'. This entailed the imposition of market criteria on the operations of state-owned organizations which had once enjoyed a measure of protection from the pressures of the private-sector. Britain's Tory government in the 1980s was convinced that the introduction of competition, via the privatization of government-owned enterprises and the deregulation of areas of the private sector in which one or a few corporations had benefitted from their monopoly statuses, would result in greater choice for the British consumer. It was also envisioned by Thatcherites that the government-induced competitiveness in the domestic environment would equip British firms with the necessary capacity to become more competitive with foreign rivals.

It is argued in this study, however, that only on rare occasions did Thatcher's grandiose vision materialize. The net effect for British society and, for the purpose of this analysis, a democratic public sphere, has been, at best, mixed. To a limited extent, British 'consumers' may have benefitted from Thatcher's neo-liberal policies, yet if the public is to be conceived as 'citizens', it is equally reasonable to argue that their right to govern themselves has been greatly diminished by the massive transfer of authority from the state to the private-sector. When the relationship between civil society and the state is reduced to merely a contractual relationship of exchange, according to market principles, between consumers (citizens) and providers (the government), the concept of citizenship is cheapened. Individuals, then, become conceived of as voters, at best, who periodically and sporadically trade their electoral rights for benefits promised by political candidates. In this sense, a vote is a form of payment for services rendered by victorious political
candidates. Worst of all is that the concept of citizens is displaced to the concept of voters, and ultimately, to consumers. For the sake of a participatory democracy, it is imperative that people reclaim the right they possess as citizens, but not merely as voters or consumers, to have an active say in the affairs of the society in which they live. However, given the dominance of the neo-liberal mindset, it is unlikely that those in positions of political and economic authority will willingly comply with the public’s demands to be informed and consulted on questions of social, economic, and political importance. Considering the fact that the majority of people in the Anglo-American democracies receive what little political information they do from the mass media, the neo-liberal pressures which have compelled public service broadcasters to act more like their private-sector commercial counterparts is especially worrisome for advocates of a participatory democracy. Public service broadcasters today are expected to compete with commercial broadcasters, which results in the former abdicating their traditional role as providers of an electronic public sphere in which citizens can participate in a dialogue with each other and their leaders about the shape they desire for their countries. The financial pressures and political manipulation that public service broadcasters in these four Anglo-American democracies have been forced to withstand, because of their vulnerability to governments following neo-liberal agendas, restricts their capacity to serve as the vital link between the state and an informed citizenry. Michael Salvador and Patricia Sias (1998: 78-79) place the onus for a more participatory democracy on the media and citizens:

Today, democracy is threatened by a lack of effective citizen participation, participation well beyond the mere act of voting. . . We have given up our power as real participants in the governance of our communities to become consumers of entitlements from our communities and government, just as we are consumers of cheeseburgers, athletic shoes, and automobiles. As consumers of entitlements, if we participate in the governing process at all, we exchange our votes with politicians who make us promises. Political quick fixes are sent out as press releases by the public affairs officers that every government agency and significant politician employs. The media pick them up, seldom questioning the efficacy of these slickly packaged solutions. If questions are raised at all, they are usually not offered in a way that encourages citizens to engage in a constructive debate or opportunities for personal involvement to bring about the solution to the issue. So the real problems remain, covered with fluff that appeals to reporters, editors, and the general public.

Many observers have contended that the increased commercialization and technological innovation have combined to give precedence in television’s coverage of politics to image over substance. This may very well be true, and while Mrs. Thatcher’s doctrine of deregulation and privatization may have been borne out of reasons of political expediency and opportunism, rather than a heartfelt commitment to the merits of
'free enterprise', she, nonetheless, showed herself to be a skillful manipulator of her own political image. The sale of public enterprises to the private-sector was promoted on the grounds that consumers would benefit because the new competitive environment would demand that these operations would become more cost-efficient. There are some commentators though, who argue that the long-term benefit of Thatcher's privatization of public enterprises has gone to shareholders rather than British citizens, and that the public service monopolies have merely been transformed into private-sector monopolies. But, Thatcher's pronouncements that such sales would amount to the "people's capitalism" she had promised, helped to legitimize the privatization agenda, despite dubious evidence to support such a claim. Ramanadham (1988: 76) remarks that:

Firstly, almost all privatized public utilities were already making profits. Secondly, most of them managed to remain profitable while being subjected to competition in some form - for example, gas and electricity competed against each other, while British Airways was expected to hold its own against world-wide competition. More importantly, privatization has usually taken a form which did not subject the new enterprises to significant additional competition. All that has happened is that market dominance is no longer qualified by effective public control.

An integral component of the Thatcher government's plan to overhaul British society and the nation's economy included diffusing opposition from one of the most vocal critics of the government's 'New Right' strategy, the institution of public service broadcasting. Weakening opposition from the left, for the Conservative government, meant conducting a prolonged assault against one of the most prominent voices of Britain's post-war welfare state: the BBC. Greg Philo (1995: 199) asserts that:

... [British] broadcasters did not take easily to the ideological perspective of the New Right. Television and especially the BBC were imbued with the politics of consensus (emphasis added). Since World War II, the BBC had seen itself as the authentic national voice, both representing and appealing to the values of the 'whole' population. In this sense it had a vested interest in a politics which might unite the nation. The ethos of such a politics was broadly liberal, humanist and social democratic. The essence of the social democratic approach was to minimize the harmful effects of a capitalist free market.

Philo's cogent description of the pre-Thatcher BBC is particularly instructive because it provides the contextual background for an explanation why the neo-liberal attack against public service broadcasting, in each of the Anglo-American democracies, was such an integral part of the market-led campaign for the destruction of public services during the 1990s, and the resulting capture of political authorities and regulatory agencies in general. As noted earlier in this thesis, concepts such as the 'public' are not conducive
to a government committed to privatizing public services, as Thatcher's certainly was. Understandably, the Conservative prime minister once-known for saying that "There is no such thing as society" (quoted in Tracey, 1998: 48) would much rather promote notions of the public as being composed of a collection of individual 'taxpayers', 'voters', or 'consumers'. V.V. Rhamanadham (1988: 77) comments that:

Only Thatcherism asserts that nationalised industries must be 'failing the nation' simply because they belong to the people. Only Thatcherism assumes that selling them off is an infallible way of providing the people with improved services at lower costs. Naturally enough, trade unions with members in the public sector see no reason why they should subscribe to novel doctrines of this kind.

According to Stuart Hall (1983), the ascendance of Thatcher's brand of conservatism in the United Kingdom was because of the way she cleverly managed to combine element of classical liberal political economic discourse with an appeal to British patriotism, under the guise of populism. Hall contends that leaders of Britain's 'Left' had unwittingly allowed themselves to become victims of the statism for which they had once criticized the nation's Conservative Party. During the 1960s and 1970s, British social democrats had become distanced from the constituency on whose behalf they claimed to speak. The rise of 'Thatcherism' had as much to do with the Labour Party's failure to harness the active political participation of the greater part of the British working class, as it did with Thatcher's political and economic agendas. Hall contends that Thatcher's political success and the rise of the 'New Right' had been the culmination of three long-developing patterns that converged in the late 1970s to facilitate an environment that was easily exploited by Thatcher and her neo-liberal allies. He argues that:

'Thatcherism' appeared at a historic conjecture, where three trends converged: first, the point where the long-term structural decline of the British economy synchronized with the deepening into recession of the world capitalist economy; second, in the wake of the collapse of the third post-war Labor government and the disintegration of the whole social consensus which had provided the framework for British politics since 1945; third, at the resumption of the 'new Cold War', renewed at a frighteningly advanced point in the stockpiling of nuclear weaponry, and with Britain sliding, under Thatcherite inspiration, into a mood of intense, bellicose, patriotic fervour (Hall, 1988: 9).

With a grudging admiration, Hall describes the manner in which Thatcher was able to combine the concepts 'law and order', 'family values', and 'national pride' - the terrain of traditional conservatism (Toryism), with the notion of collective responsibility noticeably absent - with the 'New Right' rhetoric which extolled the virtues of classic liberal economic doctrine, such as 'free markets', 'possessive individualism', and 'consumer sovereignty'. Thatcher was able to skillfully combine these apparently contradictory themes
in a discourse which promised a return to the 'glory days' of the British Empire.

Another key ingredient in the success of Thatcherism in the late 1970s and early 1980s was the emphasis on "social discipline" stressed by her government. At a time of great uncertainty and economic/political upheaval, Thatcher's promise of using the resources of "law and order" to crack down on young offenders, immigrants, and welfare "freeloaders" appealed to a great many Britons who yearned for the social, political, and economic stability of yesteryear, when roles were more clearly defined and authority was, if not respected, at least feared. Thatcherism's secret was the manner in which its proponents managed to attach a moral component to what was, essentially, an economic agenda.

In doing so, however, Mrs. Thatcher was able to capitalize on the sense of instability and displacement that many members of the traditional (white) British working-class had been feeling, by identifying the perpetrators of the country's moral, economic, and political decline: welfare recipients, leftist radical intellectuals, and immigrants. Rather then drawing the British public's attention to those who were the real culprits responsible for the precarious position of the working-class during this period, private capital interests against whom the labouring classes believed themselves to be helpless, Thatcher concentrated her government's efforts on eliminating 'abuse' of the social welfare system. Hall (1988: 27) observes that:

These themes, in which the dismantling of the welfare state is strongly advanced, are cross-laced by the usual moral negatives - 'teenage pregnancies ... drunkenness, sexual offences, and crimes of sadism' - all of which can be laid at the door of the welfare philosophy, supported by 'bully boys of the left', cheered on by some university staffs, the 'cuckoos in our democratic nest'. The undisguised effort here is to 'reverse the vast bulk of the detritus of socialism'. The sustained assault on 'welfare scroungers' and layabouts' which has developed in the wake of this line of attack is quite consistent with it - a moral backlash against the vast masses of the unemployed reputed to be living on social security on the Costa Brava.

Rather than promoting the idea that Britain's ills could be remedied by following the politics of consensus, as had been practiced by both Conservative and Labour Party leaders since the mid-1940s, Thatcher preferred to employ the politics of 'dissensus' — in other words, a 'divide and conquer' strategy — to further her own neo-liberal agenda. Thatcher's "authoritarian populism" was premised on a philosophy of a strong centralized government presence in the areas of law, education, and social policy (with respect to regulation rather than financial support), which would restrict its intervention into Britain's economic sphere only to the extent
necessary to ensure the effective functioning of an unfettered 'free market'.

Because of Thatcher's emphasis on restoring Britain's prestige in the international arena, as represented by the aggressive British campaign during the 1982 Falklands War, and the thrust toward social order and traditional "family" values that were such an integral part of her domestic policies, many observers speculate that Thatcherism was an internally inconsistent political platform largely devoid of a solid philosophical foundation. Whether the issue before the former Prime Minister was the sale of council houses (public housing) to social assistance recipients, or the privatization of public utilities, is has been argued that the sole over-arching, long-term objective of Thatcher's government was the establishment of a strong central government - strong in the legal and military sense - which would restrict its power to enforcing the rules which would facilitate a free market in the economic sphere of the United Kingdom. Mrs. Thatcher was considerably more pragmatic and opportunistic, with respect to her policies, than is generally believed. Mitchell (1990: 32) argues that:

Thatcherism is more an incoherent set of prejudices which borrows aspects of neo-liberalism as it suits than a principled set of policies. Its primary concern is to perpetuate Conservative rule . . . Pragmatism bounded by three constraints seem the essence of contemporary Conservatism: Britain's decline, the need to get re-elected, and serving certain interests. Thatcherite objectives are complex, permitting any apparent change of emphasis at any given time to be incorporated in the Thatcherite myth. Thatcherism has been a general impression rather than a coherent ideology.

Interestingly, although Thatcher decried the collectivism which lay behind social democratic notions of the provision of universal public services, and the class solidarity which undergirded Britain's trade unions, the prime minister expressed no reservations when it came to persuading the country's working-class population of the need to banish the idea from their minds that there was an inevitable gulf between the interests of Labour and management. She once remarked to a British magazine reporter, "Don't talk to me about 'them' and 'us' in a company. You're all 'we' in a company. The future lies in cooperation and not confrontation" (cited in Hall, 1988: 49).

Thatcher's disavowal that such a thing as society existed, when combined with her encouragement to British workers to think of themselves and their employers as "we", illustrates the extent to which the 'radical conservatism' of Thatcher's government diverged from the traditional, more moderate approach of earlier Conservative Party prime ministers. Thatcher's immediate predecessor, Edward Heath, commented
in 1972, on the traditional Tory notion of 'one nation' that, "In the kind of country we live in, there cannot be any 'we' or 'they'. there is only 'us', all of us" (quoted in Philo, 1997: 200). The "us" to which Heath referred was the British public, nation, or society, not a specific company, as was the case with Thatcher's comment.

As noted earlier, in order to sell its program of "authoritarian populism" to the British public, the Thatcher government undertook a vigorous campaign aimed at muting, if not outright silencing, the voice of its critics on the left. And since the BBC, with its public service tradition and social democratic orientation, was chief among the opponents identified by Thatcher, it was determined by the former Prime Minister that the broadcaster's independence and its socialist 'propaganda' must be contained. The BBC, with its relatively high wage levels and its tradition of harmonious labour-management relationship, in Mrs. Thatcher's opinion, needed to be shaken up. According to Thatcher's brand of neo-liberalism, it was not the state's responsibility to implement policies which favour full employment; on the contrary, overbearing trade unions and a complacent workforce were the cause of the U.K.'s problem with unemployment in the late 1970s and 1980s. An important part of the Thatcher government's mission was to convince Britons that, for Britain to regain its competitive edge, permanent unemployment was an unfortunate, but necessary, evil. The philosophy behind the rhetoric of Thatcherism is concisely summarized in the following statement by Norman Tebbit, the Conservative Party chairman during rule of Margaret Thatcher:

So put it together: recession; other nations fighting to take our markets; overmanning; pay rises out stripping productivity year after year; profits, the seed corn of future jobs, being robbed and looted to pay unjustified higher wages; a bad record of industrial disputes; and . . . the Employment Protection Act, too, cannot always help in these matters. In the face of that is unemployment a surprise? (quoted in Philo, 1995: 201-202).

Part of Thatcher's plan to "tighten the screws" on the left-liberal biased British media involved using the Prime Minister's power of appointment to place Conservative partisans on the Board of Directors of the Independent Television Commission, the regulatory body for Britain's private-sector broadcasting system. The Prime Minister also had the power to appoint the BBC's Board of Governors (Philo, 1995: 203-204).

Philo reveals the extent to which the Thatcher government used its political power to constrain the independence of Britain's private- and public-sector broadcasters, in the name of curbing dissention and the British public's exposure to 'subversive' material:
In this period (1980s) there were a number of well-publicized attacks on the BBC by the government and by Conservative MPs. In 1985, the BBC produced a programme in its *Real Lives* series, which was a profile of two elected representatives from the Northern Ireland Assembly. One was a loyalist and the other a Republican and leading member of Sinn Féin. The Conservative home secretary asked the BBC to ban the programme, a decision which was then confirmed by the Board of Governors. This led to strikes both in the BBC and ITN (in sympathy) and the programme was eventually shown. But coverage of Northern Ireland was a continual source of tension (1995: 205).

Despite its official pronouncements concerning the virtues of self-reliance, the free market, and small government, Thatcher's predilection for using the resources of the state to realize her neo-liberal vision was evidenced by the intensification of government control over the news which emanated from Westminster during her period as Prime Minister. Philo (1995: 207) asserts that:

Mrs. Thatcher and her press secretary Bernard Ingham achieved a centralization and control of government services which had not been seen before... There are two specific complaints being made here. The first was about the quality of the information being distributed and the second was about the extensive use of public funds for what could be seen as political advertising campaigns.

Thus, in Great Britain, during the reign of Thatcherism, British broadcasting, and in turn, its democratic public sphere, suffered a series of setbacks from the combination of technological innovations, neo-liberal economics, funding reductions, and political interference from an interventionist, centralized state. Philo (1995: 226-229) notes that:

One effect of the intensification of commercial pressures within broadcasting is to increase the tendency for news to be reactive, event-driven and superficial... the new pressures mean that the trend for television production as a whole is now towards working on a short time-scale, often with independent companies on low budgets who are commissioned to produce programmes and hopefully can 'buy in' whatever facilities or expertise they need... The new technology of satellite links and 'instant' reporting can actually intensify the tendency of news to be event driven.

If the deleterious effects of Thatcherism had been confined only to the broadcasting sector that would have been regrettable, but not disastrous to the health of democracy in the United Kingdom as a whole. However, the extent of damage caused by Thatcher's policies extends far beyond the media; the quality of public debate, information, and democratic participation have all suffered as a consequence of Britain's experience with neo-liberalism. Philo (1995: 229) contends that:

... British society as a whole is becoming less democratic as the independence of the civil service is eroded and the number of quasi-governmental organizations (quangos) run by political appointees increases. The state is becoming more centralized at a time of persistent high unemployment. Controls are increasing in a context where people are frightened of their own jobs. The independence of institutions which were once associated with the free expression of speech and opinion is thus eroded... The priorities of markets and money thus affect more than balance sheets - they shape our social
life, our interpersonal relations, our speech, what people are willing to say and thus what can be reported.

The 'Reagan Revolution'

Contrary to Thatcher's more visible highly-publicized program of privatization and deregulation, Ronald Reagan campaigned in the 1980 U.S. election on a platform based on getting the government "off people's backs", and on tax cuts. The privatization of state enterprises was also part of Reagan's neo-liberal agenda, however, it was carried out with substantially less fanfare than was Mrs. Thatcher's. Pierson (1994: 20) refers to such a strategy as "decrementalism", the effectiveness of which is contingent upon the government diverting the media's attention from the retrenchment of state intervention by implementing the process in a gradual manner. He further notes that the possibility that the media will latch on to a particular governmental decision is less likely when the decision is cloaked in complex, bureaucratic terminology. The advent of 'event-driven' television news coverage, in large part created by increased commercialization and technological innovation in the broadcasting industry, was crucial to the successful implementation of such a process. Pierson suggests that the development noted by Philo reduces the chance that the public will opposes government moves aimed at lowering the level of public services:

To take an example of the politics of retrenchment, cutbacks in healthcare might be imposed on hospitals or doctors, who then pass on the cost to consumers through higher prices. The visibility of effects can also be diminished by increasing the complexity of reforms. The consequence of simple cuts are easy to identify, but even though elaborate rule changes may ultimately have the same or greater effects, that impact is often harder to detect. Washington lobbyists term this the "Dan Rather test": Reforms are less likely to generate a popular outcry if television reporters cannot explain the implications of the new policies in fifteen seconds or less (1994: 21).

While commercial forces have long been dominant in the field of U.S. broadcasting, what has been termed the 'CNN effect' - "built on the idea that if you see it live you are seeing the truth, but this can miss out all the underlying processes" (Lanning, quoted in Philo, 1995: 228) - public service broadcasters in the U.K. and Canada, for example, have traditionally been praised for the more detailed preparation and level of inquiry that their news coverage has contained. The greater depth of the BBC and CBC, and therefore, the public's level of knowledge, would not have been possible in the past had their relative insulation from political interference and commercial pressures not allowed them the time and money necessary to perform
...
this valuable public service. The immediate effect of funding cuts sustained during the neo-liberal regimes of Thatcher and Mulroney was that Canada's and Britain's public service broadcasters were pressured to succumb to the same sort of superficial coverage of complex political issues that American commercial broadcasters pioneered.

Returning to the so-called 'counter-revolution' in American politics in the 1980s, a phenomenon signified by the presidency of Ronald Reagan, we witness many of the same developments that accompanied Margaret Thatcher's period in government in the U.K. The treatment of citizens as voters/consumers by U.S. politicians and the mass media, as noted by Salvador and Sias at the beginning of this subsection, was greatly accentuated during Reagan's two terms in office, as the deregulation of the U.S. economy which formed an integral part of the president's neo-liberal agenda furthered this tendency.

Like Margaret Thatcher, Reagan's neo-liberalism combined traditional conservatism — with its emphasis on stability, hierarchy, respect for authority, moral rectitude — with a radical populism designed to endear himself and his policies to a segment of the electorate which had historically belonged to the Democrats, the working- and middle-class. The very wealthy of the United States supported Reagan because of his pledge to drastically reduce corporate and individual taxes, while working-and middle-class voters were attracted by his promise of a less intrusive and activist state. Berman (1994: 94) suggests that:

Reagan's desire to roll back or cut government services was just as intense as his support of a tax cut . . . In his mind, each was an integral part of the larger process of liberating the private sector and individual initiative from the nefarious grasp of big government and its attendant bureaucracies. He had, after all, campaigned in 1980 on the theme of 'getting government off our backs'.

Although Reagan was a neo-liberal ideologue, he was not altogether without a sense of political pragmatism. His 1981 cuts to the U.S. omnibus budget disproportionately disadvantaged the working poor, minorities, and women, but the government's reform of social assistance programs largely spared the medicaid program, which benefitted a large segment of the nation's elderly, who, incidentally, were more inclined to support the conservative moral values that were articulated by the President. On the other hand, single mothers were a much safer target to receive the blunt edge of the Republicans budget cuts to social welfare programs. According to Berman (1994: 95, 97):

Working mothers who received Aid for Dependent Children (AFDC) checks had their taxes raised to a 60 per cent marginal rate when their income levels exceeded the government's definition of poverty
... it was a rate that was higher than that faced by millionaires ... Reagan was careful, at the same time, to avoid a full-scale challenge to the existing system of social supports. He rejected for example, a key Senate committee's informal commitment in the spring of 1981 to contain or roll back cost of living allowances (COLAs) for such programs as Social Security, which had solid middle-class backing and strong constituency support in Congress ... Reagan clearly understood that there were certain political realities that could not be ignored.

But, as with Thatcher's brand of neo-liberalism in Great Britain, Reagan's ascent owed as much to the fact that the centre-left of the American political spectrum had lost its focus and sense of purpose as it did to the fact that the nation had instantaneously become enamoured with the neo-liberal principles per se. American organized labour had progressively become more timid since the late 1960s, as the massive industrial restructuring and staff layoffs resulting from inflation and the mid-seventies oil crisis had left the movement somewhat tentative about pressing the government for too many concessions. Three of Reagan's primary objectives: the expansion of military spending, reductions to social programs, and across the board tax cuts were achieved, yet his promise to balance the federal budget was not realized during his administration. The reduction of public expenditures on social programs did not decrease the national deficit because, in giving such sweeping tax cuts to the very richest Americans, the Reagan government was forced to borrow to maintain its commitments to defense spending. With respect to the Economic Recovery Tax Act of 1981 (ERTA), former Reagan administration Budget Director David Stockman comments that:

The point of the supply side tax cut is dropping the top rate (for the rich) from 70 to 50 per cent - the rest is a secondary matter ... In order to make this palatable as a political matter you had to bring down all brackets ... Kemp-Roth (the 1981 tax cut plan) was always a Trojan Horse to bring down the top rate (cited in Berman, 1994: 92).

Thatcher's government had employed policies such as the sale of council estates in an attempt to make the working-class and the poor feel as if they had a personal stake in the success or failure of her neo-liberal agenda. Reagan's tax program had a similar motivation: to diffuse opposition from the American public to his policies which were primarily intended to benefit the nation's wealthiest members; the middle class was placated by similar cuts to personal income taxes. However, the benefits of 'Reaganomics' were very unequally distributed. Berman (1994: 93) notes that:

... the income of the top 0.2 per cent of all income filers had increased by 21 per cent to 26 per cent by 1984, whereas the gain in disposable income for those at the median point was a nominal 3.5 per cent. Meanwhile, families under $10,000 lost more than 15 per cent of their income due to various tax and budget changes enacted in 1981.
The attitudes of Thatcher and Reagan toward trade liberalization and their domestic policies in the areas of labour relations, social services, and freedom of the press were notable for the level of hypocrisy they revealed. Motivated by a desire to expand international markets for American and British media conglomerates, the two neo-liberal leaders cloaked their opposition to developing countries' demands for a New World Information Order in the vernacular of defending the principle of freedom of the press. When contrasted with the measures implemented on the domestic front to shield many of its activities from public and media attention, the Reagan government's decision to withdraw from the United Nations Educational, Scientific and Cultural Organization (UNESCO) on the grounds that developing countries were being protectionist and discriminatory seems preposterous. Edward Herman (1992: 16) contends that:

From its very beginnings, the Reagan administration made little attempt to disguise its preference for operating outside congressional and public scrutiny... It is one of the few ironies of the U.S. and British withdrawals from UNESCO, however, that they were engineered by governments notable for increased secrecy, the curtailment of access to information, covert operations, deceptions, and manipulation of the press.

Thatcher was as repressive toward the so-called 'left-liberal' biased media as was her American counterpart. As noted earlier, the former Prime minister did not shrink from exercising whatever power she possessed over the BBC to censor the network's news coverage of the IRA. Thatcher's former press spokesman, Bernard Ingham, once commented that, "There is no freedom of information in this country; there's no public right to know. There's a commonsense idea of how to run a country and Britain is full of commonsense people... Bugger the public's right to know. The game is security of the state - not the public's right to know" (cited in Herman, 1992: 17).

Furthermore, it is asserted that once the neo-liberals gained the upper hand in the Anglo-American democracies, they also acquired the right to dictate the terms of social, economic, and political debate. To avoid accusations that its policies had a racist component or intent, the Reagan administration - like Thatcher's government - disguised the differential and detrimental effect of its emphasis on law and order measures and social program reductions, by using codewords which would discriminately target minorities while arousing support among the mass of white middle- and working-class voters. Herman (1992: 83) comments on the circular reasoning which undergirded Reagan's law and order programs: "... 'crime in the
streets' increases, middle and upper class fears grow and L & O policies are justified in a self-reinforcing system."

In perhaps what amounts to one of the most flagrant violations of journalistic independence and freedom of the press in recent U.S. history, former director of the Central Intelligence Agency, William Casey, used his position to exact revenge against an American television network that he believed had unjustly and inaccurately represented the CIA. Mazzocco (1994: 90) remarks that:

...Casey had asked the FCC (Federal Communications Commission) to revoke all of ABC's TV and radio licenses in retaliation for an ABC News report that suggested the CIA had assassinated a U.S. citizen in Hawaii... In February 1985, when the FCC failed to move against ABC for its news coverage of the CIA, Casey again asked the FCC to apply Fairness Doctrine penalties to ABC.

Although Reagan clearly admired many of Thatcher's policies, and attempted to replicate many of them in the United States, implementation of certain measures, such as the sale of national parks, was met with adamant opposition from many Americans. The liquidation of public assets - in other words, privatization of government properties - of a less visible nature, such as utility corporations or public housing, would not likely have aroused the same opposition as had the parks privatization scheme. The similarity between the ideologies and policies of the two leaders (Thatcher and Reagan) should, nevertheless, not be underestimated. Feigenbaum, Henig, and Hamnett (1996: 136) made the following observation:

...the Reagan administration drew clear and explicit analogies to the British experience. Reagan officials echoed the claim of privatization advocates that the Thatcher government already had demonstrated the economic feasibility - and political popularity - of privatization. The British example was especially important in legitimating the idea of enterprise zones concepts through publications and conferences that emphasized the fact that Britain had already demonstrated their viability.

The coalition of American voters which supported Reagan in the 1980s was comprised of three main blocs: ideological/economic neo-liberals; religious conservatives/Christian fundamentalists; and working-to middle-class whites who felt that such socially progressive policies as affirmative action had gone too far in the 1960s and 1970s. Essentially, the common thread which ran through the three groups was that, despite their different expectations of the new administration, their attraction to the neo-liberal agenda of Reagan's revolution was based on a longing to return to the past, or the desire to accumulate even greater wealth.

For white, working-class Americans, the gradual minimization of the class and race stratification in American society, a byproduct of the American Keynesian welfare state, had been perceived as a threat to
the established racial and class orders. Despite the fact that this group was, at that time, positioned well down the American socio-economic hierarchy, its members, nevertheless, believed themselves to be privileged over African-Americans and Hispanics. The affirmative-action programs created during the 'Great Society' era of the 1960s and early 1970s threatened to improve the status of the only groups over which the white working-class had some amount of leverage. Another influential voting block in the United States, Christian fundamentalists, were drawn to Reagan’s vision of a moral society which stressed so-called 'family values, and took a dim view of 'radical' social engineering of left-wing liberals that they perceived had culminated in the rise of the women’s and gay rights movements; two factors which the religious right believed were the cause of America’s moral decline. Economic conservatives, mainly among the nation’s economic elite, were captivated by what Reagan’s tax policies held for them: the attainment of even more wealth.

As mentioned above, Reagan and his Republican colleagues were not averse to exerting pressure on what they perceived was the blatant 'left-liberal' bias of Hollywood and the American mass media. According to Mazzocco (1994: 84), "The New Right's 1983 attacks came from right-wing groups such as 'Accuracy in Media', and the 'John Birch Society'... They literally picked up where the Nixon-Agnew administration had left off in earlier decades, resuming the witch-hunts that targeted U.S. liberals and radicals."

Reagan’s plans to deregulate the U.S. broadcasting system in order to facilitate even greater concentration did not proceed entirely unhindered though, as his administration’s proposal that the FCC remove its restrictions which limited the number of radio and broadcasting operations that an individual owner could hold to seven AM, seven FM, and seven TV channels (the '7-7-7 rule') was thwarted by pressure from the Democrats in Congress. It was a partial victory for Reagan and his corporate defenders, however, as the FCC modified its ownership legislation so that no single corporate entity, henceforth, could own an accumulation of radio and television broadcasting outlets which were equivalent to 25 per cent of all broadcasting properties in a given geographic area. This became known as the '25 per cent reach rule', which replaced the former '7-7-7 rule' (Mazzocco, 1994: 89).

If anything, for Reagan’s overall agenda of curbing the intrusion of the state into the private-sector,
the policy of privatization serve more of an instrumental purpose than an ideological one. On this point, Reagan’s reforms differed from Thatcher’s, in that for the latter leader, privatization was the cornerstone of the British prime Minister’s plan to restructure the U.K. economy. Rather then conduct an outright liquidation of all the U.S. government’s assets, Reagan followed Thatcher’s cue and encouraged the development of ‘enterprise zones’, which ostensibly, would be exempt from the bulk of corporate taxes which had historically been exacted by the U.S. federal government. Reagan’s approach was valued by the president as much for its symbolic value as for its practical benefit as a cost-saving measure, explain Feigenbaum et al., (1996: 137):

In the hands of the Reagan administration, privatization became more than a pragmatic adjustment. It represented a deliberate attempt to use the ideas of privatization to substantially reshape the economic and political ecology. Privatization as economic theory became privatization as a political strategy.

By whatever term one wishes to apply to it - retrenchment of the state, neo-liberalism, privatization, neo-conservatism, etc., the policies implemented by Thatcher and Reagan in the early 1980s continue to shape the policy outlooks of governments in the Anglo-American democracies to the present. Palmer and Sawhill (1984: . 1-3) suggest that Reagan’s political views were further to the right than were the those of the majority of Americans in the 1980s but, like Thatcher, Reagan managed to cleverly tailor his neo-liberal message in a populist fashion designed to assuage the anxieties of Americans as the decade beckoned:

Inflation, slow growth, high taxes, excessive regulation, and a loss of confidence in big government, and a perception that national security and prestige were eroding were all high on the public’s list of concerns in 1980 . . . For the most part, however, the 1980 election was less a mandate for a conservative agenda than it was a rejection of an unpopular president and a signal that the American people wanted a change.

**Australia’s Hawke: Neo-liberalism’s Reluctant Partner**

Australian Prime Minister Bob Hawke, whose Labor Party administration governed the country between 1983 and 1991, had been president of the nation’s largest labour organization - the Australian Council of Trade Unions (ACTU) - in the 1970s, before entering parliamentary politics. As such, he was not as ideologically-committed to such neo-liberal principles as fiscal restraint, de-regulation, privatization, and roll-back of the state, as were his counterparts — Thatcher, Reagan, and Mulroney — in the other
Anglo-American democracies. However, despite its geographic isolation from the other countries of this analysis, Australia was not immune to the harsh economic realities which faced all western industrialized nations in the late 1970s and early 1980s. And, as was also the case with another prominent social democratic leader of the past two decades, Ontario premier Bob Rae, Hawke found it is much easier to stand by philosophical principles as leader of the opposition than as the political leader of a country mired in the midst of a deep economic recession. Pragmatism soon becomes the order of the day, regardless of political sympathies. Beilharz (1994: 123) notes the effect of the economic crisis of the 1970s on Hawke’s policy orientation: “By the turn of the decade (1980s) his earlier socialist vehemence as an industrial advocate had abated.”

In close geographic proximity to the ‘economic miracle’ transpiring in the ‘Asian Tiger’ economies north of Australia, Hawke put his political pragmatism to use by playing an initiating role in the creation of the Asian Pacific Economic Cooperation (APEC) organization at a meeting in Canberra in 1990 (Trood, 1997: 215). Hawke’s plan of ‘enmeshment’ of the Australian economy with those of its South Pacific neighbours signified a significant departure from previous Australian prime ministers, most of whom had looked toward Europe and North America for trade relationships. It also signalled to Hawke’s domestic political opponents - the National and Liberal parties - as well as to the rest of the world, that Australia’s social democratic prime minister was not averse to embracing certain principles more commonly associated with conservative politicians. Jennett and Stewart (1990: 35, 39) comment that:

There has certainly been a persistent and consistent pursuit of efficiency in the life of the Hawke governments. . . Public expenditure was cut back in each budget and often in mini-budgets; revenue was often increased; transfers to the states progressively pruned, some programs were even handed to the states, albeit with Commonwealth offsets in funding, and so on. . . . The Hawke government seems to have viewed the bureaucracy as an instrument to achieve its other over-riding goals: of macro and microeconomic reforms; the belief in market forces; managerialism; export orientation; debt reduction and so on. The obvious comparison is with the Whitlam government. But whereas Whitlam saw the quality of life in Australia as being delivered largely by the public sector, Hawke depends on the market for this.

Some observers argue that Hawke, in fact, betrayed his labour roots, the socialist tradition of his party, and the fundamental principles of Australia’s political culture: the ‘Australian Settlement’, which entails a role for the state as a negotiator on behalf of the public between the economic sphere and the social sphere (Kelly, 1984). Walter (1996) argues that the Labor Prime Minister allowed himself to become
ensnared in the transitory and volatile practice of governing according to the polls, and succumbed to the lure of implanting his personal stamp on the rejuvenation of the Australian economy by adopting the neo-liberal agenda and its attendant discourse. Hawke justified the fact that, during his time as prime minister, economic matters far superseded all other issues - social, cultural, political - as a set of priorities for the federal government, on the premise that Australia would be left behind if it did not exploit the trade opportunities afforded by economic integration with the nations of Southeast Asia.

Committed Australian social democrats, however, perceived Hawke’s self-professed pragmatism as a thinly-veiled euphemism to conceal the fact that he had abandoned his principles for political expediency. Walter (1996) offers the following description of Hawke’s metamorphosis, and what Walter believes was his moral and political vision, during the 1980s:

In the face of what Bob Hawke saw as economic realism, political ideals were leached away altogether, along with the vitality that had once made him an interesting politician. . . . The old ‘Labor’ issues - social justice, redistribution and welfare - were deemed to be secondary to growth, consensus and political success . . . Hawke confused means with ends, and, intent on the means of success - growth, consensus and ALP dominance - left it to others to decide what the goals of that success were to be. With no competing sense of what a good life might be (and an impoverished view of social democracy), Hawke had no defense against the insistence that the single goal of our times should be economic restructuring - that this indeed, in and of itself, would lead to improvement of the lives of ordinary Australians.

When was the last time a true social democrat was heard remarking that, “. . . our particular aim is to secure, to the maximum extent possible, shared perspectives grounded in a realistic appreciation of market conditions”? (Hawke, cited in Walter, 1997: 59).

Hawke’s experimentation with deregulation of various sectors of the Australian economy, and with the sale of formerly public utility services to the private-sector, did not provide the instantaneous benefits promised by the proponents of the ‘free market’. And just as Thatcher’s deregulation of the British financial sector resulted in a steep increase in personal debt among Britons, Hawke’s deregulation of Australia’s banking and financial services sector did not amount to greater consumer choice and economic prosperity for the banks, or for individual Australians. Instead, according to Walter (1997: 44):

The banks were central in the ruinous careers of the corporate buccaneers of the 1980s, with devastating effects on the national debt. Interest rates went up. The supposed effects of a competitive banking regime have not been achieved. Indeed, some argue that deregulation-induced movements in capital and credit placed such pressures on interest rates and foreign debt as to exacerbate the recession in Australia.
The policies of the Australian government under Hawke, as well as under his predecessor Liberal-National Coalition prime minister Malcolm Fraser, toward the nation’s broadcasting and telecommunications sectors, as will be discussed in closer detail in chapter five, were frequently reactive to external technological and commercial forces. In other words, the government’s policies in this sphere have not been part of a larger concerted effort to serve the Australian public’s interest, but, conversely, have often been attempts to salvage a marginal segment of the available space for public service broadcasting, while letting the dominant commercial sector dictate the terms of the arrangement (ad hoc).

In 1979, the Fraser government purchased Australia’s first communications satellite, AUSSAT. Many critics in the Labor Party criticized this move, saying that it was an unnecessary expense for a country whose broadcasting system was developed according to a predominantly local paradigm. But, despite its protestations, the Hawke government continued with the implementation of Fraser’s AUSSAT project, without giving due regard to its potential impact on the nation’s free-to-air, conventional broadcasting system (Brown, 1989: 483). Australian broadcasting authorities have always approached any major alteration to the metropolitan/local balance in the system with a great deal of trepidation, because of the fact that Australia’s population is widely dispersed and highly regionalized in its various local identities.

The Hawke government decided to use the new satellite for the noblest public service purpose: to equalize television offerings so that Australians, regardless of region, would have equal access to the ABC signal as well as to those of the country’s three largest commercial broadcasters. When Hawke’s Communications minister finally announced the direction of the government’s new “Equalization” broadcasting policy, non-metropolitan broadcasters felt that the government had overlooked the provision of broadcasting services that met the needs of regional audiences, so that large commercial owners in the metropolitan centres of Sydney and Melbourne would be able to develop ‘national’ networks. In short, Australia’s smaller, local broadcasters believed that the Labor government had capitulated to pressure from Australia’s national broadcasting companies, who insisted that in order to ward off the invasion of television programming from the U.S., and the U.K., and to enable domestic commercial broadcasters to be competitive in the global television marketplace, the new regional stations should be required to purchase the majority
of their programming from the large metropolitan stations.

In theory, the Australian government's reasoning seemed sound: the Equalization broadcasting policy would, ideally, promote national identity and bolster the domestic television industry at the same time. In the view of regional broadcasters, however, the Hawke government had succumbed to the wishes of the more powerful commercial broadcasting lobby of the major centres, which they feared would provide homogenous programming that did not take account of the distinctiveness of Australia's regions. Glynn Davis (1990: 363) argued that, in the final decision about the form Australia's broadcasting system would assume in the upcoming decades, the platitudes voiced by the Labor Party regarding the government's commitment to preserving the regional distinctiveness of Australia's culture and broadcasting system did little to disguise that the economic concerns of the metropolitan media conglomerates in Sydney and Melbourne were a higher priority for the federal government. As had been witnessed in the other Anglo-American democracies during the 1980s, the merger and acquisition frenzy in the nation's broadcasting system which arose as a result of the government's Equalization program caused Australia's new regional television conglomerates to incur exorbitant levels of debt, which they attempted to reduce through attrition of staff and local programming at many of their smaller affiliates. At that time (17 June 1986), a reporter for The Australian Financial Review, Earle described the Equalization plan as "the second most dramatic industry restructuring unleashed by this Government - the deregulation of the capital markets must rank first" (Earle, cited in Jennett & Stewart, 1990: 363).

At the same time that the Hawke government was implementing its 'Equalization' program, or aggregation as Jennett and Stewart characterized it, Michael Duffy, Australia's communications minister, decided to authorize the an increase to the 'reach' that would be permissible for any single broadcaster. The 'reach' method was modeled after the policy adopted by the FCC in the U.S., whereby no individual owner in that country could be in possession of broadcasting properties whose signals could reach more than 25 per cent of the national audience. In order to help develop the infrastructure for a national television network system in Australia, aided by AUSSAT, Duffy went even further than American regulators and lifted the ceiling on the 'reach' for Australian commercial broadcasters to 43 per cent, a figure which approximated the combined percentage of Australia's population represented by its two largest cities: Sydney and
Melbourne. One analyst estimated that the media ownership changes allowed by the Hawke policy netted Kerry Packer and Rupert Murdoch collectively a "... one billion dollar gift" (Macphee, cited in Jennett and Stewart, 1990: 364).

Hawke's change of heart, pertaining to Australia's commercial broadcasters, was symptomatic of the Labor government's rightward philosophical shift as a whole in the 1980s. Under previous leaders, the Australian Labor Party (ALP) had always endorsed the country's public service broadcaster, the ABC, and had condemned the budgetary restraints imposed on the corporation in the late 1970s by Fraser's conservative National-Liberal Coalition government. Hawke's ALP government was also not enamoured with another Fraser government initiative in the area of broadcasting: the creation of the publicly-funded multicultural broadcaster SBS (SBS will be explored in greater detail in chapter five). In fact, number 34 of the ALP's 'Basic Principles', included in the 1986 Australian Labor Party Platform, Resolutions and Rules unequivocally stated that the government would:

Require public broadcasting to -
a. be adequately funded to realise its full potential. Therefore, Labor will work with public broadcasters to develop funding methods which are stable, diverse and contribute to an adequate income for each station; and
b. ensure parity with commercial and national broadcasting in all broadcasting planning matters (p. 36).

The above provision was part of the ALP's pledge to promote, "The development of a democratic communications system, as an integral part of a free society, to which all citizens have opportunities to free access" (ALP, 1986; Art. 15: xi). For a number of reasons, encompassing short-term political opportunism on the part of the government and bureaucratic intransigence by the ABC, by the late 1980s the balance of favour in which the Hawke administration held the private- and public-sectors of Australia's broadcasting system, had swung decidedly away from the latter and toward the former.

Jennett and Stewart (1990: 371) assert that:

If there was a difference [in broadcasting policy between the Hawke and Fraser governments], it could be found in Labor's acceptance of the media's role in politics - and media acceptance of Labor... The Hawke government... managed by a party with an eye to opinion data, and led by a Prime Minister who worked hard at friendships, demonstrated a sound grasp of media politics... Any improved understanding between commercial media and Labor ministers did not extend to the private sector. Indeed, after three terms, Cabinet appeared to consider the ABC less a cultural asset than a financial liability. The Treasurer and Minister for Finance talked not of programs delivered but of the drain on public revenue of 6,400 ABC staff and their operations. A Labor government on good terms with commercial media no longer relied, as of old, on the ABC... And if the Corporation tried the
patience of Cabinet ministers, the SBS became simply irrelevant, an additional expense which survived only because the electoral costs of amalgamation (with ABC) were too high.

In concluding this section on Australia’s Prime Minister for much of the 1980s, it seems safe to say that, although Bob Hawke may not have been as avid a proponent of the neo-liberal agenda as were his British, American, and Canadian counterparts of that same era, a combination of his personal ambition to leave a lasting legacy in Australian politics and the pro-market tsunami that was sweeping the globe contributed to the enactment and implementation of ‘business-friendly’ government policies that did not differ in any dramatic fashion from those of Thatcher, Reagan, and Mulroney, and which would have been unimaginable under any previous ALP governments. Hawke’s behaviour as Australia’s Prime Minister during the 1980s offers proof of just how far the political pendulum had swung in favour of the neo-liberal agenda throughout the Anglo-American democracies, indeed, the world.

Canada: Constitutionalism and Continental Integration

The deterioration of public service broadcasting in Canada over the past two decades has been part and parcel of the project of dismantling the state which has been undertaken by both Progressive Conservative and Liberal governments in the past two decades. McBride and Shields (1997) argue that, regardless of their particular nominal political hue (Conservative or Liberal), both Canadian federal parties while in office have aggressively enforced the neo-liberal policy agenda of debt- and deficit-fighting, and deregulation; or, as some have termed it, re-regulation. These authors contend that:

Though hardly part of social policy, state involvement in culture, particularly in areas such as broadcasting, has long been part of the nation-building tradition in Canada. Like social policy it has been one of the means by which a distinctive identity in the northern part of North America have been shaped. . . . The early goals of Canadian broadcasting and cultural policy - to use publicly-operated electronic media as a tool of nation-building - have been dramatically eroded. . . . Despite regular affirmation of the ethos of public broadcasting, its primacy soon came under pressure from the "for profit" sector of the industry, and the desire to have exclusively Canadian broadcasting gave way to an effort to sustain minimum Canadian content in the face of "Americanization" process. Both of these developments pre-date the election of neo-liberal governments in Canada, but they have intensified since 1984 (McBride & Shields, 1997: 98).

Shortly after his victory in 1984, in a speech to a business association in New York City, newly-elected Prime Minister Brian Mulroney declared that, "Canada is open for business once again" (Martin,
I
1993: 69). As with his British and American neo-liberal counterparts, Mulroney managed to capitalize on the sour mood of Canadians following a period of rising inflation, a crushing recession, and staggering unemployment, by promising to lower taxes and make government more responsive to citizens. He also promised that his government would eliminate the national debt by 1990, an objective he was not able to fulfill. Savoie (1993: 10) reports that Mulroney astutely judged the temperament of Canadian public opinion and decided that the political environment was ripe for the implementation of his pro-market policies: "There was little doubt that when Mulroney came to office in 1984, he looked to these two conservative soulmates for inspiration. Canadians were then well aware of Thatcherism and Reaganomics. Mulroney's claim that government spending was out of control and that there were too many government programs working at cross-purposes rang true with many Canadians."

In order to keep Canada “open for business” and to restructure the relationship between the public and private sectors, the Mulroney government pursued, with varying degrees of success, a broad mix of ‘neo-liberal’ policy initiatives: deregulation of major economic sectors, including banking and the financial industry; privatization of Crown Corporations and other government-owned assets; public spending cuts and reduction in the government deficit and debt; tax reform, most notably the introduction of the Goods and Services Tax (GST); relaxation of rules on foreign investment; and the negotiation of the Canada-US Free Trade Agreement, later to be expanded to include Mexico under the North American Free Trade Agreement (NAFTA).

Like his conservative-minded counterparts in the UK and US, Mulroney believed that privatization of a number of Crown Corporations and deregulation of a number of key economic sectors would be instrumental to improving Canada’s competitiveness. However, Mulroney’s privatization and deregulation initiatives ran counter to a long-standing Canadian tradition of state intervention. Astutely aware of this fact, yet undeterred from the belief that such reforms were necessary, the Progressive Conservative government approached the privatization of Crown Corporations in a more incremental fashion than either Thatcher or Reagan.

Until the 1980s, McBride & Shields (1997) contend, two main constraints of Canadian politics and society, the Canadian value system and federalism, had prevented a full-blown neo-liberal assault on the
nation's public enterprises and social programs. They add, however, that under the Mulroney government in the 1980s and early 1990s, neo-liberals exploited the de-centralizing trend that was an integral component of Mulroney's drive toward bringing Quebec back into the constitutional fold in order to weaken the capacity of the federal state to fulfill its traditional role as the guardian of the public service principle of universality. In promoting the notion that provincial governments were more responsive to the needs of their respective citizens, a reduced role for the federal government could be justified as being more democratic, as well as more economically efficient. A minimal federal state played into the Tories' neo-liberal agenda for small government in general because, in acquiescing to demands by a nationalistic Quebec government for greater control over its economic and social policy, the Mulroney government would inevitably face demands from the other nine provinces to extend a comparable level of autonomy in these areas to them as well.

Thus, in contrast to Thatcher's and Reagan's experiments with neo-liberalism in the U.K. and the U.S., respectively, the Canadian federal system did not lend itself to the use of an appeal to nationalism and patriotism as a rationale for the imposition of the market ideology in the arena of public affairs. A strong central state has been an instrumental component in the formation of the elements which have come to be associated with Canadian Confederation, which, in turn, have become integral components of what suffices as a Canadian national identity. This is particularly true in English-speaking Canada. Mulroney's tentative approach to the privatization of Crown Corporations, in comparison to comparable policies in Great Britain and the United States, reflects the Tories' recognition that a well-publicized, aggressive privatization scheme would likely attract widespread condemnation from the media as well as the Canadian public.

David Bercuson, J.L. Granatstein, and W.R. Young (1986: 123-124) provide sound, historical reasons to explain why Mulroney followed such a low-key and gradual approach to the privatization of Crown corporations:

Direct government intervention in the market economy is as Canadian as the maple leaf. When Canada's first railways were built in the 1840s and 1850s, they were built by private entrepreneurs who relied heavily on government support in the form of guarantees, subsidies, and outright grants. . . . If British North America was to survive, it needed a strong transportation network, thriving commercial businesses, and, eventually, a growing manufacturing sector. . . . British North American entrepreneurs were prepared to take risks in order to earn returns, but they were not completely foolhardy. Almost from the beginning they sought, and received, government support in their pursuit of profits. . . . In the last seventy years, the Conservatives have established Canadian National Railways, the Canadian Broadcasting Corporation, and the Bank of Canada, while the Liberals have set up Air Canada, Petro-
Canada, and a host of other corporations. Not a single instance exists of a major Crown corporation established by one party being privatized by another after a change of government.

For this reason, Mulroney's attempts at privatization of Canada’s public enterprises seemed more intended to satisfy his neo-liberal supporters (within the right-wing of the Conservative Party as well as in the business community) because of their symbolic value, rather than for their actual effect on improving the federal government's fiscal position vis-à-vis the national debt and deficit. A self-described pragmatist, Mulroney's reticence in implementing a privatization plan on a level comparable to either Thatcher or Reagan was directly related to the higher priority he accorded to personal political success than to any particular political and economic ideology. Darcy Jenish (1996: 63) comments that, "In retrospect, some former Tory MPs and ministerial advisers have concluded that Mulroney's commitment to deficit reduction was lukewarm, at best, and they note that he almost always put political expedience ahead of principle."

Because of Mulroney's ambivalence regarding the sale of public assets, the Conservative Party's privatization policy lacked a clear, underlying rationale. Other members of Mulroney's Cabinet, namely Michael Wilson, Robert de Cotret, and Sinclair Stevens, were much more dedicated to reducing the number of Crown Corporations on the basis of ideological conviction than was the Prime Minister. The Tories' privatization scheme appeared, at times, to be illogical, disjointed, and lacking in philosophical substance. W.T. Stanbury (1988: 130-131) notes that:

The Mulroney government was far along its privatization program before it made any significant effort to provide the conceptual basis for the policy or its political rationale. . . . When Sinclair Stevens announced the sale of various Crown corporations in the CIDC's (Canadian Investment and Development Corporation - my emphasis) portfolio in October 1984, he provided virtually no explanation or justification for the move. . . . However, it was not until May 1987 — after 11 privatization — that the Minister of State for Privatization provided a fairly comprehensive set of reasons why the federal government was pursuing its privatization policy.

One of the most glaring examples of the misguided logic of the Mulroney administration's privatization process was the sale of Teleglobe Canada in April 1987. It was not until one month later, in May 1987, that Barbara MacDougall, the Minister of State for Privatization, finally announced the government's guidelines for determining which public sector properties would qualify as appropriate candidates for further privatization. The five criteria for the privatization of Crown corporations were as follows: the original public policy purpose for the corporation was no longer valid; it is not as efficient as
private sector equivalents; lack of accountability; lack of flexibility to the demands of the changing economic environment; and, that public sector corporations in a given industry have an unfair advantage, because of government subsidy, over their private sector competitors. Teleglobe Canada, however, did not appear to meet any of these criteria; in fact, after its sale, little seemed to change, other than the fact that its profits henceforth went to private shareholders rather than to the government (see Stanbury, 1988: 132).

It should also be pointed out that the manner in which Canadian Crown corporations were privatized differed in a very significant way from the methodology underlying Thatcher's privatization of government assets in Great Britain. Whereas the British Prime Minister ensured that, in most cases, the shares of the corporation were sold to members of the British public who chose to purchase them, in Canada, most Crown corporations were sold to a single commercial buyer. Thus, Thatcher could tout her privatization scheme as part of the British government's plan to make good on its promise of introducing the "people's capitalism", but no such similar claim could be made by Mulroney's government.

Another factor which worked against a stronger commitment to privatization and deregulation by the Mulroney government was the Prime Minister's sensitivity to public opinion and his portrayal in the media. Progressive Conservative Party conventions had consistently voted in favour of privatizing the CBC, but, although not exactly one of the public broadcaster's staunchest supporters, Mulroney consistently vetoed such proposals (Martin, 193: 184). Knowlton Nash concurs with Martin's assessment of the Conservative Prime Minister's attitude toward the CBC as one characterized primarily by ambivalence. To Mulroney, the CBC appeared to be neither the defining Canadian cultural institution that nationalists contended it was, nor was it necessarily perceived as the threat to the dominance of the market ethos as was generally believed by neo-liberals. Nash (1994: 460-461) states that:

A pragmatic politician, Mulroney had little philosophical identification with the mandate of the CBC, and like most prime ministers, his view of the CBC was based on how it covered his activities. . . . Although he constantly felt wounded by its news coverage of him, Mulroney did not have the degree of visceral hate for the institution that many of his supporters had.

Nonetheless, the Progressive Conservative government moved quickly to cut the CBC's annual budgetary appropriation from Parliament, beginning the succession of budget cuts suffered by the public broadcaster under the Mulroney administration which was continued by the Liberal government of Jean
 Chrétien, despite his party's promise in its 1993 "Red Book" to restore and secure a stable funding base for the Corporation.

The tension between ideology and political pragmatism is also evident in the Conservatives' record on public spending. Although the Tories had committed themselves to reducing the annual deficit and the accumulated national debt, and despite the presence in Cabinet of avowed advocates of "restraint", such as Deputy Prime Minister Erik Nielsen and Finance Minister Michael Wilson, the government was handcuffed by Mulroney's declaration during the 1984 election campaign that Canada's social programs were a "sacred trust" (cited in Stewart, 1998: 18). Since spending on social programs was by far the largest element of the federal government's program expenditures, Mulroney's pledge proved to be an impediment to deficit reduction, as soon became apparent in the government's 'flip-flop' on old-age pensions.

In May 1985, as part of his budget announcement, Wilson informed Canadians that the Tories were going to de-index old-age security pensions as a means of reducing the government's deficit. The media and the opposition parties denounced the Conservative's proposal as an abdication of the federal government's traditional stance on the universality of social programs. Eventually, after being caught on television being confronted by an irate senior protesting on Parliament Hill, the Prime Minister relented. Wilson, pressured by Mulroney, eventually retreated from his plan to de-index the seniors benefits. Rather than confront the media head on, as Thatcher had done in the U.K., Mulroney seemed bent on winning over journalists, and by extension, the public. The malleability of the Prime Minister's political principles is summarized by Lawrence Martin (1993: 65) who contends that:

Mulroney was hardly right wing on social issues. His small-town, small-money roots, and his minority status as an Anglophone in Quebec, fuelled him with a concern for minority rights and a tolerance not found in the redneck segments of the party. ... A pragmatic politician without any real intellectual conviction, Mulroney was moved mainly by expedience. He could be readily swayed by the trend of the time. While he would staunchly defend minority rights, any liberal tendencies on social spending were outweighed by concerns about the massive debt his government faced. Moreover, big-spending, compassionate governments were out of fashion. Reaganism, Thatcherism, and the triumph of the market were in vogue.

While it must be admitted that the Tories were not as radical in their expenditure reductions as were Mrs. Thatcher's or Mr. Reagan's governments, their efforts at reducing government spending still had a negative effect on the segment of the population least able to fend for themselves: those who depended on
social assistance in one form or another. With respect to the deficit, the Conservatives’ record amounted to something less than unqualified success, despite the Mulroney government’s continuous reminders to the Canadian public that, in order to get the nation’s financial house in order, the national debt and deficit would have to be brought under control. Not accounting for inflation and the increased cost of living during the Tory reign (1984-1993), total federal spending did increase each year. In 1984, expenditures by the federal government equalled $110 billion; by 1993, that figure had climbed to $160 billion (Jenish, 1996: 54).

One area that the Progressive Conservatives under Mulroney did cut was social spending, in spite of the fact that spending actually increased by 7.3 per cent in the Tories inaugural budget in 1984-85, in comparison to the Liberals’ budget of the previous year (Johnson, 1990: 269). What the Mulroney Conservatives did manage to accomplish, however, was to transfer a larger share of the burden for the provision of social services to provincial governments. While the Canada Assistance Plan (CAP) was left largely untouched during its period in office, the Conservative government made substantial changes to the funding mechanisms for Established Programs Financing (EPF), and to Equalization payments to the provinces. Writing at the end of the Progressive Conservatives’ first term in office, Andrew Johnson (1988: 279) remarked that, “It is estimated that federal alterations to the EPF and equalization since 1981, combined with the financial implications of the Canada Health Act, will amount to $23 billion in revenue losses for all provinces between 1982 and 1992. Thus, the provinces have become increasingly hard-pressed to meet social service needs as a whole.”

The fact remains, however, that although the Tories were unable to reduce spending, the debt, or the deficit, to any significant degree, the changes that were made were largely to the advantage of those members of Canadian society that did not need the extra assistance. As noted, the Conservative’s alterations to the funding formula for Canada’s social programs did little to help the less fortunate segment of the population and merely downloaded an increased share of the responsibility for such programs to the provinces. Wilson’s tax reform policy also yielded little benefit to lower-income Canadians. More affluent members of Canadian society, however, were quite pleased with the changes to the tax system that occurred during the Mulroney era. Despite Jenish’s observation that the fiscal record of the Mulroney Conservatives was less than exemplary from a market perspective, the burden caused by the Tories’ fiscal policies was distributed
very unequally. In its 1985 budget, the Conservative government implemented a $500,000 capital gains exemption, which mainly benefits the wealthiest 1 per cent of Canadians, but costs the federal Treasury $1.7 billion annually. That same year, the Tories imposed a ceiling on social transfer payments to the three most prosperous provinces — Ontario, Alberta, and British Columbia. On the face of it, this move may have appeared equitable because it spared the social program cuts from the ‘have-not’ provinces; however, it disguises the reality that the three provinces with the highest average incomes (Ontario, Alberta, and British Columbia) are also home to approximately one-half of all Canadians who live below the poverty line.

In 1987, the marginal tax rate for those Canadians in the highest income tax bracket was lowered from 34 to 29 per cent, in an effort to harmonize the Canadian tax system with its American counterpart, at an additional cost to the Treasury of $1.8 billion. In its most dramatic manifestation of concern for the most affluent segment of the Canadian population, in its 1990 budget, the Conservative government doubled the tax-deductible portion for RRSP contributions for high-income earners from $7,500 to $15,500. Only Canadians with annual incomes over $86,000 qualified for the maximum deduction, while those earning less than $40,000 actually had their RRSP tax-deductible limits reduced by this move. On the whole, Tory changes to the RRSP tax deductible scheme resulted in a loss of $350 million to the Treasury, while adjustments to the funding formulae for old-age pensions and the family-allowance program compensated for this benefit to the wealthy by netting the Treasury approximately $500 billion annually (Barlow & Campbell, 1993: 86-87).

So while neo-liberals proclaim that such examples of ‘fiscal responsibility’ are necessary national sacrifices if Canada’s economic health is to be restored, the reality is that preferential tax measures for the richest Canadians were the cause of much of the hysteria about the national debt that the Tories continually stoked. Campbell and Barlow (1993: 87-88) report that:

A Statistics Canada study released in June 1991 proves that the Conservative/corporate claim that “rampant social spending” is responsible for the government’s current financial mess is unfounded. An unpublished version of this study assigns specific blame for Canada’s $400 billion debt: 44 per cent is the result of the cumulative effect of tax breaks granted by Liberal and Tory governments since 1975 to corporations and the rich; 50 per cent is the result of interest payments incurred by borrowing to finance deficits; and a mere 6 per cent is the result of social spending.

Overall assessments of the record of the Mulroney government vary according to the ideological
slant of the observers. For example, Bercuson and Cooper (1994) assert that the 'liberal bias' of the Canadian media, and Mulroney's personal insecurity, conspired to ensure that neither the privatization of Crown corporations, nor reductions in public expenditures, would go far enough to satisfy neo-liberals. They cite the Mulroney government's reversal on the issue of de-indexing the Old Age pension as evidence of its vacillation on the question of fiscal prudence and neo-liberal principles when they conflicted with popular opinion and "the media-driven myth" that Canada's system of universal social programs constituted a fundamental distinction between Canada and the United States. They argue that, "The fact is, the Mulroney/Campbell Tories ran up the largest peacetime debt and deficit, by any measure, in Canadian society. In 1984-85 the deficit was $38.5 billion, nearly 5 per cent of the Gross Domestic Product (GDP); in 1993-94 the deficit reached well over $450 billion, or 63 per cent of GDP, in 1991-92" (Bercuson & Cooper, 1994: 169).

If Bercuson and Cooper suggest that the Mulroney government did not go far enough in pursuing a neo-liberal agenda, Lawrence Martin (1993) argues that the Mulroney government's fiscal policies had a serious, and largely detrimental, effects on the social fabric of Canadian society. Martin decries the departure from the traditional Canadian Tory philosophy by the Mulroney government as one of the most pivotal developments in the increased economic/political integration of Canada within the continental environment. One point, however, upon which Bercuson & Cooper, on the right of the ideological spectrum, and Martin on the left agree is on the role played by Mulroney's finance minister, Michael Wilson, in that Wilson's Reagan-inspired, supply-side economic agenda was stymied on several fronts by the Prime Minister's desire for popularity. Martin acknowledges the fact that some events in the late 1980s and early 1990s were beyond the control of a Canadian Prime Minister or Finance Minister, regardless of their respective political orientations; however, he also believes that the effect of such external influences were intensified by the continentalist, pro-market policies of the federal government, and especially by Wilson's fiscal policies:

Like free trade, Wilson's program aimed at clearing away hurdles for business and harmonizing the Canadian system with the American one. Free trade would do the same by reducing tariffs, removing investment barriers, and integrating banking and financial services. Wilson's less heralded démarche targeted other areas for harmonization; most of them the very things that had defined Canada on the continent. Crown corporations were sold off, social programs were cut, cultural nationalism was
sidelined, and national institutions were downsized. Deregulation was a key theme. Universality was out. The decades-old social contract that Canadians had lived by was torn up and replaced by a new continental contract based more on the principle of survival of the fittest (L. Martin, 1993: 119).

Undoubtedly, Mulroney’s crowning achievement as prime Minister was the passage of the Canada-US Free Trade Agreement, later expanded to include Mexico under the aegis of NAFTA. When the outcome of free trade negotiations were still in doubt, however, there was an intense debate in Canada over the attendant benefits and risks of entering such an arrangement with the United States. Canadian nationalist free trade opponents argued that, in becoming a partner to such a pact, Canada would essentially be abdicating any claim for itself as an independent economic and political entity. Free trade supporters, largely from the country's private-sector, spoke of how the world's economy was inevitably becoming more integrated, and if Canada were to be competitive in the increasingly competitive global marketplace, it could not let such an opportunity escape. The neo-liberal glorification of the concept of 'consumer choice' as an end in itself has not been challenged by its critics nearly as effectively as it could have been. James Laxer (1993) disputes the neo-liberal notion that the current shape that globalization has taken was inevitable; instead, he counters that this particular vision of the economic, social, and political changes that a society must make to keep abreast of global developments have been constructed to reflect the aspirations of the economic elite of the Anglo-American democracies. A free trade agreement with the United States and Mexico, according to Laxer, fit neatly with the Mulroney administration’s interpretation of what was required for Canada to adapt to the increasingly integrated international economic environment:

To pressure Canadians to change their ways, the prime minister and his colleagues have relied on a single concept, indeed a single word — "globalization." Their highest priority has been to convince Canadians that this is the age of globalization and that its dictates must be followed. The concept of globalization has arisen at a very particular historical moment. The globalization hypothesis has enabled conservatives to look like revolutionaries who are in tune with the vast historical changes of our age. While this world view can be depicted accurately as neoconservative, we shall soon see that it is far from being a partisan affair of the political parties of the right. As the dominant idea of the English-speaking world — and globalization is very much a product of Britain and the United States — it has influenced every political tendency. In the United States, most Democrats subscribe to it, as do the Liberal-Democrats and many Labourites in Britain, and many Liberals and New Democrats in Canada (Laxer, 1993: 2, 11).

Although there was a formidable and relatively representative alliance of interests on the anti-free trade side - feminist groups, native organizations, labour unions, academics, and English-Canadian economic
and cultural nationalists - there was strong support for the agreement in Quebec and among a sizable contingent of the Canadian media. In the public relations war which ensued leading up to the 1988 Canadian General Election, however, the pro-free trade coalition gained the upper hand because of greater cohesion among its constituent elements and a more persuasive and articulate presentation of its argument. The anti-free trade forces were disadvantaged in the debate because they were forced to argue against the FTA from a defensive posture. As opposed to the mid-1970s, when support for nationalist and protectionist policies was strong in Canada, by the late 1980s the neo-liberal doctrine and general prosperity in Western countries had contributed to a sentiment among a large segment of the Canadian public that was receptive to the prospect of prosperity that free trade supporters spoke of. Bashkevin (1991: 129) contends that:

Confronted with a solid phalanx of well-financed and cohesive business groups together with the Conservative government elites and U.S. political interests that endorsed continentalist ideas, the opponents of free trade faced an uphill struggle. Although they enjoyed substantial public and some media support, the attitudinal environment was deeply divided and subject to the manipulative pull of electoral and especially 'leadership' politics in the 1988 federal elections.

In the struggle for public opinion, the victorious side has usually been successful because it has been able to convince the majority of people that its position has merit; not only because of the substance of its argument, but also because of the manner in which it has been able to get most people to accept its definition of a given situation. The ability to set the terms of public discourse concerning an event or issue is one of the main factors which accounted for the widespread success of neo-liberal free trade supporters in the 1980s. Nationalists and critics on the left of the ideological spectrum were arguing in reaction to something which had been made to seem inevitable by the 'New Right': globalization. Menzies (1996: 25) describes the philosophical change that transpired in the 1980s in the following manner:

What had been at least partially a debate about conflicting values and priorities around technology was replaced by a technocratic prescription: a set of measures for adjusting to technological restructuring. Furthermore, these measures were based on the terms set out by globalizing business, not by the local, regional, or even national business community.

At this juncture, it might appear as if the neo-liberal victory is total; that globalization has irrevocably altered the economic, social, and political nature of relations between states, individuals, and between civil society and the nation-state. While this may be the most commonly accepted interpretation of the world at the beginning of the twenty-first century, there is far from unanimous consent that the
sovereign and autonomous state has become obsolete.

Globalization and the Demise of the Nation-State?

It would be naive to suggest that the liberalized trade environment of the 1990s and early 20th century has not impinged to some extent upon the freedom of states in the formation of public policy. It is quite another thing, however, to believe that a more integrated global economy absolutely had to have the effect upon each nation's sovereignty that it in fact did. In other words, the current situation was not a given. Neo-liberal proponents of globalization and so-called 'free trade' and their critics both concede that the capacity of individual nation-states to act autonomously has been reduced because of the emergence of regional economic blocs and multilateral trade agreements between countries. Where they differ, however, is with respect to what each group considers to be the main causes of this situation. Neo-liberals maintain that the current economic-political state of affairs is the result of the 'natural' evolution of market forces, and that there is little that national governments can, or indeed should, do in the face of such forces. Opponents of globalization, as it is currently constituted, do not dispute that trade between countries is inevitable, or that it can be potentially beneficial for all parties concerned. However, detractors of the neo-liberal agenda do take issue with the assumption that national governments have no alternative but to abdicate their responsibility for maintaining their authority over their nation's domestic economic, social, and cultural policies. In reality, this is the central issue in dispute; not whether the world is more closely integrated economically today than it has been in previous eras, but whether increased international economic integration must necessarily lead to loss of national sovereignty.

Signatory countries to international agreements such as NAFTA of course cede a certain degree of autonomy in exchange for increased access to the markets of other partner countries. But, the exact extent to which the latitude possessed by individual governments has been constrained by so-called 'global integration' is still a matter of great debate. Weiss (1998) contends that the notion of the "helpless state" in the face of inevitable and autonomous economic and technological forces conspiring to lead to greater convergence among nations — euphemistically described as 'globalization' — has not been an accidental
phenomenon. Instead, she argues that national governments, especially in the Anglo-American democracies, have willingly promoted such an idea: “In canvassing support for policies lacking popular appeal, many OECD governments have sought to 'sell' their policies of retrenchment to the electorate as being somehow 'forced' on them by 'global economic trends' over which they have no control” (Weiss, 1998: 193).

Another popular misconception which contributes to the confusion felt by many people in the present era is the idea that the degree and nature of the global expansion of trade we are now witnessing surpasses anything that has occurred before. However, some observers (Chomsky, 1999; Weiss, 1996; Beilharz, 1994; Laxer, 1993) suggest that, while the economies of most western nations are more interdependent than they were thirty years ago - largely because of technological advances in transportation, production capacity, and communication - in essence, the present trend of globalization is simply a high point in the historical fluctuation of states between convergence, on the one hand, and isolation on the other. Weiss, in particular, argues that the continual publicity surrounding the magnitude of the present state of international integration primarily serves the interests of the relatively few enormous transnational corporations from the West who dominate the global flow of products and services, because it underestimates the adaptability of states to the changing environment while it exaggerates the novelty of those same changes:

The question is whether current levels of openness and interdependence are unprecedented. Researchers with short time-horizons have created that impression by measuring changes that have taken place largely since the 1970s. But as several studies have shown, the world in the 1970s, even in the 1980s, was in a number of ways far less internationalized through trade, investment and capital flows than it was in the period prior to World War I (Weiss, 1998: 170).

The Triumph of the Neo-Liberal Agenda and the Alleged Implications for the Nation-State

Political scientist James Laxer (1993) has no reservations about the fact that regional trading blocs such as NAFTA have eroded the ability of the Canadian government to act independently in the areas of not only economic, but social and cultural, policy as well. He argues that the huge discrepancies between the United States and Canada with respect to the size of each nation's economy and population, and the lack of access to the workings of the agreement available to the public and the media, mean that the implications of NAFTA reach far beyond matters of an economic nature. Laxer contrasts the positions of Canada and Mexico, vis-à-vis the United States, with those of the smaller member nations of the European Union. He
also contends that developments in technology have made it imperative that Canada forge closer economic ties with its southern neighbour, noting that in the early twentieth century, when geographic distances posed a more formidable barrier to trade and communication than they do today, Canada's most important trading partner was Great Britain, not the United States. Laxer is puzzled by the neo-liberal explanation that, in an era when technology has supposedly negated the importance of physical distance and an obstacle to trade, Canada has been 'left with no choice' but to merge its economic fortunes with that of the U.S.

Laxer suggests that the fiscal discipline that has been preached by North American political leaders, in the attempt to create a favourable climate for foreign investment, has fallen disproportionately upon the shoulders of the working-class in Canada, the U.S., and Mexico, as the public services upon which this segment of each country's population depends have been the first areas of government expenditures to be reduced. In the era of globalization, with the so-called 'bottom line' being hailed as the most suitable criterion for determining the value of any good or service, services that have been historically provided by the state, but which cannot easily be justified according to a cost-benefit calculation, are generally considered as liabilities to a nation's relative competitiveness. Such services are, therefore, considered by national governments to be the most convenient candidates for reductions. Laxer contends that:

The advocates of globalization have apparently given us a straightforward economic analysis and a set of policies that flow from that analysis. In actual fact, what we have is a doctrine that justifies social hierarchy and inequality. The true goal of globalization is not all that obscure: it is to reverse the movement towards greater social equality in every industrial country during the postwar decades. The rationale for reversing that tide is always the same: because of heightened competition, society can no longer afford social democracy, so expensive social and educational programs must be curtailed in order that we can resume healthy economic growth... The nation-state and the idea of citizenship were the main barriers in the path of globalization doctrine, and the adherents of that doctrine led the assault against both. (Like Stalin and Mao, Thatcher and Reagan were far from exemplars of the faith, in that they displayed xenophobia even while campaigning for the universal rights of capital) (Laxer, 1993: 13-14).

The effects of globalization and neo-liberalism have been intensified because of the inherent centrifugal tensions within Canada's federal system which work against the possibility of providing a central government that could combat some of the more harmful aspects of these influences. Like Weiss, Arthurs (1999) believes that individual states can possibly maintain a degree of sovereignty in the era of international trade 'constitutions' such as NAFTA, but adds that the ability of national governments to defend programs, legislation, and policies designed to protect labour and social program standards in their countries requires
constant revision and vigilance in the face of challenges from foreign private-sector interests who challenge such policies on the basis that they contravene the free trade principles of 'fair competition'. Thus far, Arthurs continues, Canadian authorities have been reluctant to exercise such power:

For example, the adoption of NAFTA led to the amendment or repeal by Canada of over 30 federal statutes, and many provincial statutes. More importantly, NAFTA also prevents the enactment of future legislation that departs from its fundamental assumptions, contravenes the specific rules it embodies, or seeks to shelter domestic policies from its dispute-resolving procedures. Ongoing sectoral consultations are clearly paving the way for more legislative changes, in the interests of more complete "harmonization" (Arthurs, 1999: 33-37).

**Globalization and the 'Left'**

Part of the blame for the loss of individual states' policy-making sovereignty can be attributed to the left's inability to effectively articulate to the majority of their fellow citizens a credible, oppositional argument to the neo-liberal discourse. As has frequently been observed (Menzies, 1996; Stewart, 1995; Tracey, 1999; and Tremblay, 1995; Burbach, Nunez & Kagarlitzky, 1997), the inability of leftist critics to mount a sustained campaign which counters neo-liberal rhetoric has been greatly hindered by their acceptance and usage of that same discursive terminology, because in so doing, they allow the right-wing discourse of technological revolution and global economic integration not only to define the acceptable parameters of the debate, but to circumscribe its probable outcome as well.

With the collapse of the Soviet Union in the early 1990s, Marxism and its less repressive variant, democratic socialism, were left largely discredited in the view of many observers in the West. This played to the interest of neo-liberals and the advance of global capitalism, because the 'left' appeared unprepared to meet the challenge posed by proponents of the neo-liberal agenda. Burbach, Nunez & Kagarlitzky (1997: 4) offer one assessment of the ideological battle that is taking place under the spectre of globalization at this point in history:

At the end of the twentieth century new values are haltingly emerging as the old world order breaks down. However, there is no assurance that new progressive values will prevail. Capitalism, under the banner of neo-liberalism, may survive and even thrive as a system of and for the few while it forces most of the world's population to live in poverty, alienation and virtual barbarism. A major reason for the rise of these insidious forces is that the organized left is mired in a serious, worldwide crisis, and is largely incapable of providing leadership or alternatives to the diverse, ongoing popular upheaval.
Gaetan Tremblay (1994) contends that the inability of critical theorists in the academic disciplines of communication studies and political science to articulate alternative hypotheses to corporate sector claims that the intrinsic nature and potential usages of new communications technologies are neutral, preordained, and inevitable, has expedited the march of commercial interests to the centre of the broadcasting policy and regulatory centre stage. A convincing counter-argument to the neo-liberal claim that the direction of society's evolution and technological innovation cannot be altered by public policy decisions because such forces operate according to their own inherent logic and momentum has been conspicuous by its absence.

Tremblay's point -- one, incidentally, with which this author is in total agreement -- is that the visions put forth by the technological optimists which foretell of the inevitability of profound technological, economic, social, and political transformation are very often conjecture and speculation, but they have not been exposed as such because communications theorists, and social scientists in general, have essentially shirked their responsibility to offer objective assessments concerning the anticipated impact on society of these new communications technologies. Thus far, the main beneficiaries of the technological 'revolution' that has led to the creation of the 'information society' are major, private-sector corporate institutions in the fields of finance, banking, and telecommunications. The overall benefits to humanity as a whole, as prophesied by neo-liberal exponents of these alleged transformations, have yet to materialize for the vast majority of the world's population.

Accompanying the myth of the 'information society' is the spurious contention that, if a nation's major corporate institutions prosper, there will be a 'trickle-down' effect for the rest of society. In short, the argument goes like this: if Canada's cable, satellite, and advertising companies succeed in the global economy, there will be positive 'externalities' for the Canadian public. Upon closer inspection of such pronouncements about the wondrous possibilities of the emerging 'information society', there is cause for skepticism and reservation. Tremblay (1995: 473) queries:

The information society model claims that the new information hegemony is transforming industrial society. But, to the contrary, should we not ask ourselves whether it is not rather the expansion of capitalist logic, more triumphant than ever, that is transforming the world of information and communication? Is it not the case that the major change has to do with the increasingly greater integration of information and communication to the operative rules of industrial society - in sum, in the commodification of information, culture, and communication. From this point of view, present transformations should be seen as a new phase of capitalism, as an extension of commercial and industrial logic to sectors which had previously eluded it.
Consequently, what is required at this point, in light of the rapid advancement of communications technologies, is a holistic evaluation of the claims that what we are observing constitutes a fundamental transformation of all that existed previously, on a scale comparable to that of the industrial revolution of the early 19th century. It is, therefore, necessary that such propositions be assessed from a vantage point which takes account of the broader social, economic, and political environments from which such technological innovations emerge. Herbert Marcuse once remarked that the technology, ". . . is always a historical-social project: in it is projected what a society and its ruling interests intend to do with men and things" (Marcuse, cited in Ledbetter, 1997: 27).

Is globalization, as it is currently conceived of, truly a new phenomenon? Or, is Tremblay correct in arguing that it is really nothing more than a catch-phrase employed by neo-liberals to justify the extension of market principles developed in the West to further their own capitalist ambitions at the expense of an ever larger share of the world's population? In other words, is globalization actually an 'old dog dressed up in new clothes', so to speak? Michael Ignatieff (1993: 12) comments that, "We have lived with a global economy since 1700, and many of the world's major cities have been global entrepots for centuries. A global market has been limiting the sovereignty and freedom of maneuver of nation-states at least since Adam Smith first constructed a theory of the of the phenomenon at the outset of the age of nationalism in 1776."

Axtmann (1996) also believes that the destructive effects of globalization resulting from the neo-liberals' capture of the public agenda has been aided by the lack of imagination and shortsightenedness of their opponents on the left. Political leaders, and the public at large, have allowed themselves to be swayed by the neo-liberal assertion that current developments in technology and the economy are, in fact, fundamentally distinct from anything that has preceded them. Axtmann (1996: 132) contends that:

The closing down of certain policy options as a result of opting into global capitalism is, without any doubt, an important aspect of the current phase of economic globalization. Internationally mobile capital and volatile international markets as well as the change to flexible methods of production and the concomitant re-shaping of the composition of the labour force have affected the level of economic activity and employment within states and their capacity for regulation of the economy. Yet we should ask whether the democratic state has ever controlled all that obtained within its territorial space? Has capitalism ever been controllable by the state? Has the state ever controlled finance capital? And has capitalism never in the past set any limits to what the state could do?
In the financial sector, innovations in communications technologies have enabled transnational corporations (TNCs) to build global networks of trade exchange and production without the assistance of national governments. In fact, the ease with which capital can be transferred appears to be beyond the control of individual states. One must ask, though, whether this apparent inability of individual states to regulate the exchange of financial goods and services is due entirely to the nature of the technology through which it is transferred, or whether it is because most governments in the West have little desire to interfere with the activities of huge private sector corporations that keep their home bases on national soil, lest they become perturbed and threaten to move their operations somewhere else. We should also not conclude that advances in communication and technology have reduced the importance of geographical location for TNCs. Capital and production may very well be transferred to other countries, but the national home base still retains some importance because of the advantages it offers to these huge conglomerates. For example, not all but some American corporate giants such as IBM and Microsoft continue to maintain home bases in the United States because of the advantages provided by the U.S. government: an advanced transportation structure, a highly skilled labour force, and subsidies and protective legislation.

All of these factors supposedly facilitate the global expansion of capital networks largely at the expense of public support in the developed countries of the West. It should also be noted that, despite the increased efficiency and mobility of capital investment, production, and trade throughout the world, the benefits of this dispersion are distributed very unevenly, both among different nations, as well as within the home countries of TNCs. Vincent Mosco (1996: 199) reports that modern communications and information systems have greatly enhanced the "spacial agglomeration" which accompanies globalization and the concentration of capital, class antagonism, and the convergence of public policies. He explains the process through which the contradictory myth of 'globalization' has been effected as follows:

Specifically, from a political economic perspective, globalization refers to the spatial agglomeration of capital, led by transnational business and the state, that transforms the spaces through which flow resources and commodities, including communication and information... For example, the New York-London-Tokyo axis anchors a map of communication and information that extends secondary connections to Frankfurt, Paris, and Los Angeles, and so on, to form a network of worldwide linkages... Globalization is a process of transforming these spaces, not as the mythology suggests, of eliminating them. Communication and information technology expand the range of locations that can link people to the primary axis, but they also intensify the importance of central nodes because, at the center, one has direct access not only to the technology, in multiple forms, but also to the principal people and organizations that have the power to constitute the network of flows... These
transformations create hierarchies of control over which the term 'globalization' can serve as a mystifying gloss (1996: 205).

Marjorie Ferguson cautions against the unquestioned acceptance of the cultural imperialism assumption that multinational media conglomerates are the only important actors involved in globalization, and reminds us that the fate of such corporations is still dependent upon the actions and policies of national governments, both in their countries of origin as well as those of foreign nations. She asserts that:

Notwithstanding legitimate debate over issues such as national sovereignty or transnational copyright, and considerable hot air about the supranational powers of cyberspace or the supernatural powers of some media conglomerates to operate outside the bounds of nation-state accountability, the leading collective actors on the world stage are national governments, not satellite technologies, Shell Petroleum, or Rupert Murdoch. Both the locational specificity of nations and the link between power and place through individual social actors helps anchor the global - local dialectic in lived realities, not discursive globalist rhetoric. As Greenfeld (1992), Hobsbawm (1990), and others make clear, it is a shared sense of status and community, however fragile or fragmented, that continues to glue national units of political economy together (Ferguson, 1995: 443).

It seems safe to assume, then, that 'globalization' has not eliminated the relevance of the nation-state in the contemporary world; rather, it is more plausible to suggest that the interwoven, global economic and communications networks have more likely shifted the location of the state's place in the international environment. The real danger to national cultures and posed by globalization is the prevalence of the belief that individuals, public-service broadcasters and national states are defenseless against the global drive of capitalism.

The Effect of Globalization on National Communications Systems

The argument of those who espouse an unabashedly optimistic and deterministic view of technological innovations, in terms of the supposed benefits of 'choice' they offer to business and consumers, or because their interactive capabilities encourage the possibility of a more participatory democracy, should be balanced by a healthy dose of skepticismism. It is detrimental to the larger society if the predictions of the future made by those with a personal financial interest in such 'engines' of the 'information society' as computer hardware and software manufacturers; cable and satellite service operators; computer programmers; and the transnational corporations who are the main 'users' of these products and services, are permitted to go unchallenged by academics. The concept of 'globalization' did not just suddenly emerge in
the 1980s; momentum for this scenario had been building since the 1960s, when the United States first began to notice that its postwar industrial preeminence was being challenged by the rejuvenated economies of Western Europe and Japan. Conscious of the fact that they were losing their competitive edge over foreign competitors, American business and political leaders began to promote the notion that the next great epoch in the evolution of the world's economy would be marked by the advent of the information society.

During this same period (1960s - 1980s), a concurrent movement was emerging among the developing nations of the 'third world', and the former communist nations of Eastern Europe. The United Nations Educational, Scientific, and Cultural Organization (UNESCO) became the forum for a heated debate between the industrially advanced countries of Western Europe and North America and much of the rest of the world during the 1960s and 1970s. The latter believed that their nations' dependence upon the communications technologies imported from the West, combined with the massive penetration of Western media products into the markets of other countries, was essentially tantamount to cultural and economic imperialism. When the countries of the Non-aligned Movement (NAM), including many developing and Eastern European nations, joined forces to press for the creation of a New World Information and Communication Order (NWICO), the government of the United States withdrew from UNESCO in 1984, followed closely by Great Britain in 1985. In essence, it could be argued that the arrival of the 'Information Society' precipitated the calls for NWICO, support for which quickly dissolved in the face of stiff opposition from the powerful interests of the West. The point of describing the factors leading to the development of each of these phenomena is to illustrate that the technology which both enabled the information society and which continues to derive its impetus from it has not been accident of history, but rather, that it has been a deliberate and carefully calculated strategy on the part of primarily American business interests as a means of ensuring their continued dominance over the world's economy (see Roach, 1997).

It is worth noting that, although it did not join its Anglo-American partners (the U.S. and U.K.) by withdrawing from UNESCO, Canada steadfastly supported its allies position in objecting to any possible United Nations declarations that the West might consider to be violations of the 'free flow' of information. Canada's position during the NWICO debate stands in stark contrast to its historical record with respect to
its imposition of protectionist policies for Canadian cultural industries to prevent the unfettered intrusion of American media into the country. As for Canada's apparently contradictory stance on its own cultural integrity and its position in the NWICO debate, Roach (1997: 109) posits that, "... its [Canada's] defence of 'free flow' not only had the advantage of serving its most important ally's political interest, but also meant that Canada could use 'free flow' for the same purpose as the United States: to gain entry into information markets in the developing world." So, while Canadian officials express concern about the detrimental effect on national culture resulting from the constant exposure of their fellow citizens to the American mass media, during the NWICO debate it failed to show a comparable level of regard for similar concerns of developing countries if doing so would have stood in the way of Canadian technology and media conglomerates expanding their respective markets throughout the globe. Hence, it seems clear that 'globalization', despite its accompanying rhetoric concerning its inevitability and its novelty, is fundamentally a deliberate economic strategy intended to further the accumulation of capitalist entrepreneurs, regardless of their country of origin.

The withdrawal of the United States from UNESCO occurred in the same year that Ronald Reagan announced his government's 'open skies' policy, which resulted in the dissolution of the U.S. national telephone public monopoly, American Telephone and Telegraph (AT&T). In 1984, AT&T was separated into 22 regional, private telecommunications networks (Thussu, 2000: 83). The break-up of the AT&T monopoly could be viewed as the catalyst for deregulation, liberalization, and privatization within the American telecommunications and broadcasting sectors in the 1980s and 1990s. The Reagan administration's opposition to NWICO was officially based on the grounds that such a development endorsed government control of the media and the licensing of journalists, two notions which stood in direct contrast with the democratic values of a free press and the 'free flow of information'. In reality, it seems more believable that the United States' objections to NWICO could be attributed to the fact that it feared that state control of the media in other countries would inhibit the profit-seeking aspirations of American media magnates. Herman (1992: 16) notes the duplicity and hypocrisy of both the American and British governments and media to NWICO in the 1980s:

A media worried about the effects of the NWICO on the free flow of information should also be deeply concerned about constraints on free flow in their own western turf. It is one of the ironies of the U.S. and British withdrawals from UNESCO, however, that they were engineered by governments notable for increased secrecy, the curtailment of access to information, covert operations, deception, and manipulation of the press.
Margaret Thatcher's attitude toward press freedom was no less hypocritical than Reagan's. During an interview with American journalists, the former Prime Minister's Press Secretary, Bernard Ingham, once remarked, "There is no freedom of information in this country (the U.K.) . . . Bugger the public's right to know. the game is the security of the state — not the public's right to know" (cited in Herman, 1992: 17).

Robert McChesney resists the temptation to identify either technological developments — such as cable, satellites, etc. — or the rise of the neo-liberal ideology as the sole cause of globalization; rather, he contends that the amalgam of these two factors has been responsible for the current integration of the global economy:

Neo-liberal 'free-market' policies have opened up ownership of stations as well as cable and satellite systems to transnational interests ... the largest TNCs [Transnational Corporations] are invariably among the main players in efforts to establish digital satellite TV systems to serve regional and national markets. The close connection of the rise of the global media system to the global capitalist economy becomes especially clear in two ways. First . . . the global media system is the direct result of the sort of 'neoliberal' deregulatory policies and agreements [e.g., NAFTA and GATT] that have helped to form global markets for goods and services. At the global level, for example, the WTO ruled in 1977 that Canada could not prohibit Time-Warner's Sports Illustrated from distributing a Canadian edition of the magazine. In Australia, for another example, the High Court ruled against the legality of Australian domestic media content quotas in April 1998, stating that 'international treaty obligations override the national cultural objectives in the Broadcasting Services Act (McChesney, 1999: 81).

As noted by Herman (op.cit.), the U.S. media paid scant attention to the proceedings of the confrontation between the rich countries of the West and the developing countries of the 'third world', and when they did give it any coverage, they merely repeated the U.S. government's official interpretation of events. The support of the U.S. media for Reagan during the NWICO debate should come as no surprise. Under the guise of 'free trade', the U.S. government aggressively encouraged the deregulation of foreign communications systems, so that American media conglomerates could both export their products and install operations throughout the world. Dave Kishan Thussu (2000: 118) reports that:

Before globalization, most media corporations had distinct areas of business: Disney, for example, was primarily concerned with cartoon films and theme-park operations; Time was known mainly as a publishing business; Viacom was a TV syndication and cable outfit, and News Corporation was a group which owned a chain of newspapers in Australia. With the privatization of broadcasting across the globe, coupled with new methods of delivering media and communication content — namely, satellite, cable and the Internet — the distinctions between these industries are being dissolved. With deregulation, and the relaxation of cross-media ownership restrictions, especially in the USA and Britain, media companies started to look to broaden and deepen their existing interests and since the mid-1980s there has been a gathering wave of mergers and acquisitions.
The desire of American television and film production companies to extract sales from foreign markets is a direct result of saturation in their own domestic market. These companies employed new technologies to reduce employment costs in the United States, and pressed for deregulation on the international scene so that they could gain largely unhindered entrance for their programs and films in foreign markets, from the 1970s onward. Robert Schaeffer (1997: 136) describes the *modus operandi* of the large American film studios and television networks, as regards media globalization:

The corporations that bought ABC, CBS, and NBC and founded Fox all invested in new technology to downsize workforces — employment at CBS shrank from forty thousand to less then seven thousand during the 1980s — and increase profitability . . . Borrowing from the Hollywood experience, corporate managers who are integrating diverse media into multimedia firms are trying to create goods that can be sold repeatedly in different formats. To do this they seek to control both the software (ideas, stories, images, sounds) and the hardware (the different technologies that deliver software to audiences around the world).

Global news agencies have also played a formidable role in the spread of Western values and the consumerist attitude that are congruent with the pervasiveness of the neo-liberal doctrine through the mass media in the era of globalization. The dominance of the global news flow by a select group of Western news agencies was at the centre of the firestorm that was the NWICO debate; however, the control of the distribution of news throughout the world has, if anything, grown even more concentrated today compared to the 1970s and early 1980s, yet with considerably less publicity and opposition. Terhi Rantanen and Oliver Boyd-Barrett (1998: 15) observe that, "While the major agencies are still concentrated in the world's prosperous nations, the Big Three enjoy a status which the rest of the world by and large now seems to tolerate: the 'dependency' NWICO discourses of the 1960s and 1970s have been conquered, temporarily at least, by a worldwide neo-liberal discourse that seems prepared to risk the dangers of monopoly where these are the outcome of 'free market economics'.

NAFTA is not the only regional trade agreement which has had a detrimental effect on the cultural policies and media systems of smaller nations; the European Union has undertaken measures, such as its 1989 broadcasting policy paper *Television without Frontiers*, aimed at eliminating the obstruction of television transmissions among the member states of the organization (Hamelink, 1994: 173). In the 1980s, new distribution technologies — in the form of satellite and cable transmission — meant that individual nations could no longer prevent the reception of television signals from foreign countries. Although this development posed a threat to the dominant status of public broadcasters in most countries, political
authorities decided to deregulate their broadcasting systems so that domestic private broadcasters would not be overshadowed in their own national markets by foreign competitors. This same logic has since spread to the Europe as a whole, as fear of an invasion of American television programs and companies has prompted EU regulators to relax ownership concentration limits. There have been concerns among some in the EU that this sort of policy would lead to a dangerous level of concentration within the European television industry; however, such concerns have been outweighed by fears of competition emanating from the United States and Europe. Cees Hamelink (1994: 174) states that:

Media concentration also became an issue on the agenda of the European Commission. The tendency of the Commission has been to balance competition policy against industrial policy. In the perspective of internal European competition, competition would need regulatory measures against giant mergers. These measures would however be to the advantage of American and Japanese contenders on the world market. A protectionist European policy would therefore need to promote the development of giant European mergers.

In Canada, the process of media 'Americanization' has long been underway, mainly because of the relatively easy accessibility of American television signals to most Canadians. While there remains some doubt as to the exact nature of the effect that such long-term exposure has had on Canadians' (particularly English-speaking Canadians') sense of national identity, it can hardly be argued that there has been no effect, or that it has increased with the proliferation of specialty channels that now pervade the Canadian broadcasting system because of technological advancements and regulatory liberalization. Technological developments in broadcasting alone do not fully explain the growing American influence in Canadian television. Mark Starowicz (1993: 86-87) claims that, in Canada in the 1960s and 1970s:

As would happen later in Europe, the pressure for more stations came from the private sector, couched in the language of free choice and efficiency. . . . A rash of independent stations were licensed in Canada throughout the seventies, under the enfranchising-sounding banner of 'choice', with the result that each of these stations bought a package of American syndication programmes, quiz shows and movies, and packed them into prime time, grabbing a share of the local viewing market. This yielded one of the most pathetic statistics to be found anywhere in Western broadcasting: Every time Ottawa licensed a new, 100 per cent Canadian-owned and operated independent television station, the viewing levels of American programming in that community went up.

As noted earlier, the arrival of cable and satellite broadcasting technology in Europe in the 1980s allowed for the creation of private broadcasting services in most countries where, except for the United Kingdom, none had existed before. The first private media company in continental Europe to have a strong presence beyond its own national borders was Luxembourg's Compagnie Luxembourgeoise de Télédiffusion
(CLT), which operated the commercial television service RTL. CLT is among the most profitable television companies in Europe today, owning sixteen subsidiaries throughout the continent, most notably in the lucrative markets of France and Germany. Rupert Murdoch's Sky Channel also has been quite successful, and has extended the reach of his immense global media empire even further (Syvertsen & Skogerbe, 1998).

Trine Syvertsen and Eli Skogerbe note that the effect of new communications technologies, a common European market, and the relaxation of ownership limits have had mixed results in Europe. Although there have been certain commonalities in the television environments of most European countries, national governments have adopted somewhat different approaches in keeping with the particularities of their respective national contexts. Hence, "The emergence of multi-channels systems has resulted in the converging of television structures across Europe. Yet, the processes of deregulation and privatization take on their own shape and form in each country. Specific historical circumstances continue to set their marks on national policy formation, competitive strategies of broadcasters, and audience preferences" (Syvertsen and Skogerbe, 1998: 231).

For proponents of public service broadcasting, globalization has definitely been a disastrous development. The reasons are many, and often complex, but one thing is certain: the rest of the world's appetite for the entertainment-based, commercial fare produced in Hollywood seems to have caught up to North America's. Even the venerable BBC, once the archetypical public service broadcaster, has felt compelled to engage in the aggressive commercialism that was previously the sole domain of American private broadcasters. As of 1999, the BBC was the world's largest exporter of television programs, with sales revenue from its exports to 67 countries amounting to nearly US$300 million (Thussu, 2000: 137). In terms of gross revenue from television, however, all of the top four conglomerates have their home bases in the United States: Time-Warner; TCI; Walt Disney; and CBS (Thussu, 2000: 131).

If not the driving forces behind globalization as a whole, media companies are at least crucial instruments in the pursuit of that end. When television companies were largely restricted within the borders of their native countries, governments could afford to exert a measure of influence over their activities. The hyper-commercial climate of the 1980s and 1990s, combined with the elimination of many physical limitations on communications transmission because of new technologies, has led policy makers in most nations to adopt an approach aimed at harnessing media conglomerates' global aspirations for their nations'
benefit. In so doing, however, the balance of power has invariably tilted in favour of commercial media giants. McChesney and Herman argue that:

These rapid changes in the global media system have been based on a 'new information order' of market freedom, and they have strengthened market rule.... The 1996 U.S. Telecommunications Act ... opened up a Pandora's box of consolidation in the media industry, as deregulation was the order of the day. Encouraged by powerful media lobbies, this commercial spirit permeates all national debates concerning media. It is also true for regional bodies like the European Union, the home of outstanding public broadcasting systems but now devoted to establishing a single European market for commercial media. As a rule of thumb, the only basis for substantive media policy debates at the national level is when there are conflicts between powerful media interests. So it is that domestic media interests have been able to get some statutory protection from global media encroachment in the form of quotas and the like. But these campaigns for domestic protection have met with considerable resistance; in every nation there are powerful forces pressing the case for full integration into the global media market (McChesney & Herman, 1997: 50).

Had there been a concerted effort on the part of Western nations in the 1970s and 1980s, when the first stirrings of the technological and information 'revolution' that has since transpired were taking place, perhaps the sovereignty which rightfully belongs to individual states would not have been relinquished to the agents of global capital. Perhaps the best that can be hoped for at this point is that the public in each society will become exasperated by the control over information wielded by transnational corporations to the point where they will demand that their governments take some kind of remedial action.

The 'marketability' potential of broadcasting technology has relegated public service objectives to an inferior and secondary status in the perspective of public policy-makers in most western countries. Facing increased competition from an avalanche of new commercial terrestrial, cable specialty, and satellite channels, public broadcasters have been driven to explore the export potential of their programs in the international arena, if they hope to maintain the revenue necessary to maintain their institutional structures. However, in the headlong rush to access lucrative foreign markets, what often is ignored is the public service element of their activities, which, after all, was the original rationale for their creation. McChesney observes that, "Whether the BBC will be able to maintain public service standards while becoming an aggressively commercial enterprise remains to be seen. It is clear that the BBC has decided that its survival depends more upon locating a niche in the global media market than in generating political support for public service broadcasting" (1997: 47).

As far as public service broadcasting is concerned, given the track record of state authorities in the liberal democracies of the west during the past two decades, Tracey (1998) sees little cause for optimism
regarding the continued viability of public service broadcasting organizations in the absence of governments' financial as well as ideological support. He also claims that changes in the philosophies of national authorities responsible for the regulation of each nation's broadcasting systems have contributed to his dismal prognosis, because they have, on the whole, forsaken institutions such as public broadcasting organizations by entering into agreements like NAFTA, in which they have abdicated their control over vital areas of public policy such as communications.

Following this logic, it is hardly surprising that there are relatively few advocates of the Keynesian model of the welfare state in the contemporary crop of western governments. With specific reference to the Canadian experience over the past two decades, and the swiftness with which neo-liberals have gained the upper hand in all dimensions of public policy-making, Walter Stewart (1998: 18) expresses defiance towards the dominant mindset among Canadian public officials:

Globalism is the catch-word of our time. It appears to mean that unless we dismantle all the apparatus of intervention we have put in place to protect our people and our nation, we are doomed. But who says so, and why? . . . In a few short years we have gone from a political economy that was spread over an increasing number of citizens, that responded to the will of the nation, to one that is focussed on an ever smaller segment of the population, and that responds to nothing more than the needs and will of the market.

The central theme of Tracey and Stewart's arguments, as well as that of this analysis, is that the sacrifice of public service broadcasting organizations in recent decades, and for that matter, all public service institutions and ideals, is not so much the result of inevitable and autonomous economic and technological forces, but rather, a consequence of a profound ideological shift among the ruling classes of western nations which has necessarily entailed a loss of the political commitment required to protect the concept of a democratic public sphere and the institutions which are its foundation.

This analysis does not intend to refute the fact that certain momentous technological and economic developments have occurred in the closing years of the 20th century which challenge the sovereignty of individual states; rather, it asserts that the responses of those states are not predetermined. It must be remembered that the increased integration of the economies of the world's states was not an accident of history, but rather has been a movement consciously orchestrated by a relatively minuscule number of powerful transnational corporations to further their own interests of capital accumulation. The capitulation of individual nation-states to those interests has not been a preordained phenomenon; instead, the spread of
global economic integration is a product of national governments that were either predisposed to such a
development or, conversely, were unprepared to meet the challenge to national autonomy presented by such
a transformation.

The national electronic public spheres that previously had been created by political acts of will —
and in the cases of Canada, Great Britain and Australia were carefully nourished in the face of competition
from domestic commercial entrepreneurs looking to exploit the public electromagnetic spectrum for their
own narrowly-focussed gain — have been left vulnerable to the intrusion of transnational media
entrepreneurs whose objectives, in recent decades, have been bolstered by the provisions of multilateral trade
agreements that, under the guise of deregulation, have compelled national governments to attempt to
harmonize all manner of social programs and public services which may be judged to be in violation of the
spirit of so-called 'free trade'.

The combination of government strategies targeted at developing the communications technology
industry and a deregulated economy has led to the monopolization of the information services and
telecommunications sectors by a relative handful of large private-sector conglomerates. This apparent shift
to a post-Fordist economy has given such corporations which control the vital channels of communication
(through which the majority of economic transactions occur) a considerable amount of leverage over state
policy-makers; substantially more than was available to their industrial- era predecessors in the
manufacturing sector. Consequently, public policies in each country are designed to entice corporations to
remain within that nation's boundaries, and this is usually accomplished with the use of such measures as tax
incentives, subsidies, and other instruments intended to put downward pressure on the wages of employees,
for fear that in the deregulated environment which has accompanied globalization, high technology
companies looking to increase profits will relocate at least some of their operations to a developing country
where the wages are significantly lower. As noted above, because of the industrialized nations' superior
technical infrastructures and highly-skilled labour forces, such anxiety is often unfounded. Nonetheless, the
supposed mobility of capital (unquestioningly accepted by most national governments), facilitated by
constantly-evolving communications technology, challenges most policy measures that governments may
contemplate to alleviate the detrimental social effects caused by economic restructuring. The neo-liberal
argument asserts that this is a self-perpetuating cycle which limits the ability of individual states to act
autonomously in any sphere of society that might be perceived by transnational corporations as threatening their opportunity to extract maximum profits. Frank Webster (1995) argues that the promotion of this belief works to the advantage of large, transnational corporations seeking to enlist the financial and regulatory support of governments of nations in which their operations are based. Webster contends that large private-sector interests intentionally promote the perception of monumental global transformation based on an assumption that national governments will want to stay abreast of such dramatic changes and stake their country's claim in the new global economic and technological sphere by enacting legislation that will enhance the competitive position of nationally-based private corporations.

Perpetuation of the myth that 'globalization' is a new phenomenon serves the narrow self-interests of both national capital and transnational corporations, because its acceptance by public policy-makers encourages the state to shift the direction of its resources toward the corporate sector, at the expense of public enterprises, programs, and services which are of benefit to the entire population. All this has been undertaken by the state in the name of enhancing the nation's 'global competitiveness', while little is expected in return from the corporate beneficiaries of the state's largesse, other than their assurances that they will maintain at least a minimal presence on the state's soil. This ignores the fact that the transnationals may keep their corporate head offices in their western country of origin, yet inject most of their direct investment in developing countries where wage levels, taxation, and environmental regulations are much more 'flexible', or lax. Raboy et al. expose the implicit naivete of this logic, as it pertains to the effectiveness of public policy concerning cultural industries, in the era of the 'open economy' brought on by 'globalization':

Thus, whereas state intervention in culture used to maintain an ever precarious balance between the need to democratize cultural life and the need to develop economically viable cultural industries to this end, the present context of the open economy has upset the balance. For example, measures to control the concentration of ownership, originally justified by the need to maintain a certain pluralism and access to the means of cultural expression, have in many cases fallen by the wayside in the name of the need to lift barriers to the development of strong, internationally competitive, national cultural industries. This is what we mean by the coming together of industrial and nationalist concerns to the detriment of democratic ones . . . Thus, the industrial logic that fuels these "national champions" drives them to operate in precisely the same way as the transnational corporations - concentrating production, seeking economies of scale, centralizing activities in metropolitan areas, and above all keeping a close eye on the bottom line, all of which deprive citizens on the social and geographic periphery of the resources essential for democratic cultural development (Raboy et al., 1994: 48).

In Webster's estimation, preoccupation with the novelty of new technologies and the obsession with the rapidity with which they evolve deflect attention from the fact that the underlying pattern of capital
accumulation has changed very little from that which existed since the beginning of the industrial revolution. Nonetheless, the fixation of government policy-makers with the notion that "time is of the essence" compels the state to adopt economic policies specifically tailored to the demands of domestic private-sector corporations, in the hope that such policies will foster the growth and development of bold "national champions" (Webster, 1995: 142) in the competitive global technological and economic frontier.

As the primary means by which the general population is kept informed of the most important economic, technological, social, and political developments, a nation's system of mass media assumes a position of utmost importance in the maintenance of a vibrant democracy. The fact, then, that public enterprises, and especially public service broadcasting organizations, are becoming front-line casualties in the neo-liberal agenda of a stripped-down public sector is especially important. The marginalization of public service broadcasting and the resultant depoliticization of the public (two ramifications of globalization), the ascendance of the neo-liberal orthodoxy, and the increased commercial dominance of the broadcasting environment have been aided and abetted by politicians who all too often have confused the 'national interest' (read 'the interests of business') with the 'public interest'.

Furthermore, because a broadcasting organization may be a commercial enterprise does not absolve it of its public service obligations, which it inherits simply by having access to a public resource, the airwaves. It may be believed by some that public service obligations have been nullified by the expansion of new television technologies, such as cable, digital broadcasting systems, and satellite transmission. Although these new technologies may not be constrained by the conventional problem of channel scarcity that has been associated with the electromagnetic spectrum - which at the inception of radio and later television broadcasting was an argument used to justify the airwaves as a public resource in need of protection through state regulation - the programming carried on them is in competition with conventional broadcasters, and, therefore, they should be obligated to abide by a common set of public interest requirements.

The mobility of capital flows that is so crucial to the global finance sector conforms neatly to the larger goals of neo-liberalism, as characterized by McChesney:

Neoliberalism works best when there is formal electoral democracy, but when the population is diverted from the information, access, and public forums necessary for meaningful participation in decision making. As neoliberal guru Milton Friedman put it in his Capitalism and Freedom, because
profit-making is the essence of democracy, any government that pursues antimarket policies is being antidemocratic, no matter how much informed popular support they might enjoy. Therefore it is best to restrict governments to the job of protecting private property and enforcing contracts, and to limit political debate to minor issues. (The real matters of resource production and distribution and social organization should be determined by market forces.) (quoted in Chomsky, 1999: 9).

In conjunction with the decline of industrial activity as the basis of national economies in the West has been the increased commodification of information, and the means by which it is transmitted, as the core products themselves of transnational commercial enterprises. In this era of 'Gatesism' - so named in honour of Microsoft Inc. founder, Bill Gates - the production, possession, delivery, and consumption of information and communication products are prized for their own intrinsic properties, as they provide the potential for unprecedented levels of capital accumulation and concentration by a relative handful of enormous transnational commercial enterprises.

Tremblay (1995: 475) illustrates the dilemma this situation poses for the governments of individual states, and the publics they represent, in western democracies:

This aspect of the crisis is well known. Faced with deficits and accumulated debts, the State is deregulating and privatizing. Faced with competition, business is rationalizing. ... In reaction to these new conditions, the number of independent workers is on the rise. It now appears as if one must create one's own job without, however, either permanence or job security, privilege acquired in industrial society. ... At present, the transition induced by the crisis of Fordism, created and nourished by developments in communication technology, has not resulted in significant gains for workers.

The capacity of national governments to act autonomously to ameliorate some of the more destructive effects associated with the advent of the 'information society' is seriously hampered by the constraints resulting from the conditions contained in the ever-increasing number of multilateral trade agreements, which are strictly enforced by supranational economic bodies (such as the WTO) determined to strike down any national measure which they deem to be in violation of the 'free flow' of goods and services across international boundaries. The ability of states to maintain autonomy in the formation and implementation of public policy has likely been reduced but, again, this has occurred not strictly because of the efforts of neo-liberal proponents of free trade and globalization. Arthurs (1999: 37) claims that:

Praise for the sound principles and practical achievements of NAFTA by political figures, the media and experts in the policy disciplines contributes to this sense of inevitability, as does the enthusiastic conversion, grudging acquiescence or quiet resignation of most of its mainstream opponents. And repeated direct and vicarious, real and imagined encounters with NAFTA-generated dispute resolution, normative systems and networks by Canadian businesses, workers and governments only reinforce the impression that NAFTA is neither anomalous nor time-limited.
In the Canadian context, the current Prime Minister, Jean Chrétien is one such 'convert' to the benefits of globalization and free trade. In contrast to his most recent Liberal predecessor, John Turner, who based his 1988 election strategy on a platform of vigorous opposition to the Canada-U.S. FTA, Chrétien has embraced the neo-liberal doctrine with a fervour and enthusiasm more similar to that of Brian Mulroney. There appears to be nobody within the highest echelons of the Canadian government who questions the assertion that national autonomy has been compromised, or that the phenomenon of globalization is inevitable and, for the most part, beneficial to Canadians. Rather, according to Heather Menzies:

Public governance and regulation are being replaced by market, corporate, and corporatist regulation in everything from communication and information highway policy to foreign affairs. A joint Senate-House of Commons report on Canadian foreign policy began by stating: "Globalization is erasing time and space, making borders porous, and encouraging continental integration. In the process national sovereignty is being reshaped and the power of national governments to control events, reduced". The report went on to accept as given the new "common governance" by transnational corporations . . . (Menzies, 1996: 41).

McChesney, an American himself, offers a much less benign interpretation of the causes of 'globalization', laying the blame squarely on the shoulders of the United States government. He states that:

What is presented by pro-business ideologues as the natural expansion of free markets across borders is, in fact, quite the opposite. Globalization is the result of powerful governments, especially that of the United States, pushing trade deals and other accords down the throats of the world's people to make it easier for corporations and the wealthy to dominate the economies of nations around the world without having obligations to the peoples of those nations (McChesney, cited in Chomsky, 1999: 13).

This emphasis on the primacy of individual interests at the expense of the public good has been furthered by court decisions which, at least in the United States, have had the effect of according commercial enterprises the legal status of 'corporate citizens' on a par with the individual, and certainly above the importance given to 'community'. The pivotal development in this neo-liberal ascendance of the corporate citizen, and the implications it foretells for the rights of the collective in western societies, was a United States Supreme Court decision in 1978 which ended the prohibition on corporations being allowed to make social commentaries in their commercial advertisements (Mattelart, 1989: 178).

As evidence of the extent to which the pendulum of public and political opinion has swung with respect to the relationship between the private- and public-sectors since the 1960s and 1970s, Mattelart (1989) observes that in the earlier period, it was commercial enterprises that were widely viewed with derision and skepticism, whereas today, it is public institutions that are frequently on the defensive. An
excerpt from a 1979 article in the American periodical *Business Week* illuminates the change in relations between the state and the business sector that has transpired over the past three decades:

It (business) is operating in a 'pressure-cooker' environment. It is under siege from consumerists, environmentalists, women's liberation advocates, the civil rights movement, and other activist groups. Their demands are being steadily translated into an unprecedented wave of intervention by federal and state governments into the affairs of business. Even without government interference, these activists are forcing changes in corporate operating policies that range from a halt in loans to South Africa to curtailment of infant milk-formula sales in less developed countries. The corporation also faces intensified competition in the marketplace, the growing threat of takeover by outsiders, and new challenges in employee relations (cited in Mattelart, 1989, p. 178).

The purpose of quoting this article is that it serves as a stark reminder of just how dramatically the scales of public, or at least political, opinion have tipped in favour of the private sector in recent decades, not only in the U.S., but throughout the nations of North America, Western Europe, Japan, and Australia. With the aid of like-minded allies in the highest political offices of the advanced liberal democracies of the West, it is now the neo-liberal elite which unapologetically defines the course of the state's economic, social, and cultural policies at the beginning of the third millennium. As a result, there are very few dissenting voices heard in the corridors of political power where public policy decisions affecting all of society are made.

In the chapters that follow, the effect of 'globalization and the policies implemented by the various governments discussed in this chapter will be explored in greater detail, with particular attention focused on the ramifications they have foretold for the quality of broadcasting, journalism, public discourse and debate, and democracy in general.
CHAPTER THREE

THE BRITISH EXPERIENCE OF PUBLIC-SERVICE BROADCASTING: LESSONS FOR THE REST OF THE WORLD

On January 1, 1927, the British Broadcasting Company received a change in name and in status. Henceforth, it would be a state-regulated, publicly-funded broadcasting organization known as the British Broadcasting Corporation, a feat that was accomplished when Reith managed to convince the members of the 1925 Crawford Committee — a body created by the British government to study the proposed structure of the British Broadcasting system — to bestow the Corporation with a Charter under the Royal Seal (Tracey, 1998). The importance of the Charter was that it was assumed to give the BBC a measure of autonomy that would not have been possible had it been created by way of an Act of Parliament. The Crawford Committee also recommended that the BBC, as part of its Charter, be granted a monopoly status in the British broadcasting system, a privilege which the organization enjoyed until 1954. According to the Corporation’s Royal Charter, the BBC is, “… obliged to inform, to educate, and to entertain; to report the proceedings of Parliament; to provide a political balance; and in a national emergency to broadcast government messages. It may neither editorialize nor carry advertising ” (cited in Crisell, 1997: 22).

Reith devised a strategy whereby the British public would be able to access two BBC services: a National Programme, headquartered in London, which broadcast programming exclusively from the UK capital; and the Regional Programme, also based in London, but the schedule of which consisted primarily of programming produced in regional centres such as Glasgow, Belfast, and Cardiff (Crisell, 197: 23). In theory, the BBC’s division into these two services satisfied the requirement that the broadcaster be accessible to Britons throughout the nation; however, because of the Director-General’s personal conception of the term ‘national’, many listeners in the regions felt that their interests were subordinated to those of the major metropolis of London. Not surprisingly, the overwhelming majority of early BBC staff, especially those in the upper echelons of the Corporation, belonged to the intellectual and socio-economic élite of the national capital. Colin McCabe and Olivia Stewart (1986: 54) question the veracity of Reith’s commitment to authentic regional representation by the BBC, and argue that:
Local radio, though in existence only for a few years [1933], had been a success. It had established relationships between broadcasters and local audiences which were only rarely to be achieved in a later age of local radio. The Regions by contrast were a technical and administrative convenience with no real cultural significance. . . Reith was opposed to the encouragement of 'sectional' interests and loyalties. The Regions remained in the shadow of London, the servants of the search for that elusive mass national audience whose 'general needs' British broadcasting aspired to serve in the public interest.

The General Strike of 1926 was a pivotal moment in the BBC's development as respected source of information, although there are differing opinions as to whether the Corporation truly did distinguish itself as a defender of the public interest during this tumultuous period. This incident serves to illustrate the perpetual dilemma faced by public service broadcasters: either they are castigated for being a media puppet of the State; or they are reprimanded by the government for being insufficiently zealous in their defense of the national interest. During this crisis, in which British trade unions were pitted against the UK government, the BBC defied convention by producing its own news reports about the events which were transpiring, rather than relying on the established news agencies. The BBC's coverage of the strike satisfied neither: the UK government or organized labour; however, under the leadership of Reith, the steadfastness shown by the public broadcaster in the face of pressure from both combatants went a long way toward strengthening the perception that the Corporation could not be easily swayed from reporting events as it saw fit.

Some critics, however, are less than convinced that, during the 1926 General Strike, the BBC did not capitulate to the pressure of the British government. According to Greg Philo (1995: 177-180), Reith's pronouncements that the BBC had genuinely served the 'national' interest with its coverage of the strike was nothing more than a feeble attempt to conceal the fact that the broadcaster's ultimate purpose was to preserve that status quo, which the broadcaster had mistakenly confused with the term 'national' interest.

The BBC's monopoly did not go unchallenged for very long. Those Britons eager to take advantage of the sort of commercial opportunities that were available to broadcasters in the United States resented the British government's prohibition of similar ventures in the UK. In 1931, Captain Leonard Plugge managed to circumvent the government's ban on commercial radio stations by establishing two transmitters offshore, one under the name of Radio Normandie in France, and the other known as the International Broadcasting Company, which operated in the Republic of Ireland. The programs broadcast by these two 'pirate' stations were easily received in the UK. Two years later in 1933, Radio Luxembourg began sending its signal to the
UK. All three stations attracted a sizable audience in Britain, because of their popular, American-style programming content. The BBC unsuccessfully protested the legality of such operations to the International Broadcasting Union (IBU) and, by 1934, there were 90 British companies who were paying to have their products advertised on these stations (Crisell, 1997: 47).

Somewhat ironically, another time of crisis unintentionally had the effect of lightening the serious tone of the BBC’s programmes. During the Second World War, the BBC initiated its Forces Programme — a service intended to be a temporary diversion for British military personnel — whose schedule consisted mainly of popular music and game shows. The remarkable popularity of the Forces Programme, both among the British soldiers serving in continental Europe as well as a large share of the public at home, served to be a turning point in the programming philosophy of the public broadcaster. McCabe and Stewart (1986: 55) describe the impact of the war on the BBC as follows:

The popularity of the Forces Programme — which immediately took seventy per cent of all listeners — was seen as the portent of the way things must be in the future. The BBC must follow at least as much as, perhaps more than, it led its public. After the war, it divided itself up into Home, Light, and Third Programmes, each more or less tailored to different levels of brow. The Director-General, Sir William Haley, still clung to the hope that this structure would operate as a ‘cultural pyramid’, leading the listener gradually from ‘good to better’. Reith on the other hand saw the Third Programme as a ‘sop to moral conscience’, an admission that overall programme policy had been abandoned.

Another important development occurred as a result of the war. Partly because there was so much devastation in London and its environs because of German attacks, the BBC never attempted to gloss over the unpleasant aspects of the conflict. The broadcaster believed that, in addition to helping to boost the morale of the nation’s military personnel serving in Europe, it had an obligation to the British people to present them with the objective facts of the war, even if that meant informing the nation that Britain was getting the worst of it against the Axis powers. Much to the consternation of the UK’s war time political leaders, the BBC’s role as a trusted and “impartial arbiter” (Scannell, 1996: 25) conflicted with the government’s campaign to maintain the spirits of the nation’s people in the face of adversity. Contrary to Prime Minister Winston Churchill’s wishes that it act as a propaganda vehicle for the government, the BBC committed itself to providing the British public with news from the war that it needed to know.

The Beginning of Television and the Arrival of Commercial Competition
The BBC’s involvement in television actually dates back to before the Second World War. In 1934, the UK government instructed the Sneldon Committee to investigate the possibility of having the BBC assume responsibility for operation of a television service, which officially began on November 2, 1936. (Crisell, 1997: 71). Because television was a new and often unreliable medium, there was little hope that it would replace radio as the primary information source for the British public. Consequently, when the war erupted, all research by the BBC into television was immediately halted.

Following the war, the British government and the public broadcaster refocussed their attention on the development of a television service, although not without considerable opposition from established interests in the nation’s newspaper industry who were anxious about the impact that the new medium might have on their operations. There was resistance to the BBC implementing a television service from within the Corporation also, as neither the current Director-General, Haley, nor Lord Reith, were especially enamoured with the visual form of broadcasting. Both men believed that, by virtue of its intrinsic technology, television programming would tend toward the vulgar and the banal, rather than the more cerebral type of material that was well-suited to radio. There was also insecurity among BBC management concerning the possible ramifications that television might hold for the revered status of the radio service, a service for which they had fought so hard to be taken seriously.

Regardless, progress on television broadcasting was occurring during the late 1940s and early 1950s in North America and parts of Europe, and the UK was not about to allow itself to become a laggard in what was beginning to appear to be the dominant form of mass media into which it has since evolved. British politicians were expending a great deal of effort in re-establishing the British people’s sense of self-confidence and pride in their nation. To have permitted the UK to fall behind other nations with respect to television would have been extremely counter-productive to the government’s objective of reinvigorating the British public’s faith in their country’s status as a great power. In the immediate post-war period, just as had been the case with radio, became the sole provider of television broadcasting services in the UK. It also extended to television the same public service principles that had been instilled in its radio service. The momentum of the BBC’s experiment with television was propelled by the wide acclaim that greeted the broadcaster’s coverage of the 1953 coronation of Queen Elizabeth II. The instantaneity of television and the impact of its visual images were seen in full force with what, perhaps, can be viewed as the first major
“media event” (Crisell, 1997: 75). The potential of television to simultaneously connect people throughout the UK was clearly evident from the public’s reaction to the coronation broadcast. Recordings of the BBC’s coverage were also sent to Canada and the United States.

It was at this point (the early 1950s) that the potential of television to serve two of the fundamental principles of public service broadcasting — the provision of programming with universal appeal, and the creation of a national public sphere — became fully realized. In the diverse, multicultural societies of Australia, North America, and the United Kingdom of the late twentieth and early twenty-first centuries, there are relatively few occasions which arouse a feeling of common interest among the publics of these countries. The BBC’s coronation coverage illustrated the indispensability of a public service broadcaster toward the attainment of such goals. Andrew Graham and Gavyn Davies (1997: 29) comment that:

One final area under the heading of citizenship where a public broadcaster can be expected to play a special role is in the broadcasting of National Events. Here the idea would be that a public service broadcaster should be given the responsibility to broadcast events which, going beyond questions of purely sub-culture-specific interests, are of genuinely national interests . . . to this country [the UK] in particular (eg the UK athletics team at the Olympic Games), as well as events in the UK that are primarily of importance to its citizens (eg the resignation of a Prime Minister, Royal Weddings or European and General Elections). Such a broadcasting service would help to maintain a sense of national identity which transcends more local communal identifications and allows individuals to understand themselves as members of a particular nation. And a public service broadcaster’s relative advantage here would derive from its experience and expertise at performing such functions, together with its capacity for genuinely national dissemination.

Although its radio service continued to play a vital role for the BBC, the coronation served as a turning point because it marked the point at which television surpassed radio as the most influential form of mass media in the UK. The BBC’s secure status as the only provider of television was soon tested, however, as private-sector interests in the country began to clamour for a piece of what looked to be an extremely lucrative market for advertisers. In what has shown itself to be a recurring theme of the relationships between the state and public service broadcasters in the Anglo-American democracies, acrimony between the British Prime Minister and the BBC cleared the way for the introduction of commercial participants in the British television environment. There existed mutual contempt between the BBC’s founding Director-General, Lord Reith, and Prime Minister Winston Churchill, which influenced Churchill to support the notion that competition from another broadcaster might deflate what he perceived to be the arrogance of the public
broadcaster. In addition to the animosity between Churchill and Reith, the Prime Minister also believed that the Corporation’s top management were ideologically opposed to his particular political perspective.

When the Independent Television consortium of companies (ITV) — each with its own regional monopoly — arrived in 1954, the fissures in the BBC’s conception of the appropriate relationship between a broadcaster and its audience were revealed, and this provided the opportunity that the new commercial broadcaster required to assert itself against the established institution. With the passage of the *Television Act* of 1954, the BBC effectively lost its monopoly over broadcasting in the UK. Although Reith and subsequent BBC Director-Generals were cognizant of the fact that the audience/public consisted of individuals comprising various social classes, ethnic backgrounds, and tastes, the Corporation emphasized the idea of creating a unified whole from the numerous ‘publics’ which inhabited the UK, in contrast to the notion of the audience as a multiplicity of differentiated and mutually exclusive sub-groups. It was because it felt that its function was to bridge the distance between the various parts of the population which comprised the whole — a national public — that the BBC had initially instituted its ‘mixed’ programming policy, which aimed at giving enough people enough of what they desired. Had it targeted its programming specifically at one particular segment of the population, the BBC believed that it would be reneging on its obligation to serve the entire population; however, had it succumbed to the temptation to program in accordance with the will of the majority — as conveyed through audience research surveys — the broadcaster was certain that such a policy would result in the lowest common denominator prevailing over all else. Because of this perception, the BBC resisted the tendency to offer the British public a broadcasting which resembled the predictable, formulaic, and ratings-driven schedules that were common among the American commercial broadcasting networks. Instead, it endeavoured to be something of an ‘umbrella’ broadcasting service, from which the many diverse elements which combined to form the public could each find something of interest, and with any luck, they might accidentally encounter programming intended for another segment of society that, much to their surprise, they would also find quite appealing.

With the arrival of ITV, and the success of its populist brand of programming, the BBC had to reconcile itself with the reality that the noble ideal upon which its philosophy had been predicated — that of elevating the tastes of the masses — soon gave way to notions of ‘choice’ and being responsive to the expressed programming interests of the public as they themselves defined them. McCabe & Stewart (1986:
describe the effect that ITV’s popularity with the audience had on the British broadcasting system, and the assumptions of the BBC, as follows:

... the BBC’s claim to speak exclusively for and to the nation was severely knocked by the arrival of another broadcasting organization, ITV, equally anxious to show itself a servant of the public interest. As television in turn diversified into four channels, the task of identifying and addressing a national audience became surprisingly difficult. Broadcasting seemed to be following the supermarket principle. It offered a variety of wares matched to the social and cultural profiles of potential audiences. As with the supermarket, the choice was in theory left to the consumer... The cultural pyramid, far from ascending as Haley had hoped, seemed to be collapsing into its base.

From this point forward, it could be argued that Lord Reith’s aspirations that public service broadcasting could serve as the great “integrator of democracy” (Tracey, 1998: 100) had been compromised in the name of ‘consumer sovereignty’. To survive in the newly-competitive broadcasting system of the UK in the 1950s and 1960s, the BBC needed to redefine its traditional mission, because of the British public’s changed expectations of what it demanded from a broadcaster: more entertainment-oriented content, and less ‘serious’ programming à la Shakespeare, Bach, and documentaries. According to Crisell (1997: 88), “By 1957 the BBC was admitting that in homes with a choice, three adults watched ITV for every two who stayed with the Corporation. Two months later the Chairman of the ITA [Independent Television Authority], Sir Kenneth Clark, claimed a 79:21 ratio in favour of ITV.”

The British commercial broadcaster differed from the American variety, however, since in exchange for the government’s decision to terminate the BBC’s broadcasting monopoly, ITV agreed to abide by the same public service guidelines that had always been imposed on the public broadcaster. Scannell (1996: 28) reports that:

The remit of ITV (Independent Television as it cunningly called itself) was not basically different from that of the BBC. It had to provide the same range of services. It was subject to a regulatory authority, the Independent Television Authority (ITA), whose initial task was to define the structure of the new system and then to act as a watchdog ensuring that the public service remit was adequately met... In effect, ITV was another monopoly.

In comparison to the standards expected of commercial broadcasters in the other Anglo-American democracies, ITV was held to fairly stringent public service regulations; however, an inescapable fact arising from the injection of a commercial element to the UK’s broadcasting system was that the uniquely ‘British’ character of broadcasting — the direct antithesis of the blatantly consumerist nature of the American system — had been eroded to some extent. As already mentioned, despite the fact that a public service broadcaster
may not derive its revenue from advertising, it must still contend with the same conditions as its commercial competitors. Its costs are comparable, the pool of available talent is the same, and perhaps most importantly as a result of the commercial segment dictating the tone of the system, the audience’s programming expectations are applied to all broadcasters without distinction as to the nature of their funding.

In sum, Scannell’s assessment of the impact of ITV on British public service broadcasting is generally positive. After an initial five-year period where the BBC tried to ignore the incursion into what it believed was its private domain, the public broadcaster eventually resigned itself to its new circumstances. A certain level of harmony had been achieved after the BBC and ITV adjusted themselves to their respective roles within the UK’s broadcasting system. Scannell (1996: 28) suggests that:

By the mid-1960s, a balance had been achieved. The new techniques of scheduling primetime to win and keep a large audience share — first developed by ITV — were practised by both sides. In all areas of production — from news to “serious” drama — news styles and techniques were implemented to make the “feel” of television output more friendly, and more for the viewers. Television became popular and has remained so. Commercial television — within a PSB remit — made it so and compelled the BBC to do so too. By the mid-1960s, the total available television viewing audience was shared between the BBC and ITV on a more or less equal basis, to the satisfaction of both parties.

It should be kept in mind, however, that the influence between ITV and the BBC was not unidirectional; there were certain public-service standards that, because of the BBC’s long-standing monopoly, had become accepted by both the UK government and the British public as providing the parameters within which a broadcaster of either persuasion was expected to conform. In essence, it could be argued that the competition within the British broadcasting system, until the 1980s, had a reciprocal effect on both broadcasters, as the strengths of each compensated and challenged the weaknesses of the other, to the general benefit of the British public. Graham and Davies (1997: 25) postulate that:

Of course the current high quality of British television is partly the result of extremely good ITV programmes (Three programmes often quoted in the 1980s as examples of high quality — Brideshead Revisited, The Jewel in the Crown, and The Southbank Show — were all broadcast on ITV. However, the context is crucial. As ITV executives admit, without the BBC as a constant reminder — and a threat to their audiences — the best ITV programs would rarely be made. Producers in commercial television unashamedly use the BBC to argue their case for the equivalent of public service programming.

To conclude this section on the introduction of commercial competition, and its effect on the public-service character of the British broadcasting system, there are two points worthy of elaboration. First, the UK’s political authorities were careful to implement a commercial component in a manner which would not
jeopardize the worthwhile public service character of the system that the BBC had single-handedly established. Second, because the system as a whole was adjusted in a gradual, incremental fashion — it remained as a duopoly until the advent of Channel 4 in 1980 — the BBC had sufficient time to redefine its role and mission. The net effect of these two factors was that, rather than expecting the BBC to conform entirely to the imperatives of a wholly market-driven system, the public broadcaster was allowed to retain those aspects of Reith's vision of public service broadcasting that had been so carefully nurtured during the Corporation's first three decades of existence. Moreover, the preservation of the fundamentally public service character of UK broadcasting was accomplished because British authorities had the foresight to demand that ITV meet the same criteria as the BBC. In short, if imitation is said to be the highest form of flattery, it can be credibly asserted that the quality of many ITV productions are evidence of the truth of this statement.

The Pilkington Committee: A Positive Force for Public-Service Broadcasting

In 1960, the UK Postmaster-General announced that the government intended to conduct an inquiry, chaired by Sir Harry Pilkington, into the future of radio and television broadcasting in Great Britain. The two main issues put before the Pilkington Committee were as follows: whether the standard license fee method of funding the BBC should be maintained, or whether a limited amount of commercial advertising on the broadcaster's services would be an acceptable means of offsetting the cost to the public treasury; and second, if a third television channel was to be approved by the government, to whom should it be awarded, the BBC or commercial interests. The BBC's Director-General at the time, Hugh Greene, was convinced that the intrusion of commercials into the programmes of the BBC would have a disastrous effect on the integrity of the Corporation as well as on the quality of its programs. In his presentation to the Pilkington Committee, Greene argued strenuously against the notion of any amount of advertising on the publicly-funded broadcaster. Greene found a sympathetic audience with the Pilkington Committee, and managed to persuade its members to recommend against any dramatic change in the BBC's mode of funding. According to Michael Tracey (1998: 89):

The Pilkington Committee's Report, published on 17 June, 1962, was a huge vindication of broadcasting as seen by the BBC. Public service values were praised, commercial values seriously questioned. The BBC had gained almost everything it wanted: a new channel, colour, a switch to 625 lines, maintenance of the license fee as the source of revenue, the development of sound broadcasting,
confirmation that it remained the main instrument of broadcasting in the country, all were recommended by the Committee in a package of structural and psychological developments which left the BBC probably stronger and more prestigious than at any time in its history, before or since.

Part of the reason that the Pilkington Report was so accommodating of the BBC’s vision of the appropriate form and structure for broadcasting in the UK was because its members shared similar assumptions concerning human nature and the susceptibility of the majority of people to the influence of the mass media. Specifically, Pilkington endorsed Reith’s and the BBC’s assessment of the audience as one that was in need of protection from the potentially harmful effects of television. According to this line of reasoning, a vulnerable audience required guidance from a authoritative public service broadcaster whose programming would guard against the public falling prey to the manipulation of its base instincts by commercial broadcasters whose sole purpose was to exploit the character weaknesses of the public for their own economic gain. In its final report, the Committee criticized the tendency of commercial television to conceive of the public as a homogeneous, amorphous mass. The authors of the Pilkington Report (1962: para. 44) remarked that:

‘To give the public what it wants’ seems at first sight unexceptionable. But when applied to broadcasting it is difficult to analyse. The public is not an amorphous, uniform mass; however much it is counted and classified under this or that heading, it is composed of individual people; and what the public wants is what individual people want. They share some of their wants and interests with all or most of their fellows; and it is necessary that a service of broadcasting should cater for these wants and interests... To say, however, that the only way of giving people what they want is to give them these items is to imply that all individuals are alike. But no two are... Some of our tastes and needs we share with virtually everybody; but most — and they are often the one that engage us most intensely — we share with different minorities. A service which caters only for majorities can never satisfy all, or even most, of the needs of any individual. It cannot, therefore, satisfy all the needs of the public.

The Pilkington Report, however, did not meet the satisfaction of everybody; in particular, ITV and many Conservative Members of Parliament, many of whom had financial interests in the commercial broadcasting consortium. While it heaped praise upon the BBC, the Committee castigated ITV for what it perceived was the abysmal public service record of the ITV companies. The Pilkington Committee had advocated that, since ITV had neglected its duty to offer programming which served the interests of the British public and did not simply appeal to their desire for entertainment, responsibility for its program schedule and its advertising should be abdicated to the ITA, the regulatory agency for commercial broadcasting in the UK at the time. As pointed out earlier by Scannell, by the mid-1960s, the BBC and ITV
had negotiated something of a symbiotic relationship, with each broadcaster having had an influence on the activities of the other.

The net effect of the Pilkington Committee’s recommendations was that the two broadcasters began to resemble each other much more than they previously had. Although the Conservative government of the day complied with the Committee’s recommendations that the third television channel be awarded to the BBC, and that the ITA assume stricter control over the programming of ITV, it ignored many of the other suggestions from the Pilkington Report.

Nevertheless, the changes to the British broadcasting system which can be attributed to the Pilkington Report were to characterize the essential character of broadcasting in the UK until the election of Margaret Thatcher’s Conservative government in 1979. Crisell (1997: 113) describes the effect that the introduction of a commercial element had on the British broadcasting system during the 1950s and 1960s as follows:

As a result of Pilkington, then, ITV’s programming over the next two decades became more like the BBC’s. The Television Act of 1964 allowed the ITA to ‘mandate’ certain serious kinds of programmes and to require all the contractors to show them at prescribed times in the schedule. In the late 1960s, for instance, all contractors had to broadcast News at Ten, one weekday play and two weekly current affairs programmes.... But convergence was not solely the effect of Pilkington. Despite the latter’s praise for its serious output, the BBC had been badly shaken by the loss of its audiences during the late 1950s, and its programming grew more like ITV’s in the sense of becoming more populist: game shows and more imports, including soap operas, were every bit as likely to be encountered on the BBC as on ITV. For ITV, then, convergence meant moving ‘up-market’ — becoming less competitive, more duopolistic: for the BBC convergence meant going ‘down-market’ — becoming more competitive and less duopolistic.

Although a relatively harmonious relationship between the UK’s two broadcasters had been established by the middle of the 1960s, the established social, economic, and political order of the country was coming under closer scrutiny by elements of British society that did not feel that their interests were being taken into account by the nation’s leaders. The questioning of the dominant social and political norms, and the capitalist system in general, by a variety of disadvantaged segments of the population — primarily women, visible minorities, and youth — was becoming a widespread phenomenon throughout the advanced, industrialized nations of the West as the decade unfolded. Britain was no exception to this trend. The hegemonic influence of the dominant elite no longer seemed as secure as it had once been, as historically-subordinate groups demanded inclusion in the decision-making structures of the nation in a measure
proportionate to their respective shares of the population. As one of the primary instruments of socialization and political debate, the UK’s broadcasting system became a focal point for activist groups who resented their exclusion from the country’s power structure. As the 1970s progressed, there were persistent assertions from such groups that the present structure of the British broadcasting system was unrepresentative of all of society and that it did not adequately meet the requirements of the entire population. Recognition of this fact by British political authorities was the inspiration for the second major inquiry into the UK’s broadcasting system, the Annan Committee.

The Annan Committee and the Arrival of Channel 4

In 1974, the UK government — with the Labour Party in power at the time — convened another investigation into the structure of the British broadcasting system. As in the other Anglo-American democracies, the 1960s and 1970s represented a period of profound challenge to the status quo. The younger generation of Britons was becoming much less deferential to authority than its predecessors. Among the political and socio-economic changes that were transpiring was the presence of an increasing number of non-Caucasian people residing in the UK, caused by an influx of immigrants from former colonies of the British empire in Africa, the Caribbean, and south Asia. As a result, the ‘comfortable duopoly’ of the British broadcasting system, which was overwhelmingly white, upper middle-class, and male, was called into question along with all the other socio-political institutions in the country. Traditionally, the British Labour Party had been much more receptive to the public service ethos espoused by the BBC, and quite suspicious of the motives of ITV. But, in the 1970s, as was also the case in the United States, the national public service broadcaster in the UK often found itself antagonizing critics on the Left as well as the Right. Crisell (1997: 192) reports that:

... the climate had changed since 1970. To Labour’s distrust of ITV was added, after the affair of Yesterday’s Men [a 1971 BBC documentary which exposed high level corruption within the Labour Party] , a distrust of the BBC. And outside Parliament there were strident attacks on both broadcasters, mostly though not entirely from the political Left. ITV was a predictable target of ideologues, whether students, academic media theorists or trade unionists, not so much for the quality of its programmes as for its connections with big business, the size of its profits, its preoccupation with ratings, the evils of its advertising, and for the concentration of ownership into the hands of a few large companies. But the BBC also came under fire for its arrogance and its social and cultural elitism.
In recognition of the unrepresentativeness of the programming then broadcast by the BBC and ITV, Lord Annan’s committee sought to explore ways in which the UK broadcasting system could be made to appear more responsive to the programming needs and wants of an increasingly demanding and pluralist public. Although the manifest intent of the Annan Committee received widespread praise, when it published its report in 1977, many observers questioned whether it actually effected any significant changes in the existing structure of UK broadcasting (Collins, Garnham & Locksley, 1988: 114). Collins et al. also suggest that the other notable effect resulting from the Annan Report was that the implementation of its recommendations entailed a substantial increase in the layers of bureaucracy in the administration of the UK broadcasting system. One of the Committee’s major recommendations — that a fourth channel be created — was implemented, with Channel 4 beginning broadcasting operations three years later in 1980. The rationale for the Annan Committee’s support for a fourth channel, to be operated on a non-profit basis and funded from the revenues of the ITV companies, was that minority audiences had indeed been inadequately served by the programming offered by the BBC and ITV. Therefore, Channel 4 would be removed from the commercial pressure to maximize audiences by providing programming of supposedly mass appeal, since its funding would not be contingent upon advertising and viewer ratings. A derivative benefit of Channel 4 would be that independent program producers in the UK would receive a boost, as it was mandated that the new channel would contract all of its program production to the independent sector. Response to the Annan Report from the existing parties in the UK’s broadcasting system, as well as from most politicians at the time, was mixed. On the one hand, there was a widespread consensus that minority segments of the British population had been overlooked by the two dominant, conventional broadcasters; but on the other hand, the fact that the Committee had recommended an increased number of regulatory bodies did not seem to be a very sensible solution to the problems which existed. The main criticism of the Annan Committee Report was that its recommendations would result in an increased level of bureaucracy within the British broadcasting system (Crisell, 1997: 194).

With the Annan Committee Report still fresh in its mind, the newly-elected government brought in a new Broadcasting Act in 1980, which called for the creation of Channel 4. Channel 4 would be modelled along the lines of ITV, insofar as it would be funded mainly by commercial revenues from advertising sales, and would operate under the auspices of the commercial broadcasting regulator, the IBA; but, like ITV, its
remit would stipulate that the new channel would have to meet all the public service requirements of the other components of the British broadcasting system. Harvey explains the underlying rationale for the creation of the new public service commercial channel (which, incidentally, has been very successful) as follows:

Its difficult task, with the liberal encouragement of the new Broadcasting Act behind it, was to give a voice to the new pluralism of the 1980s: that explosive mixture of racial hatred with multi-racial and multicultural tolerance, of the quest for sex equality with the consolidation of new forms of male supremacism, of a new tolerance in matters of sexual orientation with outbursts of homophobic hysteria, of a commitment to a welfare state with the argument that its existence was incompatible with the principle of a free market (1994: 117-118).

The programming success of Channel 4 (as of 1994-95 it had registered a respectable 11 per cent share of the British viewing audience), is instructive to North American communication and political science theorists, because it demonstrates that, with the proper level of enforcement of public service responsibilities by a regulator, a commercial network can offer provocative, innovative, and varied programming which can also be popular. Scannell claims that Channel 4:

... has accomplished the difficult trick of having a distinctive identity without catering for the mainstream audience. It has a younger audience profile than the BBC's television channels. It does cater for tastes and interests that lie outside the mainstream; however, it has avoided the "ghetto trap" of always reaching the same small number of people. Thus, its programming, though eclectic, has an interest and appeal that reaches well beyond the target groups for particular programmes (1995: 31).

Unfortunately, innovative models of contemporary public service broadcasting services have, to the detriment of the public, too often been ignored. It is regrettable that most of the discussion concerning the most desirable broadcasting system has been dichotomously characterized by both public service and neo-liberal proponents for broadcasting in the current era as one of extreme, polar opposites: either an absence of regulation entirely, or oppressive and paternalistic state intervention. There is no cardinal rule of broadcasting which dictates that commercial broadcasters do not possess the same public service obligations as public broadcasters; nor is it carved in stone that only public broadcasters should be expected to air a variety of programming. The other interesting aspect of Channel 4 is that it is a free-to-air, conventional broadcaster, not a subscription-based service.

Channel 4 has operated under the auspices of the Independent Broadcasting Authority (IBA), the supervisory body for the ITV companies. Its programs have received wide acclaim, and have demonstrated that a special-interest minoritarian public service broadcaster could co-exist within a framework dominated
by commercial broadcasters. Crisell (1997: 199) comments that, "... it [Channel 4] has certainly fulfilled its duty to give expression to new themes and otherwise unheard minority views and values, and as a summary of its early achievements shows, it has presented the traditional genres of television in distinctive and interesting ways." Because of its particular circumstances, Channel 4 was able to achieve one of the foundational principles of public service broadcasting — that it offer programming which takes account of minority segments of the population — which neither BBC, because of its mission to serve the cross-section of the national audience, nor ITV, because of its commercial imperative of maximizing audience, was able or inclined to do.

The Peacock Committee and 'Consumer Sovereignty'

In 1985, Prime Minister Thatcher appointed the Committee on Financing the BBC (The Peacock Committee) to explore possible alternatives to the license fee method of financing the Corporation’s services, reopening the question that seemed to have been decided by the Pilkington inquiry a quarter-century earlier. When the Committee, under the chairmanship of economist Sir Alan Peacock, published its report in 1986, one of its commissioners, Samuel Brittan (1986: 1) advocated that, "British broadcasting should move to a sophisticated market system, based on consumer sovereignty."

A distinct shift in the socio-political environment had occurred during the intervening eight years between the Annan Report and the Peacock Report, marked by a displacement of the values which had guided the commissioners of earlier investigations into the UK’s broadcasting system. Geoff Mulgan (1990) traces the devolution from a time when government inquiries focussed on ways in which broadcasting could contribute to the social, cultural, and political awareness of the public, to the period under the Thatcher government, when the individual was conceived of as a ‘consumer’ or taxpayer before he/she was viewed as a citizen. Graham and Davies (1997: 7) note how ingrained such a conception was among those individuals who comprised the Peacock Committee as follows:

The case in favour of thinking that broadcasting is just like many other goods sold commercially was put forcibly a decade ago by Peter Jay in evidence to the Peacock Committee. He regarded broadcasting in the age of new technology as simply "electronic publishing". He therefore argued that broadcasting, once it became fully of age, would require no public service presence nor any regulation save that of maintaining standards of taste and decency. The Peacock Committee was much taken with this analogy and in particular with the much more competitive environment this suggested.
Two points from the above quotation warrant further examination. First, is the alleged lack of the need for state regulation of the broadcasting system, except as concerns issues of pornography and obscenity. Such a view is consistent with the view of broadcasting put forth by religious conservatives, free marketeers, and assorted other right-wing ideologues in the United States. Basically, the argument goes as follows: “Rampant materialism and violence is fine, but liberal notions about sex are not to be tolerated”. The second point raised by Graham and Davies’ reference to the Peacock Committee’s conception of broadcasting pertains to the equation of the multi-channel television universe and “electronic publishing”. Supposedly, because such a system would be based on a pay-per-use, subscription form of financing, a more accurate and reliable indication of consumer preferences would be gained. This argument is somewhat fallacious, however, and shows the spurious inferences that can be obtained from such a supposition that subscription-based television systems are a superior reflection of the audience’s programming wants than is either the ratings-based conventional commercial broadcaster, or the state-funded public service broadcaster.

It is true that advertising-driven commercial broadcasting yields the program preferences of advertisers who wish to buy audiences from the broadcaster. It is also the case that when a public-service broadcaster is entirely dependent on government for its funding, there is pressure for its programming to reflect the interests of the state. It is erroneous, however, to assume that subscription-based services are any more democratic and responsive to the public’s interests. There are two impediments to this being the case: first, only those audience members who are wealthy enough to afford such services can take advantage of the programming provided by subscription-based services, hardly a true reflection of the interests of the vast majority of the population; and second, even for those viewers fortunate enough to be able to afford such services, they are still limited by the amount of programming that is available, and by the choice of programs made by the service’s owners. Admittedly, consumers retain the choice of whether to subscribe or not to subscribe; moreover, they can decide not to purchase subscription-based television service at all. If a pay TV service fails to be responsive the demands of the audience, it will have difficulty staying in operation. The fact remains, however, that the income threshold for consumers created by subscription-based services
entails that their programming may reflect the interests of the majority, but not necessarily those of a representative cross-section of the entire public. Those unable to afford such services are, therefore, excluded from the sample from which program decision-makers draw their conclusions concerning what they will broadcast. Granted, there are limitations to each type of broadcasting organization’s audience survey methods; however, it would be misleading to suggest that there are not segments of the general public that are discriminated against by each form of broadcasting: public-service, conventional commercial, or subscription-based. In sum, the liberating potential of subscription-based television services appears to be over-estimated.

Returning to the Peacock Committee, Crisell (1997: 213) posits that, “... it was the first parliamentary committee to treat public service in broadcasting as a merely secondary consideration.” Thus, this particular committee was truly a product of its time; its conception of competition in the broadcasting system as a means to serving the public interest was an outlook that was totally compatible with Mrs. Thatcher’s neo-liberal policies. It must be admitted, though, that when the Peacock Report was finally published, it did not meet with the approval of the most hard line right-wing members of the Thatcher caucus, because of the Report’s caution against the idea of advertising on the BBC for the near future (McNair, 1994: 71).

One of the alternative funding methods for the BBC that the committee was instructed to explore involved the possibility of eliminating the license fee in favour of permitting advertising on the Corporation’s services. Much to the BBC’s relief, the Committee advised against such an option; however, its decision was not based on an ideological opposition to such a prospect — which would have a reflected a sincere respect for the potential effect that such a scenario might have on the BBC’s capacity to continue to meet the principles of public service broadcasting — but, rather, was motivated by the desire not to infringe upon the limited available advertising revenue in the UK mass media that had been the exclusive property of the ITV companies and the print media. In terms of the audience, there was a cursory mention of the negative impact that advertising on the BBC might have (Collins et al., 1988: 118).
It should be noted, however, that the Peacock Committee’s recommendation against advertising on the BBC should be viewed as a temporary postponement of the inevitable privatization of the Corporation rather than being a principled rejection of the notion that the BBC be removed from the government’s payroll. The Committee members believed that, when broadcasting in general had reached the level of maturity that was found in the print media, it would be perfectly acceptable that the BBC be made available to UK ‘consumers’ as a subscription-based service. The Committee believed, however, that such a time had not yet arrived, and recommended that, in the short-term, the current license fee mode of financing should maintained. Collins et al. (1988) take issue with Peacock’s presumption that, as new broadcasting technologies eliminate the problem of channel scarcity — and along with it, the public good aspect of conventional television — the broadcasting industry will begin to approach the level of ‘perfect competition’ that exists in the UK’s newspaper and magazine industries.

One of the Peacock Committee’s main criticisms of the existing system of broadcast regulation was that the regulatory authorities had allowed themselves to become victims of ‘regulatory capture’. Arguably, though, the assumptions from which the Committee began its inquiry largely dictated its conclusions. If one accepts the argument that the ‘consumer’, as indicated by ratings and sales, the most appropriate determinant of whether the interest of the public are being served by broadcasters, it logically follows that state regulators acting on its behalf are merely an obstruction. If the supposed ‘self-correcting’ tendency of the free market is to be believed, then, of course, there is no need for intervention by an agency of the state. What is overlooked by such a view, one espoused by the members of the Peacock Committee, is that the economic imperative of the ‘free market’ demands that advertisers reach the largest possible audience. The easiest way for this to be achieved is for broadcasters to offer programming with greatest likelihood of appealing, at least to a minimum degree, to the widest range of people. In the process, however, those segments of the public (minorities) whose interests do not conform to the mainstream audience, and who do not fall within the demographic groups desired by advertisers, will necessarily be disregarded when commercial broadcasters are planning their program schedules. If for no other reason, the protection of the rights of minorities is a sufficient reason for the presence of a state regulator in the broadcasting field. Such a view, however, did not fit within the conceptual framework of the broadcasting system and its audience that was employed by
the Peacock Committee. Collins (1990: 103-104) comments that both the Committee, and the White Paper (on government broadcasting policy) which was a direct result of its Report, relied on:

Peacock’s conception of broadcasting is based on a robust consumer, better able to act in her or his own interests than are the ‘guardians’, who are charged with protecting the public and its interests and who have controlled broadcasting policy in the UK to date. Indeed Peacock views the established broadcasting authorities not only as less competent guarantor of viewers’ and listeners’ interests, but as having been ‘captured’ by ‘producers’ (broadcasters) interests which the authorities tend to serve more than they do those of the consumers’ . . . the White Paper constitutes quality, diversity and popularity as the central values for broadcasting in the 1990s instead of the time honoured ‘inform, educate and entertain’, the new values being no less difficult to recognize and implement than the old.

The Rise of Thatcherism, Technological Euphoria, and the Marginalization of the Public Interest in Broadcasting Policy

In a political environment in which the public is conceived of as citizens, with the government acting as its political representative, a prominent and interventionist broadcasting regulator can be reasonable justified. According to Collins et al., such a conception was incompatible with the perceptions of the Peacock Committee, whose Report reflected the traditional libertarian view of the media in a democratic society, that the public interest is best preserved by competition within a predominantly commercial environment (1988:118). The effect on Britain's broadcasting policy of the Peacock Committee is notable because it marks the transplanting of a market ideology, which has traditionally been the preserve of the newspaper industries in the Anglo-American democracies, to the sphere of electronic media. Until that point, because of the conventional wisdom which posited that the airwaves were a public resource, British broadcasting policy had commonly been based on a recognition that an active role by the state in this sphere was not only legitimate, but, was absolutely necessary.

The change in industrial strategy for Britain's communications industries was first signalled by the Tory government in 1982, which Prime minister Thatcher declared to be "Informational Technology Year", when several commissions were created to inquire into the feasibility of implementing an ambitious expansion of the country's cable transmission infrastructure (Tracey, 1998: 204). Government support for the development of Britain's infant cable television sector was seen as an instrumental part of this strategy of transforming the nation into an 'information society'. The creation of a cable infrastructure in Great Britain may have provided some benefits to the British viewing public, although the slow growth in the
number of cable subscribers when compared to North America does not support such a belief; rather, it seems more plausible that the government's actions in this area were undertaken with the intention of achieving very specific consequences for an easily-identifiable interest group: business.

In the same year (1982), the Prime Minister established the Information Technology Advisory Panel (ITAP), comprised of private-sector representatives of Great Britain's emerging information technology (IT) industries. A telling indicator of the thrust of Thatcher's strategy was the fact that not one member from the country's broadcasting sector, neither from the BBC nor the ITV consortium, was invited to sit on ITAP (Tracey, 1998: 204). The effect that an expanded cable industry would have on Great Britain's conventional broadcasters did not figure prominently in the deliberations of ITAP, or in Thatcher's Cabinet for that matter. The vision forecast by the members of ITAP was that cable would eventually become the vital conduit for a more efficient system of economic exchange between advertisers and consumers. The utilitarian purpose of the Thatcher government's cabling of Great Britain is summarized in the first paragraph of the ITAP Report:

Modern cable systems, based on co-axial cables or optical fibres, can provide many new telecommunications-based services to homes and businesses. The initial attraction for home subscribers could be the extra television entertainment channels. However, the main role of cable systems eventually will be the delivery of many information, financial and other services to the home and the joining of businesses and homes by high capacity data links (cited in Tracey, 1998: 204).

The unabashedly commercial agenda of Thatcher's Conservative government's cable policy is astutely summarized by Tracey, who argues that safeguarding the public interest, if considered by the government at all, took a distant second place to the business concerns of the private-sector which reaped the lion's share of the benefits of the investment of taxpayer's money into the development of a cable infrastructure in the United Kingdom:

The Report brought into focus the questions of how one got from the present worthy, regulated system of broadcasting to a system of abundance which might need no regulation, and would serve industrial policy and economic needs. Within the space of a few short months the government and commercial and industrial interests had hijacked the debate about the future of British television culture. . . . The image they offered was of the entertainment 'engine' pulling the information society 'train', which struck some observers as akin to someone having argued in the eighteenth century that the immediate purpose of building the canals and railways was for the amusement of canoeists and trainspotters (1998: 204-205).

The values and principles of public service broadcasting and "British television culture" were not the only casualties of the Thatcher government's cable and IT strategy. Also significant is the fact that its
apparent disregard for these ideals, as embodied in the BBC, sent the message that this was only the beginning of the government's plan to restructure the British economy by deregulating all industries, and what it foretold of the government's intentions toward the solidly-entrenched British labour unions.

In the estimation of some observers (Davidson, 1992; Cornford & Robins, 1998), Thatcher's promotion of Great Britain's cable sector was directly related to its deliberate marginalization of the heavily-unionized BBC. The former Conservative prime minister once described the country's public broadcasting labour sector as, "... the last bastion of restrictive practices" (Thatcher, quoted in Davidson, 1992: 10). Hence, Cornford and Robins (1998) suggest that one of Thatcher's main objectives of the 1988 White Paper, *Broadcasting in the 1990s: Competition, Choice, and Quality*, was to stimulate program production in Great Britain's independent production sector, which necessitated a decreased role in this activity for the highly-paid, unionized creative and technical production staff at the BBC. The White Paper stated that, "... independent producers constitute an important source of originality and talent which must be exploited and have brought new pressure for efficiency and flexibility in production procedures ... there should be a greater separation between the various functions that make up broadcasting and have in the past been carried out by one organisation" (cited in Cornford & Robins, 1988: 44). Note the usage of such terms as "efficiency", "flexibility", and "exploited", in the language chosen by the authors of the White Paper, which is suggestive of its pro-market bias for broadcasting program production.

*The 1990 White Paper: 'Competition' Replaces 'Quality' and the 'Public Interest'*

The exercise of the Peacock Committee, as implied by its official title (Report on the Committee on Financing the BBC), was intended to address the concerns of Conservative politicians regarding the financial situation of the publicly-funded national broadcaster. It could be said, however, that when its final report came out, ITV was the broadcasting organization that had been most dramatically affected by the recommendations of the Committee. Peacock believed that both the BBC and ITV, because of their 'comfortable duopoly' (Peacock, cited in Collins et al., 1988: 125), had grown lethargic, complacent, and indifferent to the public's/audience's interests. As stated earlier, something close to a symbiotic relationship between the BBC and ITV had existed in the British broadcasting system before Thatcher's Conservative...

Before the White Paper on Broadcasting and the subsequent auctioning off of the licences of the 15 channels allocated to the ITV consortium, the British broadcasting environment was stable and relatively harmonious, with the non-commercial BBC and ITV each acting with a high degree of autonomy and cooperation. Secure, stable licence fee funding of the BBC alleviated the public broadcaster of the need to compete for advertising revenues with ITV, while the 15 regional monopolies awarded to the companies that comprised ITV assured those companies of stable profits, which predisposed them to complying with the Independent Broadcasting Authority's (IBA) public service requirements.

The security afforded to each broadcasting organization by this 'cosy duopoly' (Cornford & Robins, 1998: 200) enabled the BBC to concentrate on producing that which had helped build its reputation as the world's premier public service broadcaster: news, documentaries, and public affairs programming. For its part, ITV focused most of its production efforts on entertainment-oriented programming.

In short, neither the BBC nor ITV infringed upon the program genres in which the other excelled, yet the public reaped the benefits of the expertise of each broadcaster in its respective areas of specialization. But, as a result of new communications technologies and a changed political climate, with the election of Thatcher's Conservative government in 1979, this stable situation was not to last much longer. The atmosphere surrounding British broadcasting would soon be permeated by an air of controversy and adversarial relations between the government, labour, and the two broadcasting organizations. According to Cornford & Robins:

The stable set of compromises that had sustained broadcasting in Britain until the 1980s met their nemesis in the Conservative governments led by Margaret Thatcher, which ruled throughout the 1980s. The brand of conservatism that Thatcher represented was constructed around the twin goals of free government and a strong (but minimal) state. From this neo-liberal perspective, the British government saw as its major challenge the encouragement of a market-led restructuring of British industry... *New technology* was to be embraced as an aid to competitiveness and as a means to
Broadcasting Act that, henceforth, both the BBC and ITV would be required to purchase 25 per cent of the programs they would broadcast from the commercial-driven, independent sector. Evidence of the success of this aspect of Thatcher's plan of privatization in British industry, at least from the perspective of the private-sector, is the fact that the once-proud producer of the vast majority of British television programs, the BBC, has increasingly been compelled to rely on purchasing such programs from independents in Great Britain and elsewhere (see Moran, 1998).

Another important consequence of the shift from public-sector to private-sector production of television programs in the UK concerns the attendant loss of employment among creative and technical workers in the British television industry, many of whom had previously been employed by the BBC during its better times. In the BBC's case, however, the more immediate danger of outsourcing production to the independent sector is that production values, employment, wage levels and most importantly, programming quality, are all likely to be driven downward as a result. The emphasis placed on outsourcing program production from the BBC to the UK's commercial private-sector was motivated by the government's concern that, in the increasingly competitive global television market of the 1980s, Britain was losing ground to other English-speaking countries, such as Australia, whose lower wage-levels and production costs were, purportedly, contributing to a siphoning off of television production from the United Kingdom. At that time, Collins suggests that the Thatcher government proposal for the outsourcing of BBC program production to the independent sector, and the dissolution of the ITV advertising monopoly, were both supposedly intended to protect the public's interest in broadcasting by reducing the possibility of "elite capture" of Britain's regulatory institutions by the public broadcaster and the private corporations which comprised ITV until the late 1980s. He reported that, "The concern to drive down production costs and erode barriers between insiders and outsiders underlie government's consistent support for independent producers" (Collins, 1988: 108).

From a public interest perspective, Thatcher's "deregulation" of Britain's television sector and diminution of the BBC's role within it, was worrisome to observers who decried the lack of public consultation on decisions which, cumulatively, resulted in a dramatic alteration to the broadcasting system, the most important vehicle of public communication in a democratic society. The diversion of public funds targeted for television production from the BBC to the independent sector, and the "auctioning off" of the
ITV licenses to the highest bidders (below), were remarkable for the undemocratic manner in which these initiatives were implemented. It is with this sort of economic and social upheaval in mind that Price (1985: 23) offers the following cautionary note:

For any society that seeks to achieve a substantial degree of democratic participation, the structure of the communications systems is integrated with the functioning of the political system. That is why it is particularly vital to have meaningful public debate about any law that alters the relationship among principal elements of communications systems between governments and the private system of communication, or even the balance of power between the makers and distributors of information.

It is fair to say that the title of the White Paper, particularly its subtitle, *Competition, Choice and Quality*, was an accurate reflection of the order of priorities of the Thatcher government, as they related to the broadcasting system's public service commitment. Even more telling is the sequence in which the three words appear; in the new, largely deregulated, environment of British broadcasting, commercial competition and consumer choice would take precedence over such 'irrelevant' (to Thatcher's government) and elitist concerns as programming quality.

The auctioning of the ITV franchises, euphemistically described by the UK government as a process of 'competitive tendering', had been roundly criticized by broadcasters, public interests groups, academics, Labour MP, and even some Conservative members of Thatcher's own government. The concern revolved around the idea that, in order for companies to be awarded an ITV channel, they would have to offer the highest price for this privilege. This prospect in itself did not cause much controversy; however, opponents against the idea of auctioning the franchises to the highest bidder feared that companies involved in the process would be inclined to reduce their expenses in other areas, such as staff levels and program quality, so that they could devote the savings toward their cash offers for the ITV franchises. Following the outcry from a wide variety of groups over the auctioning process, the Conservative government made a concession that would see the inclusion of a minimal non-economic criterion as a condition that must met by for all broadcasting licence applicants. Crisell (1997: 228) remarks that:

As an afterthought the government the government introduced a 'quality threshold' which the bidders would have to meet . . . However, after 1993 the contractors who collectively made up the ITV network on the third of four national channels would no longer enjoy the near monopoly of advertising. In the short term they would have to compete not only with the fledgling cable and satellite channels, as at present, but with Channel 4, which from that year would be established as a separate corporation and be obliged to sell advertising. Thus the ITV network and Channel 4, which had originally been envisaged as mainly complementary, would now compete with each other to a much greater extent than before — and from 1994 there were criticisms that the content of Channel 4 was becoming excessively populist.
How the UK government expected that its ‘quality threshold’ would have anything but a negligible
effect on British programming is another question, considering that the new regulatory agency responsible
for the country’s commercial broadcasting sector, the Independent Television Commission (ITC) was
instructed to employ a “lighter touch” than its predecessor. Regulating with a “lighter touch” does not seem
to be commensurate with the enforcement of a ‘quality threshold’. The financial strain on the ITV companies
that resulted from the auctioning process soon became apparent. It also became obvious, even to the
Conservative government, that the deregulation of the commercial broadcasting system had driven the costs
of the ITV franchises to such an exorbitant level that most, if not all, of them were indeed unable to meet the
‘quality threshold’ that had been established. The Conservative government could not ignore that the bidding
war precipitated by the auctioning process had reduced the ability of Channel 3 (formerly ITV) to satisfy the
‘quality threshold’; it was therefore, quite lenient with respect to its expectation’s of C3’s public service
responsibilities (McNair (1994: 76).

Some members of the Conservative government, including the Prime Minister herself, had often
complained that the BBC’s coverage of the government had been biased — most notable were disputes
between the government and the Corporation over its coverage of the situation in Northern Ireland and the
Falklands War — and, therefore, pressed for an amendment to the 1990 Broadcasting Act similar to the
‘Equal Time’ provision in the United States. As a measure aimed at addressing the issue of ‘imbalance’ in
the news coverage of the BBC and Channel 3, a member of the Conservative Party sitting in the House of
Lords, Woodrow Wyatt, upon consultation with Mrs. Thatcher, introduced an amendment that, if passed,
would have transferred much of the responsibility for determining whether news coverage was ‘balanced’
and ‘impartial’ from the broadcasters themselves to Parliament. Although Mrs. Thatcher’s government, and
others before it, had not refrained from meddling in the affairs of the mass media, never before had the idea
of legislating such censorship been seriously contemplated. The so-called ‘Wyatt Amendment’ called for
a 15 minute opportunity for rebuttal, and required that, in any controversy, broadcasters give both
conservative and progressive perspectives an equal amount of air time to present their cases to the British
public.

The Wyatt Amendment provoked an enormous outcry from the media and opposition MPs, which
caused the Conservative government to eventually dilute some of the more contentious details of the
amendment; however, when the government finally presented the modified version before Parliament, it still contained a clause pertaining to the need for broadcasters to ensure ‘balance’. The interesting point here is that, as will be discussed in following chapters, this notion of ‘balance’ has also been a common intimidation tactic used by members of the ‘Radical Right’ in Australia and the US to neutralize what they believe is the ‘leftist bias’ of the media. Although the Wyatt Amendment was somewhat modified (so that balance would now be required across ‘a series of programmes considered as a whole’ rather than in every single programme) when the UK government finally proposed the new Broadcasting Act in 1990, according to McNair (1994: 80), “... it still represented an unprecedented degree of legal intervention in an area which had traditionally been left to the broadcasters themselves to police.”

Despite the best efforts of Britain's former Conservative government to dismantle the so-called "cozy duopoly" of the BBC and ITV by strongly supporting the growth of the private-sector British cable industry, not all commentators on the British broadcasting scene are thoroughly convinced that this strategy achieved its long-term goals of total de-regulation and privatization. In other words, results of the deregulation and privatization frenzy which marked the British broadcasting environment of the 1980s and early 1990s have been, to say the least, mixed. Barbara Thomass (1994: 43) reports that:

... an increase of cheap programmes has been observed among both commercial and public broadcasters. The former gave emphasis from the beginning to game shows, light entertainment and fictional programmes; the latter attempt to compensate for their loss of audience by pursuing a programming policy which tries to compete with commercial broadcasters in their own field.

Although important in its own right, the radical surgery performed on the British broadcasting system by the Thatcher government is especially telling for what it exemplified about the transformation that had occurred in British politics in the late 1970s and early 1980s. It is also noteworthy because of the relative efficiency with which the Conservative government’s dismantling of the post-war welfare state and social consensus was executed, in addition to the absence of an equally-vocal opposition to the wholesale restructuring of the public service from opponents on the ‘Left’. McNair situates the changes implemented in the UK broadcasting and communications systems under successive Conservative governments within the wider context of the ascent of neo-liberal ideology during this period. He contends that:

As a public service, British broadcasting was only one of a number of twentieth century British institutions which embodied such features as ‘universality of provision’, ‘quality of service’, and the suppression of market forces. Education, health, public libraries, and state welfare provision as they developed after the Second World War represented the application of similar principles in other key
spheres of social life, made possible by the emergence of Labour as a governing party, and the subsequent ‘social democratic consensus’ which straddled the major political parties throughout the 1950s, 1960s, and 1970s. The crisis of public services, and public service broadcasting in particular, stemmed directly from the ending of this consensus and the coming to power in 1979 of the Conservative Party headed by Margaret Thatcher (McNair, 1994: 63).

It remains to be answered, however, that if the public service ethos that accompanied the growth of the welfare state in the post-war UK was the product of compromise and consensus between the various socio-economic classes which comprised the country, what was particular to the 1980s and 1990s that caused the BBC undergo such a severe identity crisis? One likely response is that the social consensus in broadcasting, as in British society as a whole, was broken by a determined campaign by neo-liberals to exploit dormant class antagonisms in British society so that the notion of the collective welfare that was such an integral part of the welfare state and the unique British broadcasting duopoly was replaced with an astute populist appeal to individualism.

The 1990 Broadcasting Act and Beyond: The Effect of Thatcherism on the Contemporary British Broadcasting System

If the Thatcher government’s intent was to stimulate competition within the British broadcasting industry, and create additional employment in the nation’s independent program production sector, it would seem that the restructuring of this segment of the British economy has, in fact, had the opposite effect. Barbara Thomass claims that the enforced restructuring of the United Kingdom’s television industry, including the auctioning of ITV channel licences, has had a disastrous impact on the labour market of this sector:

This auction had a catastrophic effect on employment. Even in the run-up to the auction, ITV companies shed jobs to prepare themselves for the costly exercise ahead. The resources that were formerly committed to it were no longer available for programme production, and 5000 jobs, representing approximately 40 per cent of the original workforce, were lost in the three years prior to the auction. . . . And Sunrise TV obtained a licence with a promise of 134 jobs, instead of TV AM with its 400 jobs and whose most prominent casualty is Carol Thatcher, a victim of her mother’s broadcasting policy (Thomass, 1994: 35).

It should be pointed out, though, that TV-AM was, to some extent, the architect of its own misfortune. The renewal of the ITV licenses — and the first opportunity to witness the results of the auctioning process — took place in 1992. Four years earlier, during a labour dispute between TV-AM and
its technical employees, the company imposed a lockout. One observer (Crisell, 1997) cites the TV-AM lockout as a central factor in the subsequent destruction of the bargaining power of the UK’s broadcasting unions. An unintended consequence of Mrs. Thatcher’s auctioning of the ITV franchises was the loss of employment for her daughter. With a sense of bitter irony, when the Prime Minister learned of the fate of TV-AM and her daughter, according to Crisell (1994: 237), Mrs. Thatcher sent the company, “... a letter of sympathy ... deploiring the result of a franchising system which her own government had introduced.”

When the factors affecting production intersect with the audience’s consumption of such products, a clear example emerges of the sort of market failure that can arise when an audience which has become accustomed to high quality, public service broadcasting, such as investigative public affairs programming, is then exposed to a steady diet of cheaply-produced, mass appeal entertainment that has been produced in strict accordance with commercial criteria. After all, the rationale for public service broadcasting in the first place was to provide the quality and variety of programming which would be unlikely to be considered profitable by commercial broadcasters. If the recent experience of the BBC is any indication, comprehension of the value and purpose of public service broadcasting by policy-makers appears to have regressed rather than evolved, over the past two decades. Graham & Davies remark that the economic imperative of private broadcasters produces a downward, cyclical effect, on both program standards and audience expectations:

The possibility of a purely commercial broadcasting market failing to provide what individuals in society ultimately want is still more worrying when the interaction of the production with consumption is considered. It has been suggested above that in a pure market system consumers will fragment more than they really wish, will buy less good programmes than is collectively desirable and that individual consumers may under-invest in their own long-term development because the beneficial effects are only recognizable in retrospect. It has also been argued that private-sector broadcasters are likely to take too short a view, under-investing in training and in the production of good programmes (1997: 22-23).

In the immediate aftermath of the introduction of the 1990 Broadcasting Act, and the atmosphere of confusion and competition that it wrought, all the major players in the British broadcasting system underwent an involuntary re-definition of their corporate missions and raison d’êtres. For its part, although it had been spared of much of the realignment that had befallen ITV (Channel 3), the BBC was fully aware that it could not afford to become too complacent because its Charter would be up for renewal in 1996 and there was no certainty that the government in power at that time would be any more sympathetic to the
Corporation’s public service philosophy than Mrs. Thatcher’s. As a result, the Corporation’s management decided that, rather than have a new role forced upon it — as had been the case at ITV — it was better off to ensure that it retained a certain measure of control over its own destiny by narrowing its focus and establishing a programming niche for itself. Since its news and public affairs programming had earned a well-deserved reputation for professionalism and integrity, newly-appointed BBC Director-General, John Birt, instructed the Corporation to intensify its focus on this area, as this genre of programming appeared to hold the greatest promise for the BBC being able to demonstrate its continued value to the British government and audience. In fact, the Corporation even set up a separate News and Current Affairs Directorate which combined the news gathering resources of the BBC’s television and radio services, something that had never before been considered. On the surface, this streamlining and ‘synergy’ appeared to make good business sense; however, part of the BBC’s problem lay in its solution. In other words, the fact that Birt’s agenda was efficient from a commercial perspective provoked a great deal of animosity from old-guard BBC journalists who cherished the Corporation’s historical insulation from market forces. In their opinion, Birt’s new philosophy was a capitulation to the government’s plan of deregulation of the industry as a whole, and an abandonment of the BBC’s journalistic ethics and public service tradition. McNair (1994:86, 95) notes that, after 1991:

The design and format of main news bulletins were changed in an effort to characterise — or brand — the BBC’s output as more ‘serious’ than ITN’s, while at the same time retaining its popularity and building audience share . . . Increased emphasis was placed on popularity . . . In terms of ratings ‘Birtian’ journalism certainly appeared to make a positive impact on the British viewing public.

To many at the BBC, the contradiction between the two objectives (seriousness and popularity) were so insurmountable that rather than being able to accomplish either, the Corporation would likely lose the respect that its news service had gained among the British public and its commercial competitors alike. Channel 3 (ITV) on the other hand, did not even attempt to reconcile the two conflicting objectives of providing ‘serious’ journalism in its news division (ITN) and achieving popularity with the audience. Its news service — a non-profit, cooperative venture that had been funded from the revenues of the fifteen ITV companies, but which was operated under the supervision of the former regulator IBA — had always prided itself on being less ‘starchy’ and more ‘user-friendly’ than its BBC counterpart. The fact that ITN had been operated as a non-profit service sheltered it, to some extent, from the economic pressures which tended to
trivialize the news offerings of the major American commercial networks. In the past, ITN’s and the BBC’s respective approaches to delivering the news were distinguished by ITN’s ‘human-interest-oriented’ style versus the BBC’s ‘mission to explain’ (McNair, 1994: 94). The Thatcher-inspired deregulation of British broadcasting resulted, at both major news services, in a greater emphasis on ‘event-driven’ news (see Chapter Two) and ‘infotainment’. McNair (1994: 92-93) posits that:

The main consequence of the Broadcasting Act for ITN was greatly to increase the competitive pressures on the organization: to transform it from the ‘cost-centre’ which it had been for thirty-five years into a profit-making business . . . With the broadcasting reforms, however, ITN’s position as the nominated provider of news to C3 (ITV) was no longer guaranteed, but would be contingent on its ability to deliver the regional companies with an affordable, high quality but most of all popular news service.

The emphasis on ‘global competition’ and the need for domestic companies to be ‘stay ahead of the competition’ has been a prominent feature of the rise of neo-liberal ideology in the UK since the late 1970s. As a consequence of this shift in priorities among British authorities, a central feature of a democratic media environment — diversity of ownership and, hopefully, diversity of political perspectives — has been sacrificed for the need to encourage the development of domestic media companies that are large enough to compete with the huge conglomerates that dominate the international mass media. Concerns by regulators with issues such as cross-media ownership and concentration of ownership in any particular media sector have been replaced with a fixation on fostering ‘national champions’ (Webster, 1996: 162). The most recent British Broadcasting Act was passed in 1996, and there is little doubt as to the primary message sent by this legislation to Britain’s broadcasting organizations. Crisell (1997: 238) writes that:

An important aim of the 1996 Broadcasting Act was to allow the emergence of British commercial broadcasters big enough to hold their own in the international media market. To this end, companies were no longer restricted to major shareholdings in just two ITV licenses but subject to the more flexible limit of a 15 per cent share of the total audience.

An example of the susceptibility of politicians of any particular political persuasion to the charms of ‘big media’ is provided by the surprising level of congeniality displayed toward media mogul Rupert Murdoch by Britain’s present Prime Minister Tony Blair. Of the UK’s two main political parties — Conservative and Labour — the latter has shown much more trepidation about giving the impression that it had close ties with powerful members of the business community. In broadcasting, as in other policy areas, however, Blair has moved the Labour Party substantially closer to the centre-right of the ideological
spectrum. Evidence to support this new 'pragmatism', some might argue that it constitutes a compromise of Labour's traditional principles, was given by the relationship that has been established between the Australian-turned-American citizen, Murdoch, and Mr. Blair. Murdoch's right-wing views did not deter him from switching his political allegiance from the Conservative Party to the traditionally social democratic Labour Party in 1997. He deliberately preyed on the nationalist tendencies of Blair, to persuade him that the best interests of the British public would be served by strengthening the financial position of British-based media corporations. Essentially, Murdoch's flirtations with British political parties of various stripes serve as reinforcement of the notion the "global capital owes loyalty to nothing other than global capital". Murdoch's relations with recent British prime ministers also serve as testament to the truism that the mixture of finances and politics, indeed, "makes for strange bedfellows". Hackett and Zhao reveal the unpredictability of Murdoch's political orientation:

Murdoch has long used such unprecedented power to make and break British politicians. Even by the overtly partisan standards of the British press, his papers gave glowing coverage to Margaret Thatcher . . . and correspondingly hostile headlines to the peace movement, trade unions, progressive social programs, and the Labour opposition . . . More recently, though, in an attempt to pressure the government to kill a bill that would limit cross-media ownership, Murdoch turned against Major and began to court Labour Party leader Tony Blair. After Murdoch and Blair, the most conservative Labour leader in decades, talked things over at an Australian island resort in July 1995, Blair began writing opinion pieces for Murdoch's papers (1998: 179).

As for the third partner in the UK's conventional broadcasting system, Channel 4, and the effect that changes which have taken place since the 1980s have had on it, two significant developments have been noticed. As of 1992, Channel 4 has been required to sell advertising to audiences directly. Since then, there has been an increase in imported (specifically American) light-entertainment programming on the channel. Naturally, this has meant a decline in the amount of British content on the alternative broadcaster's service which, after all, was originally intended to cater for minority groups within the British population. As for what this trend might bode for Channel 4 in the future, Crisell (1994: 239) speculates that:

If it is hit hard by the growing competition — in 1996 its share of viewing was overhauled for the first time by satellite and cable and from 1997 it might be damaged by Channel 5's search for a young audience — it could either be forced further into the mainstream or try for a profitable niche in either case sacrificing several kinds of minority programming.

Moreover, because of the strong foothold that public service broadcasting occupied in Great Britain, the ascendance of the neo-liberal ideology which so seriously threatens the concepts of public welfare, public interest, and public service is particularly apparent in the UK. And, if the status of public-service
broadcasting has been so seriously jeopardized in the UK, what hope can there be that public service broadcasters in other countries that emulated the example of the BBC, but in which there have always been commercial broadcasting sectors, will fare any better than have the institutions of public-service broadcasting in Great Britain?

As for the BBC specifically, it is generally regarded as being in a fairly secure position within the UK broadcasting system, after two decades of radical restructuring. The relative prosperity that the broadcaster now enjoys, however, did not transpire without it having experienced considerable threats to its very survival. Because of the pressure placed on the Corporation by the Thatcher government in the 1980s, the BBC suffered a traumatic loss of human capital. According to Crisell, "Having shed 7,000 staff between 1986 and 1990 the Corporation has continued to make tough economies" (1997: 234). Scannell concedes that there has been some dilution of the public service principle in British broadcasting in the 1980s and 1990s, but his assessment is not as ominous as are those of commentators who areadamantly opposed to the very notion of a public broadcaster sharing the broadcasting sphere with commercial interests. He concludes that:

The current state of play in Britain is finely balanced. Those who forecast the demise of PSB have proved to be false prophets. Both the BBC and Channel 4 are in good shape, but not quite the shape they were in a decade ago. At the same time, the market has been sharply competitive, and both ITV and Channel 4 are more driven by commercial factors than they were before the 1990 Broadcasting Act. Cable and satellite services will continue to expand into more households, but not at the rate predicted in the late 1980s, when it was estimated that half of British households would be taking their services by the end of the millennium (Scannell, 1995: 39).

Despite the fact that the BBC's main services, BBC 1 and BBC 2, have retained a significant share of the overall British viewing audience (approx. 30 per cent estimated), the Corporation has nevertheless endeavoured to compensate for the loss of its once-dominant position in the British domestic market by gaining commercial revenue for the sale of its news service in the international television market. Fraser (14 June, 2000: 1) comments that:

Britain's once-venerable BBC has become a taxpayer-supported commercial media giant. The BBC doesn't actually broadcast advertising, but it generates 16% of its revenues from commercial activities - including subscription channels such as UK Gold, UK Style, UK Arena, and UK Play. The BBC is also a major purchaser of sports rights in Europe, and recently launched a commercial channel in the United States called BBC America.
To some extent, the BBC’s current stability can be attributed to a more entrepreneurial approach that has been adopted by the Corporation since the late 1980s, a central feature of which has been a dramatic expansion of its presence in the international media environment. Also, in contrast to earlier periods, the BBC has shown no trepidation towards engaging in co-productions and joint ventures with partners in the private sector. The creation of BBC’s *World Service Television News* (WSTV) in 1986 exemplifies the Corporation’s aggressive strategy aimed at using its reputation for quality journalism, which was developed in its home country, to exploit the economic opportunities that are afforded in the global media environment. The BBC’s international focus represents a dramatic shift in the Corporation’s sense of its mission, having gone from being a broadcaster which saw itself as a British institution whose primary obligation was service to the British public, to an organization which now believes that it can only fill this role if it can position itself on the leading edge of the international television news market. It should be mentioned that *World Service Television News* is operated as a distinct service from the BBC’s domestic services, and that it is run on a commercial basis as part of BBC Enterprises Company. It draws none of its operating revenue from the license fee, but from export sales to other countries, advertising, and co-ventures with private-sector partners. The re-ordering of the BBC’s priorities, from a domestic public service emphasis to an international for-profit one, was prompted by the creation of an American 24-hour, all-news satellite service, CNN. McNair (1994: 108) reports that:

> After CNN was founded and became established, the BBC began to make plans to enter the transnational TV market. Director-General Michael Checkland stated to the Home Affairs Committee of the House of Commons in January 1988 that the BBC wished to produce programmes for a world audience, using the editorial staff of the External Services, and the resource base of the News and Current Affairs Directorate, thus exploiting the strengths of both. As with radio, the television service would be in English, but comprise ‘international news, internationally ordered’.

It seems that former BBC Director-General John Birt’s plan to ‘brand’ BBC’s tradition of journalistic excellence has been accomplished, but at what cost? The Corporation built its reputation for impartiality, quality, and professionalism in its news service precisely because its public service remit and the license fee supposedly sheltered it from the vagaries of commercial competition and the obsession with popularity and ratings. The question must be posed, then, whether its new export-oriented strategy does not defeat the original purpose of the BBC as a non-profit public-service broadcaster in the first place? The BBC, it must be remembered was a byproduct, as well as a facilitator, of the consensus and compromise which were
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integral components of the post-war British welfare state. Without the presence of the socio-political contract which provided the Corporation’s philosophical foundation, can it realistically be expected to remain the paradigmatic example of a public-service broadcaster? Philo comments that:

In the end, the state and broadcasting reached a mutually acceptable compromise which exists to this day . . . The development and fine tuning of consensual ideology can be related in part to conscious policy decisions by senior bureaucrats. Consensual ideology has therefore been closely connected with the major concession of the welfare state and the nation that economic and social management can gradually modify the worst excesses of market capitalism (1995: 177-180).

Whether one wants to believe that the BBC has been a defender of the public interest, as Philo argues, or conversely of the status quo, it is difficult to dispute Philo’s contention that the BBC has both contributed to, and been shaped by, two of the chief characteristics of the post-war British welfare state: consensus and compromise. And, it might be added, that the broadcaster’s adeptness at both of these skills is precisely the reason that it has continued to not only survive, but often excel, despite the numerous challenges and obstacles with which it has been forced to contend throughout the twentieth century. The BBC was able to negotiate a compromise with the UK government which afforded it a monopoly for nearly three decades; it was able to accommodate the entrance of a commercial television competitor in the 1950s; and, it has managed to become a major exporter of its news service in the ultra-competitive global media market of the early twenty-first century. The oldest public service broadcasting organization in the world has demonstrated an remarkable amount of adaptability throughout its history.

Tracey’s (1998: 260-261) assessment of the current predicament faced by public-service broadcasters in the Anglo-American democracies, and his prognosis regarding the place of public-service broadcasting throughout the world, and in the UK specifically, is as follows:

What we are witnessing here is a version of something which characterizes — in my view defiles — much of modern life, the triumph of technique over principled, humane purpose . . . Efficiency and accountability to what end with what presumed consequence? . . . That is not to say that there is no response which the public broadcaster can make. But such response must lie in an examination of a set of questions which have long animated the sense of purpose of the public broadcasters: the relationship between the institution and the society, and in particular the things that can be done for the society. For today and tomorrow that purpose flows from the larger issue of governance in the modern world.

While Tracey’s evaluation of the present and future conditions of public service broadcasting is applicable to all of the countries included in this study, it is especially instructive to the analysis of the decline of public service broadcasting in the UK over the past three decades, precisely because its tradition
of broadcasting established by the BBC was so closely connected to the most beneficial aspects of the post-war Keynesian welfare state. In conclusion, it remains to be seen whether the Corporation can resolve some of the contradictions between its present policies and its service to the British public which, it maintains, is still its highest priority.
CHAPTER FOUR

The Struggle for Public Service Broadcasting in the United States: an Uphill Battle

In the United States, the unassailable dominance that commercial broadcasters have over the American broadcasting system today was not necessarily a foregone conclusion for American supporters of the notion that the public airwaves were a public resource that should logically be managed as an instrument to serve the public interest. Robert McChesney (1997: 7) asserts that, at the inception of radio broadcasting in the 1920s, it was not apparent to the business class that the new medium would present a lucrative avenue for the pursuit of their commercial interests. He contends that the businessmen who owned the first US radio stations thought of the new medium merely as incidental appendages to whatever their main sources of income were:

In the United States, at mid-decade, almost one third of the stations were run by nonprofit groups, and those stations operated by for-profit groups were intended to shed favourable publicity on the owner's primary enterprise, not generate profit. Indeed, the hallmark of both Canadian and U.S. broadcasting was its chaotic nature, which prevented long-term planning... With the support of the newly established Federal Radio Commission, the U.S. airwaves were effectively turned over to NBC and CBS and their advertisers... This transformation was staggering - both in scope and the speed with which it took place... U.S. commercial broadcasting sprang from nonexistence to full maturity between 1928 and 1933 (McChesney, Ibid.).

The development of radio broadcasting in the US, can be broadly divided into three phases: first, excitement and enthusiasm about the democratic and educational potential of the new medium; second, an unregulated and chaotic scramble among commercial and noncommercial organizations over control of the airwaves; third, a government-sanctioned commercial oligopoly (Engelmann, 1996: 37). Before the commercial operators grabbed the centre of the electromagnetic spectrum as well as the attention of the Federal Radio Commission, however, there were opponents to the notion that the American air waves should be handed over completely to the private-sector. This group was known as the Reformers, composed of representatives from every facet of American public life - journalists, civil libertarians, educators, and church leaders (McChesney, 1997: 9). The early U.S. Reformers lacked organization, but not conviction. Unfortunately for American opponents of commercial broadcasting, their organizational problems led to the disintegration of a movement that was no match for the powerful commercial broadcasting lobby, which by 1934 had convinced Congress to pass a Communication Act that would reduce the U.S. public service
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broadcasting movement to a position of relative obscurity on the margins of the American broadcasting system (McChesney, 1997: 7, 14).

The populist tendency in American society has long been cited as evidence of the strength of the democratic impulse in a nation theoretically less-class-divided than Great Britain (de Tocqueville, 1838). This assertion may or may not be true; however public, as opposed to commercial broadcasting gained a strong foothold among the British socio-political elite precisely because of the rigidly-defined class distinctions of that society. In contrast, because the U.S. reform movement was largely an outgrowth of the American middle-class, its members did not have the economic or political clout necessary to mount a sustained campaign against the ruling commercial class of that country. Engelmann (1996: 38) comments that, "To be sure, the public service principle behind the BBC was highly paternalistic and helped legitimate and perpetuate the old elite, but it nonetheless provided a social rationale".

Furthermore, the broad base of support claimed by the Reformers also restricted the possibility of attaining a consensus as to the appropriate structure, purpose, and nature of programming of the American broadcasting system. Paradoxically, its source of strength - its diversity - was also the cause of its dissension and eventual fragmentation as a movement (see Engelmann, 1996: 31-34). The early stage of development of the U.S. broadcasting system has been widely criticized by some observers (Day, 1995; and Cantor & Cantor, 1985), because of the non-inclusive tone of policy deliberations by a select group of private-sector interests and government officials. In contrast to their northern neighbours in Canada who held public consultations concerning the country's broadcasting system, the FCC conducted its hearings on the future of U.S. broadcasting in an environment shrouded in secrecy. Cantor & Cantor (1985: 167) claim that:

By the time the Radio Act was passed in 1927, the floodgates had opened and commercial sponsorship was entrenched. The decision about how broadcasting was to be financed had been made, not through informed discussion by policy makers or educationalists, but rather through default by business leaders interested in making profits, not in pursuing 'public service' goals.

Nevertheless, the 1920s and 1930s marked the peak of the debate about the structure of the American broadcasting system, and the closest that a public service broadcasting movement would ever get to seeing its dream realized. When President Franklin D. Roosevelt endorsed the 1934 Communications Act, with no concrete provisions pertaining to proportion of frequencies that must be allocated for noncommercial broadcasting, it spelled the ruination of a substantive public service broadcasting presence in the United
States. Roosevelt did not endorse the notion that the broadcasting system should be entirely in control of the commercial sector but, in keeping with the characteristic American preference for minimal state interference in the economic and cultural spheres, the president declined the opportunity to make educational and public service programming commitments enforceable by law. Instead, Roosevelt thought it was conceivable, indeed preferable, that public service programming be the product of a voluntary cooperative effort between non-profit educational organizations and the private sector.

U.S. advocates of public service broadcasting were dealt a serious blow when NBC reneged on its earlier pledge to devote a significant amount of the network's schedule to educational programming, once it felt assured that the threat to its commercial interests had been neutralized (Engelmann, 1996: 35). And since there were no statutes which compelled the commercial broadcasters to do so, there was little that could be done to reverse the process. After the mid-1930s, American proponents of public service broadcasting, in particular the National Association of Educational Broadcasters (NAEB), decided that the most they could possibly hope for was (entirely dependent on the benevolence of commercial broadcasters) a tiny sliver of the broadcasting system reserved for noncommercial purposes.

Following the two world wars, the United States emerged as the world's dominant economic and military power; consequently, private enterprise, perceived as the dynamic behind the United States' ascendance to a position of global leadership, became looked upon as a venerable institution, of near-religious proportions. This, in large part, explains the virtual monopoly of control that commercial interests have over all forms of mass media, as well as on public policy-makers, in the United States. Engelmann elaborates on the peculiarly American development of the broadcast media, albeit one which, in recent years, has been replicated to some extent throughout the world:

As part of the consumer revolution of the 1920s, a national advertising industry came into being. A necessity for driving the consumer revolution, advertising was hailed as integrating heterogeneous groups into a national market and way of life. . . . With the advent of modern advertising, based in part on the psychological insights gained from wartime propaganda and on the development of the science of market research, radio was an ideal means for the consumer culture to penetrate the home. Advertising would play a central role in a new economic order. In this historical context, Herbert Hoover, and subsequently the FRC, made the paradoxical ruling that commercial radio served the general public whereas noncommercial broadcasters represented special interests (Engelmann, 1996: 39).
The fact that American political leaders viewed radio as, "... an ideal means for the consumer culture to penetrate the home," is indeed remarkable, considering the American reverence for the supremacy of individual property rights. But, as noted in chapter two (see Mattelart, 1989), the U.S. courts have elevated the status of corporations to an equal, if not superior, status to that of a citizen. Considering this, it should not be surprising that broadcasting was perceived as an ideal instrument to integrate the commercial market into "consumers' " homes.

Engelmann (1996) suggests that the evolution of public broadcasting in the United States can be broadly categorized into three general phases, with each one identified by the sector which was its foremost financial and philosophical influence: first, the 'Foundation Years', primarily the Ford and Carnegie Foundations; the 'Government Years', when for better or worse, the state played a dominant role in its development and funding; and third, the 'Corporate Years', when because of an ideological shift rightward, corporate underwriting of public broadcasting become the defining characteristic of the system.

'The Foundation Years'

In a uniquely American way, political moderates who would be situated on the centre-right of the ideological continuum in most other western nations, are often denounced in the US for their 'leftist', 'liberal', and 'socialist' leanings. Even the innovator of the mass assembly line of industrial manufacturing and one of the nation's leading capitalists, Henry Ford, whose family's philanthropy played a pivotal role in the creation of an American system of public broadcasting, came under criticism from conservative extremists (see Ledbetter, 1997: 39).

Without the Ford Foundation's financial support, though, it is doubtful that even the modest amount of noncommercial programming that one can observe on American television would exist. The fact that it was an elite group that laid the foundations for public broadcasting in the United States is somewhat similar to the situation in the United Kingdom, except that in the U.S., it was the corporate establishment that stepped in to fill the breach, rather than the intellectual elite (aristocracy) and the state, as was the case in Britain. The establishment of a public broadcasting system in the U.S., largely at the behest and under the auspices of wealthy industrialists, was seen as something of a 'necessary evil'. The underlying reasoning
of American corporate provision of public services, such as broadcasting, rested on the belief of the economic-political elite that such generosity would decrease the likelihood of any challenge to the prevailing order by potential critics of capitalism.

In the case of American public broadcasting, however, judging by the content of its programs and the continuous stream of criticism from conservatives that its programming is elitist ('high brow') and liberal, it appears that the so-called 'public' broadcaster has, in fact, become a minoritarian broadcaster. To its credit, the Ford Foundation's support for public television as a means of counteracting the detrimental effect of pure entertainment programming on commercial broadcasting was admirable. However, it was this same conception that also planted the seeds of destruction for American public service broadcasting.

As stated earlier in this study, government intervention in the affairs of society and the economy may be necessary to minimize the harsher side-effects of the market on the public, but even state intervention would not be required if the decision was made not to privatize in the first place. Because of the venerable status of business in the collective American consciousness, and the comparatively minimal role played by the state, it does not seem extraordinary for the private-sector to have a substantial influence on supposedly 'public' institutions. With a degree of skepticism, McChesney suggests that the sponsorship of educational/public broadcasting in the United States by the nation's wealthy industrialists was not motivated by the altruistic instincts that its donors would have liked the American public to have believed. He writes that:

The major foundations, too, devoted their largesse to broadcasting in earnest only after the consolidation of the status quo; beginning with the Rockefeller Foundation and later with the Ford Foundation and Carnegie Corporation, these philanthropies consciously worked with industry, even when proposing nonprofit channel allocations. All the movements for nonprofit television in the 1950s and 1960s were decidedly establishment operations (McChesney, 1999: 223-224).

Day claims that the precarious fate of American public service broadcasting was a foregone conclusion because of the widespread abhorrence of anything resembling socialism and the reverence held for an 'open market' ideology among relevant U.S. government policy-makers. Thus, the philosophical rationale which provided the framework for U.S. broadcasting policy was as follows:

Confidence that enlightened private industry would serve the social needs of the nation, coupled with a not-invented-here parochialism, led the United States to reject out of hand any consideration of the form of public-service broadcasting that was commonplace in western Europe, Canada, Japan, and Australia. Public service institutions like the BBC were widely misunderstood and generally dismissed
as "state" television . . . In the bonanza that followed, the FCC imposed a loosely defined and even more loosely enforced "public interest" requirement upon those who sought entry to the new game. The rush for channels proved that the public-interest requirement was no deterrent to the entrepreneurial spirit of America's broadcasters (Day, 1996: 16-17).

The FCC's requirement that broadcast license holders uphold the "public interest, convenience and necessity", because of its inherent vagueness, was very problematic in itself (Cantor & Cantor, 1985: 169). How broadcasters chose to fulfill these obligations to the public, or whether they even did so, was left unspecified by the FCC. Even former President Herbert Hoover, when he was Deputy Secretary of State, questioned the wisdom of leaving such a valuable medium for public education and moral improvement entirely in the hands of private-sector interests. He once remarked that it was, "... inconceivable that we should allow so great a possibility of service (as radio) . . . (to become) . . . drowned in advertising chatter" (Hoover, cited in Cantor & Cantor, 1985: 167).

The potential for the patchy network of educational broadcasters to fulfill its potential as a credible public broadcasting system was also hampered by the fact that the FCC had put not-for-profit broadcasters at a definite disadvantage against commercial broadcasters because it had allotted only 11 per cent of the frequency spectrum for noncommercial television services. An unambiguous statement of purpose had also never been satisfactorily articulated by American broadcasting regulators. Day (1995: 22) describes the predicament created for educational broadcasters because of the FCC's bias toward the commercial segment of the U.S. broadcasting system:

The climax of the battle for educational reservations [by the NAEB] came in April 1952. With the issuance of the FCC's Sixth Report and Order, the educational reservations became official, and 242 channels were set aside for educational use. Eighty of the reserved channels were in the standard VHF band. The remaining 162 were in the new and largely unusable UHF band . . . The inferior channel assignments were not the new medium's only impairment. Equally handicapping was the absence of a clearly defined mission, a particular niche into which public television could be fitted among the complex of existing privately-owned, profit-driven television stations. The Sixth Report and Order gave no hint of a vision that might endow the public medium with legitimacy and relevance. Nowhere was mention made of a national public-television system such as that which existed in every other country with public-service broadcasting.

The criticism that has often been laid against state-owned institutions of public broadcasting in other countries, that they are paternalistic and elitist, has not eluded American public broadcasting either, despite, or perhaps because of, its close financial ties to private-sector philanthropists. The precursor of today's PBS and NPR was National Educational Television (NET), a Ford Foundation-sponsored coalition of educational
channels throughout the United States, which shared a minimum amount of network programming in the 1950s and early 1960s (Engelmann, 1996: 146). NET was the product of the Ford Foundation's dream of a noncommercial "fourth network", which incorporated two other nonprofit agencies known as the Fund for the Advancement of Education and the Fund for Adult Education in the early 1950s. It was not until the late 1950s and early 1960s, however, that NET really began to have any sort of impact. In fact, with the appointment of John F. White to the position of head of Programming in 1958, and the election of John F. Kennedy as U.S. President in 1960, the Ford Foundation's grip on this loose coalition of educational stations was weakened. White specifically set out to diversify NET's funding sources, with the intent of counteracting the overwhelming level of control exerted by the Foundation.

President Kennedy recognized the power of television to shape people's outlooks and, since he had campaigned on a platform dedicated to expanding Americans' horizons, it was natural that he would seek a greater degree of involvement by the state in this influential new medium. Kennedy also had close family connections to many of the influential members of the "Eastern Establishment" which, heretofore, had been the primary supporters of educational broadcasting (Engelmann, 1996: 145).

Perhaps the most dramatic gesture in favour of a national system of public broadcasting that Kennedy made was his appointment of Newton Minow, who had nothing but contempt for the "vast wasteland" of commercial television (cited in Brown, 1998: 154), to the position of Chairman of the FCC. Minow was ideologically sympathetic to the cause of public broadcasting, and signalled his intention to ensure a more level playing field for public broadcasters under his chairmanship. He arranged the transfer of a Newark, New Jersey commercial television station, WNTA, to public status in 1961. Until then, NET did not have an affiliate in New York City, the nation's centre of communications, media, and business. The conversion of WNTA's status from private to public gave the public network a foothold in this important metropolitan area. The early 1960s were thus the heyday for U.S. public broadcasting, as the Kennedy administration consciously linked the military's development of satellites to the expansion of public broadcasting. In this instance, technology was used for the benefit of public service broadcasting, rather than against it. McGeorge Bundy, President Johnson's former national-security adviser, succeeded White as the Head of Television Programming for the Ford Foundation in 1966, and hired former CBC and CBS news producer Fred Friendly as television consultant to the Foundation. Bundy and Friendly wielded considerable influence
with the Johnson administration, which they used to convince President Johnson in 1966 to endorse a proposal for a nonprofit corporation to develop a domestic satellite service (COMSAT), which would charge the three commercial broadcasters for the satellite distribution of their programs (Day, 1995: 99). Bundy and Friendly hoped that they could persuade the president that this extra income could be dispersed to public broadcasters (Engelmann, 1996: 150).

The legacy of the Ford Foundation's involvement with educational/public broadcasting in the United States has had a profound and permanent impact on the programming philosophy and structure of the system. Comstock (1991: 34) comments that:

The Ford Foundation made a grant of $10 million to create a Public Broadcasting Laboratory to produce a two-hour Sunday evening cultural offerings anthology, PBL, that would present plays, films, and comedy that departed from commercial offerings both in substance and style. The triad of the system that remains today was thus established: the Corporation for Public Broadcasting (CPB) as the policy-making overseer; the Public Broadcasting System (PBS) as the collection of stations by which programs would be disseminated; and the federal government, the great private foundations, and corporations as the major sources of support, with donations from viewers playing some role.

In spite of the protests and cries of moral outrage from conservatives directed at it for its alleged 'liberal bias' and 'unpatriotic tone', NET (and later PBS) nonetheless managed to become a full-fledged national public broadcaster in 1967, when Congress passed the Public Broadcasting Act. With the passage of the 1967 Public broadcasting Act, the government-supported, noncommercial component of the American broadcasting system was transformed from a strictly "educational" service to a thoroughly "public" one, intended to provide programming consisting of, "... all that is of human interest and importance which is not at the moment appropriate or available for support by advertising" (cited in Kellner, 1990: 201).

Regardless, the provocative style of a considerable number of NET programs drew the ire of its political opponents, as well as its main corporate patrons: the Carnegie and Ford Foundations. The legacy of groundbreaking programming, particularly for children, continues to this day. The popular and highly-acclaimed children's program, Mr. Rogers' Neighborhood, began on a NET local affiliate, WQED Pittsburgh, in 1968 (Stewart, 1999: 100).

Another NET milestone that has left its mark on U.S. commercial and public broadcasters alike is the extent of programming which featured realistic portrayals of minority groups. Because of deeply-entrenched prejudices in the collective popular consciousness of the white majority population, combined
with the fact that advertisers on commercial networks at that point did not consider non-whites a desirable demographic group or lucrative market for their products, American television, until the 1960s, was disproportionately middle-class, white, male, Christian (preferably Protestant), and, of course, heterosexual. In spite of attempts by PBS to offer groundbreaking programming aimed at minority audiences -- blacks, women, Hispanics, and gays and lesbians -- it has, nonetheless, often been accused of being elitist. Comstock (1991: 35) suggests that there is some justification for this perception:

PBS audiences at any given time have been decidedly upscale, with more of those higher in socioeconomic status more likely to have sets that could receive UHF. It also has been a matter of taste; even when access was eliminated as a factor, viewing was greater by those higher in socioeconomic status; in fact, it has been the children's programs that over the past two-and-a-half decades have been responsible for a sizable share of the households in the PBS audience that have been black, Hispanic, or of lower socioeconomic status.

By targeting historically-underserved segments of the audience, NET/PBS had honoured one of the fundamental principles of true public service broadcasting: provision of programming with a universality of appeal. The leading role played by U.S. educational/public broadcasters in providing programming for minority audiences serves as a shining example of the potential of public broadcasting to promote inclusiveness and social progress, if it is adequately funded and allowed to program what its producers feel is in the public interest.

Initiating public discussion and debate with controversial, provocative, and often unpleasant program content is essential if a nation is to come to terms with the unresolved contradictions and tension which threaten the stability of a democracy. In doing so, however, the public broadcaster is likely to incur the wrath of those powerful segments of the population whose interests the established order of inequality serves most. It can possibly be argued that, in a market-dominated society such as the United States was in the 1960s (and remains so today), the very benefactors upon which public broadcasting relied — wealthy industrialist philanthropic organizations — were the same corporate interests which contributed to, and benefited from, the perpetuation of institutionalized racism in the United States. Consequently, the decision to air programs such as Black Journal and Take This Hammer ran the risk of endangering the main non-governmental source of U.S. public broadcasting's financial support at the same time that political and public sentiment seemed most disposed toward acknowledging the value of such a service.
And strike a sensitive nerve among its corporate patrons is precisely what KQED's daring documentary *Take This Hammer* (a WQED production based on the work of author James Baldwin) did in 1964, as many of San Francisco's most prominent citizens -- who also happened to be KQED Board members -- expressed reactions that ranged from indignation to overt hostility toward the audacity and ingratitude they believed the program's producers demonstrated by creating such a controversial program. Day (1995: 52) states that:

The film's message was simple and direct: racism is not confined to the Deep South, it lives everywhere, lurking even in the corners of "America's favorite city." Advance word of the film's assault on the city's good name sent shock waves through the ranks of the board's civic boosters. Without examining the evidence, they angrily dismissed Baldwin's thesis, blaming his wrongheaded conclusions on his ignorance of the city.

Ideally, the public broadcaster -- unencumbered by the financial pressures of the commercial market -- should perceive its role in a democracy as one that stimulates public dialogue on contentious issues; it should not shy away from potentially disturbing material, but should rightfully consider it its duty to influence the public agenda and social reform, rather than merely act as an impartial bystander to such events. Often, however, when the public broadcaster's social attitudes are more progressive than those of its viewing public, playing a leading role often takes a heavy political and financial toll. Such was the case with NET/PBS in the 1967, when it first aired the controversial program *Black Journal*. This program accentuated the contrast between the social environments and attitudes inhabited by the network's executives in large urban centres such as New York and San Francisco, and those of its affiliates in less racially diverse and cosmopolitan areas of the country. NET's experience with *Black Journal*. is a good illustration of the enormous difficulties associated with a public broadcaster's mission of trying to offer programming which appeals to the entire public in a society as heterogeneous and complex as the United States. Day contends that tensions arose between NET's program executives in New York and some program managers in smaller communities in the mid-West and the South, because the latter feared the response that the program might provoke among their local audiences. He notes that:

The monthly show was a modest triumph for the cause of black access, yet few if any of NET's shows stirred the wrath of the affiliates with greater frequency and fervour. The protests began early, even before the show aired ... the intensity of the stations' opposition was totally unexpected. Nor did it stop there ... *Black Journal* had them all, assaulting the sensibilities of the disingenuous who felt that "the problem" would go away if only television didn't keep harping on it, or if the blacks would only take "a more conciliatory attitude" toward whites. A small number of affiliates refused to air the
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show, fearing that it would contaminate their community with "a problem" it didn't have... NET stood by its conviction that it was a black show, produced for a predominantly black audience, and was better judged by those for whom it was intended (Day, 1995: 87-88).

In such instances as the Black Journal controversy, American public broadcasting clearly demonstrated its value towards the promotion of a participatory democracy because of its firm commitment to a program which served the interest of a neglected segment of the mass audience: African-Americans. It hardly needs mentioning that a commercial broadcasters, dependent as it is on advertising revenue, would have not been able to contemplate undertaking an endeavour which would surely defy it underlying rationale: to maximize profits through programming which attracts the largest possible audience.

'The Government Years'

Another large philanthropic organization, the Carnegie Corporation, was instrumental in taking the concept of public broadcasting in the United States to the next level, one which also marked its transition (in Engelmann's phases) from the "Foundation Years" to the "Government Years". The non-profit organization (Carnegie Corporation) funded a 1966 study on the feasibility of a national, federally-funded, public radio and television broadcasting organization. After a two-year investigation into the potential formulations of such a system, the Carnegie Commission published its recommendations in a 1967 report entitled, Public Television: A Program for Action (Ledbetter, 1997: 20). Clearly a product of its era, the Carnegie Commission Report reflected a concern for the notions of the collective good, public participation, and intellectual and moral improvement that public broadcasters, or civil servants of any stripe for that matter, in most western countries today would have difficulty espousing without appearing disingenuous.

However, such optimism and sense of purpose would soon be put to the test with the election, in 1968, of Richard Nixon. As already noted, Kennedy was an enthusiastic supporter of the concept of public broadcasting and of public service in general. His successor, Johnson, was not as ideologically sympathetic to some of the more liberal elements of public broadcasting, but he was too preoccupied with the Vietnam war and the domestic civil strife of the mid-1960s to pay much attention to what public broadcasters were doing. Nixon, however, was an altogether different story. As a Republican, Nixon was not wildly enthusiastic about the use of public funds for something that, from his perspective, was being provided quite
sufficiently by commercial broadcasters. Moreover, Nixon also believed that the ‘lefties’ at PBS had it in for him personally. PBS did not actually come into existence until 1969 (Engelmann, 1996: 164), but its parent organization and its government-appointed Board of Governors — the Corporation for Public Broadcasting (CPB) — had been created with the passage of the 1967 Broadcasting Act. But from the beginning, there was a strange assortment of often conflicting interests who felt they had an investment in the condition of American public broadcasting. The commercial broadcasters supported it because they believed it would absolve them of the obligation to fulfill any public interest commitments. Many Democrats saw it as the fruition of one element of former President Kennedy’s ‘Great Society’. The intellectual and corporate elite hoped that the new public broadcasting organization might infuse some culture in the average American of the working classes. President Johnson’s Cabinet viewed the new entity as another propaganda vehicle for the administration in the battle for public opinion over Vietnam. And radicals sought to use the broadcaster for social upheaval and defiance toward the establishment.

A recurring criticism of PBS, and for that matter, all the public broadcasting systems in this analysis, has been its inability to find a solution to the perplexing dilemma of balancing local and national programming needs. It has often been argued that the various PBS stations throughout the country are, in effect, autonomous fiefdoms, with little or no co-ordination between the various components of the system. Each takes its share of the federal government’s funding, jealously guards its territory, and contributes little of substance in return to the system as a whole. And most politicians, especially those of the Republican persuasion, were quite content to keep PBS in its incoherent and disjointed state.

Always contemptuous of the ‘radical liberals’ who ran the corporation, Republican presidents (notably Nixon and Reagan) have done everything in their power to encourage this fragmentation and lack of cohesion between the various elements that comprise PBS. Because of its early emphasis on education, PBS always had a strong local orientation in its programming focus, yet this has been accentuated by the nature of the funding process for the system. McChesney’s assertion that capitalists prefer a de-politicized public (see chapter one) seems vindicated by the approach taken toward public broadcasters by the Nixon administration. Clay T. Whitehead was Nixon’s top executive at the Office of Telecommunications Policy, and was the instrumental figure in the administration’s plan to exploit the friction between the PBS executive and local affiliates. Bullert, however, suggests that, although it put PBS under severe financial constraints,
Whitehead's political pragmatism nevertheless spared the broadcaster from total extinction, which was Nixon's original intent. He explains that:

Embracing the concept of "localism," Nixon sought to control the system he couldn't eliminate by vetoing government funding of CPB and by decentralizing the broadcasting system so that the local stations, which tended to be more conservative in outlook, could exert a conservative influence on national programming. This strategy also took the concentrated power away from the national production centers in New York and Washington, D.C., and spread it among the stations. The bill also tied federal funding to matching grants from the private sector. As Patricia Auferheide observed, "The era of balkanized public TV had begun" (Bullert, 1995: 18-19).

Tracey (1995) agrees that this tendency towards 'localism' effectively cripples the PBS in the face of neo-liberal threats to its existence, because it inhibits the possibility of the system being able to muster the sort of cohesion and consensus required to confront its accusers. He also agrees that political manipulation of its funding formula has accentuated this propensity towards parochialism on the part of PBS, but adds that the American infatuation with a bygone era where the mythical small, agrarian town was the locus of the American pioneer spirit and sense of community has also contributed to the perpetuation of this 'local' mythology. Ultimately, however, the fragmentation which results from this preoccupation with localism was intended by both business and political elites to minimize the possibility that their commercial interests, and ideological hegemony, could be in any way jeopardized by public service broadcasting (Tracey, 1995: 160).

Nixon's treatment of PBS emphasizes the fact that the reliance of a public broadcaster on government funding is, at best, a delicate proposition and a mixed blessing. While it may remove the broadcaster from some of the financial restrictions of the marketplace, the resulting vulnerability to a political executive's displeasure, because of the self-censorship and cautiousness that this induces, inevitably compromises the public broadcaster's ability to effectively discharge its obligation of public service.

The pressure on the Public Broadcasting System lessened somewhat in the mid-1970s, as other issues, such as the Watergate Crisis, preoccupied the Nixon administration's attention. Although not necessarily supportive of the institution, Nixon's replacement, Gerald Ford, did not share his predecessor's sense of personal antagonism toward the public broadcaster. This is not to say that, with Nixon's resignation,
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PBS was spared from being used for purposes of political partisanship and opportunism. Even during the Carter administration, a government that was generally supportive of public broadcasting, PBS felt the double-barrelled assault against its autonomy from political and private-sector interests. The 1980 PBS documentary, *Death of a Princess*, the true story of a Saudi Arabian princess who was executed for marrying a commoner, was a notable example of the vulnerability of PBS to political interference from powerful political interests on either side of America's ideological divide. Saudi Arabia, theoretically one of the United States' few Arab allies at the time, was not pleased with this program, nor was Mobil Oil, one of the most generous corporate underwriters of PBS programming. Day (1995: 270-271) comments that:

Although the British were the first to feel the Saudi wrath, they were not alone. Dutch and Australian broadcasters faced similar Saudi threats, but they aired the show anyway. . . . (Deputy Secretary of State) Warren Christopher forwarded the Saudi ambassador's letter to PBS president Larry Grossman. . . . Grossman interpreted the letter to be a veiled request to dump the show and rejected it. He reminded the State Department that public television believes "that a free society requires open and candid discussion of issues so that an informed public may make rational judgements" . . . In the end, the sole concession to pressure was a one-hour panel discussion among Arabs and Arabic scholars, aired at the conclusion of the docudrama. Of the countries that aired the show, the United States was the only one that felt a need to "explain" it to its audience. The act in itself makes a significant comment on the American perception of public television's responsibility.

One the one hand, Grossman's principled defense of the program served to show that commercial interest do not necessarily always supersede those of the general public in the United States; on the other, the furore that this episode inspired illustrates the fragility of an autonomous public sphere and the principle of freedom of expression in the country which proclaims to be the greatest defender of the latter tenet. However, by and large, for progressive-minded Americans, the late 1970s stood in stark contrast to the environment of intimidation enveloping PBS during the Nixon era.

In 1977, the National Task Force for Public Broadcasting embarked on a plan to democratize public broadcasting in the United States. Until then, one of the most common criticisms laid against PBS by those on the left of the American political spectrum was that its top-heavy, primarily white and male bureaucracy was not inclusive, with respect to providing programming and employment opportunities for women and visible minorities. The mobilization of these groups effected the first major policy initiative concerning the public broadcasting system since 1967, the *Public Telecommunications Financing Act* of 1978, which made it mandatory that PBS implement immediate efforts to ensure more equitable participation by these
disaffected groups in the operation of public broadcasting. From that point forward, PBS was required to comply with legislation pertaining to equal opportunity employment, the creation of a task force on participation by women and minorities, and to open up the board meetings of the CPB to the general public (Engelmann, 1996: 184).

'The Corporate Years'

At the beginning of the period of the ascendance of a neo-liberal agenda, heralded by the election of pro-market Republican President Ronald Reagan in 1980, the glory days of solid financial support for public broadcasting from the government, and the active participation of a coalition representative of the diversity of American society, came to a close. The "Corporate Years" (1980-present, as Engelmann terms this period), have been characterised by the sustained withdrawal of the U.S. government from most sectors of the public sphere, public broadcasting included.

Whereas the Kennedy administration in the early 1960s would be remembered as an instrumental force in the development of a collective and civic-minded generation, the most pronounced feature of Reagan's term in office would be the retreat of the comparatively modest welfare state that had been erected after World War II. Without belabouring the point, these two administrations were diametrically opposed, as regards their respective conceptions of democracy, the public sector, and the role of the state.

Military and economic competitiveness was stressed by the Reagan presidency, as were individual initiative, less reliance on the state, and, above all, the unleashing of the forces of unrestrained greed and materialism in the private sector. With the exception of the military, and as a support structure to the agents of 'free enterprise', state involvement was precluded in any sector of the economic or social spheres that Reagan perceived could be performed more 'efficiently' by the private-sector, and at a profit to boot!

Kellner (1990: 203) describes the effects of the Reagan agenda as it applied to public broadcasting, which, although similar in intent to that of the previous Republican president, Nixon, was motivated by substantively different reasons:

During the Reagan years, whenever a documentary or program appeared on PBS that the Right claimed had a liberal or left-wing "bias," a right-wing group was allowed to offer a rebuttal -- often at the public's expense. As liberals and radicals were allowed no such rebuttals, public broadcasting is currently serving to bolster conservative ideological hegemony. For example, the right-wing was allowed to produce (again, at the public's expense) "rebuttals" to the PBS series on Vietnam and to do a documentary on Nicaragua, but I know of no progressive rebuttal to the right-wing documentary
on the Miskito Indians in Nicaragua produced by a group affiliated with the ultrarightist Reverend Moon, nor to any other PBS program.

In many respects, Reagan's treatment of public broadcasters is reminiscent of the assault waged against the BBC and organized labour by the Thatcher government in the UK. A vibrant and vocal PBS could not be tolerated by an administration which perceived the very existence of such an institution as an anathema. The first ploy devised by the new administration to neutralize the public broadcasting system was a legislative amendment which reduced the size of the CPB's board, while retaining the number of board appointees which could be named from the same party as the president. In other words, with a smaller CPB board, the leverage of Reaganites was strengthened, as was their influence on the nature of the system's programming content. Alger (1989: 81) remarks that:

The ten members of the directing board of the Corporation for Public Broadcasting, it should be added, are appointed by the president. These can be very political appointees. For example, Sonia Landau, who was re-nominated in 1986 to serve as chairwoman of the board once headed 'Women for Reagan-Bush', and one of Nancy Reagan's former press secretary's has also been nominated to the board.

Moreover, if it appeared that economic and legislative measures were not sufficient to convince the public broadcaster to adopt a more favourable tone toward the President's policies, the Reagan administration did not dismiss the idea of employing threats of physical intimidation against PBS executives. It should be noted, however, that this form of coercion was also not a tactic exclusive to the Republican party. Bullert recalls the encounters reported to him by a former PBS vice-president of news and public affairs programming with presidential employees, which occurred during both the Carter and Reagan presidencies:

Chase (PBS V.P. of News & Public Affairs programming) saw himself walking a fine line. In 1981 or 1982, he received a visit from "two large men" who introduced themselves as "friends" of the recently elected president, Ronald Reagan. His visitors urged him to accept for national broadcast a film narrated by Charlton Heston about communism in Poland. Chase felt uncomfortable and a little intimidated by his guests. The Republicans were not the only ones to lobby PBS for programs with partisan views. He said the Democrats under Jimmy Carter did the same thing (Bullert, 1997: 19).

As is the case with the CBC, the U.S. public broadcaster has often found itself in a precarious position. Private-sector competitors resent the public broadcaster's intrusion into their main source of income - advertising revenue - while at the same time, political leaders and members of the public question the purpose of spending taxpayers' money on a broadcasting organization that is has compromised itself by accepting corporate sponsorship. The result plays into the hands of commercial broadcasters, because the
programming distinctiveness and non-commercial flavour of public services broadcasting diminishes the public and political support required for adequate levels of funding. In contrast, when public-service broadcasters stay true to their mandate by providing non-commercial programming in the public interest, even Americans support the idea of a government-funded national public broadcaster.

In short, public broadcasters such as PBS are caught in a 'double-bind': declining public and political support, and a dilution of the non-commercial character that made them distinct and valued in the first place. McChesney (1999: 251-252) comments that:

Whereas the BBC and the CBC regarded their mandate as providing a service to the entire nation, U.S. public broadcasters realized that they could only survive politically by not taking listeners or viewers away from the commercial networks. The function of the public, or educational broadcasters, then, was to provide programming that was unprofitable for the commercial broadcasters to produce. At the same time, however, politicians and government officials hostile to public broadcasting have long insisted that the public broadcasting remain within the same ideological confines as the commercial system. This encouraged U.S. public broadcasting after 1935 to emphasize elite cultural programming at the expense of generating a large following . . . In short, since 1935 public broadcasting in the United States has been in a no-win situation.

Regardless of the nature of the corporate involvement in a public broadcasting institution — whether through direct advertising, as on the CBC, or by corporate underwriting, as in the case of PBS — what is often overlooked is the plain and simple fact that neither form of commercial support would be necessary if governments in both countries invested the amount of public money that such institutions require. However, excessive dependence on funding from the state, without proper safeguards in place to protect the public broadcaster's autonomy, leaves the broadcaster susceptible to political manipulation.

The issue of corporate underwriting, and its appropriateness for a noncommercial broadcaster, has undoubtedly been the most controversial aspect of the Public Broadcasting System's operations. The first misuse of this method of funding public broadcasting was most likely during the early 1970s, when major U.S. oil companies stepped up their sponsorship of some of PBS's most high profile programs, as a way of combatting the negative publicity many of them had received during the oil crisis of that period. Some of the more prominent corporate underwriters during this period were Mobil Oil, Exxon, Arco, and Gulf; each of them seeking to defuse public antipathy by aligning itself with the more illustrious offerings of a public, noncommercial institution. (Engelmann, 1996: 192). Kellner, however, notes that generosity of corporate
sponsors did not come without a price, with respect to the American public broadcaster's integrity and independence, and that this did not escape the attention of its critics on the Left as well as the Right:

The public broadcasting system was "saved" from financial crisis by the oil corporations, which were taking in record profits from the 1973-1974 oil crisis and skyrocketing energy costs. Their support of public broadcasting enabled the oil corporations both to gain a hefty tax write-off and to buy some favorable publicity during an era when they were coming under attack by many social forces. The de facto economic control of public broadcasting by the big oil companies inspired critics to mock the "Petroleum Broadcasting System." Nevertheless, with the growing participation of other corporate sponsors who began funding programs, their influence was eventually diluted— even though corporate influence on the whole was obviously expanding (Kellner, 1990: 201).

Once the process of deregulation of the entire broadcasting system was underway in the 1980s, at the instigation of the Reagan administration, it was inevitable that PBS would see its image tarnished even further because of the undue influence of corporate underwriters. At that time, the FCC had regulations which forbade any company from underwriting a PBS program which contained content associated with an underwriter's product or service. Theoretically, this meant the pharmaceutical corporations should not underwrite a health-related program; however, by the mid-1980s, this specific abuse of FCC regulations was occurring regularly. Engelmann (1996: 190) summarizes the predicament placed on PBS by the Reagan administration:

In his first year in office, Reagan rocked public broadcasting by getting Congress to rescind $35 million of the $172 million already appropriated for public broadcasting for 1983. . . . Reagan vetoed subsequent attempts to restore the cut funds and extend long-range funding. Furthermore, the Omnibus Budget Reconciliation Act of 1981 specified how certain funds were to be disbursed.

In the name of fiscal restraint on public spending, neo-liberals target the reduction, if not outright elimination, of financial support for public broadcasting organizations. However, public opinion, even in the United States, is generally not supportive of such moves. The Reagan administration's reversal on the idea of forcing PBS to derive all of its revenue from commercial advertising was repeated by Congressional Republicans in the past decade also. McChesney (1999: 251) notes that, "Even in the United States, surveys show it to be one of the most highly regarded public expenditures. The Republicans abandoned their efforts

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4 The Temporary Commission on Alternative Financing for Public Telecommunications, with the cooperation of the FCC, conducted an 18-month pilot project aimed at increasing corporate underwriting, which, basically amounted to "limited advertising" on PBS stations in such major centres as New York, Philadelphia, Chicago, Pittsburgh, Miami, New Orleans, and Louisville, Kentucky (Pember, 1983: 228).
to ‘zero out’ federal support to public broadcasting in the mid-1990s when they realized that it was a decidedly unpopular move across the political spectrum."

The PBS programs that are most prized by large corporations are those that pertain to the activities of the financial markets, investments, and so forth, because of the audience they are perceived to attract: the affluent and upwardly-mobile. This fact, encouraged by the programming priorities of recent U.S. administrations and the FCC, has caused PBS to reorient its programming away from general interest programs produced by independent film and television producers, toward conservative and commercially-lucrative programs such as *Wall Street Week* and *The MacNeil/Lehrer Newshour*. Bullert (1997) claims that although PBS was initially intended to be an outlet for the sort of original and provocative programming that is more often the product of independent producers, but which is frequently ignored by commercial broadcasters, the disjointed and unreliable funding structure of American public broadcasting has actually had the effect of alienating the two parties from each other.

According to Bullert, the insulation from market forces which purportedly frees public broadcasters from the constraints which inhibit the creativity of program producers is, because of inadequate levels of public support, largely an illusion. While it may be largely unintentional, the reluctance of PBS executives in recent years to purchase the more provocative creations of the independent production community has contributed to the development of an atmosphere of ambivalence and suspicion in the relationship between PBS and independent producers. Thus, he contends that:

... the source of funding is critical: generally, if no funding can be found, the film will not be made. Market censorship permeates both the independent and public television worlds. ... Given the aesthetic, editorial, and economic constraints, most independents turned their backs on public television and sought venues for their work in cable, public access, and film festivals ... Many in public television appear to have forgotten this original mission ... Nevertheless, there are still people in the system (PBS), who push for programming that is not safe or bland, and independent documentary producers, and independent documentary producers, mostly working outside the system, who create it. Independent film makers and enlightened public television programmers hold the promise of the system in their hands. ... It is also about politics: the politics of funding, the politics of social change, and, ultimately, the politics of public television (Bullert, 1997: 196-198).
The experience of PBS’s prestigious *MacNeil/Lehrer Newshour* is a case in point of the destructive impact that corporate underwriting can have on the realization of public service principles. In 1988, the producers of *MacNeil/Lehrer* announced the largest ever financial commitment with corporate underwriters for a PBS program: $57 million over five years, with AT&T, PepsiCo, and the John D. and the Catharine T. MacArthur Foundation sharing the underwriting credits. *MacNeil/Lehrer*’s identification with such large corporate entities as AT&T and PepsiCo was deemed by some liberal commentators as having tempered its analysis, especially with respect to coverage of economic issues. Kellner (1990: 203) argues that:

In general, such corporate underwriting usually precludes the development of series or programs that critically present or confront corporations. For example, Du Pont provides 75 per cent of the funding for the popular series "Newton's Apple." It also produces many carcinogenic chemicals and is a major corporate polluter. . . . By providing "major funding," Du Pont is thus subtly able to encourage programming that is favourable to its interests and to ensure that producers won't bite the hand that feed it. The paucity of public investment in U.S. public television compared to that of other countries is another national scandal (comparable to the pitifully low investment made in public health).

Currently, American public service broadcasting, as embodied by the Public Broadcasting System (PBS) in television and National Public Radio (NPR), is in critical condition. In a television market as lucrative as that of the United States, the comparatively low profile of public broadcasting is indicative of the low priority assigned to it by public officials and the attendant lack of political will that would be required to bestow a level of prominence to the service on a scale comparable to other western industrialized nations. The precarious position of the public service within the wider American broadcasting system reflects the fact that the regulatory environment in that country is heavily skewed in favour of the large commercial networks. Although fully cognizant of the improbability that such policies would ever materialize in such a market-dominated society, Kellner (1990: 206) recommends several relatively simple and inexpensive measures that, if implemented, would provide PBS with a much stronger economic base:

The "spectrum use fee," whereby broadcasters would pay a tax for use of the spectrum, could also help. Another proposal would be to tax television advertising and use the proceeds to finance the public access system. A Benton Foundation publication has proposed a taxpayer check-off system, whereby taxpayers contribute a dollar a year with a check off on their tax returns. Or the United States, like England, could place a small tax on the sale of radios, television sets, video recorders, and other electronic equipment to fund public broadcasting -- although this system is more regressive than the above proposals. The best proposal, however, is to fund programming by taxing advertising and, perhaps, to supplement this money with a tax on the sale of television stations and other TV properties.

While never on solid financial or political ground since its inception in 1967, in the 1980s PBS came under increasing attack from neo-liberal, right-wing politicians. The regulatory changes put in place by
Reagan-appointed officials, such as 1980s FCC Chairman Mark Fowler, were based on a determined and deliberate strategy which aimed to released commercial broadcasters from the relatively few public interest requirements they had previously been expected to uphold. Such measures also contributed to the increase in the presence of right-wing commentators on the American airwaves during the 1980s and 1990s. Mazzocco (1994: 136-137) suggests that:

It is important to note that "the Rush Limbaugh Program," and conservative programs like it that exclude other opinions, were developed following the sweeping broadcast deregulation zealously pursued by the Reagan and Bush administrations from 1981 through 1992. Limbaugh's program, for example, might be quite different had the Reagan FCC not thrown out the 1987 Fairness Doctrine requiring stations to provide a reasonable opportunity for the discussion of opposing views on controversial issues of public importance.

This, I believe, is the crux of the matter, with regard to the deterioration of a democratic public sphere in the U.S. broadcasting system during the past two decades. When the elimination of long-standing regulations such as the Fairness Doctrine, designed to facilitate balance and reasoned discussion of important public issues, are added to other regulatory changes -- removal of the ceiling on the number of broadcasting stations under the ownership of a single commercial enterprise -- inspired by Reagan's pro-market, neoliberal agenda, they cannot but harm the quality of public debate. Ledbetter contends that, despite being subjected to consistent attacks from the American political right, public broadcasters and their supposed advocates must take a share of the blame for the near-destruction of public broadcasting in the United States, because of their reticence to confront their detractors by articulating an intelligent defence of its worth in a vibrant democracy. Ledbetter (1997: 3) remarks that:

Public broadcasting honchos protested the Limbaugh remark, claiming that Gingrich had deliberately misrepresented the role of public television and radio. Those voices, however, did not speak as loudly as that of KBDI, Denver's PBS affiliate which, a few months later, began carrying Limbaugh's television program five nights a week. Such capitulation to criticism helps explain the most perplexing aspects of the GOP's winter of withering attack on public broadcasting. Most of the liberal left - whom Gingrich and allies claimed were running the PBS/NPR show - not only declined to rally a defence for public broadcasting but actually seconded key points of the Republican critique.

The failure to defend public broadcasting raises another interesting difference between American political culture and those found in the United Kingdom, Canada, or Australia. In the latter three countries, the state and the media have often been viewed as integral parts of the nation-building project, to be able to step in to do what the private sector cannot be trusted to do. In the United States though, the public has been socialized to be wary of both the media and the government, and often treats both of them with equal
measures of adoration and contempt. Ledbetter argues that Democrats have tried to capture a share of the political high ground by sanctimoniously preying upon the puritan streak that is permanently embedded in the collective American psyche:

They (Democrats) draw on a recurring theme in American life: that the media are an entity that people, especially children, need to be protected from. Although such discussions have been most consistently and effectively manipulated by 'family values' organizations and virtue-mongering Republicans, Democrats, too, enjoy the easy route of converting moral outrage over television content into political advantage (Ledbetter, 1997: 14)

Another factor that has been manipulated by commercial broadcasters, with the assistance of courts, to further their own economic interests at the expense of the public, is the U.S. Constitution itself. The American judiciary has given undue priority to the Constitution's First Amendment — originally intended to safeguard individual rights to free speech and expression — in instances when the freedom of commercial broadcasters have come into conflict with the public's right to fair and balanced coverage of important issues. In addition, the courts' application of the First Amendment has been misplaced, with respect to commercial broadcasting owners. The principle of 'freedom of the press' was designed by the framers of the U.S. constitution to protect the public interest by sheltering the media from unwarranted interference from vested interests of either persuasion, government or business. It was not, however, intended to assist the unfettered accumulation of profits by corporate owners of the media, nor was it intended to alleviate the media outlets they owned from the obligation to respect the democratic principles of balance and objectivity in their coverage of events. Comstock (1991: 93) argues that:

It was in deference to the First Amendment that the Fairness Doctrine was never held to require strict balance, and news coverage is exempt from the Equal Time provision of the Federal Communications Act, which requires that candidates be given equal opportunities for broadcast appearances. The First Amendment consistently has been interpreted by the courts as protecting the media from government interference so that the incursions of the Fairness Doctrine and the Equal Time provision in fact have been exceptions to the general rule -- based on broadcasting's unique status as a medium where entry is limited by available spectrum space -- that themselves have been restricted in application.

It is worth noting at this point the hypocrisy demonstrated by some American neo-liberals, pertaining to the former FCC regulations of the Fairness Doctrine and the Equal Time Rule. As stated in chapter two, former CIA Director and close Reagan ally, William Casey, showed no compunction about using the Fairness Doctrine to his advantage when he felt that an ABC report had unjustly disparaged the reputation of his agency. Mazzocco (1994: 90) reports that, "In February 1985, when the FCC failed to move against ABC
for its news coverage of the CIA, Casey again asked the FCC to apply the Fairness Doctrine penalties to ABC." The irony here is that U.S. conservatives, such as Casey, clearly had no regrets about distorting the underlying intent of the Fairness Doctrine to suit their own convenience when they found 'liberal' media coverage to be objectionable, but supported Reagan's decision to request the FCC to discard this same principle because it hindered the exploitation of the public airwaves by huge commercial broadcasting networks that were sympathetic to Reagan's deregulation of the public sector.

The argument that both PBS and CBC have lost focus on their mission to serve the interest of the entire public is evident from the extent to which the corporate mentality has lodged itself even in so-called 'public service' broadcasters. By focusing so much on the money markets, these organizations seem to have forgotten the public service principle (see chapter one) that they should endeavour to offer programming with a universality of appeal. Public broadcasters should not feel obliged to emphasize programming targeted at the most affluent members of society, when similar fare is available on the infinite number of Pay-TV and subscription services that abound today. As for the pro-business orientation of PBS in recent decades, Bullert (1997: 193) argues that:

The number of financial programs addressing the interests of stockholders and upper-income Americans far exceeds the few, single documentaries about the travails of working people that appear occasionally on public television, usually around Labor Day or on The American Experience. Wall Street Week is just one of several business talk shows underwritten by major corporations... While major corporations support several national talk shows that offer viewers a business or conservative perspective, the lone public affairs program from a liberal-left perspective, The Kwitny Report, was cancelled after it failed to attract adequate funding. Rights and Wrongs, a series on human rights hosted by Charlayne Hunter-Gault of The MacNeil/Lehrer Newshour, had funding but was rejected by PBS because "human rights is not a sufficient organizing principle for a television series." In addition, PBS underwriting guidelines prohibit labor unions from underwriting programs with a decidedly labor focus.

There is some truth, though, to the criticism that the programs of PBS appeal to a rather exclusive and unrepresentative segment of the American population; however, it may be argued that this is due less to the elitist inclinations of PBS programmes than to declining financial support from government and the corresponding increase in reliance on corporate sponsorship (see Kellner, 1990: 202).

Corporate Concentration, FCC Deregulation and U.S. Public Broadcasting
Since the 1980s, and growing exponentially in the 1990s, the communications sector, broadcasting included, has been the site of increased corporate investment. This period has also witnessed the increased consolidation of commercial media under the control of a relatively small number of huge transnational conglomerates. As the focal point and birthplace of the neo-liberal *laissez-faire* mentality, the United States has been the centre of most such activity. Following Schiller (1996, cited in chapter one), technological innovation may have played a supporting role in the growth of private-sector corporate control over the means of public communication; however, the prime agents of this process have undeniably been national governments in convergence with transnational corporate interests. Essentially, critics of media concentration are concerned by what this trend signifies for the deterioration of the presence of the state in society and the economy, and for democracy in general.

Prior to the mid-1980s, the Federal Communications Commission (FCC) enforced a limit on the number of radio and television outlets in any given area that one owner could possess. The logic for such a restriction on the free operation of market forces in broadcasting was based on an assumption that ownership diversity would enable a broad spectrum of political perspectives to emerge in the media. Although evidence supporting such a premise is questionable, in the pre-Reagan era, the FCC at least attempted to place certain public interest requirements upon commercial broadcasters. Schiller (1996: 261) notes how dramatically rules pertaining to cross-media ownership and concentration have been altered since the 1980s:

Indicative of the changing climate, these limits on individual holdings were raised in 1985 - the Reagan Years - to 12 stations of each type. Not long after, the limits were further extended to 21 stations. If the proposed Telecommunications Reform [sic] Act of 1995 is passed (it was-my emphasis), all restrictions on the size of media holdings will be removed. The acceptance of almost unrestricted media concentration is first and foremost a political decision made at the insistence of an increasingly audacious corporate interest. . . . Another example of the display of corporate power, in which the convergence factor is nearly non-existent, is the unprecedented sale of chunks of the radio spectrum - once regarded as an inalienable public resource - to private capital. . . . In March 1995, the Government concluded its auction of a part of the spectrum, thereby ending public accountability for a vital communication resource.

The ‘chunk’ of the radio spectrum to which Schiller refers was purchased for $7 billion by a consortium of cable and telecommunications giants comprised of Sprint, AT&T, three regional Bell companies, and three of the United States’ largest cable companies. Ronald Reagan’s close associate, Newt Gingrich, was at the front of this corporate sell-off of the U.S. communications infrastructure, because *The
Progress and Freedom Foundation, a neo-liberal organization with which the Republican House Leader was affiliated, was at the time calling for the outright abolition of the FCC (Schiller, 1996: 262). Schiller also describes how the Reagan administration's deregulation of the U.S. broadcasting system effectively transferred ownership of technology which had been subsidized by American taxpayers for the expressed purpose of being used by a public institution (the military) into the hands of the private sector. He remarks that:

Grown remarkably over the last half-century on the strength of America's industrial pre-eminence after World War II and continuing astronomical military expenditures during the Cold War decades, this corporate order has also, not surprisingly, developed a powerful political capability. It is this capability and its utilisation that accounts for the dramatic conservative shift of American politics in recent years and its strident insistence on deregulation of the economic sphere, with market forces alone in control. . . . The present condition can be stated quite simply. What does it mean to allow the formative elements of public consciousness to be in the hands of a tiny number of private image and message factories? (Schiller, 1996: 263).

Monroe Price and Jonathan Weinberg (1996: 267) suggest that regulation of broadcasting in the United States has traditionally been predicated on two assumptions; the second one flowing from the first. The first assumption was based on the dubious premise which postulated that, if diversity of ownership by commercial broadcasters of the public airwaves was maintained, a corresponding diversity of views would prevail. The second assumption of the federal regulator was that the owner of the means of transmission—the broadcaster—should be entitled to have input into the type of programming being transmitted to the public. These commentators claim that:

The second assumption derives from the central role of private autonomy, and property rights, in United States constitutional thinking. A fundamental theme of United States free-speech philosophy has been the government's role in the market-place of ideas is presumptively limited to the enforcement of property rights in communications resources, and other common-law support for private ordering. A crucial role of free speech, the theory runs, is to serve as a check on overreaching government. Free speech is best protected from government interference, and is best able to fulfil that role, when the private owner of communications resources controls their use (Price & Weinberg, 1996: 267).

Although generally supportive of the stated intent of FCC cross-media restrictions, Price & Weinberg are skeptical that such policies have had the effect imagined by the FCC. Specifically, they doubt that a causal relationship exists between diversified ownership in the United States' media and the anticipated democratic exchange of information, arguing that the FCC's faith in the capacity of the market to promote diversity of political opinion is unsubstantiated by evidence. They counter that the strength of the
commercial logic of American mass media industries pushes voices that dissent from the dominant ethos of a capitalist society to the periphery of the U.S. broadcasting system:

In broadcast television, where the numbers of speakers in each local market have been few and each licensee has sought to attract the lowest common-denominator mass market, broadcast offerings have been largely homogeneous notwithstanding the Commission's diversity efforts. . . . Broadcast television licensees, no matter how diverse, tend to choose their programming with an eye to maximizing audiences and advertising revenues. In radio, the market is more segmented, but the likelihood is still small that any speaker speaks with a generally distinctive voice. . . . there has not been a convincing showing that, where a broadcast owner is interested in maximizing profit, the nature of the speech varies substantially with the nature of the owner (Price & Weinberg, 1996: 272-273).

Price and Weinberg share the view of Schiller and Engelmann that the prevailing mentality among politicians and regulators which allowed for the development of a public broadcasting system, and certain public interest requirements of all broadcasters, in the 1960s and 1970s has disappeared. Their assessment could be equally applied, however, to the approach adopted by all regulatory authorities in each country analyzed in this study. To the extent that there are differences among the policies of deregulation and the pro-market philosophies which emphasize 'competition' as a panacea for the nation's economic problems, they are variations in degree, not in substance.

Deregulation, or rather, re-regulation according to the dictates of the market, is at its most advanced stage in the United States purely because that country has long been the most laissez-faire of western democratic nations to begin with. Price and Weinberg state that, at the time of their book's publication (1996), the proposed 1996 Telecommunications Act offered the last, although highly improbable, chance for the state to intervene on behalf of the public interest in an American broadcasting system that has increasingly become the near-exclusive terrain of the private-sector, but they were skeptical of President Clinton's commitment to oppose the more extreme deregulatory proposals. They argue that:

Over the last 20 years, a fervour for the workings of the market has overtaken a commitment to federal intervention. Aside from regulation of sexually explicit speech (where intrusive regulation is increasingly in vogue), policy makers now impose a far heavier burden of proof on those who would justify regulatory controls. The FCC has so favoured deregulation that none of the traditional restrictions, including those on cross-ownership, have seemed secure. The idea that there should be special efforts to encourage minority voices in the media is now relegated to the dustbin of history. Worries that no media company should be too large have given way to ideas that being big is important (Price & Weinberg, 1996: 278).

Two issues stand out from Price and Weinberg's assessment: first, that the forces of conservative Christianity and neo-liberal market capitalism, at least in the United States, work in conjunction with each
other. The excesses of greed and the commercial exploitation of children’s desires, both common in American commercial television, are just fine, but any references to sexuality or non-commercial ‘anti-family’ human behaviour are forbidden; and second, the ‘national champion’ thesis, first mentioned in this study by Webster, seems common to all national broadcasting regulators these days.

The timidity exhibited by PBS programmers — as a pre-emptive measure against the political opposition of corporate sponsors, Republican politicians, or conservative local stations — is a betrayal of its public service mission. Local affiliates of PBS are not obliged to air programs offered by executives at the system’s head office in Washington, D.C. PBS is an association of individual stations, rather than a ‘network’ in the conventional sense. The Carnegie Commission recommended the creation of a public broadcasting system that would act as a, "... forum for controversy and debate ... a voice for groups in the community that would otherwise be unheard ... to see America whole, in all its diversity" (cited in Citizens for Independent Public Broadcasting Press Release, 2000: 1), but this goal has not been realized.

In earlier decades, PBS showed its mettle as a legitimate public service broadcaster when, in the face of opposition pressure, it stood behind its decisions to air avant-garde programs such as Take This Hammer and Death of a Princess; in recent times, though, the resolve of PBS executives has appeared much less firm. Aufderheide (1991: 1) reports that, at the same time that PBS announced its plans to conduct joint coverage with NBC of the 1992 Republican and Democratic national conventions, it failed to stand by two other potentially volatile programs for fear of possible reprisals from powerful interests:

This past July, public TV’s P.O.V. ["point of view"] aired Marlon Riggs’s Tongues Untied. But eighteen of the Public Broadcasting Service stations in the top fifty markets refused to run the video poem on African-American gay identity. Too risky. In August, before there was even a whiff of controversy, PBS yanked another scheduled P.O.V. film, Stop the Church, which documents AIDS activists’ disruption of a mass led by John O’Connor. Way too risky ... The John & Mary Markle Foundation had pledged $5 million for 1992 electoral coverage — a chance to break out of sound-bite-driven campaigns — if PBS could come up with something new and convince stations to carry the programs. After more than a year had passed and $400,000 had been spent, Lloyd N. Morrisett, the foundation’s president, withdrew the offer in despair. PBS had never even gotten stations to air the programs ... because of an unwillingness to commit that level of time to something they felt would not generate as much revenue and support as their other programming.

Corporate underwriting may appear to PBS executives to be an acceptable means of compensating for declining government subsidies; however, there is the potential for a backlash resulting from such
alliances with private-sector firms. An American advocacy group for public broadcasting, *Citizens for Independent Public Broadcasting* (CIPB), warns that:

While increasing commercialism might serve the bottom line (if not mission) of a few stations, it threatens the survival of small market and state-owned stations. A 1995 Lehman Brothers study for the Corporation for Public Broadcasting concluded that more advertising would cause subscriber contributions and federal appropriations to decline, resulting in a "net loss" for public television. A 1998 study by Audience Research Associates found that 44 per cent of public radio's audience would cut back on their contributions if business underwriting spots increased (CIPB, 2000: 1).

It has been reiterated at various points throughout this analysis that the current crisis facing public broadcasting systems the world over has been caused by a lack of imagination and political will, rather than because of economic pressures. Essentially, it comes down to a matter of priorities; specifically, whether a democratic public sphere in broadcasting warrants the support of the public and its political representatives. There are alternative ways in which public broadcasting organizations could be structured and funded that would reduce their vulnerability to changing ideologies and policy preferences of national governments. The members of CIPB stated that:

At present the U.S. enjoys a $1 to $2 trillion budget surplus. Just one to two per cent of the surplus ($20 billion), invested at five per cent interest, would provide $1 billion a year to fund public broadcasting programming in perpetuity. With voter ignorance high and participation at an all-time low, what a wonderful investment in our democracy that would be. This makes it very clear that the main obstacle to this reform is not lack of funds, but lack of political vision (2000: 2).

The obstacles facing public service broadcasting and its supporters in the United States are not insurmountable, but to overcome them requires the American people to reclaim their right to have the means of public communication used in the public's interest, not strictly those of the corporate sector. In a society where the neo-liberal ideology finds such a hospitable home, this appears to be a daunting task. But, if Americans seriously desire to have the genuine democracy they so proudly claim to have, they must demand from their political leaders a broadcasting public sphere in which the debates that are necessary for a nation to come to terms with its shortcomings and dysfunctions can be held without the incessant messages of consumerism that prevail in commercial broadcasting.
CHAPTER FIVE

Australia’s ‘Mixed Broadcasting System: the Southern Hemisphere Equivalent of Canada?'

Historical Evolution of Australian Broadcasting: 1920s-1950s

Like Canada and Great Britain, since 1932 Australia has had a publicly-owned national broadcaster, the Australian Broadcasting Corporation, originally established on the Reithian BBC model. Between 1932 and 1949, the Australian broadcasting environment was dominated by a contest between those who saw broadcasting as a public trust inappropriate for commercial exploitation and those who espoused a free market system. However, since the advent of television in the 1950s, the economic interests of commercial broadcasters have generally superseded those associated with public-service judging by the decisions of Australian broadcasting authorities. Also like Canada, commercial broadcasting preceded public broadcasting in Australia by nine years, as privately-owned commercial radio stations had been in existence since 1923. The passage of the Australian Broadcasting Commission Act in 1932 created the Australian Broadcasting Commission, subsequently renamed the Australian Broadcasting Corporation in 1983. Richard Harding (1985: 241) remarks that, "The ABC . . . had been founded as an antipodean BBC — its programmes imperial in their focus and its accents British in their timbre." Unlike its British counterpart, however, the ABC did not enjoy the legal protection accorded to the BBC because of its Royal Charter; instead, the ABC assumed the form of a statutory authority (Etzioni-Halevy, 1987: 15). Because of its implications for the autonomy of the Australian public broadcaster, this distinction would be the cause of many confrontations in future years between the ABC and various Australian administrations.

Initially, the ABC fell under the jurisdiction of the Postmaster-General. The Australian federal government has always possessed paramount jurisdiction over broadcasting policy, because of the powers granted to it under 51, subsection xxxix of the Australian Constitution. In its 1932 decision of the case, In Re Regulation and Control of Radio Communication in Canada, the United Kingdom's Judicial Committee of the Privy Council held that, since the electromagnetic airwaves through which radio signals were
transmitted were not affected by provincial boundaries, the jurisdiction over broadcasting matters rightfully belonged with the federal government of Canada. Australian politicians agreed and within months of the handing down of the Judicial Committee’s decision, they had created the ABC. It their minds it was to be a tool for nation building.

While each Australian state had been both loyal and accountable to the imperial government in London, the vast distance which separate them from each other meant that there was little contact between the states of Victoria and Queensland, for example. As a result, in some respects, the Australian states have evolved along different paths. Mark Armstrong (1996: 4) suggests that, "The colonies had incompatible railway gauges and some even had incompatible telegraph codes, which required border stations staffed by clerks who had to convert each inter-colony telegraph message . . . One of the main purposes of Federation was in fact to marshal the resources to extend a uniform telecommunications system across the continent."

Australia’s broadcasting system has always been a mixture of public and private elements, distinguished by government classification and regulation according to two tiers: a publicly-owned National Service, and a private-sector Commercial Service (Grainger, 1999: 10). Before the advent of public service broadcasting in Australia, the Commonwealth government had already conceded the right of a private commercial corporation, the Amalgamated Wireless Company of Australia, to operate a two-tiered system of radio broadcasting (Breen, 1995: 121). From early on, Australians received two differentiated, user-pay levels of radio services, according to whether they purchased 'A' or 'B' level licences. The public service principle of universality of access to a national broadcasting service was not to be realized until the creation of the Australian Broadcasting Corporation (ABC) in 1932.

Three themes which have characterized relations between the Australian state and business sectors emerged during the formative stage of broadcasting in the 1920s: first, in allowing itself to follow the lead set by commercial interests, the government compromised the universality of access to broadcasting for Australian citizens; second, its reactive posture to market-led regulatory initiatives established a precedent that would be difficult to reverse; and third, it introduced the idea that a degree of self-regulation of a public resource by private interests was legitimate, indeed desirable. In addition to these three factors, the most dominant characteristic of the evolution of broadcasting in Australia has been the constant tension between
three competing visions of the proper purpose of the medium. First, the federal government and the élites of Sydney and Melbourne envisioned broadcasting as an ideal instrument for the objective of nation-building; second, Australians in peripheral regions of the country believed that the electronic media should be more attuned to the needs and particularities of life in the various local communities beyond the major metropolitan centres; and third, commercial entrepreneurs, whose desire for profit left little room for consideration of either of the first two purposes.

The growing influence of Australia's private-sector broadcasting lobby was recognized, however, in 1942, when the federal government passed the *Australian Broadcasting Act*, which paved the way for the division of regulatory authority of Australia's dual (private and public) broadcasting system between two different authorities. In 1948, the Australian Broadcasting Control Board (ABCB) was created to oversee the commercial broadcasting sector, while the Postmaster-General was the ABC's link with Parliament. The ABCB's role, however, was a largely symbolic one, acting mainly as an advisor to the government of the day, which held the ultimate power regarding the transfer, renewal, and approval of licences for commercial broadcasters (Harding, 1985: 238).

In Australia, the public broadcasting sector is termed 'national'. Initially, the commercial sector was primarily local in nature. Policy planners viewed the airwaves as a public resource, as an instrument ideally suited to the project of nation-building and saw to it that from 1946 onward, the ABC broadcast parliamentary proceedings. Harding (1985: 239) comments that, "Nevertheless, it was an important symbol of the growing awareness that Australia as a nation should be presented to the population via the national broadcaster: broadcasting was seen as a useful tool for nation-building purposes."

Australia's public broadcaster has been particularly vulnerable to the shifting political predispositions of the party in power: the pro-market Liberal Party, and the social democratic Labor Party. By the time television had arrived in the southern continent, Liberal Prime Minister Robert Menzies demonstrated his preference for allowing the new medium to be viewed as a commodity, open to the exploitation for profit by Australia's already-established newspaper moguls. Menzies' pro-market bias was evident in his government's decision to allow the continuation of the dual system and the number of commercial television stations to outnumber the number of ABC outlets. The Australian usage of the term 'public broadcasting'
differs from its British and North American counterparts; in Australia, 'public' refers to community-owned and funded radio stations, not state-owned and supported.

The Arrival of Television and the Growth of the Commercial Sector

In 1956, television broadcasting was introduced into the mixed public-private system of ownership; however, Australian authorities left little doubt as to whose interests should prevail. The 1954 Royal Commission on Television strongly advised the government that the public interest, with respect to the regulation of program content, must always supersede those of commercial owners. The Commission stated that the ABCB should conduct its oversight of Australia's television environment with a firm hand, "in order to provide not only for the entertainment and enjoyment of viewers, but also for their education and enlightenment. The use of this new medium of communication must, in our views be regarded, by commercial as well as national stations, as in the nature of a public trust for the benefit of all members of society" (ABCB, cited in Grainger, 1999: 23). Networks, as conceived of in North America, had never as such existed in Australia, because of a requirement that local stations must be under the ownership of local owners. This fact, combined with the regulation which limited the number stations one owner could control to one in each state, effectively limited the development of national networks. Nonetheless, other factors limited the ABC's potential to attract a national audience on a scale comparable to its commercial competitors. Harding (1985: 240) describes the situation thus:

In more detail, the pattern to be adopted was that the ABC should have no more than one station in each capital city and should have the primary initial responsibility for covering the unprofitable country areas, whereas there would be no less than two commercial licences for each capital city. By the 1970s this had become three in all mainland capitals except Perth. The arrangement doomed the ABC as a tastemaker. The contrast with the BBC's position in the U.K. is, of course, obvious and sharp.

Concentration of ownership and cross ownership among different media sectors have been a subjects of greater consternation for many Australians who believe that their effects are antithetical to a properly-functioning democratic public sphere than has been the case in the other Anglo-American democracies in this study (Jacka & Johnson, 1998: 209). Nevertheless, both of the ABA's predecessors, the Australian Broadcasting Control Board (ABCB) and the Australian Broadcasting Tribunal (ABT), were strongly
influenced by the same countries which have most profoundly impacted Canada's broadcasting policy over the years, the United Kingdom and the United States. Breen claims that:

The Broadcasting and Television Act (1956) sought to bring the best elements of the U.S. and British systems to Australians, with a raft of television-related clauses appended to the Act, which changed its name to reflect the introduction of television. However, it was flawed by its emphasis on the recognized strengths of the U.S. approach with a strong advertising base. Inevitably, television in Australia had a commercial orientation, where public interest was secondary, save only for the regulatory structures which were managed by the ABCB and, from 1977, the Australian Broadcasting Tribunal (ABT) (1995: 123).

The fortunes of the ABC and Australia's commercial broadcasters have fluctuated alternatively, depending on the political persuasion of the party in office. The conservative-leaning Liberal Party was ideologically disposed toward implementing broadcasting policies which favoured the commercial segment of the system, while the Labor Party was thought to be a supporter of public broadcasting. Unfortunately for the ABC, the Liberal Party held power in Canberra for much of the first two decades of television's presence in Australia. It was not until the Labour Party, under Prime Minister Gough Whitlam returned to power in 1972 that the public broadcaster had some cause for optimism. During the 1960s and the latter half of the 1970s, the ABC found itself further marginalized by private broadcasters and an antagonistic government.

By virtue of their raison d'être (profit), Australian commercial broadcasters in the 1950s and 1960s relied heavily on imported American television programs, as the domestic variety were considered both too costly to produce, and of inferior quality to that which came from the U.S. This spectre raised the hackles of Australian nationalists who feared that the uniqueness of their national culture would gradually dissolve under the weight of the influence of American popular culture (Jacka and Johnson, 1998: 212).

The commercial broadcasting sector grew consistently throughout the 1950s and 1960s, but the tide was stemmed for three years when Whitlam's Labor Party government was elected in 1972. Ironically, the return of Labor — and the health of the ABC — would not have been guaranteed without the assistance of powerful commercial media owners such as Rupert Murdoch. Murdoch had become perturbed by some of the policies of the previous Liberal government and, consequently, instructed many of his media holdings to give the Labor Party fair, if not favourable, coverage during the 1972 Australian election campaign. The loyalty of the Australian-born magnate proved fickle, however, which inspired Whitlam to use government
resources to strengthen the relative position of the ABC and the development of 'public' FM radio stations — a third sector in the nation's broadcasting system — as defensive measured against an assault from the right-wing media in the next election in 1976 (Harding, 1985: 241).

Nonetheless, the first half of the decade of the 1970s was kind to the ABC. During its term in office (1972-1975), Whitlam's government steadily increased the ABC's annual appropriation from Parliament, which allowed the broadcaster to expand its number of employees from 6,000 in 1972, to 7,500 in 1975 (Harding, 1985: 245). During the period of the Whitlam government, the size of the ABC's budget also grew by 30 per cent (Jacka & Johnson, 1998: 214).

The political influence of the Australian commercial media, in the 1970s, as well as today, is not to be underestimated. Even the United Kingdom's Report of the Committee on the Future of Broadcasting (The Annan Report, 1977: 198) observed that, "... in Australia, newspaper interests have gained control of television stations with very sharp repercussions upon political expression and news." During Whitlam's period as Australia's prime minister, requirements for the amount of programming that must be of Australian origin was increased to 50 per cent for all broadcasters, whether commercial or public. Despite its fewer financial resources, on average, the ABC consistently produced over 10 per cent more Australian content than did commercial broadcasters (Harding, 1985: 244). Australian commercial broadcasters have long imported sizable quantities of American television programs. The reason for this is simple: to produce an Australian drama or comedy series costs approximately 10 times the cost of importing comparable programs from the United States. Nevertheless, some commentators are not so tolerant of the economic arguments provided by Australian commercial broadcasters for what cultural nationalists cite as a major contributing factor to the dilemma of the ABC. Harding (1985: 247) states that:

Of course, the issue was not simply a financial one. It was really about commercial broadcasters being willing participants in a cultural cringe which seemed to mirror and epitomise Australia's political postures of the previous twenty-five years — for example, obsequious involvement in a U.S. adventure in Vietnam. The commercial sector was thus a willing actor in the Americanisation of Australian broadcasting output. The issue was also about taking resources from a society without putting sufficient back in.

The ABC is regulated by its government-appointed Board of Governors. Between 1977 and 1992, Australian commercial broadcasters had to abide by the authority of the Australian Broadcasting Tribunal (ABT). Since 1992, with the introduction of the Broadcasting Services Act, the Australian Broadcasting
Authority (ABA), of which Gareth Grainger is Chair, has been the regulatory agency responsible for monitoring the commercial broadcasting sector (Grainger, 1999).

At 'Arm's Length'? : The Fraser Era

Over the last quarter-century, the ABC has often been the victim of political interference by Australian politicians on both sides of the political spectrum. In its efforts to provide Australian viewers with a balanced perspective on political affairs, the ABC has often borne the brunt of neo-liberals' contempt because it has, supposedly, featured public affairs programs with an anti-capitalist bent. Advantageous ownership regulations, in exchange for favourable media coverage has been a trademark of the relations between Australian Prime Ministers of either political stripe and media owners. This same notion of 'balance' was used by Liberal-National Coalition Prime Minister Malcolm Fraser in the late 1970s in his assault against Australia's national public broadcaster, the ABC. Leading up to the election of 1975, Fraser's Liberal-National coalition had been pressuring for an undue level of scrutiny into the activities of the ABC. This paid off as the election day drew closer, as the ABC's journalists displayed a notable amount of timidity in their reporting of the Liberal-National and Labor campaigns, with the result being that the coalition emerged relatively unscathed, and, subsequently, stole the election from Labor. In the opinion of Harding (1985: 249):

The order went down the line — every political programme must be balanced internally. Thus, during the most dramatic political crisis and election campaign since Federation, the ABC, the national broadcaster and the only independent information service in Australia, was neutered — which is far different from being neutral. The commercial stations and their siamese twin, the press, felt no such inhibitions. The political media traffic was one-way. On December 13 [1975], Labor was annihilated.

In Australia, commercial television owners as well as politicians of both major parties (Liberal and Labor) have been known to pressure the public broadcaster with allegations of its programs containing a 'Leftist' bias, when such programs have tread too closely to vested business and political interests in Australia. An ABC current affairs program that was particularly irritating to the right-wing politicians was This Day Tonight (TDT). Etzioni-Halevy observes that:

The programme was characterised by its irreverent treatment of the politicians it interviewed and it was frequently charged with leftist bias. Before the 1972 election, members of the (Liberal) government publicly accused TDT of a lack of balance, dubbing it Today's Distortion Tonight.
Charges of left-wing partisanship on TDT continued into the late 1970s, and in 1978 it was terminated (1987: 48).

Australian politicians, at least at the federal level, have been known to go to great lengths to cultivate congenial relationships with the nation's powerful commercial media owners, primarily because there has long been an inordinately high level of cross-media ownership in the Australian media. As noted earlier (p. 3), both the print and electronic sectors of Australia's mass media have, until recently, been controlled by a relative handful of domestic entrepreneurs, largely because of lax cross-media ownership restrictions combined with extensive prohibitions against foreign ownership. Because of this fact, Australian politicians have believed that the media have a formidable influence on public opinion in that country. Whether this perception is legitimate is another matter; the salient fact is that Australian political figures of all ideological leanings have made it a practice to court the favour of those they believe to be opinion leaders, such as Kerry Packer and Murdoch. Jacka and Johnson (1998: 210) note that, "Australian television history is full of examples where the politicians of both conservative and progressive bent have looked after what are in Australia called the 'media mates'."

When Fraser was elected as Australian Prime Minister in 1975, his government undertook a financial attack against the public broadcaster that, in many ways, bears a remarkable similarity to Thatcher's assault on the BBC four years later. Determined to relegate the ABC even further to the margins of Australia's broadcasting scene, Fraser claimed that the government-imposed restraint measure placed on the ABC was no more excessive than what was being asked of the public sector as a whole. But, even for a government that was determined to reduce the size and cost of the public sector, the cuts made to the ABC during Fraser's tenure exacted a far heavier toll on the public broadcaster than they did to other areas of the state. Etzioni-Halevy (1987: 61-62) comments that:

The most well-known utilisation of funding as a political weapon occurred under the Liberal-National Party (Fraser) Government. For instance, in early 1976, the ABC was suddenly informed by that government that the expected supplementary funds for 1975-76 would not be forthcoming. The ABC thus was A$8.4 million short of what it had expected. Severe cuts and retrenchments became necessary. The government gave no explanation for its decision but it is likely that this was not unrelated to the fact that some of the ABC's public affairs programmes had assumed a left-of-centre, anti-government political line, for while, at the same time, the government (through funding limitations) imposed a 5 per cent reduction on the overall public-service ceilings, it imposed a 15 per cent reduction on the ABC's staff size. Another 10 per cent cut in funding came into effect in the 1977-78 budget, and another 3 per cent in the 1978-79 budget.
As part of its strategy aimed at reducing the ABC's independence while increasing its accountability to the government, the Fraser administration created the Committee of Inquiry into the ABC (The Dix Committee) in 1981, and instructed the Committee's Chairman, Aleck Dix, to investigate the financial management of the ABC with a view to streamlining the organization. Moreover, the Dix Committee was expected to recommend measures that could be taken to increase the Corporation's efficiency and reduce its dependency on public funds. Among the more positive aspects of the Committee's 1981 Report were recommendations that the ABC should be permitted to keep the revenue that it obtained through merchandising, rather than being deducted from its annual appropriation, which, until then, had been the customary practice; that labour-management relations be improved; and that there should be an independent review by an independent agency of the entire Australian broadcasting system — both commercial and national — every seven years.

Two recommendations that did not receive much political or public support, however, were the Dix Committee's suggestions that the ABC reduce the size of its own newsgathering operations, and that the Corporation should explore the possibility of gaining additional revenue via corporate sponsorships (Harding, 1985: 254). Evidence of the Dix Committee's pro-market bias and its lack of regard for the need that a public broadcaster be independent from all vested interests can be found in the following quotation from the Committee's report: "from the beginning of our review many people and organisations put the view to us that the publicly-owned ABC [should] not be a power unto itself" (Dix, 1981: 71). Furthermore, balancing seemingly contradictory objectives such as the maintenance of a public broadcaster's independence, and the government's/public's demand that an institution which derives the majority of its financial support from the public purse must also be accountable is a perennial quandry for politicians and public broadcasters alike. The Dix Committee's view on this matter was essentially an inconclusive one. The Committee members observed that, "... while the public interest requires accountability of its instrumentalities, it also requires independence for a body such as the ABC" (Dix, 1981: 71). The ambiguity demonstrated by the Dix Committee as to the appropriate levels of independence and accountability is symptomatic of the difficulty faced by Australian governments and regulators in trying to find the proper balance between these two
expectations of the ABC. Overall, however, the Dix Committee never questioned the government's insistence that the ABC assume more of a commercial *modus operandi*. Alan Brown (2001: 2) suggests that, "Its [Dix Committee's] report led to a reorganization of the ABC in 1983, including the devolution of responsibility away from the centre to branch offices and programming departments, and the adoption by the ABC of a more managerial and entrepreneurial approach to its activities."

Nor did Fraser ignore the potential available to the Australian Prime Minister to influence the ABC's activities through the appointment of ideologically sympathetic partisans to the public broadcaster's Board of Directors; for example, one of Fraser's most important appointments was the former Minister of Defence, Sir Henry Bland, who was openly hostile to the Corporation and its 'socialist' tendencies. Harding contends that a great disparity existed between the Fraser government's treatment of the ABC and its commercial competitors:

... Fraser had turned the vibrant organization [the ABC] into a hesitant and dis-spirited shadow of its former self. At the same time, his government had favoured the role of the ABC's main rival — the commercial broadcasting sector. Overall, the commercial stations enjoyed a charmed run between 1975 and 1983. First, the weakening of the ABC shielded them from unflattering contrasts of the sort that had been manifest until 1975. Even Fraser's act of saving the ABC from sponsorship was more an act of saving the commercial stations from competition for funds. This was because the ABC, despite its low television ratings (12%), draws its audiences mainly from the higher socio-economic levels. It provides in fact a ready-made target audience for up-market promotions, rather like the colour supplements of the quality Sunday papers in Britain (Harding, 1985: 255).

When the ABCB was replaced by a new regulatory body, the Australian Broadcasting Tribunal (ABT), in 1977, the new authority was supposedly invested with stronger powers over commercial broadcasting than had been the case with the ABCB; however, in practice, the ABT proved to be nearly as ineffective in its control over the private sector of the industry as the ABCB. One notable example of the 'flexibility' of Australia's broadcasting regulations that occurred under the Fraser government concerned the so-called "Murdoch Amendments" of 1981(Jacka & Johnson, 1998: 217). The ABT had ruled that, for the purposes of clarifying citizenship criteria on occasions where foreign ownership seemed to be a factor, Murdoch was a foreign resident because he had lived outside the country for many years. Although he was an Australian national at the time, Murdoch did not fulfill the required residency qualifications to be considered an Australian resident. Such a minor distinction, however, did not deter the government from changing the residency law to accommodate Murdoch by re-defining the terms of resident status to become synonymous with those relating to the definition of an Australian national (Harding, 1985: 256).
Despite its credentials on paper, as far as Malcolm Fraser was concerned, the ABT's main function was to serve as a 'paper tiger' for an industry (the commercial broadcasting sector) that was effectively being given free rein to regulate itself. Harding (1985: 255) comments that:

... self-regulation was substantially adopted as the means of programme control. The Tribunal, set up by Fraser following the Green Report, possessed a wide range of powers which it could have exercised. However, the 1977 inquiry conducted by the Tribunal produced a report the industry could readily live with. There would be broad guidelines, legally enforceable, as to such matters as the frequency and duration of advertising, programme standards and Australian content; but except at the leading edges these would be interpreted and applied by the industry itself. The only substantial inroad into this approach related to children's programming — a classic case of tipping one's hat to middle-class liberals.

In Australia, commercial television owners as well as politicians of both major parties (Liberal and Labor) have been known to pressure the public broadcaster with allegations that its programs contain a 'Leftist' bias, when such programs tread too closely to vested business and political interests. An ABC current affairs program that particularly irritated right-wing politicians was *This Day Tonight* (TDT). Etzioni-Halevy observes that:

The programme was characterised by its irreverent treatment of the politicians it interviewed and it was frequently charged with leftist bias. Before the 1972 election, members of the (Liberal) government publicly accused *TDT* of a lack of balance, dubbing it *Today's Distortion Tonight*. Charges of left-wing partisanship on *TDT* continued into the late 1970s, and in 1978 it was terminated (1987: 48).

The ABC's eventual acquiescence to political pressure is worth noting, not to imply that the Australian public broadcaster is unique in this respect, but to illustrate the extent of vulnerability of a public broadcaster to allegations of bias because of its reliance on government financial support. The incident of *This Day Tonight* reveals the precariousness of such principles as 'impartiality,' 'objectivity,' and 'independence,' in the context of a government-funded, public-service broadcaster.

**The 1980s: Labor's 'Change of Heart' toward Public Broadcasting**

Sensitivity to perceived public opinion and the opportunism of the commercial media, were two hallmarks of the relationship between former Labor Prime Minister Bob Hawke and the owners of Australia's commercial media. In an uncharacteristic reversal of traditional Labor policy toward the ABC and the commercial sectors, after its 1983 election victory, Hawke's government concentrated its efforts on
providing a favourable broadcasting environment for the commercial sector. Glyn Davis (1990: 356) remarks that:

ALP [Australian Labor Party] members blushed in 1984 when every major newspaper expressed editorial support for Labor's re-election. Through three terms the commercial media have remained reasonably even-handed, and at times generous to the Hawke administration. Most ministerial complaints of bias were aimed not at traditional foes but at the publicly-funded Australian Broadcasting Corporation.

In fairness to Hawke, his government was confronted with several dilemmas in the area of mass communications that were not of its own making, but of its predecessor, the Liberal-National Coalition government of Malcolm Fraser. One should not conclude, however, that the temptation to interfere in the operations of a public broadcaster is only limited to politicians of a conservative (neo-liberal) orientation; Hawke was also known to be somewhat suspicious of the intentions of ABC personnel. When the former Labor Prime Minister's condemnation of what he believed was a bias against his government at a Labor Party Caucus meeting was leaked to the media, Hawke responded by remarking that, "Freedom of the press is the freedom to lie, I suppose" (Hawke, cited in The Australian, 4 April, 1984: 1). Hawke had grown closer to commercial media owners, such as Murdoch, because he felt that the ABC's political coverage was biased against his government. Despite the attacks to which the ABC had been subjected from both Fraser's Liberal government and Hawke's Labor administration, by the late 1980s, the public broadcaster appeared to have weathered the storm. Because of Hawke's 'Equalization' policy (see below), and the resulting merger and takeover frenzy that it precipitated, Australia's commercial broadcasters found themselves financially over-stretched. Throughout this tumultuous period, the ABC remained the only broadcaster which was consistently producing television programs that dealt with genuinely Australian themes and issues (Jacka and Johnson, 1998: 216).

In 1986, as the Hawke government's equalization plan — designed ostensibly for the purpose of reducing the uneven level of broadcasting services available to Australians in metropolitan and rural areas — replaced the ABT's previous two-station limit with a requirement that owners could now control as many broadcasting outlets as they wished, as long as the combined reach of these stations did not exceed 43 per cent (the combined share of Australia's population represented by Sydney and Melbourne) of the national population (Davis, 1990). Graham Murdock argues that, despite the government's express intent, the
outcome of Hawke's equalization plan was anything but pluralistic, with respect to the supposed benefit that this policy have on the public interest concerns of Australians in the nation’s broadcasting system:

Here [in Australia] again, the result has been a marked movement towards greater concentration of ownership as companies in the two major markets — Sydney and Melbourne — have branched out to build national networks. Between December 1986 and September 1988, twelve out of the fifteen stations in capital cities changed hands, leaving the commercial television system as a virtual duopoly divided between the media wing of Alan Bond's industrial conglomerate and Christopher Skase's Quintex Group (Murdock, 1990: 13).

The Hawke administration should be commended, though, for being the first Australian government to at least make an attempt to introduce regulations pertaining to the level of ownership concentration across the various sectors (cross-media) which comprise the Australian mass media. Unfortunately, the best of the government's aspirations were negated by the unintended effect of the equalization policy. The intended outcome of the Hawke government's equalization scheme was that Australians would not be disadvantaged in terms of access to a diversity of broadcasting services, because of where they happened to reside. The underlying premise was that commercial competition would provide political diversity and balance. While this assumption is questionable, given the tendency for commercial broadcasters to standardize their programm offerings in the attempt to appeal to the largest possible audience, it is the most common reason offered for expanding the number of commercial broadcasting services.

In the case of Hawke's equalization plan, although the number of channels available to Australians in peripheral regions increased, the lack of capital that the owners of these stations possessed meant that they became reliant on the programming provided by the large stations in the country's metropolitan centres. For all intents and purposes, the plan furthered the development of national networks in Australia, because the programming offered by the new local stations led to even greater standardization and uniformity among the country's television services.

**Doing What the Private-Sector Won't Do**

It was not until 1960 that Australia imposed specific requirements for Australian content in the programming of the nation's television broadcasters. Even then, reflective of the enormous power wielded by commercial broadcasters over the nation's regulators, the quotas for Australian content set by the ABCB were quite modest: 40 per cent of a station's total content must be of Australian origin. Jacka and Johnson
(1998: 213) suggest that the ABCB’s Australian content regulations were reactive, rather than proactive, because:

... Australian drama quotas that were progressively introduced between 1966 and 1976 (104 hours a year) were never set at levels above what the industry was already achieving. Thus they did not actually stimulate production but rather acted as a safety net, ensuring that once certain levels had been achieved the industry as a whole could not fall below them.

The responsibility for producing Australian programming, however, fell disproportionately upon the ABC. Although the overall percentage of domestic programming increased in the early to mid-1970s, largely because of the Whitlam government’s strong support for the concept, the lax enforcement of quotas by the ABCB allowed Australia’s commercial broadcasters to make the minimum possible contribution to providing Australians with stories about their own country. Harding (1985; 247) claims that by 1974-75, “...the ABC spent approximately $3 million on ready-made overseas programmes, whilst the commercial stations were spending about $29 million to enable them to sustain a non-Australian content of just over 50%.”

In recognition of this deficit on the part of the commercial broadcasters, and not wanting the privatization process to become derailed because of outraged parents, the Fraser government created the Australian Children's Film and Television Foundation (ACF&TVF) in 1982. Perhaps the only positive, substantive development in Australia’s commercial broadcasting sector resulting from the Dix Committee’s report was a strengthening of the regulations pertaining to children’s programming on commercial television. However, the faith invested in commercial broadcaster’s ability to uphold public interest principles — in this case, commercial-free children’s programming — seemed to rest uneasily with the ABT’s emphasis on industry self-regulation. Until the 1980s, private-sector broadcasters in Australia were barely meeting the government’s minimum criteria for children’s programming.

One of the interest groups that such a foundation was supposed to pacify, the Federation of Parents and Citizens Associations of New South Wales (FP&CA of NSW), endorse more stringent enforcement of cross-media regulations by Australian authorities. In their submission to the Review on Cross-Media Rules, the FP&CA of NSW argues that, with respect to limiting commercialism in children’s programming:

... self-regulation in the volume of advertising on television has been in place for some years. The result has been that Australian commercial television now exhibits more advertisements than does commercial television in the USA, the UK, and other European countries (Federation of Parents and Citizens Associations of New South Wales, 1996: 1).
The stated purpose of the Australian Children's Film and Television Foundation is that cases of market failure — when the commercial broadcasting sector *cannot* or *will not* certain kinds of programming — justify the injection of government funds into the independent production sector to stimulate the development of programming for under-served segments of the audience. Breen (1995: 127) identifies the inherent ambiguity and contradictions involved in state subsidized programs such as the ACF &TV:

This piece of the broadcasting puzzle suggests that the public service policy environment is overwhelmingly confused. Commercial operators are reluctant to fulfill their obligations to all sectors of society and require a regulatory regime to police their contribution. Meanwhile, the government is unwilling to enforce a comprehensive regulatory regime, while taking responsibility for funding productions commercial operators are unwilling to fund. It is an indication of a government keen to assuage the commodity fetish of commercial operators, yet wanting to support broad public service goals.

Essentially, in such cases, the state absolves commercial broadcasters of their responsibilities and steps in to fill the gap through state subsidies in order to disguise the fact that the 'open market' will not provide for the public's best interests. The rationale for government intervention through subsidized program funds is that certain types of programming are worthy of being made available because of their social, cultural and political value to society, with the realization that commercial broadcasters are unlikely to provide such programming because it is not profitable for them to do so.

**The 1990s: the Growing Commercialism of Public-Service Broadcasting in Australia**

The cracks in the armour of the Australian government's privatization process surfaced, however, in 1994, when it was announced by an Australian commercial broadcaster that the publicly-funded ABC had engaged in several co-productions and joint ventures with private-sector broadcasters and independent producers. In the opinion of many Australian intellectuals and some quarters of the political elite, this revelation raised questions about the integrity and independence of the nation's public service broadcaster. Breen (1995: 128) argues that:

The lack of clarity about commercial broadcasting relationships for the ABC and its operations has challenged the previously cosy differentiation between commercial operators and publicly-funded ones. 'Outsourcing' may also raise questions about the reliability of independent views coming from commercial interests.

The concern expressed over a situation such as that noted above is that the objectivity and creative autonomy of independent producers, from whom the ABC licenses programs, may be called into question
because of their reliance on funding from commercial partners. Jacka and Johnson (1998) claim that the Labor government under Hawke and his successor as Prime Minister, Paul Keating, during the first half of the 1990s contributed to the failure of the ABC’s satellite service, because the government fell victim to the neo-liberal notion that, according to the rationale of the market, it was not enough for a public broadcaster to serve the public interest of its own national community, but that it must also lessen its dependence on government support by seeking sales for its programs in foreign markets. Hawke and Keating’s Labor governments had pressured the ABC to focus its satellite operation on Asia, a market in which there had not been sufficient audience research conducted to determine whether there was even a demand for the ABC’s programs. Jacka and Johnson (1998: 222) observe that:

Between 1990 and 1995 the ABC came under pressure to become more entrepreneurial while still retaining its public service mission. It established a quasi-commercial satellite service in Asia, Australia Television, which subsequently failed through lack of both government support and sufficient commercial sponsorship.

The hypocrisy demonstrated by the Australian government in urging the ABC to offset its declining level of government support by aggressively pursuing sales for its programs in other countries yet not providing the Corporation with the sufficient financial and technical means to realize this objective, is not only astounding to Australian commentators, but has also been noticed by foreign observers. Robert McChesney (1997: 46) explains the conundrum faced by public broadcasters as follows:

... as public broadcasters lose their public subsidy, it requires them to become commercial enterprises in order to succeed. ... The response of the BBC and the Australian Broadcasting Corporation to this dilemma has been to go commercial globally in order to subsidize their domestic public service activities.

Breen (1995) claims that ABC management’s obsession with being the Australian leader in new communications technologies, and the assumed benefits to be derived from the global television market, signifies the Corporation’s loss of focus pertaining to its public service mandate. He cites former ABC Chairman Mark Armstrong, to illustrate this point: "Pioneering is part of the Charter obligation, willingly taken" (Armstrong, cited in Breen, 1995: 130). The ambiguity of Australian broadcasting policy is illustrated by the contradictory observation made by Liberal-National Minister for Communications and the Arts, Michael Lee, who remarked in 1995 that, "... it is the traditional free-to-air radio and television services that have always been paramount and I think they will always be paramount" (Lee, cited in Dore & Fensha, 1995:
Recent decisions that the Australian government has forced the ABC to make seem to contradict the Minister's statement.

The mid-1990s: the Return of the Liberal-National Coalition to Power and Hard Times for the ABC

Armstrong himself notes the extent to which market principles have displaced social and cultural goals as the guiding philosophy of Australian authorities. Since 1995, regulations pertaining to all sectors of the Australian economy have been subsumed under the jurisdictional sphere of the Australian Competition and Consumer Commission (ACCC), formerly known as the Trade Practices Commission. Prior to 1995, all decision relating to broadcasting regulation and telecommunications were based upon provisions within each communications sector's respective Acts. The true intentions of the Australian federal government, with respect to broadcasting generally, and the ABC specifically, are revealed by the increasingly important role played by the ACCC in this area. Armstrong (1996: 20) argues that:

Outcomes will depend on how the ACCC and the courts define media 'markets' . . . no express provision has been made for social values or policies which would compete with the economic values embedded in competition law. . . . The News & Fair Facts recommendation, that freedom of expression should be one of the criteria used to assess media takeovers, was not implemented. Another unseen shift in priorities is the use of market mechanisms to decide on access to delivery systems. . . . Politicians and planners would not dare spell out a policy that bodies such as the ABC, SBS and community broadcasters have no place in the new environment. But they have adopted policies such as auctioning of frequencies and commercialisation of delivery channels which have a similar effect. 'Access' in the new competition regime does not extend beyond commercial access at a fair price.

'Access' is a very contentious issue in Australia with respect to pay TV services. Unlike Great Britain and the United States, Australian regulators allowed the major telecommunications companies (Telstra and Optus) to also own the cable broadband system. Initially, Australian telecommunications companies were not obliged to carry the channels of their competitors. The decision of the Australian government to allow Telstra and Optus exclusive control over the cable broadband system during the implementation of pay TV services was deemed necessary to provide an incentive to the two companies to invest in the technological infrastructure. As of 1997, however, the telecommunications carriers have been
required to allow other carriers and services access, including pay TV operators, to their systems "at a fair price" (Armstrong, 1996: 17)

Paradoxically, or perhaps not, when the current Australian Prime Minister, Liberal-National coalition leader John Howard, ordered an investigation into the future of the ABC in 1996, the person chosen to conduct the inquiry was Bob Mansfield, the former CEO of Optus (Brown, 2001). Mansfield was instructed to make suggestions regarding:

... the future role and functions of the ABC, having regard to anticipated technological change affecting broadcasting services, ... the need for consistency between the cost of future ABC operations and the Government's broader fiscal strategy of delivery of Government programs and services as efficiently as possible (Mansfield, 1997a: 48).

The ABC has agreed with the government that, as broadcasters throughout the world digitize their services, Australia's broadcasters must also keep pace. The presumed benefits to ABC of digital conversion are that it will greatly expand the number the number of radio and television channels that can be offered on any portion of the electro-magnetic spectrum, which, if permitted by the government to increase its number of channels, could help the broadcaster re-capture a share of the audience it has lost in recent years. In the 1996 Mansfield Review of the ABC's services, the ABC's A$200 million estimate of the cost associated with conversion to digital transmission was not questioned by the review's chairman. But, rather than supporting the Corporation's request for additional funding from the government to cover this expense — given that it was mandated by law — Mansfield suggested that the ABC could cover the enormous cost of digital conversion through, among other things, reduction of its capital equipment budget; property rationalizations; outsourcing program production to independent producers; the elimination of its international radio and television broadcasting services; and a minimal one-time grant from the federal government (Brown, 2000: 8).

Mansfield also rejected the ABC's request to expand the number of channels it provided as a means of offsetting the additional cost of digital conversion. Moreover, the 'one-time' grant that Mansfield suggested should be forthcoming from the government amounted to only A$20.8 million, barely 10 per cent of the estimated total cost (Friends of the ABC, 2000: 1).
The ABC gained a Charter comparable to the BBC's with the passage of the 1983 *Australian Broadcasting Corporation Act*. According to its mandate, the ABC is expected to be all things to all people; consequently, the wording of the Charter is quite vague. Because of the problems that can arise from such an ambiguous and wide-ranging mission, Mansfield recommended that the Corporation be given more explicit instructions in a new Charter. In order for this to be happen, however, the Australian government would have to amend the Act, something it has yet to do (Brown, 2001: 4). According the *ABC Act* as it currently stands, the public broadcaster should endeavour to be independent (of government and business), innovative (in terms of programming and use of technology), comprehensive (universality of appeal and access to the public/audience), provide services of a high standard (undefined), encourage and promote the arts; and contribute to Australian national identity (Commonwealth of Australia, 1983, cited in *ABC Annual Corporate Review*, 1995-96: 2).

The insincerity of Howard's Liberal-National coalition government's professions regarding the health of the ABC is revealed by the fact that, while the Mansfield Review was still underway, the Minister of Communications, Information Technology and the Arts also announced a 2 per cent cut to the ABC's 1996 Parliamentary appropriation, followed by a further 10 per cent reduction in 1997 (Brown, 2001: 5). In response to the funding cuts, ABC management submitted a proposal, *One ABC*, that the Corporation predicted would save the government nearly A$28 million through staff reductions and capital expenditures drawn from the elimination of its formerly-separate radio and television production units, a move that would culminate in the loss of 600 ABC employees (ABC Media Release, 21 April 1997: 1).

Mansfield subscribed to the same assumption that is commonly put forth by neo-liberals looking to reduce public expenditures: that the contracting of public services to the private-sector will necessarily yield cost-savings. In the final report, Mansfield stated that outsourcing was "... the core of the progress the ABC needs to make" (1997c: 122), but admitted that, "I have not been able to obtain reliable comparison of the production costs of the ABC and the independent production sector because of the different methods used and their lack of transparency" (1997d: 37). The ABC has been more reluctant to contract out its non-
news and current affairs program production than have its Commonwealth counterparts, the BBC and CBC. As of 1999, 54 per cent of the ABC's total programming (including news and current affairs) was being produced 'in-house', 27 per cent came from co-productions with other broadcasters or independent producers, and 9 per cent were designated by the broadcaster as "contestable" programs, meaning that they were produced by whomever was the successful tender (ABC, 1999).

Two notable features stand out from the Mansfield Review: the absence of public consultation in the process; and the chairman's lack of broadcasting experience. As of the late 1980s, public hearings and inquiries into major upheavals in Australia's broadcasting and communications spheres have been largely eliminated (Armstrong, 1996: 21). For the public interest to be considered a factor in any proposed transformations in broadcasting/communications policy, the public must be consulted, as should public broadcasters; in the last decade, this has not been the case in Australia. Brown suggests that:

The short, eighteen-week period for the conduct of the review exacerbated the problem. Too much was attempted in too short a time with insufficient resources . . . Mansfield's task therefore essentially took the form of recommending how to implement government policy toward the ABC, rather than provide options to the government for the development of that policy (Brown, 2001: 10-11).

Australian Broadcasting Policy: Guided by Political Pragmatism or Economic Efficiency

Over time, three different agencies have been given regulatory control over the Australian commercial broadcasting sector: the ABCB (1948-1977); the Australian Broadcasting Tribunal (ABT) (1977-1992); and the Australian Broadcasting Authority (ABA) (1992-present). The comparatively frequent transition of regulatory authority from one agency to another is, in the estimation of some observers (Jacka & Johnson, 1998: Breen, 1995; and Armstrong, 1997), indicative of the confusion of purpose that pervades the Australian broadcasting policy environment, as this section will demonstrate.

When the Australian government's Department of Communications and the Arts conducted its review of cross-media regulations in 1996, the three general themes of the hearings were, allegedly, the public interest principles of "plurality, diversity and competition" (DCITA, 1996: 2). As the expansion of
globalized capital and de-regulation proceeded relatively unhindered during the past two decades, Australian political authorities decided that the ABC should not be exempt from governmental restraint measures that were being implemented within the general public service as a whole. Accordingly, the public broadcaster has been consistently exhorted by Australian federal politicians to explore the export opportunities to be derived from the sale of its programs to overseas customers to compensate for the effect of years of successive cuts to its parliamentary appropriation.

In recent years, government funding that in past years would have gone to ABC, has been diverted to the multicultural national public broadcaster, the Special Broadcasting Service (SBS), and to the nation's independent program production industry. The increased emphasis placed on the ABC to be financially self-reliant has resulted in the broadcaster's decision to engage in international joint ventures and co-productions with foreign broadcasters and Australia's independent program producers. The Corporation has also embarked on other revenue-generating activities, such as the operation of a chain of ABC retail outlets.

In a 1997 submission to the DCITA, ABC Chairman Donald McDonald requested that the government continue its policy of providing the broadcaster with a triennial (three-year) parliamentary appropriation, so that it could better plan for the loss of government funding. The triennial budgetary allotment, first implemented in 1989, afforded the public broadcaster a measure of security in a very uncertain contemporary broadcasting environment. The ABC's services comprise: a national television service; six radio networks; international radio and television services; symphony orchestras in each of Australia's six states, as well as the Australian Capital Territory (ACT); online (Internet) services; and a publishing division, which operates an extensive network of retail outlets throughout the country (ABC Annual Corporate Review, 1995-96: 1).

When McDonald presented the ABC's case to the DCITA Minister in 1997, it was with the intention of persuading the government to reverse its decision to reduce the corporation's budget by a further A$55-million in the fiscal year 1997-1998. When added to the A$11-million cut the previous year (1996-1997), the ABC experienced a total funding reduction of nearly 13 per cent over two years (1996-1998). The ABC
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Chairman warned the minister that if funding cuts continued, the ABC would be incapable of maintaining the level of service it has traditionally offered to the Australian public (the purpose for which it was created in the first place), not to mention expanding its presence in the international broadcasting environment. McDonald stressed to the DCITA minister that, since the year that the triennial funding arrangement had first been implemented (1989), the ABC had more than fulfilled its share of the government's overall program of fiscal restraint within the public sector. He reported that between 1988 and 1997, the ABC had trimmed its level of corporate expenditure by 64 per cent and reduced its total workforce by 1000.

The ABC prides itself on its efficiency, a trait that was evident in McDonald's submission to the DCITA. In comparison to comparable public service broadcasters in other Anglo-American democracies, Canada (CBC) and the United Kingdom (BBC), the ABC claims that it is the least expensive, on a per capita basis, for its respective government. Specifically, the ABC Chairman claimed that his network produced television programs for approximately 25 per cent less than the BBC and CBC. In addition, the ABC asserts that its radio and television networks produced more than double the output per staff member than either the British or Canadian public broadcasters (ABC Annual Corporate Review, 1995-96: 5).

An Alternative Australian Public-service Broadcaster

The ABC Chairman, McDonald, concluded his submission to the DCITA with the refrain that, unless the funding haemorrhage at the ABC was halted by the Australian government, it would be impossible for the corporation to fulfill its obligation to operate a quality broadcasting service in the interest of the Australian public. However, similar to the situation confronting public-service broadcasters in the other Anglo-American democracies, in recent years the ABC's funding has continued to decrease, yet the demands made of it by the public and the government have not declined correspondingly.

Since 1980, Australia has had a second national public broadcasting organization: the Special Broadcasting Service (SBS). Created by Liberal Prime Minister Malcolm Fraser as an attempt to integrate so-called "ethnic" Australians into the broader Anglo-Celtic culture of Australia, SBS's mix of multicultural
programming in several different languages has proven quite successful. Operating with a comparatively smaller budget than ABC — approximately A$150-million (1999) — SBS broadcasts a substantial amount of programming from Europe, Asia, and Latin America to Australian audiences of non-British/Irish descent. SBS was a radical departure from the traditional generalist approach adopted by most public broadcasting organizations based on the "omnibus" public service broadcaster model of the BBC. The Australian multicultural broadcaster has never deluded itself into believing that it could conceivably be "all things to all people", yet it has been able to offer a television schedule based on niche programming, without neglecting its public service mission. Jacka and Johnson contend that:

What is clear is that SBS-TV has transformed the nature of public service television in Australia. Its programming policy is deliberately minoritarian, seeking to build different audiences for different programmes, rather than attempting to please a 'general audience'. Language groups constitute a significant proportion of its target audiences, as well as socially disadvantaged groups like women, Aboriginal audiences, religious groups, the hearing impaired, and gays and lesbians (1998: 218).

It might be argued that, in an era when economic globalization co-mingles uneasily with the retention, even strengthening, of ethnic identity, SBS seems to have successfully negotiated a compromise between these two apparently contradictory influences to the satisfaction of Australian and foreign audiences alike. This achievement by Australia's 'second' national public service broadcaster fits neatly with the ideal role of a public service broadcaster in a pluralist, multicultural society, as outlined in the UK's Pilkington Committee Report of 1962 (see chapter 3, above).

As part of its aggressively outward-looking, export-oriented strategy for broadcasting, the Australian government has recently begun to view SBS as a valuable resource for the exploitation of television markets in other countries. For example, in 1994, the DCITA began the Special Broadcasting Service Independent Production Fund (SBSI) for the purpose of commissioning multicultural foreign-language dramas, feature films, and documentaries from multicultural members of Australia's independent program production community. In 2000, the SBSI fund received A$19-million from the Commonwealth (Australian) government, which obviously, considered the cost a worthwhile investment of public tax dollars (DCITA, 2000: 8).
The contrasting approaches of the Australian government toward the ABC and SBS provide a clear indication of the relative priority it assigns to the goals of public service in relation to export revenue. Both broadcasters are supposedly ‘public service’ broadcasters, yet the government has seen fit to divert funds that in previous years would have gone to a broadcaster which serves the whole population of Australian society (multicultural and Anglo-Celtic) into a fund specifically designed for program sales of "ethnic" programs to foreign customers.

The Australian government apparently has decided that, if it is to support public television, such organizations must demonstrate that they are able to provide a healthy financial return on the government’s investment, rather than being of a strictly cultural, social, or political benefit to the public. In a press release issued by the DCITA, Senator Richard Alston, reported that the focus of the SBSI fund would be on “low budget” productions that are of “high quality” (DCITA, 2000: 9). It must be asked, however, that if SBSI productions are expected to be “low budget”, can they still, as Alston requested, also be of high quality. High quality television production values and competent technical and creative staff are relatively expensive. It appears that the Australian government is expecting independent producers to accomplish two incommensurate goals. But, the anticipated political benefits to the Liberal-National government from the fund did not escape the DCITA minister’s attention: Alston commented that among the fund’s strengths is that, “Employment and skill development opportunities will be created with a significant number of jobs going to people of non-English speaking backgrounds” (DCITA, 2000: 9). Thus, it appears that for the minister, the SBSI fund has two main attractions: it would accrue economic benefits for the Australia; and it might also persuade a substantial portion of the country’s ‘ethnic’ voters to support the government in the next federal election.

The Australian Broadcasting Dilemma: Questions of Foreign Ownership versus Hyper-Concentration and Self-regulation
Aside from the United States, it is arguable that Australia has experimented with the notion of self-regulation in its broadcasting system more than any other Anglo-American democracy. The issue of concentration of ownership of Australia's private-sector broadcasting companies has been a concern for both academics and regulators alike for several decades. Two men, in particular, were considered to be in control of an inordinately large amount of the commercial broadcasting sector: Rupert Murdoch and Kerry Packer (Breen, 1995: 124). With deregulation and the relaxation of cross-media ownership limitations in the 1980s, the degree of control over Australia's print as well as electronic media wielded by Packer's PBL and Murdoch's News Corporation had increased significantly because of the country's very strict foreign ownership laws. As in Canada, trying to reconcile such conflicting objectives — ownership diversity and domestic control of the media — has proven very difficult for Australian policy makers and regulatory authorities.

Officially, 'networks', in the conventional North American sense of the term, have been prohibited in Australia by regulations which limit commercial broadcasting owners from holding more than two stations throughout the country's seven major urban centres (Sydney, Melbourne, Brisbane, Adelaide, Perth, Canberra and Hobart). Such restrictions, though, did not prevent the development of television networks in practice. Jacka and Johnson (1998: 210) state that:

Concentration rules limited owners to two stations in total and meant that they could not have full national networking as they would have liked, but having two stations in each major market enabled the Sydney-Melbourne axis to set up programme-sharing arrangements which helped to defray their costs and which eventually led to their domination of the whole Australian system.

Breen (1995: 124) reports that the concentration of Australia's broadcast media by these two entrepreneurs became so intensive, that it sparked several inquiries into the matter which culminated in the enactment of the Broadcasting Services Act (BSA) of 1992. According to the new Act, programming on the combined total of broadcasting stations that can be possessed by a single owner cannot be available to more than 75 per cent of the Australian population, or more than one station in the same licence area. In commercial radio, an owner is prevented from having more than two stations in any particular area. Most importantly, in terms of concerns regarding cross-media ownership, the BSA prevents anyone from owning a television station, radio station, or newspaper in the same area. In other words, a potential investor in the
Australian media must decide which medium—television, radio, or newspapers—they find most desirable, because the BSA limits owners to just one media outlet in a given area.

Since the inception of Direct Broadcast Satellites, first licenced in 1995, the Pay-TV field has been comparatively more loosely regulated, as far as ownership is concerned, than the conventional broadcasting system. To remove barriers to entry for aspiring Pay-TV operators, the ABA established three licence classifications for these services. Licence 'A' (4 channels) could not be obtained by any existing television broadcasters; Licence 'B' (4 channels) could be acquired by conventional broadcasting organizations; and Licence 'C' (2 channels) were reserved for the public service broadcaster, ABC. However, these regulations have already proved inadequate as a defence against further concentration of the Australian media, as the Australis Group, a diversified conglomerate with major interests controlled by TCI and Fox of the US, has already acquired all eight new channels that were available to commercial interests (Armstrong, 1996: 7). According to the BSA, "Controllers of newspapers with an average daily circulation of over 100,000, commercial television licensees or telecommunications carriers may not hold more than two per cent of the interests in satellite licence 'A' " (Armstrong, 1996: 12). The Australis Group was able to find a loophole in the legislation, because of the fact that ownership of the syndicate is spread evenly among three major companies, each with head offices in different countries (Australia, the UK, and the US), that did not have more than one subsidiary company in either the newspaper, telecommunications, or broadcasting sectors.

Since the mid-1980s, the high concentration of broadcasting ownership by a handful of Australian conglomerates, combined with the recent monopoly of satellite subscription services acquired by the Australis group, meant that the Trade Practices Commission (TPC), and its successor, the Australian Competition and Consumers Commission (ACCC), had become a prominent player in the regulation of the Australian commercial broadcasting industry (Breen 1995: 124). The problem, as far as questions of the public interest are concerned, is that such agencies are primarily concerned with ensuring competition in an economic, not an ideological, context. In a submission from the Federation of Parents and Citizens Associations of New South Wales (FPCA of NSW), it was argued that:

... the argument ... that increased availability of services produces less need for media specific regulation is without foundation, especially in view of the convergence of ownership of new forms of media such as pay TV. Competition of this type will not enhance the public interest, it will merely place largely the same group of participants [that are currently dominant players in the Australian
media] into the market to pursue the same audience with the same views via a slightly greater number of outlets (FPC of NSW Submission, DCITA, 1998: 1).

The distinct philosophical re-orientation of Australian broadcasting policy, noted by Breen, has also been detected by other observers (see O' Regan, 1993; Armstrong & Fox, 1996; and Crandall & Furchgott-Roth, 1996). Although lauded by neo-liberal proponents, such as O'Regan, as the, "... best means to secure the policy goals of fairness, balance, and the provision of social good" (O'Regan, 1993: 38), the latitude accorded to commercial interests in the Australian broadcasting system is substantial. What can be gleaned from recent examples of Australian broadcasting policy is that, as elsewhere, there is a mismatch between the 'market ideal' of open competition and the ideals of public service broadcasting: A diversity of views; fairly-priced services; universal access; unbiased presentation of news and information; and quality programs.

Australian authorities have wrestled with issues relating to the regulation of broadcasting for many decades. The ABCB was shelved in 1977 because it had been deemed as being rather ineffectual, having allowed itself to be controlled by the industry it was intended to regulate ('regulatory capture').

The Broadcasting Services Act (1992), the most recent an current set of legal guidelines for the Australian broadcasting industry, is comparatively more flexible than was the Broadcasting and Television Act (1956). The latest incarnation of a federal broadcasting regulatory agency, the ABA — one of the changes accompanying the passage of the 1992 Broadcasting Services Act — seems to have adopted an extremely minimalist approach to monitoring Australia's commercial broadcasters, preferring to intervene only when a flagrant violation of the Act's provisions is alleged to have occurred. Jacka and Johnson (1998: 220-221) contend that the ABA's relaxation of Australian content, cross-media and foreign ownership provisions was based on:

The rationale ... that new technologies had replaced 'spectrum scarcity' with 'spectrum plenitude' and thus the task of responding to consumer preferences could be left to market mechanisms to a greater extent than before ... Its [1992 Broadcasting Act] implementation, especially in the area of pay television, was to prove something of a fiasco.

In its 1996 submission to the Australian federal government's Review of Cross Media Ownership, the Media, Entertainment and Arts Alliance (MEAA) — one of Australia's largest media-related trade unions — argued that the employment opportunities and the potential for a greater variety of news sources for the
Australian public resulting from the 'new media' have been vastly overestimated. The authors of the MEAA submission stated that:

The reality is the existing media groups in league with the two major telecommunications companies—Telstra and Optus—are dominating virtually every form of new service... The blunt reality is that Mr. Packer and his companies [Publishing and Broadcasting Limited - PBL] are the only local media operation financially capable of buying Fairfax. If the current inconsistent foreign ownership restrictions are kept in place the scenario of the three major print groups becoming two integrated media groups is inevitable. In the meantime, any close analysis of the various media reveals the same oligopolistic tendencies which have made the Australian media one of the most concentrated in the world (MEAA, 1996: 2).

The fear of being left behind in the new information era—a notion persistently promoted by neoliberals—influenced Australian political and regulatory authorities to disregard caution in their introduction of new communications services. According to the 1992 Broadcasting Services Act, in the field of conventional broadcasting, foreign persons (companies) may not be allowed interests in an Australian broadcaster exceeding 15 per cent per individual, or 20 per cent per aggregate of foreign owners. For subscription-based pay-TV services, 20 per cent of an Australian service is the most that a foreign person or company may control, and a 35 per cent maximum on the aggregate total of foreign interests in an Australian company. In radio and narrowcasting, however, the 1992 Act places no limits on foreign ownership (Armstrong, 1996: 16).

In contrast to its fairly restrictive foreign ownership regulations in television and Pay-TV services, the Australian print media and radio are quite open to foreign investment. The Australian government permits foreign ownership levels of 49 per cent in regional (non-metropolitan) newspapers, and 100 per cent in radio broadcasting (Fairfax submission to the Review of Cross-Media Rules, 1996: ss.7). Although to proponents of media convergence such distinctions may seem rather arbitrary, the rationale for such contrasting approaches to the issue of foreign ownership in the various sectors of the Australian media is based on a certain logic. According to the Australian government's Productivity Commission (PC), the differential standards regarding foreign ownership across the various sectors of the Australian mass media:

...reflects the presumption that television is the most influential medium, and the BSA's [Broadcasting Services Act] objective 3(d) is to ensure Australians have effective control of the more influential broadcasting services. Foreign Investment Review Board guidelines govern this issue, and proposals are considered on a case basis (ACCC, 1996: ch.10(2), 333).
Among the detractors of the current foreign ownership rules as they pertain to conventional television broadcasting are two Canadian-based media conglomerates: Conrad Black's Hollinger Inc., and CanWest-Global. Black, especially, has been one of the most vocal critics of Australia's regulations on foreign ownership of the media. Hawke's Labor Party rival and successor as Prime Minister, Paul Keating, did not hesitate to play 'fast and loose' with certain media owners, if he believed that doing so would be to his political advantage. Such cozy relations between Australian political leaders and media owners has often placed regulators and the public interest in a marginal position, as was the case with the recommendations of the Senate Select Committee on Certain Aspects of Foreign Ownership Decisions in Relation to the Print Media in 1993. Armstrong (1996: 16) notes that:

Remarks in Conrad Black's autobiography were one of the reasons for the inquiry. He suggested that Prime Minister Keating had agreed that Mr. Black would be allowed to increase his investment in Fairfax if its political coverage of the 1993 federal election was 'balanced'. There were also concerns about FIRB processes leading up to foreign investment decisions in 1991 and 1993. The committee was very critical of the foreign investment rules and procedures, recommending that considerations relating to foreign investment decisions in key industry sectors should be made public. The Government rejected most of the committee's recommendations.

It should be noted here that the idea of 'balance', as was the case with Fraser's treatment of the ABC two decades earlier, invariably implies censorship, either through direct government interference or self-censorship by journalists. Calls from politicians of any persuasion for 'balance' in the media carries the insinuation that the coverage they find most objectionable is that which they perceive to be biased against their particular position. Such tactics are generally successful because the media are so sensitive to any inference that they might not be completely impartial. If accused of bias, the media tend to go out of their way to tone down their criticism of the politician(s) making the complaint.

Critics of the Australian government's approach to broadcasting and communications policy over the last three decades contend that important decisions in one media sector have frequently made by policymakers and regulators without consideration of the potential impact of such decisions on other sectors. Jacka and Johnson (1998) assert that this piecemeal approach to communications policy has had the effect of intensifying the level of concentration in the Australian media, because it ignores the technological and commercial biases that inevitably accompany any major change in the communications field. They state that:

The 1992 Broadcasting Services Act had sought to encourage new players into an extremely concentrated media environment, but whether intentionally or through incompetence, its
implementation was bungled... Because the legislation had short-sightedly concentrated on satellite (in spite of the Act's 'technological neutrality'), the same old players began to take a commanding position in the new medium of pay television. The owner of Australia's highest rating TV network, Channel Nine, Kerry Packer, also the dominant magazine publisher in Australia, was an investor in Optus's pay TV service Optus Vision, and Rupert Murdoch, whose News limited controls two-thirds of the newspaper circulation in Australia, is a partner with Telstra in the second cable pay TV service, Foxtel (Jacka & Johnson, 1998: 221).

By the time that the first Australian pay-TV services were approved in 1995, the problem of keeping such public interest concerns as foreign and cross-media ownership at the forefront of broadcasting policy debates was exacerbated by the impact of technological convergence and economic globalization. The necessity of confronting these forces had been delayed because of the Australian government's 15-year moratorium on the introduction of new technologies into the nation's broadcasting system (Jacka & Johnson, 1998). The introduction of pay TV to the southern continent was delayed not so much because there was a lack of public interest in the service; rather, it was primarily due to the influence of conventional broadcasters who persuaded the ABA to shelve the idea of pay TV because they feared that new entrants into this field would siphon off some of their monopoly on television advertising. It was not until each of the major commercial networks had arranged partnership deals with Australia's two main telecommunications operators — Telstra and Optus — that the ABA decided to proceed with pay TV. According to the MEAA, the policy for the introduction of pay-TV in Australia was conceived in a "virtual policy vacuum" (MEAA Submission 1283, DCITA, 1996: 3). Because of these facts, the Australian debate over the proper usage and regulation of access to pay TV services has been much more tumultuous than those which occurred in the other Anglo-American democracies. Armstrong (1996: 7) remarks that, "Subscription television (pay TV) has been the battlefield for virtually all the convergence issues in Australia. Every sector of communications has been affected by the struggles for control and access."

Although there have been some important accomplishments in the recent history of Australia's experiments with indigenous media, the fragmented and incoherent nature of the nation's overall broadcasting policy has inhibited further progress in the area of Aboriginal broadcasting. The MEAA's accusations against the government's ad hoc approach to pay TV are echoed by Breen, with respect to the Australian government's Aboriginal media policy. He states that, "The impact of resource limitations for staff, equipment, and training have been detrimental to the sector in general... A policy vacuum (emphasis
added), combined with a funding shortage, has developed for indigenous media" (Breen, 1995: 133). The purpose of comparing Australia's pay TV and Aboriginal media policies is to emphasize the fact that two different sources have used the same term — a policy vacuum — to characterize the Australia's policies concerning two different aspects of that country's broadcasting environment. A recurring criticism of Australia's media policies over the past two decades has been that the relevant authorities (the DCITA and the ABA) have not invested enough effort in consulting with the various stakeholders of such policies, aside from the large commercial media owners.

As became painfully obvious with Hawke's Equalization Policy, there simply were not then, or now, enough major domestic players in the Australian commercial media to ensure ownership diversity. Because of its desire to take advantage of such technological innovations as cable and satellite delivery services, the Australian government has actually encouraged further concentration in the nation's media because it believed that the development of the country's technological infrastructure, particularly for cable, required Australian companies large enough to be able to make the necessary capital investment. If the desired policy outcome is Australian ownership of the media, then concentration of ownership will necessarily increase (Armstrong, 1996: 4).

There are competing visions in communications policy debates over the matter of whether the public interest is better served by having the major media organs of the country in the hands of Australians, or whether the benefit to the public would be realized with a greater number of media owners, regardless of their respective countries of origin. In essence, Australia's politicians and regulators must unequivocally decide which is a higher priority: ownership diversity, or domestic control of the media. To be able to make this decision, answers must be found to two difficult to quantify, but essential, questions: first, does Australian ownership necessarily translate into a greater number of distinctly Australian programs?; and second, would a larger number of owners — domestic or foreign — guarantee a diversity of voices within the media? Depending on which premise one accepts, the preferred answer will logically follow. In its submission to the Australian government's Review of Cross Media Ownership, the MEAA stated its position on the key questions of foreign ownership and media concentration as follows:

The far more pressing problem in Australia is media concentration and if keeping foreign ownership restrictions exacerabtes that problem, then the government should consider a relaxation. . . . To argue foreign ownership limits should be retained, but the content rules be weakened, is both contradictory
and self-serving. Indeed being Australian controlled does not necessarily assure Australian content; the Nine Network — which is Australian controlled — recently had to get a dispensation from the Australian Broadcasting Authority when it failed to reach its local content quota last year (MEAA, Cross-media Review Submission 1273, 1996: 3).

Most non-commercial interest groups in Australia seem to favour less stringent restrictions on the foreign ownership in the Australian media, as do virtually all potential and existing foreign investors. Understandably, Australian-owned media companies, including Kerry Packer's Publishing and Broadcasting Limited (PBL) have opposed any loosening of current restrictions on foreign ownership in the Australian broadcasting system and have wrapped themselves in the Australian flag as protectors of national culture when they believed that their economic interests have been at stake (Productivity Commission, 2000: 341).

Contrary to the assertions of Australian media owners, however, there is reason to believe that, because of the strictly financial interest of foreign owners in the Australian media, their relative detachment from the Australian political environment would give non-Australian media owners less reason to interfere in the editorial processes of their respective media holdings. In other words, increased foreign ownership of the Australian media could have a positive influence on the public interest of Australians. The Free Speech Committee (FSC), an Australian public interest organization, shares this view and recommends that if changes are made to the existing media ownership rules, the public interest would likely be better served by opening up the Australian media environment to foreign investors, rather than relaxing the cross-media regulations. In its submission to the Review on Cross Media Rules, the FSC agreed with Armstrong's assertion that using 'competition' as the ultimate determinant as to whether to approve any change in ownership in the Australian media is an inadequate criterion if a diversity of voices is an outcome truly desired by Australian authorities:

The FSC believes that the tension between foreign and local ownership and control has in some instances assisted a particular media outlet to maintain a non-partisan view on key issues. For example, John Fairfax Holdings, which has tension between the interests of Conrad Black, Rupert Murdoch and Kerry Packer seems to have gained expertise from Conrad Black's Hollinger Group but its newspaper have not shown partisan views on key issues. This is unlike the News Corporation Ltd-owned and controlled newspapers, which, during the litigation in the Super League case showed in their reporting of events quite clearly a partisan view towards the interests of their ultimate owner, Mr. Murdoch (FSC, FSC DCITA Submission 1271, 1998: 2).

Since the middle of the 1990s, following a policy of industry self-regulation, the ABA has confined itself mainly to infractions of the 1992 Broadcasting Services Act's Australian content provisions. The
Foreign Investment Review Board and the Treasurer of Australia, guided by the Foreign Acquisitions and Takeovers Act, have assumed the majority of decision-making responsibility relating to matters of foreign ownership in the Australian media. On paper, all operations worth more than A$5 million are covered by the Foreign Acquisitions and Takeovers Act, and the Australian government retains the right to refuse approval for any investment in an Australian media company that amounts to more than 5 per cent of the total amount of share in that company. Theoretically, "If the Treasurer determines that such an acquisition would result in control of the company by a foreign person, and that such control is contrary to the national interest, then the acquisition can be blocked" (PC Report, 2000: 339). However, the government's power to reject foreign investment in the Australian media has rarely been exercised. Because of their reliance on statutes such as the 1974 Trade Practices Act that are intended to deal with the economic aspects of issues such as foreign ownership and media concentration, the rulings of Australian regulators have often been neglectful of public interest concerns. Armstrong (1996: 14) contends that:

The [Trade Practices] Act was introduced to 'control restrictive trade practices and monopolisation and to protect consumers from unfair commercial practices' . . . to promote economic efficiency through ensuring that markets are competitive. The application of the sections does not depend on other public benefits or detriments. The basic questions are simply about levels of competition in a market. The increasing reliance on general competition law embodies a shift in values which has not been generally understood. The law now treats communications as a market like any other, and the market is the main solution for a range of policy issues.

Broadcasting policy in Australia has been reduced merely to technocratic questions of 'fair competition' and 'economic efficiency'. Again, it appears that another government's perception of the public as 'citizens' has been displaced by the neo-liberal notion of people as 'consumers' above all else. Three of the requirements that Breen (and others) believe are essential to the media contributing to a healthy and functioning democracy — that the decision-making process be "fully participatory, consultative, and transparent" (Breen, 1995: 134-135) — seem to have been disregarded by the Australian government in recent years. An example of the manner in which Australian authorities have allowed commercial interests to supersede those of the public pertains a government decision in 2000 which approved the sale of ABC content to Australia's leading cable, telecommunications, and Internet provider, Telstra. There were no public hearings concerning this development, and the terms of reference for the proposed deal state that, "ABC must meet with Telstra regularly to discuss the mix and variety of ABC content. ABC must consider
Telstra's *reasonable suggestions* in relation to the mix and variety of content. Telstra acknowledges the ABC's editorial independence in relation to ABC content" (Friends of the ABC, 2000: 9, emphasis added). The Friends of the ABC (FABC) are particularly concerned over the ABC's use of the term "commercial in confidence" (2000: 9), to describe the process by which this arrangement was negotiated. The authors of the FABC submission to Australia's Senate Environment, Communications, Information Technology and Arts Reference Committee also report that, "There is a concern that the ABC is so poorly funded that it cannot afford to produce dramas unless it can onsell them overseas" (FABC, 2000: 10).

In all the deliberations concerning which is preferable — greater diversity of ownership and (it is hoped) a wider number of voices versus the retention of current foreign ownership rules and the attendant heavily concentrated media environment — the ABC is often forgotten. For its part, the ABC stands opposed to any further concentration of media ownership, whether in the hands of Australian or foreign owners. In this respect, the Corporation shares the concerns expressed to the Inquiry on Cross Media Rules by public interest advocacy groups that the relaxation of cross-media regulations would be detrimental to the Australian public interest. It differs, however, from these other groups on the matter of foreign ownership regulations. The ABC has been unequivocal in its conviction that the best interests of Australians in broadcasting would not be served by a relaxation of the existing foreign ownership regulations (ABC, 1996: 4-5).

It remains to be seen whether the ABA's faith in the ability of 'self-regulation' by Australia's commercial broadcasting sector to serve the public interest is justified. What is clear, however, is that, like Canada, the number of privately-owned domestic media companies that are large enough to compete internationally is quite limited. If concerns related strictly to competition continue to be the primary influence on the decisions of the Australian government and regulatory agencies, there will need to be some significant alteration of the country's foreign ownership laws; otherwise, it seems most certain that Australia will continue to have one of the most heavily concentrated communications systems in the world. The Australian government will also have to determine whether it deems the concept of public-service broadcasting deserving of continued financial support, as represented by the ABC. If it pursues the export-oriented strategy with the ABC that it has employed with SBS, it is reasonable to suggest that it is only a matter of time before both broadcasters succumb to the economic imperative that exists in the competitive commercial sector. If so, it seems unlikely that either Australian public-service broadcasters will be able to
maintain the public-serve ethos and programming that has made them distinctive in the first place, as has unfortunately been the case with the public-service broadcasting organizations in the other three Anglo-American democracies.
CHAPTER SIX

Canadian Broadcasting: Nation-building Versus American Domination

The Beginning of Radio and the Creation of the CBC

The Reithian model of a public service broadcasting system was attractive enough for Canadian officials to want to emulate it when they were contemplating what form and character the Canadian broadcasting system should adopt, during the formative stage of the 1920s and 1930s. In Canada, however, the arrival of radio had preceded a conscious strategy of how the new medium should be regulated or financed. Until the time of the Aird Commission in 1928, Canadians who owned radio receivers were already being inundated by an overwhelming amount of commercial broadcasting content from American stations, as well as from affiliates of the U.S. networks which had established operations in the nation's two largest markets, Montreal and Toronto.

Conscious of the fragility of Canadians' sense of national identity, and concerned over the destructive effect that nationalists assumed the preponderance of American programming would have on Canada's social and political integration, if left unchecked by the state, notable public figures such as Graham Spry, Alan Plaunt, and Charles Bowman formed the Canadian Radio League and began lobbying public officials to establish a broadcasting system similar to Britain's. The three ardent nationalists were particularly perturbed by the idea the American commercial networks considered Canada to be a legitimate extension of their domestic broadcasting markets, to be exploited by U.S. advertisers. Their anxiety over the absorption of Canada into an American-dominated continental social, economic, and political sphere would prove to be an enduring theme in the development of Canadian broadcasting, cultural, and communications policies.

Eventually, the CRL's lobbying paid dividends, as then Canadian Prime Minister MacKenzie King decided to entrust the Royal Commission on Radio Broadcasting (The Aird Commission) with the mission of touring the United States and several European countries and, upon its return, file a report with its recommendations for the appropriate broadcasting system for Canada. The commission's members included: John Aird, president of the Canadian Imperial Bank of Commerce; Charles Bowman, editor of the Ottawa Citizen; and Dr. Augustin Frigon, a noted Quebec academic. The Order in Council which inspired the Aird
PART I

A new era of American history has dawned. The Civil War has ended, and Reconstruction is underway. The North and the South are healing, but tensions still simmer beneath the surface. The United States is poised for greatness, but the path to it is fraught with challenges.

The Reconstruction era was a time of radical change. The Union had prevailed, but the South was in ruins. The North faced a daunting task in reshaping the southern states and ensuring that they did not revert to their former ways. The federal government, led by President Andrew Johnson, was tasked with the task of reconstruction.

Johnson's policies were met with resistance from many in the South. The freed slaves, now known as African Americans, were often discriminated against and denied their rights. The Ku Klux Klan emerged to terrorize those who spoke out against the status quo.

The Reconstruction era was a time of great hope and great despair. The United States was on the cusp of greatness, but the road ahead was long and fraught with obstacles.
Commission stated, "It is therefore desirable to consider the manner in which the available channels can be most effectively used in the interests of Canadian listeners" (Canada, 1929b, p. 2306).

As is usually the case when English- and French-speaking Canadians discuss any matter of a national nature, the issue of jurisdiction, specifically with respect to which level of government - federal or provincial - should have authority over the Canadian broadcasting system surfaced again as an irritant (Nash, 1994: 57). The disagreement pertaining to the matter of jurisdictional authority reflected in the views of Frigon and Bowman also underscores the fact that disputes over broadcasting policy have invariably mimicked the divergent conceptions of the nation held by anglophones and francophones that have characterized the Canadian political and broadcasting systems. The anglophone commissioners, Aird and Bowman, admired the national system exemplified by the BBC, while Frigon's concern for Quebec's autonomy led him to recommend Germany's system of broadcasting where lander (states) possessed substantial control over the system (Nash, 1994: 57).

In retrospect, only one aspect of the BBC that Aird wished to see in the Canadian context materialized, that the national broadcasting corporation be owned by the federal government. R.B. Bennett's Conservative government did pass the Broadcasting Act of 1932 which led to the creation of the Canadian Radio Broadcasting Corporation (CRBC) that same year. However, while the legislation stipulated that the new entity would be a 'public' corporation responsible to the Canadian people through their representatives in Parliament, the funding formula for the CRBC was to be made up of revenue obtained from license fees as well as commercial advertising (Raboy, 1990: 45). As a result, from its inception, the Canadian broadcasting system was a 'hybrid' of public and commercial elements. The members of the Aird Commission were disappointed by what they perceived to be a dangerous concession to commercial interests.

In retrospect, it could be argued that it was entirely appropriate that the members of first government-created inquiry into the Canadian broadcasting system, the Aird Commission, reflected the concerns which have informed all subsequent disputes regarding Canadian broadcasting policy: apprehension about American cultural domination; federal-provincial jurisdictional tensions; French-English divergence of
views; and the public versus private (commercial) debate. An enduring Canadian legacy of holding public consultations was also established by the Aird Commission. During three months of hearings, the commission received 164 oral and 124 written submission from a representative cross-section of the Canadian public, including the business community, labour representatives, farm associations, church groups, municipal politicians, and community clubs such as the Elks, Kiwanis, and Lions (Nash, 1994: 58).

One of the most prominent opponents of the idea of public service broadcasting in Canada in the 1920s and 1930s was the Canadian Pacific Railway (CPR), which had ambitions of becoming a monopoly itself, within a wholly commercial system. Unconcerned with the incompatibility between quality programming and popular programming; public service versus audience maximization; programming which serves the needs of an informed citizen rather than simply catering to the wants of consumers; and educational programming as opposed to merely entertaining programming, the CPR waged a relentless, negative publicity campaign against the BBC and the CRL, in an effort to discredit the Canadian government's plans for a BBC-modelled public service broadcaster (McChesney, 1997: 11).

The next significant inquiry, The Royal Commission on National Development in the Arts, Letters, and Sciences of 1949-51 (The Massey Commission), typified the national approach to the issue of public broadcasting until the 1970s. When tensions would arise between the CBC and private broadcasters, the commission emphatically stressed that the public broadcaster's interests should always prevail. Raboy states:

The summary of the CBC's position before the Massey Commission was a good synthesis of the basic principles on which Canadian broadcasting has been built. The CBC position combined the established principle that the air is a public asset - the principle established by the Aird commission and the original Radio Broadcasting Act of 1932 - with the pragmatic recognition that private stations had a role to play. Its strategy was to define the role as "ancillary" to the "national system", and necessarily under its control (Raboy, 1990: 98, 99).

The Massey Commission signalled the entrance of two fundamental concepts which would change the Canadian broadcasting environment from that point onward: the view of the public as a marketplace of consumers; and the notion that the system required an independent regulatory body. The Massey

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5 For comprehensive accounts of Canadian broadcasting history and, in particular, the formative stage between the 1930s and the 1960s, consult the following sources: Roger Bird’s Documents of Canadian Broadcasting (1988), Ottawa: Carleton University Press; Frank Peer’s Politics of Canadian Broadcasting (1969), Toronto: University of Toronto Press; Marc Raboy’s Missed Opportunities: the Story of Canada’s Broadcasting Policy (1990), Montreal & Kingston: McGill-Queen’s University Press; and Knowlton Nash’s The Microphone Wars: a History of Triumph and Betrayal at the CBC (1994), Toronto: McClelland & Stewart Inc.
Commission's report acknowledged, "The inclusion of private stations in the national system, although not contemplated when the original principles for broadcasting were established, has in practice proven to be in the national interest" (Canada, Royal Commission on National Development in the Arts, Letters, and Sciences, Report, 1951: 27).

The Fowler Commission and the Advent of Television

Although the technological aspects of broadcasting and the number of competitors have changed immensely since the 1950's, two of the Massey Commission's main concerns, the public sector financial crisis and the dissatisfaction of the private sector with its status, are equally valid today. These issues were still at the forefront of broadcasting policy discussion when the Royal Commission on Broadcasting (The Fowler Commission) was convened in 1956-57. This commission was a consequence of a Massey Commission recommendation that the Canadian broadcasting environment be examined within three years of the introduction of television. The commission's mandate was three-fold: to explore strategies for the establishment of Canadian content criteria for television, the regulation of broadcasting, and funding for the CBC.

Fears that the popularity of American television programming would pave the way for the integration of Canada into a continental cultural market prompted the Fowler commission to recommend a strengthened commitment for state support of the public broadcaster as a state instrument for nation-building. It was also recognized that the maintenance of a vital public television broadcaster would be enormously expensive. Although the Fowler Report still mentioned the CBC as the centre of Canada's broadcasting system, its recognition that the commercial sector was a legitimate component of the system was a crucially important boost of momentum for business interests agitating the government for permission to establish commercial television broadcasting. This came to fruition in 1960 with the creation of CTV as Canada's first commercial television network.

From 1932 until 1958, the CBC itself served as both the national public broadcasting organization and as regulator of the entire broadcasting system, which included the CBC's television network, CBC radio, and commercial radio stations. Acting on a recommendation of the Massey Commission, and as a
concession to the demands of commercial interests, in 1958 John Diefenbaker’s Progressive Conservative government removed the CBC from its role as regulatory authority, replacing it with the independent Board of Broadcast Governors. In 1967, following yet another inquiry into the Canadian broadcasting system (The Fowler Committee of 1965), the Canadian Radio and Television and Commission (CRTC) was established. That same year, Secretary of State Judy La Marsh introduced legislation that comprise the 1968 Broadcasting Act, which vaguely prescribed the CBC’s mandate. Specifically, section 2(g)iv, stated that, "...the national broadcasting service should ... contribute to the development of national unity and provide for the continuing expression of Canadian identity" (Canada, Statutes and Bills, Broadcasting Act, 1968). The inherent ambiguity of the reference to the broadcasting system’s role in the “development of national unity” would prove to be extremely problematic, especially for the CBC. Discrepancy between the government’s and the public broadcaster’s respective interpretations of precisely how the Corporation should endeavour to fulfill this aspect of its mandate would be a recurring source of conflict between the federal government and the CBC’s French-language network, la société Radio-Canada (SRC) in the years that followed. The CRTC’s name was changed to the Canadian Radio-Television and Telecommunications Commission in 1976, as an indication of the growing importance during that decade of new, alternative forms of communication technology.

The growth of the cable distribution system, combined with the emergence of satellite transmission, video cassette recorders, and pay-TV caused federal officials to re-examine the conditions affecting federal broadcasting policy. In 1981-82, The Federal Cultural Policy Review Committee (The Applebaum-Hebert Committee) was created. This study had a strong influence on the direction of Canadian broadcasting policy in the 1980s and 1990s. Although the commission’s report reaffirmed the need for a strong public broadcaster, its recommendations contributed to an atmosphere that would encourage dramatic reductions in CBC funding, as well as increased support for the transfer of CBC programming responsibilities to the nation’s independent producers. Mike Gasher (1997: 23-24) contends that, "The Applebaum-Hebert report represents a significant shift in thinking about the state’s cultural role in general, and in attitudes toward the guiding principles by which state intervention had to this point been motivated. While Applebaum-Hebert endorsed a role for the state, it redirected it." Applebaum-Hebert was the first federal committee to
suggest that the CBC should largely eliminate its 'in-house' production of programs, and allow this function to be performed by independent Canadian production companies. The report also emphasized the need to build audiences for Canadian programs, accompanied by an implicit acceptance of the market model as the basis of cultural and communications policies. The ambivalent stance toward broadcasting policy was absent in this committee's report. The authors of the report adopted the philosophy that, "Canada had to quickly develop a program production industry before Canadian broadcasting was reduced to a technically sophisticated distribution system for imported programs. A Canadian program production industry would depend on cultural and economic initiatives, involving government and industry" (Raboy, 1990: 215:216).

**The Mulroney Era and the Financial Assault against the CBC**

In the 1984 Canadian General Election, the Progressive Conservative party defeated the Liberals and formed a majority government under Brian Mulroney. Although many hard-line members of the Progressive Conservative Party (PCS) in the 1980s would have liked to have privatized the CBC, if they had their way, Mulroney was not among them. Mulroney was not ideologically opposed to the concept of public-service broadcasting in general, nor to the CBC in particular. What he did have a problem with, however, was negative publicity. Lawrence Martin (1994: 21) remarks that, "As he [Mulroney] did not have an abiding ideology or policy agenda, what drove Mulroney was the prestige of influence and power." In fact, Douglas Bassett, whose family owned the CBC's main commercial competitor, CTV (Baton Broadcasting), was one of the new prime minister's strongest supporters during the 1983 PC leadership campaign (McDonald, 1995: 169).

Mulroney's attacks against the public broadcaster were motivated as much by his resentment over what he felt were unwarranted personal slights against him by members of the CBC's news staff during his bid for the Progressive Conservative leadership in 1983. For example, former CBC news anchor, Knowlton Nash, experienced his wrath personally, when just prior to the 1983 campaign, the CBC's flagship nightly newscast, *The National*, mistakenly underestimated the size of a rally staged in Montreal to announce his leadership candidacy. John Sawatsky (1991: 473-475) states that:
Mulroney never hesitated to gripe to reporters about how they covered him, particularly reporters from the CBC. Since before the campaign had officially begun, he had believed the CBC was slanted against him... When Mulroney watched the report that night he lost control. Somehow knowing the CBC studio telephone number, he caught anchor Knowlton Nash coming off the air... Around midnight Nash, now at home, got another incensed call from an even more irate Mulroney... As the campaign progressed there would be more complaints about the CBC’s coverage and more phone calls. Mulroney’s handlers tried to talk him out of calling up reporters whenever stories snagged one of his emotional trip-wires, but often it was hopeless.

Nonetheless, realizing the political unpopularity that wholesale privatization of the CBC would arouse, especially in his home province of Quebec, Mulroney opted for marginalizing the public broadcaster by drastically reducing its budget appropriation from Parliament. Stewart (1997: 167) estimates that between 1985 and 1995, the public broadcaster’s staff was chopped by nearly 50 per cent, and in real dollars, its annual budget decreased by 47 per cent. Maude Barlow and Bruce Campbell (1991: 98) described the Mulroney government’s sustained budgetary assault on Canada’s cultural institutions as a “war”, and argue that because of the CBC’s high profile, the funding cuts exacted on the Corporation were disproportionately severe in comparison to other areas of the public sector. They contend that:

The [Progressive Conservative] government says that the CBC is just taking its share of deficit reduction. This is simply not so. The CBC is being deliberately targeted. If the federal expenditure budget had received cuts proportional to the last round of CBC cuts, it would have lost $10 billion dollars, and 35,000 public servants would have lost their jobs. The CBC is being targeted because it stands as the most significant symbol of an independent Canadian voice on the North American continent and is, therefore, an anachronism or worse in the world-view of this government (Barlow & Campbell, 1991: 99).

The next important event in the evolution of Canadian broadcasting policy occurred in the Mulroney era was the creation in 1985 of the Task Force on Broadcasting Policy (Caplan-Sauvageau Task Force). The task force was commissioned by Communications Minister, Marcel Masse, to examine ways to refine the cultural and industrial objectives for the Canadian broadcasting system. According to Raboy (1990: 300), the task force ended up acting as moderator in a debate between two sets of competing interests: ‘cultural communities,’ based on group membership in national, regional, ethnic, and social organizations; and, second, the ‘culture industries,’ which were composed of public and private broadcasters, cable operators, production companies, and specialty channels (1990: 300). When Florian Sauvageau and Gerald Caplan, co-chairs of the Task Force finally published their report in 1986, after extensive public hearings, it included
many fine recommendations pertaining to measures that could have been taken to remedy the CBC’s declining state.

The report recommended Canadianization, including a ‘performance incentive’, for private broadcasters to increase their contribution to Canadian content programming; recognition of the CBC as the ‘central’ institution of the Canadian broadcasting system; a renewed commitment to the public service ethos for all members of the broadcasting system, private as well as public; more regional programming on the CBC; clarification of the relationship between the government and the CRTC, specifically an unequivocal delineation of their ‘arm’s-length’ relationship; recognition of the equality of the French- and English-language segments of the broadcasting system and the distinct character of francophone broadcasting; the reservation of program production to the conventional broadcasting sector, not cable; formal acknowledgement of community broadcasting as an equal partner with the public and private sector broadcasters; programming which reflects racial, ethnic, and gender equality; the recognition of the fundamental right of aboriginals to have access to the production of programming that reflects their unique circumstances (Raboy, 1995).

Despite the most sincere intentions of the task force members, the Mulroney government largely ignored most of its recommendations. It has been argued (Martin, 1993; Barlow & Campbell, 1991; McDonald, 1995) that the recommendations of the Caplan-Sauvageau Task Force never stood a chance of coming to fruition, because the government only created the inquiry to distract the Canadian public’s attention from the fact that it was bargaining away most of the country’s leverage, vis-à-vis cultural sovereignty, in its free trade negotiations with the US. In essence, it could be said that the task force was a calculated diversion tactic designed to appease cultural nationalists. Wayne Skene summarizes the exercise in futility known as the Task Force on Broadcasting Policy as follows:

Caplan-Sauvageau would turn out to be a woeful dirge for Canadian broadcasting and for the CBC, very little of it new or enlightening . . . Caplan-Sauvageau wanted the system corrected. It wanted more Canadian content, especially drama, on private stations. It wanted tighter and tougher regulations to back that up. The task force somewhat naively called for the entire broadcasting system, not just the CBC, “to serve Canadian culture.” The task force report — once thought of as the broadcasting plan for the twenty-first century — made its way on to the shelf, to be covered by years of Tory dust (Skene, 1993: 118-121).
The Caplan-Sauvageau Report led to the creation of another parliamentary committee, The Standing Committee on Communications and Culture, whose purpose was to review the government's proposed legislation for amending the 1968 Broadcasting Act. After the Caplan-Sauvageau Report was referred to the House of Commons Standing Committee on Communications and Culture, a much-diluted Bill C-136 was tabled in Parliament as the new Broadcasting Act. However, the 1988 election was called before C-136 was turned into legislation. When the new Parliament re-convened, Bill C-140 was placed before the House, was passed, and became the Broadcasting Act of 1991. With the benefit of hindsight, Sauvageau (1998: 135) recalls that, "The 1986 Task Force report recommended that the CBC continue to play a central role in the broadcasting system. However, at the same time, we also feared the worst for the Corporation whose budgets had already begun to be cut. The worst has occurred."

Raboy's assessment of the results of Caplan-Sauvageau, almost a decade afterwards, is realistic and provides a clear illustration of the priorities of the Mulroney government, with respect to broadcasting policy and the concept of public-service broadcasting. He writes that:

Despite opposition, industrial interests, especially those of the cable industry, managed to dominate many crucial areas. Thus, for example, the desire to improve the contribution of private television to Canadian programming was not accompanied by concrete measures, while cable was the main beneficiary of the government's policy view that communication technology is neutral... Having said all this, it is important to recognize that the execution of formal policy reflects industry interests and political agendas far more than it does the broad principles and consensus of public debate. It is only within this framework that one can understand such developments as the persistent cutbacks in CBC funding which led to the closing down of most local and much regional television in 1990... even if policy making is relatively sensitive to public pressure, policy execution is carried out only after private negotiation with the actors concerned (Raboy, 1995: 476-477).

The willingness of the government and the CRTC to regulate Canada's commercial broadcasting sector with a light hand can be seen to have received its most authoritative endorsement from Brian Mulroney's Progressive Conservative administration in the 1980s. While Margaret Thatcher was budget-cutting, privatizing, and restructuring longstanding symbols of Great Britain's welfare state and public service tradition, her Canadian counterpart was emulating her strategy on this side of the Atlantic, albeit with considerably less public fanfare (see chapter two). Although Mulroney's government may have followed its agenda in a more subtle fashion than did Mrs. Thatcher's, it nonetheless had consequences every bit as significant and devastating, at least in their effect on the symbol of Canadian public service broadcasting, the CBC. Moreover, like his kindred spirit and British counterpart, The Canadian prime minister was not
adverse to using substantial amounts of taxpayers' money to promote what he considered to be a worthy cause, in particular, the pursuit of a free trade agreement with the United States. When public opinion polls revealed that a majority of Canadians were opposed to such an agreement, all of Mulroney's rhetoric about the debt and deficit suddenly appeared rather shallow considering the amount of money his government was willing to spend to sell free trade to the Canadian public. Mel Hurtig (1991: 232) asserts that:

During 1988, the pro-free-trade supporters outspent the anti-free-trade supporters by at least a twenty-to-one margin. Most of this time, in fact for almost all of the period leading up to the election, the public opinion polls showed that many more Canadians opposed the Free Trade Agreement then supported it. Clearly big money bought the election. And the Mulroney government chipped in, with taxpayers' money, in a shameless manner. According to Maclean's (21 November 1988), quoting an unnamed Conservative source in Ottawa, "The Conservatives poured more than $23 million into promotional campaigns extolling the benefits of free trade."

Nash (1994) claims that the contempt toward the CBC displayed by the Mulroney government was motivated primarily by the leader's intense suspicion of former CBC President Pierre Juneau, whom he considered to be an overtly-partisan Liberal. Just as Thatcher had chosen to use the BBC as the whipping boy for her union-bashing campaign, Mulroney set his sights on using the CBC as the example of his government's intentions of cutting what it considered to be the nation's bloated and 'uncooperative' public sector. Nash contends that:

Within a few months of coming into office, Mulroney made massive budget cuts in government spending, with a particularly savage chop to the CBC, proportionately far heavier than to other areas of government spending. Seventy-five million dollars were slashed and, on top of that, the CBC was told it would not get its usual extra funding for inflation costs, its capital budget would be cut back by $10 million, and it would have to find an extra $20 million to cover the cost of layoffs. Altogether that meant a budget haemorrhage to the tune of about $120 million. That, in turn, meant hundreds of jobs would be cut and scores of dramas, documentaries, and arts programs would be killed (1994: 463).

During the decade of the 1980s, neo-liberals argued that the CBC, as a Crown corporation, had to shoulder its share of the restraint measures which the Progressive Conservative government insisted were a necessary part of its strategy of improving Canada's economic competitiveness. The government, as well as other critics of the Corporation, asked why the CBC should be exempt from the austerity measures which were being applied to all public expenditures at that time. While there may have been a certain internal consistency to that reasoning, it seems more likely the severe cuts imposed on the CBC by the 1980s PC government were inspired more by Prime Minister Mulroney's animosity toward the broadcaster than by a principled ideological conviction. Writing at a time when the Conservatives were still in power, Lawrence
Martin (1993: 184) contends that the CBC was the object of Mulroney’s personal scorn, disguised as deficit-fighting measures, because of the ‘unfair’ treatment the Prime Minister believed he had been subjected to by the public broadcaster:

These cuts were a symbol of how the Conservatives looked upon culture. Given the layers of fat in the broadcasting company, there was justification for some of the pruning. But the reasons for the cutbacks ran much deeper than the need for slimming down. This became apparent when the prime minister, stung by some critical CBC reports during the course of his rise to power, looked on contentedly at attacks on the corporation reminiscent of Spiro Agnew. In the Nixon era, Vice-President Agnew lashed out at press critics, calling them “nattering nabobs of negativism.” The Tories seemed to have found their Agnew in academic John Crispo. Crispo, a standard-bearer of the right, assailed the CBC as a “lousy, left-wing, Liberal-NDP-pinko network.” The Tories loved it. In short order Crispo was appointed to the CBC’s board of directors. Mulroney was not terribly unhappy about taking the scalpel to the CBC, but had he listened to his party he would have finished it off altogether. At their annual conventions, the Conservatives had voted to privatize the corporation.

The Corporation’s ability to fulfill its new mandate was severely restricted because of the economic and political pressures with which it had to contend during the Mulroney era. According to the 1991 Broadcasting Act, the CBC was expected to, “... be predominantly Canadian ... reflect Canada and its regions to national and regional audiences ... strive to be of equivalent quality in English and French ... contribute to shared national consciousness and identity ... (and) reflect the multicultural and multiracial nature of Canada” (Statutes of Canada, 1991, art. 3.1.m). When the Liberals were returned to power in 1993, the CBC hoped that it might get a reprieve from the constant political and financial duress under which it had been placed by the Conservatives, but such expectations would prove to be futile.

**The More Things Change, the More they Stay the Same: the Record of Chrétien’s Liberals**

Despite promises in its 1993 election platform document to restore stable and reliable funding to the CBC, Jean Chrétien’s Liberal government has, until very recently (Jan. 2001) continued the same pattern of funding reductions that were established by the Progressive Conservatives under Mulroney. Edward Herman and Robert McChesney (1997: 161) report that:

On September 5, 1996, the Canadian Radio-Television and Communications Authority [incorrect title] announced approval for twenty-three new Canadian private TV cable channels, although news reports say that 80 per cent of Canadian viewers see no need for any new channels. Four days later, on September 9, CBC announced that a budget shortfall of $188 million would force a 1,400 staff reduction that is expected to have seriously damaging effects on local production, outreach, and quality. Further planned reductions in 1998 will reduce CBC’s full-time staff to half its 1984 level. For the Liberals, as for the Conservatives, the market will suffice in broadcasting.
Like Mulroney, Jean Chrétien has never been enamored with the CBC, particularly its French-language division, which he believes has been sympathetic to Quebec separatism. In the Autumn of 1998, the Chrétien government introduced a bill (C-44) which would have severely restricted the independence of the CBC because it required that the Corporation’s president and board of directors serve “during pleasure” of the government (Wallace, *Maclean’s*, 19 October 1998: 19). The 1995 Quebec referendum, in which the federalist side barely won an excruciatingly narrow victory, stirred the ire of Chrétien and his federal Liberal colleagues, because he felt that the CBC had not been vigilant enough in its defense of national unity. He complained that the SRC was a “*boîte à séparatistes*” — a separatist nest — and that the French network had given Bloc Québécois leader, Lucien Bouchard, “kid glove” treatment in its coverage of the referendum campaign (Taras, 1999: 158). The prime minister’s suspicious of biased coverage by the SRC, however, were not substantiated by public opinion:

While political leaders fumed about the CBC’s coverage, the public seemed relatively satisfied. A public opinion poll taken in Quebec found that 46 per cent of respondents thought that Radio-Canada’s coverage was fair and balanced as against 16 per cent who thought it was slanted in some way. Of those who thought bias existed, 11 per cent believed that coverage had leaned toward the No side (the federalist camp), while only 3 per cent thought that the broadcaster sympathized with the Yes side. The complaints about coverage received by Radio-Canada’s ombudsman were almost equally divided between those who thought that coverage was too federalist and those who thought that it leaned too heavily toward the sovereigntist position (Taras, 1999: 160).

There is little doubt that the Liberals of the 1990s have been no more benevolent toward the public broadcaster than were their predecessors. As the 1990s progressed, however, the economy improved, the threat of Quebec separatism had somewhat subsided, and the federal government found itself with a surplus for the first time in many years. According to some observers (Taras, 1999; Martin, 2001), the financial stranglehold that the Liberal government’s funding cuts to the CBC have created was motivated by the same sort of vindictiveness that was witnessed under the Mulroney Conservative government. The Montreal Gazette’s Lawrence Martin (18 January, 2001: 1) proposes that, with the federal government’s 2001 budget nearing, the Liberals had an opportunity to improve its treatment of the CBC:

It could consist in part of a whopping infusion of $500 million into the CBC budget. This would still leave the CBC far behind its British counterpart, the BBC, in per capita funding. A BBC which, by comparison, has a minuscule land mass to serve ... A half billion, though, would at least cover the $400 million it [the CBC] has suffered in cuts ... The reasons why the Corp. Has been on a starvation diet are three-fold: the big national deficit of the mid-1990s, the prime minister’s fear that the French-language CBC was supporting separatism and the suspicion that the network gave him unfair coverage.
In 1995, the Liberal government established the Mandate Review Committee (under the chairmanship of Pierre Juneau) to examine the CBC, Telefilm Canada, and the National Film Board, with the intent of reassessing the role of these institutions within the rapidly-changing cultural and communications environment. The CBC's marginalized status within the contemporary broadcasting environment, noted by Raboy, was acknowledged by committee members in the opening statement of their final report: "It (the CBC) has provided the vast majority of our best and most distinctive programming, and it has provided Canadians with a compelling alternative to the flow of American programming crossing our border" (Mandate Review Committee, 1996, Preface:1). The Committee's use of the term "alternative" implies that it considered the commercial variety of broadcasting to be the norm.

The Committee members recognized that the CBC's ability to meet the goals of its public service mandate, as outlined in the 1991 Broadcasting Act, had been compromised by economic and technological forces, which is why they endorsed the exploration of alternative sources of CBC financing. In fact, this was the second component of the committee's mandate, with the first being to "... support the CBC as a strong public broadcaster which reflects Canada's diverse regions" (Mandate Review Committee, 1996, Ch.1: 1). The Committee also acknowledged that the CBC's government funding was unlikely to return to pre-1984 levels, and that the need to compensate for this by increasing advertising had compromised the Corporation's capacity to serve the public interest. In response, the Committee advocated the elimination of all advertising on the public broadcasting network. Instead, it recommended that the CBC obtain revenue from a government levy, the Communications Distribution Tax (CDT) imposed on the purchase of electronic communications distribution companies such as long-distance telephone providers, cable and satellite distributors. The Committee believed that the second option was the most acceptable, given that the CBC contributes the largest amount from either sector of the Canadian broadcasting system towards the production of Canadian programming - 42 per cent - while the largest recipient of total broadcasting revenue, the cable industry (38 per cent), accounted for only 6.4 per cent of the money spent on Canadian programming (Dorland, 1996: 194-195). Since private broadcasters and cable operators receive the benefit of public expenditures in programs such as the Canadian Television Fund (CTF), they are also components of the public broadcasting system. As such, it is only fitting that they should contribute their fair share to the
maintenance of that system by supplying a greater proportion of funding for the production of Canadian programming. It should be noted, however, that the CDT was never accepted by the government.

The committee endorsed the notion of a redistribution of wealth among the players in the national broadcasting system, most of it going from conventional broadcasters to the independent production sector. The authors of the Juneau Report believed that this sort of arrangement would also help the independent production sector, because the CBC would be in a position to license a greater number of independent productions. They recommended that the CBC eliminate all in-house production, with the exception of children’s, news/current affairs, and sports programming (Mandate Review Committee, 1996, Ch. 6.4: 9-12). If adopted, this would be the final step of a process of contracting out CBC productions which began in 1983, with the introduction of the Broadcast Program Development Fund.

The Committee had hoped that the imposition of the CDT tax, combined with the virtual elimination of CBC program production, would eliminate the Corporation's dependence on public subsidies by 2000-01. It was also anticipated that the adoption of these measures would increase the CBC’s accountability to Canadian taxpayers (Mandate Review Committee, 1996, Ch. 6). Although the Juneau Committee claimed that its primary objective was to discover a way that CBC could retain its uniqueness, "emphasize culture, enlightenment, education, information, and the best of Canadian programming" (Mandate Review Committee, Ch. 6.6: 16), nonetheless, seven of the "important benefits" they believed would result from their recommendations focussed on matters of economic efficiency. Only one benefit focused exclusively on improvements to CBC program services.

The Juneau Report's recommendations for the CBC, for the most part, may have been in line with the federal government's program of restraint; however, the Canadian public does not seem to share this perspective. In an June 26, 1996 Globe and Mail article by Christopher Harris, it was reported in an Angus Reid/Southam News Poll that only a narrow majority (52 per cent) of Canadians supported government reductions in the CBC's annual appropriation (Harris, 1996b: C5). Opposition to the cuts was highest in Atlantic Canada, which is a good indication of the extent to which program cuts have affected regional services. Harris also reported that, between 1994-1995 and April, 1998, CBC's English-language network was expected to lose 1,685 positions, or 38 per cent of its staff, and several local CBC outlets will have closed. Harris quoted former CBC President Tony Manera, who resigned over the Liberal government's
broken promise not to reduce the CBC's funding any further if they were elected; Manera commented, "What we're seeing here is not a business plan, it's a press release - a public relations job. The reality is that these cuts are the most drastic in CBC history. . . . Programming will suffer, audiences will shrink" (cited in Harris, 1996c: A1). Although they do not question the sincerity of the intent of the Mandate Review Committee's members — Pierre Juneau, Peter Herndorf, and Catherine Murray — Herman & McChesney note the duplicity contained in the Committee's final report:

... while lauding the CBC's work as essential to the preservation of cultural autonomy and broadcasting quality, [the MRC] nevertheless worked within the constraint of the dominant parties that insisted on further attrition of the CBC budget, and therefore tacitly accepted the shrinkage of this 'indispensable' institution. It criticizes the CBC for having taken on advertising and compromised its capacity to program independently, but fails to note that this change of tack was imposed on the CBC by drastic budget cuts without reductions in CBC responsibilities (1997: 159).

During the same period that the department of Canadian Heritage had instructed the Mandate Review Committee to conduct an investigation into the respective state of affairs of the CBC, the Nation Film Board, and Telefilm Canad, former CBC President Perrin Beatty hired the private-sector accounting firm McKinsey Consultants to undertake a comprehensive assessment of measure which could help further "streamline" the CBC (Sauvageau, 1998: 137). It has become apparent since that the creation of yet another inquiry into the Crown Corporation (CBC) was intended primarily to deflect criticism that the CBC had forsaken its commitment to serve the public interest. Essentially, through no fault of the Committee's members, the Mandate Review Committee served as a smokescreen for the government, to convey the impression to the CBC's employees, the Canadian public, and opposition MPs that the Liberals had an earnest desire to see the Corporation revitalized.

In retrospect, it seems plausible that the 'coincidental' timing of the MRC and the evaluation of the CBC by the McKinsey accounting firm was intended to disguise the fact that a private consultant had been contracted to examine ways of preparing the CBC for its eventual demise. Even Beatty's predecessor as CBC President & CEO, Gerard Veilleux, a life-time civil servant, had succumbed to the invocation of private-sector marketing discourse and its accompanying neo-liberal philosophy. Sauvageau (1998: 138) notes that:

When Gerard Veilleux was President of the Corporation in 1992, he too was seduced by the fashionable jargon of trendy managers and implemented a so-called 'repositioning' process at the CBC. This notion, which comes from the field of marketing (to position, to define a product according to its market), hardly conjures up the ideals of public service. But at least Veilleux, to his credit, entrusted the work to in-house troops.
The same commercially-minded ideology which led to drastic reductions in the political will required to approve adequate levels of public funding for the CBC proved advantageous to the position of independent program producers and private broadcasters. By definition of 'ideology', this policy shift is based on the fallacious notion that both Canada's global competitiveness, as well as the diversity of programs and views, will be improved by simply increasing the number of sources of program production. The Department of Canadian Heritage's decision to basically abandon CBC in-house production in favour of supporting Canadian independent producers, commercial broadcasters, cable specialty channels, as well as foreign customers disregards the fact that, on the whole, creative personnel in the independent sector are substantially lower-paid than their CBC counterparts, and that for their programs to prove economically profitable, their content must be amenable to foreign consumption. How this move benefits the broadcasting industry as a whole, or the general public for that matter, remains unanswered, if it has even been contemplated by the officials in the Department of Canadian Heritage.

Sauvageau claims that the shift from broadcasting policy with a cultural emphasis to one with an industrial focus is a process that can be traced back to the 1970s when the CRTC began conducting hearings to examine whether, and how, cable technology could be integrated into the Canadian broadcasting system (1998: 138). Gradually, he suggests, commercial objectives came to dominate social and cultural concerns in the decisions of policy-makers overseeing Canada's broadcasting system and its cultural industries. The twin-edged assault of economic globalization and rapidly-evolving communication technologies in the 1980s convinced Canadian broadcasting policy-makers that, for Canada to remain competitive in these 'new times' of the post-industrial society, it must foster the development of so-called 'national champions' in the private sector. Mel Hurtig (1996) notes the poorly-concealed irony of excuses offered for the drastic funding reductions in the name of 'fiscal responsibility' which have befallen public instruments of Canadian culture, such as the CBC, when the federal government has shown no such discipline with respect to private-sector behemoths, from whom both the Liberal and progressive Conservative parties receive a substantial amount of campaign donations. He claims that:

A few days after Mulroney's government announced a $75 million cut in the CBC's funding, they also announced tax measures that reduced petroleum industry taxes by $578 million. When the Chrétien government chopped another $10 million of CBC money in Paul Martin's 1996 budget, they also gave another $422 million in tax relief to the petroleum industry (Hurtig, 1996: 466).
In fact, it seems that Hurtig's assessment of the Liberals' treatment of the CBC is quite benevolent, because Marc Raboy estimated the actual impact of Martin's 1996 budget on the CBC to be closer to a funding cut of $74 million (Raboy, 1995:113). Raboy's identification of the real winners and losers from a decade-and-a-half of government broadcasting and cultural policy decisions tilts toward the commercial broadcasting sector. Although, in the 1991 Broadcasting Act, all the proper overtures are made toward the principles of the appreciation of public service broadcasting, the government's policies and budget reductions to the CBC revealed the true intent of Mulroney's and Chrétien's broader agenda of support for the private sector, at the expense of an emaciated public sector. Raboy (1995: 112) notes that:

The fact is that public broadcasting, since the mid-1980s, has received declining material support from public funds while public funds have flowed, through independent producers, to private broadcasters; meanwhile private broadcasters and their upstart cousins, the cable distributors, have been subjected less and less to public service obligations.

In sum, the Chrétien government has continued the assault initiated against the CBC by its predecessors; indeed, some critics, such as the Friends of Canadian Broadcasting, argue that the Liberal regime has been even more damaging to the principles of public-service broadcasting:

Despite solemn electoral promises of stable and adequate funding, the Chrétien government has slashed the CBC's budget faster and deeper than any government operation. The Prime Minister has tried to tame and hobble the CBC by appointing his friends to the Board of Directors and bullying reporters. Through Bill C-44, the Chrétien government tried to rein in the CBC, giving itself the power to fire the CBC President or members of the Board of Directors for any reason at any time. CBC budget cuts have coincided with increased tax breaks to private broadcasters and producers. Never before has a Prime Minister been so hostile toward CBC (FCB Press Release, 1998-99: 1 of 2).

This is not to say that the Canadian government does not practice what it preaches about fiscal discipline and restraint, it is just that it applies the principles of this doctrine selectively: one set of criteria for the public sector; an altogether different one for wealthy, influential members of the private-sector. Ted Magder (1997: 354) questions the neo-liberal mentality displayed by public policy-makers that has, as far as the country's cultural and broadcasting infrastructure is concerned, reversed what took earlier generations of Canadians the better part of the twentieth century to create. He remarks that, "Unfortunately, over the last decade and a half, there has been a noticeable shift in the fundamental objective of Canadian cultural policy, towards an emphasis on private enterprises that can compete in the international marketplace. In other words, cultural policy in Canada has become something of an industrial policy".
The ill-conceived and misguided application of commercial logic to the public sector has contributed to an unprecedented level of ownership concentration which, according to the CRTC, is a necessary concession if Canada is to emerge as a world leader in the area of new media technologies. Essentially, the compromise consisted of allowing a less than desirable level of ownership concentration in the broadcasting and telecommunications sectors by a few extremely large Canadian companies, who, it was hoped by the regulator, would have the necessary financial wherewithal and technical expertise to develop the necessary infrastructure to compete internationally. In exchange, these few corporations would be asked by the CRTC to make an increased licensing of independently-produced Canadian programming an attendant part of their expanded services.

From that point forward, the CRTC sent a clear message to all concerned that utilitarian, technological and industrial concerns would take precedence in its licensing decisions over 'antiquated' notions of regulating the broadcasting/communications environment in the public interest. It is also worth noting that Canada trails its Commonwealth partners, Great Britain and Australia, in terms of regulations pertaining to cross-media ownership. In other words, Canada does not have any legislation prohibiting or restricting the amount of media properties an owner may control in the different sectors of the media - newspapers, television, radio, cable, etc. - as do those other two countries.

It is important to note that, following the recommendations of the Royal Commission on Newspapers (Kent Commission) in 1981, the CRTC did impose restrictions on cross-media ownership in certain markets; however, these limits were discarded when the Mulroney government came to power in 1984. Particularly in the last few years, ownership concentration within and across media sectors in Canada has grown substantially: Sun Media, subsequently sold to Quebecor, Ltd., has bought out a considerable number of dailies in smaller Ontario cities; Rogers (one of the major cable TV companies) has purchased the Chum group of companies; Canwest-Global Communications took over Wic Communications in June 2000, and Hollinger, Inc., in July 2000; and Bell Canada Enterprises’ (BCE) purchased the CTV network, its specialty cable channels, and *The Globe and Mail*.

The prominence devoted by the CRTC to implementing commercial criteria in its approach toward the regulation of Canada's broadcasting system has contributed to an atmosphere of confusion and uncertainty among staff of such institutions as the CBC, with respect to their understanding of their
organization's mission. The insecurity felt by many current and former employees of the Corporation has been compounded further by the importation of private-sector-trained personnel in key managerial positions at the public broadcasting organization. Sauvageau comments on the problematic situation created by government expectations that the CBC reduce its expenditures and become more 'efficient', while it has simultaneously siphoned off funding which previously went to the public broadcaster in order to bolster the independent program production industry:

The balance (between cultural and economic goals) was already lost many years ago with the development of cultural industries and all the ambiguity that surrounds them. Emphasis was put on the creation of an industry. It was decided in Ottawa that the diffusion of culture would increasingly depend on its industrial base. The growth of independent production is linked with this choice. With the proliferation of television channels and the privatization that comes with it in many countries, people at the Department of Communications dreamed about exporting our programs and carving out a share of the expanding world market. In order to do this, they chose to develop an independent production industry. The CBC had to contribute to the growth of this industry by entrusting a part of its production to independent producers. Furthermore, these same producers were heavily 'subsidized' by Telefilm (1998: 139).

As an illustration of how malleable attitudes toward state intervention in broadcasting can be, Canada's private broadcasters, cable operators, and satellite service providers resent what they perceive to be 'intrusive' public service requirements, such as Canadian content regulations. They have also been known to take issue with having to compete against a 'subsidized' public broadcaster for advertising revenue or for broadcast rights for lucrative sports events (Olympics, Stanley Cup Playoffs, etc.). What is often overlooked, though, is that Canada's commercial broadcasters are also the recipients of the benefits of the government's dispensation of public funds through the 'subsidized' Canadian programs they licence with the assistance of Telefilm from independent producers. The private sector of Canada's broadcasting system is also protected by a CRTC regulation, known as 'simultaneous substitution,' which encourages Canadian companies to advertise on Canadian TV stations. Through simultaneous substitution, commercial broadcasters can reap all the benefits of airing inexpensive American programs, while retaining the profits derived from the insertion of Canadian advertisements. Taras (1999: 186-191) asserts that:

Canadian broadcasting policy during the 1980s and 1990s was built on the notion that if everything is done to ensure that commercial networks and stations can make sizable profits, then broadcasters will have more money to invest in Canadian programming. . . Simulcasting ensures that rather than being penalized for showcasing top-rated Hollywood shows, commercial broadcasters are given every incentive to do so . . . Commercial broadcasters also feast on a smorgasbord of government subsidies. Commercial projects qualify for tax credits, support from the license fee program of the Canadian
Television Fund (three-quarters of which comes from the cable industry, the equity investment fund administered by Telefilm Canada, and provincial tax credits.

The inconsistency exhibited by Canada's private-sector television industry with respect to the issue of government intervention, combined with the ambivalent attitude displayed toward the CBC by broadcasting policy-makers and regulators, presents the public broadcaster with an irreconcilable dilemma. Numerous Royal Commissions, Task Forces, and Review Committees have been instructed by the government to investigate possible remedies for the difficulties faced by the CBC. Most of these have lamented the public broadcaster's drift toward a reliance on advertising revenue, which it is argued, has had the effect of making the CBC less distinguishable from its commercial counterparts. Although this trend is undeniable, the various bodies that have inquired into the situation of the CBC in recent decades have overlooked the true source of the public broadcaster's problems: a lack of political will.

**Contracting-out and the Quality of Public-service Broadcasting**

The dangers to a nation's television industry associated with reducing a public broadcaster's program production capabilities is that the quality of programming generally suffers because technical and creative employees no longer have the job security and career longevity necessary to develop their professional skills, which had previously been provided by organizations such as the CBC. Consequently, the production values and overall quality of the independently-produced programs are usually not of the same quality as those of public broadcasters. While governments justify the contracting out of program production from the 'in-house' facilities of the public broadcaster to the private-sector independent producers on the basis of such considerations as cost-efficiency and expediency, unionized production personnel at public broadcasting organizations view such measures as merely another step toward the eventual commercialization of the public broadcasters themselves. With a strike by CBC technical employees looming in 1996, James Winter wrote that:

The main issue in the negotiations (between CBC unions and management) was the "outsourcing" of production and services. CBC management says that in view of the cuts it needs greater "flexibility" to contract out to the private sector. The unions say unlimited outsourcing amounts to privatization by the CBC "through the back doors" (1997: 148).
With specific reference to the restructuring of the British television industry, where the BBC and the government-owned commercial network Channel 4 have been mandated to contract 50 percent and 100 percent, respectively, to independent producers, Andrew Graham and Gavyn Davies (1997: 22) remark that:

Last but not least, the influence of the BBC has been especially beneficial in training where it has acted as a 'talent' conveyor belt, attracting many of the best staff early in their careers, training them well and then allowing the benefits of this training to spread throughout the entire broadcasting industry. In other words, the 'externality' problem in this area has been largely solved. Thus, even if the past system has been too uncompetitive in some respects, any move to a totally commercial system will lead to market failures that would be more significant in the longer run.

The same principle described by Graham and Davies in reference to the BBC is also applicable to the CBC. Despite the toll that successive waves of government funding cuts have taken on the CBC, the Corporation has also given many Canadian creative and technical broadcasting employees valuable training at the beginning of their careers. Even before the CBC went to an all-Canadian prime-time schedule on its English-language network in 1998-99, the amount of work given to Canadian program producers, and the amount of Canadian programming it offered to the public, still far exceeded anything the private broadcasters were willing to provide. Raboy (1995: 111) reports that, "... the CBC is still by far the greatest exhibitor of Canadian programmes. In 1994, Canadian content on CBC television was about 85 per cent in prime time, while the total across the entire system was about 75 per cent."

The decimation of the CBC's ranks of enthusiastic young people, after years of budget slashing, has definitely had an effect on the final product: the programs. The loss of ingenuity and creativity, though, is probably the hardest deficit to quantify. Questions remain about how competitive would the CBC be — vis-à-vis private broadcasters — had younger staff, just beginning their careers twenty years ago, been allowed to mature and develop their skills at a broadcaster to whom the notion of service to the public actually had meaning. A veteran CBC broadcaster from Halifax, Don Connelly, recalls his experience of the downsizing that has occurred at the Corporation over the past two decades:

When the cuts first started in about 1985 there were a lot of people of a certain age here. They were glad to take the buyout and run, but the effect, because they were pretty good buyouts, was to reward the second rate, in some cases; they left. But later, when the real cuts hit, it was something else again. We lost many of the best people, we lost most of the young comers, we lost much of the ability to do the job, and nearly all of the ability to do it in the future (Connelly, cited in Stewart, 1997: 156).
The most significant development in the Canadian government's industrial strategy of promoting the independent production sector occurred in 1983, with the creation of the Broadcast Program Development Fund (renamed the Canadian Television Fund), under the auspices of Telefilm Canada. The former head of the CBC's British Columbia operations, Wayne Skene, expresses what he perceives to have been the inspiration, and the results, of the government's decision to subsidize Canada's private-sector production industry:

Telefilm Canada, or just 'Telefilm' would be the government's pay-off to a mess of Canadian private production companies and independent producers (many of them former CBC employees) who had been haranguing the Liberals over what they saw as a doddering old CBC getting in the way of their making productions - and major profits. The independent producers were typically Canadian. Eventually, many of them would go on to produce millions of dollars worth of Canadian programming - using comparatively little of their own money. They would risk a lot of their time, and worry occasionally about the odd second mortgage hanging over their heads, but the Canadian taxpayer was the one who put up, and still does, most of the money to have these programs made (1993: 113).

In a sense, then, it could be said that the Canadian taxpayers, via instruments such as the Canadian Television Fund, are paying twice to have one program produced and then broadcast, whereas in the past when most programs broadcast on CBC were produced in-house. Public funding is still being used, through Telefilm and the Canadian Television Fund, to produce the programs in the independent sector, yet they are also being used, by way of the Parliamentary appropriation to the CBC, to have them broadcast once they have been produced. The CBC's role in this process, with the exception of its news and public affairs programs, is reduced basically to that of a distribution channel for the works of others.

The broadcasting policy shift from the social and cultural public service ideals of the CBC to the industrial development of independent producers via the CTF is indicative of the deregulation component of the privatization agenda of the public sector, as described by Murdock (1990: 13):

This process is often called de-regulation. This is a misnomer. What is at stake is not so much the number of rules but the shift in the overall rationale, away from a defence of the public interest (however that was conceived) and towards the promotion of private interests.
This trend toward a 'free-market' mentality among Canadian broadcasting regulators can be seen to have begun as far back as the 1970s, when cable distribution services were beginning to make their presence felt in the Canadian broadcasting system. Raboy contends that:

The role designated for the CBC was to be a provider of Canadian programming produced in the private sector with the assistance of Telefilm. In other words, the government was shifting its support for Canadian television production and programming from a public corporation to private companies. In real terms, this meant the privatization of a large part of the production activity formerly performed by the CBC - production which is now done by private production companies using public funds, and in many cases for the benefit of private broadcasters. Since the late 1980s, the broadcast fund injected some $140-million a year into the system, and it is not stretching things to characterize Canadian private broadcasting as semi-public (1996: 187).

According to Herschel Hardin (1985), before 1972, an approximation of parity between the public broadcaster, the CBC, and its only commercial competitor, CTV, had been negotiated by the CRTC for the English-language segment of the Canadian broadcasting system. This balance between the private and public sectors of broadcasting was dramatically altered, however, when the Commission decided to approve the license application for the establishment of a new commercial television network in southern Ontario submitted by the company, known at the time as Global Communications, now CanWest-Global. Hardin (1985: 48) describes the CRTC decision of July 21, 1972 as, "... as one of the most destructive acts in Canadian broadcasting history," because the Commission had the opportunity, with the Global application, to partially redress the error it made when it decided to approve CTV's application in 1961.

When the Board of Broadcast Governors (BBG) — the CRTC's predecessor as regulator of the broadcasting industry — approved CTV's application for a license, the primary condition attached to the license approval was that the new commercial broadcaster would be expected to contribute to the development of indigenous program content by acquiring the majority of its programming from the Canadian independent program production community. With the majority of its programming schedule having been comprised of imported U.S. light entertainment programming (dramas and situation comedies), and the bulk of its Canadian programming consisting of news and sports content, the boon to Canada's independent program production industry that the BBG hoped CTV would provide never materialized. Judging by its replication of the same mistake in approving Global's new stations in the early 1970s, it appears that the CRTC failed to learn from the example provided by the BBG's experience with CTV. In its announcement of the license approval for Global, the CRTC proclaimed that:
A major factor in the approval of this application has been the commitment of Global to concentrate on the development of programs using creative resources of independent Canadian producers and production houses... The commission strongly hopes [that Global's commitment]... will contribute significantly to increasing the proportion of Canadian programming in the areas of drama and variety (CRTC, cited in Hardin, 1985: 48).

Hardin's regret over the 1972 CRTC approval of Global's application pertains to the negative precedent that he believed was set by the CRTC's sanctioning of a greater number of commercial broadcasters on the condition that they contribute to the development of employment among independent program producers in the private sector. With the promise of economic dividends for the independent production sector serving as the linchpin of the CRTC's approval criteria, private sector producers, henceforth, would merely have to pay lip service to such an expectation to receive approval for their applications. The reality, in Hardin's estimation, is that both CTV and Global have consistently failed to live up to their commitments regarding the procurement of programs from independent producers, yet the Commission has been extremely reluctant to reprimand private broadcasters, much less revoke their licenses. Global's initial pretensions to foster growth in Canada's independent production industry were ambitious, with a pledge that 50 per cent of the new network's Canadian programming would come from this sector (Hardin, 1985: 51).

In fact, CTV and Global Television should be concerned by the CRTC announcement in January 2000, that the Commission is contemplating the prospect of imposing a policy of mandatory public disclosure of the amount of money invested in producing Canadian programs by all broadcasters, private as well as public. Until now, the amount of money spent on Canadian content has been confidential and has been submitted by broadcasters directly to the CRTC, but the Canadian public did not have access to these figures. Only the CBC, as a Crown Corporation, has been obligated to publicly reveal in its Annual Report the precise statistics on its financial commitment to the development of Canadian programming. The purpose of the CRTC proposal is to allow third-party intervenors to be informed of the exact nature of private broadcaster's spending on Canadian programming, should members of the public wish to have input into the Commission's license approval hearings. Ian Morrison, spokesperson for the Friends of Canadian Broadcasting, believes that the CRTC's policy, if implemented, would partially resolve the imbalance between the public interest performance expectations placed upon the CBC and private broadcasters. He
says that, "The television business in this country, at least on the English side, is one where you buy programming in Hollywood . . . You wrap ads around it and you make money off it" (Morrison, cited in Schmidt, *Canadian Press*, 12 January 2001: 1). According to figures released by the CRTC in 1998, the French-language, commercial broadcaster *TVA* invested the most in Canadian programming of all networks (40 cents for every programming dollar spent), while *Global* devoted the least (19 cents). As stated above by Taras, the CRTC's policy in recent decades has been predicated on the erroneous assumption that the increased prosperity of commercial broadcasters would result in a higher degree of Canadian programming; however, evidence from the intervening three decades since 1972 shows otherwise. Taras (1999: 187) claims that:

Commercial networks clearly spend as little on Canadian programming as the CRTC will allow them to get away with. CanWest-Global spent a measly 18 per cent of its revenue, $67 million, on Canadian programming in 1997. *CTV* spent $147 million, roughly one-third of its revenue. By contrast, English-language CBC television spent $208 million.

The issue of Canadian content, the appropriate amount, whether it should be mandatory or voluntary, and what programming qualifies as such, have been questions which have pre-occupied Canadian politicians and regulators for many years. Those who support legislated requirements of specified amounts of Canadian content on commercial and public television justify their position on the basis of a belief that Canadian identity will gradually deteriorate unless Canadian viewers are exposed to stories that reflect their particular experiences. The importance of Canadian content, in the context of a democratic public sphere, relates to the fact that without it, Canadians would be inundated by images of American politics, entertainment and society; therefore, in order to be informed about the society in which they live, there must be an adequate level of television programming that is peculiarly Canadian. The cultural nationalist concern, particularly among English-speaking Canadians, is reflected in the following rationale for Canadian content proposed by Mark Starowicz:

We are, to list some examples, a mixed economy society, delighted in balancing public and private enterprise — the ethos of American programming is one of individual enterprise, not collective enterprise. We have a fundamentally different concept of government in the parliamentary system. We have a substantially different concept of public order and the rights of an individual (gun control comes to mind). . . . In order to conduct a debate within the parameters of our own national priorities, we required secure and generous electronic information arteries, documentary capacity, foreign bureaux, science units, economic programmes. They are part of today's basic tool kit of any political entity larger than a municipal council: The power to set one's own agenda, one's own parameters of
debate, and gather world information according to one's own national priorities and interests (Starowicz, 1993: 95).

New Technologies and the Changing Broadcasting Environment

In the early 1980s, as in Britain, Canadian policy-makers placed a great deal of trust in the development of specialty subscriber Pay-TV services as the impetus that would sweep Canada's communications industries to the forefront of the global revolution in information technologies. But, also as in Great Britain, the Canadian public was less enamoured by Pay-TV then were public policy-makers. Skene (1993: 112) recalls that:

The concept of Canadian Pay-TV was ill-advised, poorly planned, ridiculously licensed and did almost nothing for Canadian culture, identity, or national unity, even though it took the better part of a decade to get it up and running. The CRTC's own research revealed that there was little demand for the service. Only fourteen per cent of those surveyed said they would be very likely to subscribe to the service at $9 a month (the price would end up being closer to $16 a month on average). . . . Licensees went broke, one after another, within figurative minutes of getting their licenses. Independent producers did not get the work that was expected. Canadian content regulations were thrown out the window. The survivors did what any good Canadian free enterprise broadcast spirit would do. They lobbied, divided up the territories and received monopoly status from the CRTC.

Further evidence, if any is needed, of the CRTC's short-term vision and its fixation with the development of Canada's private-sector television industry - whether that be independent producers, Pay-TV operators, or conventional over-the-air commercial broadcasters - was given when the federal regulator rejected then CBC president A.W. Johnson's proposals for licences for two new commercial-free, satellite-to-cable channels: CBC-2 (English), and Télé-Deux (French) in 1980. The Commission's refusal of the CBC's request for second English and French networks was not surprising, given the lack of political support for the public broadcaster from then Prime Minister Pierre Trudeau, who believed that the CBC was not living up to its obligation to support the government's conception of national unity, and because of the preoccupation with private-sector growth that was exhibited by the CRTC (Skene, 1993: 111).

The CRTC's relaxation of the regulatory framework for private broadcasters has reduced the impetus for these companies to serve public interest objectives. Some observers believe that recent government initiatives and CRTC decisions have forsaken the social objectives of the broadcasting system, "The critique of national broadcasting in Canada points to, but does not yet name, the most important social aspect of the
system - its profoundly undemocratic nature" (Raboy, 1990: 340). The "undemocratic" nature of Canada's broadcasting system, to which Raboy refers, is apparent in the manner in which the CRTC has effectively given cable operators and private broadcasters carte blanche to use the public airwaves for commercial gain, with just a minimal financial contribution to the maintenance of a Canadian character for the system. David Taras (1999: 190) suggests that:

The most important break that commercial broadcasters receive from the government is that they are allowed to occupy a place on the broadcasting spectrum for what some see as very little cost. They are given an extraordinarily valuable piece of electronic real estate without having to pay the real value of the property. The main broadcasters paid just $ 70 million (Can.) in license fees in 1995-96, while cable and pay-TV franchises paid $104 million (Can.). These numbers may seem sizable at first glance, but one has to remember that the amount paid by each broadcaster was relatively small. While journalists carp about government debts and deficits, they have never turned their sights on commercial broadcasters — asking them to pay more for "renting" the public airwaves.

The CBC has been caught in a double-bind by the changing policy environment: on the one hand, government funding reductions have forced it to seek other revenue forces such as increased advertising, or partnership agreements in new cable and satellite ventures; while on the other, when the public broadcaster endeavors to exploit such opportunities, it provokes cries from private broadcasters and cable providers that it is unfairly intruding on their turf. All the while, government funding through programs such as Telefilm Canada to the independent production industry, yields as much, if not greater, benefits to the private sector, which contribute comparatively little, than it does the CBC.

For instance, in 1994, the Canadian cable industry contributed merely 6.4 per cent of all funding for the creation of Canadian television programming, yet it received 38 per cent of all revenue generated by the entire Canadian broadcasting system. For its part, through licence fees paid to independent producers, the CBC accounted for 42 per cent of all money spent on Canadian programming during that same year (Raboy, 1995: 115). More recently, during the 1998-1999 fiscal year, through its two branches - the Telefilm-administered Equity Investment Program and the Department of Canadian Heritage's Licence Fee Program - the combined government budget for the production of Canadian programs by the independent production industry was $210 million. Of that amount, $150 million (approx. 75 per cent) was derived from public funding: $50 million from Telefilm Canada, and $98 million from the Department of Canadian Heritage. The Canadian cable industry, collectively, contributed $60 million, or 25 per cent of the total (The Canadian Television Fund, Activity Report 1998-1999: 3). Furthermore, of the approximately $150 million paid in
licence fees to support Canada's independent program production industry, the CBC was the single largest contributor, spending $49.4 million, compared to $53.1 million from all Canadian cable operators, and $44 million from the nation's private broadcasters (CTF Activity Report 1998-1999: 10).

Although exact figures on the aggregate revenues of Canada's private broadcasters and cable operators are difficult to obtain, since they are jealously guarded in comparison to a public enterprise like the CBC, it can be safely assumed that the profits yielded from the Canadian broadcasting system by the private-sector far exceed the percentage of income it spends on the production of Canadian programming. From a total budget of $513.1 million allotted for it English television network, the CBC purchased over half of its programs from the independent production sector, the majority of what remained was spent on its news and public affairs programming (CBC Annual Report 1998-1999: 30). While private broadcasters may resent what they perceive to be the unfair advantage enjoyed by the CBC because it is subsidized by the government, yet eligible to solicit advertising revenue, what is often overlooked is where the public broadcaster's advertising income is invested: back into Canadian programming, rather than shareholder's pockets. Former Chair of the CBC's Board of Directors, Guylaline Saucier, rejects criticism from the private sector as being deliberately misleading, and counters that:

In effect, the "private broadcaster argument" says: Let public money take the risk and develop popular national programs, and then, when they become successful, let the private sector inherit them. This is patently unfair to taxpayers and to a national public institution that must remain relevant to its audience. Moreover, every cent that CBC receives in commercial revenues goes, not to bolstering profits, but to Canadian programming — and at more than $300-million a year this is a substantial investment in Canadian stories (Globe and Mail, 10 June 1999: A17).

It is also worth noting that the public broadcaster does not receive any of the royalties generated from the programs it purchases from independent producers, only the revenue obtained from advertising sold during the broadcast of those programs. It is most likely that Canada's commercial broadcasters and cable operators spend a much smaller proportion of their total revenue on the acquisition of independently-produced Canadian programs. As an indication of the extent to which the commercial mentality has permeated the outlook of CBC management, in a section titled Programming Partnerships of the CBC Annual Report 1998-1999, it is boasted that, "In adapting to a new environment, English television is forging more alliances with the private sector and with foreign partners. In 1998-1999, approximately 60% of English Television's production was secured from the independent production community" (CBC, 1999: 30).
The degree to which criteria previously spoken of mainly in the corporate boardrooms and accounting firms of the private-sector have infiltrated the upper-ranks of CBC's management structure, and have superseded concerns about quality programming and public service broadcasting, can be witnessed in the following quote from former CBC President and CEO Perrin Beatty: In his Message from the President and CEO, the first observation Beatty gleaned from a nationwide series of public consultations was that, "The message delivered by that cross-section of Canadians is clear and eloquently simple: wherever we live, we have a right as taxpayers and shareholders to enjoy the same CBC services" (CBC Annual Report 1998-1999: 12).

The approval by the CRTC of recent mergers between huge commercial media companies, on the assumption that such powerful Canadian private sector broadcasters will enable Canada to position itself at the leading edge of the impending 'information society' and 'knowledge economy, is evidence in support of the critique which asserts that the Commission has allowed itself to become a victim of 'regulatory capture'. In other words, the CRTC is regulating in the interests of the industry it was created to supervise, rather than overseeing the activities of broadcasters to ensure that they serve the public interest. The CRTC would be hard pressed to refute such an accusation, given the rationale offered by its Chair, Françoise Bertrand, for the Commission's approval of the sale of Western International Communications (WIC) to CanWest-Global in July 2000. From the perspective of those concerned about the negative effect on diversity of information sources and political viewpoints due to the increasing concentration of ownership in media industries, the CRTC's decision in this case sets a dangerous precedent because it sends the signal to both commercial broadcasters and the Canadian public that social objectives are of secondary importance to the global competitive position of Canada's private sector mass media industries.

With its focus on the international media environment, the CRTC's approval of WIC's sale to CanWest-Global demonstrates that the regulator seems to have lost sight of the impact of such a decision on the domestic scene. As a result of the CRTC's decision to permit the sale, virtually all the major media outlets in Canada's third-largest metropolitan area, Vancouver, are controlled by one company. CanWest-Global now owns two television stations — CHAN-TV and CHEK-TV — in addition to both of the city's major daily newspapers, The Vancouver Sun and The Province. The local CBC television and radio stations in Vancouver remain the only local media outlets that are not the property of CanWest-Global. Bertrand
 contends, in her explanation of the CRTC's apparent abandonment of its concern about ownership concentration, that, "The stronger our companies, the more they can contribute to achieving the cultural objectives set out in the Broadcasting Act" (Susan Heinrich, National Post, 7 July 2000: C1). It is not immediately clear, however, to whom the CRTC Chair was referring when she spoke of “our companies”. Presumably, it was intended to mean "ours" as Canadians; however, neither the Canadian government nor the Canadian public as whole has a direct financial interest in CanWest-Global, nor is Asper's company answerable to the Canadian people. In any case, Bertrand's confidence that CanWest-Global will act in the best interests of the country is not shared by the Winnipeg-based company. In its submission to the Australian government's Department of Communications, Information and the Arts' Cross-media Review Hearing in 1996, CanWest-Global's spokesperson claimed that:

Simply put, capital knows no nationality — it creates jobs, generates income taxes and helps build viable businesses with international expertise that in turn can sell their products to foreign markets and provide much-needed export dollars. Foreign capital can easily be invested elsewhere in the world. The competition for capital is indeed universal and investment goes where it is most welcome. (Australia, DCITA, 5 November 1996: 2-3).

Conclusion:

Because of Canada's particular geographical, social, and economic circumstances, it was realized early on that state intervention would be required to build and maintain the infrastructure of a broadcasting system. The uniquely Canadian broadcasting system has, since the beginning, encompassed the cultural concerns of the public service model with the economic practicalities of the market model, culminating in what could be describes as a 'cultural market' model, or as Raboy calls it, a "hybrid system" (1990: 105).

As has already been illustrated throughout this study, communications technologies such as digital compression of the transmission bandwidth and satellite transmission have relegated the argument in favour of state intervention on the basis of market failure to relative obscurity; that is, if the market failure justification is equated with use of a scarce resource, the public airwaves. There remains, however, a strong rationale for government intervention if the private-sector's past record of providing 'quality' Canadian programming is taken into account. If positive externalities, such as employment opportunities and a
strengthened sense of national identity are included, then state support for the cultural industries is, at least in the Canadian context, a worthwhile public investment. Stewart (1997: 158, 170) claims that:

Government spending is much more than a catalyst in Canadian culture; it is indispensable. . . . We are speaking here of a sector of Canadian industry that employs 900,000 people, and, according to Statistics Canada, that contributes indirectly another 200,000 jobs. The economic impact of the cultural industry comes to $29.2 billion directly, and $42 billion if indirect benefits are added, or about 6.8 per cent of the total economy. . . . The CBC costs us about $28 per capita per annum to operate -about the price of three movie tickets per Canadian. If we cannot afford that - a frequent argument - we probably cannot afford the messy business of being a nation.

Stewart's point with respect to the economic benefit of government investment in Canada's cultural industries warrants further attention. In recent years, a common argument against public support for culture/communications organizations such as the CBC has been that, with the supposedly infinite variety of program options available to Canadians today, it is unnecessary to direct public funds toward an institution which is merely replicating the program offerings readily supplied by commercial specialty channels. While this is definitely a debatable assertion, it also ignores the fact that, as a society, we spend public tax dollars on many goods and services from which, at any one time, only a minority benefit. In a matter of only four years, the Parliamentary appropriation for the CBC's operating expenses dropped from $918.2 million in 1995-1996, to $749.5 million in 1998-1999 (CBC Annual Report 1998-1999, p. 4). On a per capita basis in 1996, the Canadian government spent less on public broadcasting than the United Kingdom ($60), and Australia ($33), and the amount has decreased by nearly 20 per cent since then (Taras, 1999, p. 179).

Raboy (1995) is critical of the incoherence of the logic employed by Canadian broadcasting policymakers who have enacted regulations which treat the public- and private-sectors of Canada's broadcasting system as two discrete and mutually exclusive spheres, with a differential application of the principles of public service broadcasting to each. In short, a major readjustment of Canadian broadcasting is necessary, one which includes a conceptualization of it as a "single system" if the public interest is going to be served by all the players in the system. Raboy (1995: 11) recommends that:

This reorganization would require something akin to the socialization of the broadcasting sector. There is no justification for the removal of surplus value from the lucrative branches of broadcasting activity as long as public interest broadcasting objectives can not be met without public subsidy. Private sector broadcasting should have statutory obligations to contribute to overall systemic objectives, and public broadcasters should be allowed to engage in commercially lucrative activities - without being obliged to compete with their own programs in order to make ends meet.
Unfortunately, Canadian broadcasting policy-makers have allowed themselves to become consumed with the concepts of technological innovation and economic globalization which emphasize the commercial aspects of the broadcasting 'industry'. Despite the rhetoric of officials in the Department of Canadian Heritage and CRTC commissioners, in the view of commissioners, cultural issues and the provision of a fertile environment for a democratic public sphere have been subordinated to the priorities of the market and technological development.

The long delay in the government’s appointment of a new CBC president is evidence of Chrétien’s neglect of the CBC. The Corporation’s top management position was left vacant for approximately half a year between the summer of 1999 and the winter of 2000, when Rabinovitch was finally named to the post. Even the Prime Minister's appointment of Mr. Rabinovitch — who left his position as the CEO of Claridge Inc., a holding company owned by the Bronfman family to accept the top post at the CBC — although it received accolades from some quarters, was criticized by others as one more example of Jean Chrétien's determination to manipulate and intimidate Canada's public service broadcaster. The Globe and Mail's Doug Saunders (8 October 1999: A3) speculates that:

The appointment will be seen as a strategic and partisan choice by a Prime Minister who has repeatedly accused the CBC's French service of holding a separatist bias. Mr. Rabinovitch has close ties with the Liberals dating back to his years as a senior bureaucrat in the governments of Prime Minister Pierre Trudeau. He is known as a federalist warrior for his work with the Privy Council Office on the national unity battles leading up to the Quebec referendum.

Globe and Mail columnist Jeffrey Simpson, however, defended Rabinovitch's credentials and contrasted his view of public broadcasting with that of the Prime Minister who appointed him: "... Mr. Chrétien is no fan of the public broadcaster ... Mr. Rabinovitch believes passionately in the need for public broadcasting, and in that sense he is more than a private-sector honcho imported to teach the CBC how to become a carbon of the private networks" (Simpson, Globe and Mail, 8 October 1999: A14). Simpson believes that Rabinovitch was placed at an immediate disadvantage because of Chrétien's failure to act decisively in appointing a new head for the Corporation when former CBC President Perrin Beatty announced in 1999 that he was stepping down, leaving Rabinovitch in a situation where he had to abruptly
adjust to a long-range plan that had been submitted to the CRTC by Beatty and former Chair of the CBC's Board of Directors, Guylaine Saucier. Simpson (8 October 1999: A14)

The most recent confrontation between the CBC and the CRTC occurred in the winter and spring of 2000, when newly-appointed CBC President, Robert Rabinovitch announced that, in order to keep within the limits of the broadcaster's annual budget, supper-time newscasts in many of the country's peripheral region would have to be sacrificed. Rabinovitch's plan for eliminating the local supper-time newscasts provoked strenuous objections from Liberal MPs from the Atlantic region who feared that the closure of the regional newscasts would be perceived by voters as an indication of the Liberal government's disregard for the interests of Canadians outside of Central Canada. A Compas survey reports that:

The decision to cut regional suppertime news programs may be undermining support for the Liberal Party. It is striking to note that even though voters in Atlantic Canada are pre-occupied with a wide range of diverse issues, 37 per cent of Atlantic Canadians said that they would be somewhat (21 per cent) or much (18 per cent) less likely to consider voting Liberal when thinking about the decision to cut CBC regional television news (Compas, 17 November 2000: 1).

In the end, Rabinovitch had no choice but to surrender to political pressure. Clearly, he would have incurred the wrath of the federal Liberals had the closing of the supper-hour newscasts in Atlantic Canada resulted in MPs from that part of the country losing their seats in the November 2000 Canadian General Election. Rather than impose a complete elimination of all local CBC supper-hour newscasts, Rabinovitch modified his plan so that from the summer of 2000 onward, the regional newscasts would be maintained, but at a shortened duration: a half-hour rather than the previous hour program. In addition to the shortened supper-hour newscasts, Rabinovitch announced that regional late-night news programs would be suspended indefinitely (Scoffield, FCB Newsletter, 14 July 2000: 1). Had the CBC President persisted with his original goal, approximately half of CBC's regional staff — a total of 674 employees — would have been out of work (CP Wire Service, 11 May 2000: 1 of 2).

Perhaps the Broadcasting Act's stipulation that the CBC, "reflect Canada and its regions to national and regional audiences," is incompatible with the other aspects of its wide-ranging mandate such as the requirement that it act as a, "...public service essential to the maintenance and enhancement of national identity and cultural sovereignty ... serve the needs and interests, and reflect the circumstances and
aspirations of Canadian men, women and children, including equal rights, the linguistic duality and multiracial nature of Canadian society and the special place of aboriginal peoples within that society" (1991 Broadcasting Act, cited in Collins, 1996: 52). Although this mandate of the Broadcasting Act is theoretically intended to apply to the entire broadcasting system, both private and public sectors, the fact remains that the CRTC has selectively interpreted its spirit with regard primarily to the programming activities of the CBC, while leaving commercial broadcasters largely unhindered in their quests for greater profits.

The virtue of the Act, in the context of the CBC, is that while it is extremely inclusive — using the most politically correct terminology to ensure that every conceivable segment of Canadian society is mentioned — it ignores the reality that successive years of diminishing levels of government financial support have severely constrained the public broadcaster’s ability to fulfill such noble objectives. Richard Collins (1996: 48) asserts that, "... Canada has given the CBC an impossible mandate in requiring it to deliver mutually exclusive types of merit goods: programs designed both to unite Canada (i.e., mass audiences) and to serve minority interests and tastes." The Communications, Energy & Paperworkers (CAP.) Union Vice-President, Blaine Page wrote that:

A decade of budget cuts, laid off staff, worn out equipment, ever-shrinking resources, lost air time and the demoralization of living under more than one gun, has taken all of our sense of purpose and pride in the regions and speaks directly to our ratings dilemma (14 May 2000: 1).

Most infuriating, and disheartening, for the CBC's employees and supporters in the regions was the reluctance shown by Rabinovitch to ask the federal government for the money the Corporation would require in order to avoid eliminating the regional supper-hour newscasts. Lawrence Martin (Montreal Gazette, 18 January 2000: 1) observes that:

A strange aspect of Rabinovitch's stewardship is that he hasn't aggressively pursued the government for more funding. The suspicion is that as a condition for taking the job, Rabinovitch agreed not to come seeking more money. Recently, he said it still wasn't time to approach the Liberals... Now is the time, with the PM rich in financial and political capital, to set grudges aside, don the mantle of statesman and initiate a new national policy by taking the corpse out of the Corp.

Cultural nationalists in Canada generally applaud the defense of Canada’s cultural industries by current Minister of Canadian Heritage Sheila Corps in cases such as the so-called ‘split-run’ confrontation with American magazine giants Time and Sports Illustrated. It should be remembered, however, that Corps’s defiance toward the Americans on the subject of protective measures for Canada's periodical
industry was made on behalf of media sector that is entirely in the hands of commercial entrepreneurs; the CBC, on the other hand, has not received a comparable amount of attention from the Minister. The discrepancy between the government’s treatment of Canada’s private- and public-sector media has been observed by Hugh Winsor, who accuses the Liberal government of succumbing to the belief which argues that something which does not produce obvious, immediate, economic effects is not worth supporting with public funds. Windsor (Globe and Mail, 10 May 2000: 1) reports that:

The CBC’s financial crunch is real and the upside of this current fuss is that it might produce a better appreciation within the ruling party of the damage that the reduction of the CBC’s parliamentary grant has done. And now, when the taps have been turned on a bit, there may well be supporters who say that if they can find $400-million for a collection of steel and aluminum to re-equip Via Rail, they might find an equal amount to address the less-tangible values of communication and culture.

In the federal government’s 2001 Throne Speech, the Liberals announced that after 17 years of continuous funding reductions to the CBC by themselves and the previous PC government, its financial support to the Corporation would actually be increased over the next five years. Unfortunately for the CBC, this particular increase does not compensate for the damage done to the broadcaster by the huge cuts sustained over the past decade-and-a-half. Much more is needed, in terms of both funding and employee morale, to restore the CBC to the position it was in prior to the successive waves of budget cuts that it has endured for the past 16 years. Robert Hackett and Yuezhi Zhao (1998: 176) note the impact that the Liberals’ manipulation of the CBC’s annual Parliamentary appropriation has had on the calibre of its news and public affairs programming:

Canada’s federal Liberal government betrays its promise to provide the CBC with stable funding, treating it instead as an easy target for spending cuts. At risk of losing more and more of its staff and programs, CBC (like PBS) is forced to seek more commercial revenue, notwithstanding the programming biases that go with it. Vis-à-vis the regime of objectivity, such pressures have several consequences. They weaken precisely that sector of the broadcasting system with the strongest regulatory mandate for balance and objectivity, a sector that has sometimes excelled at offering the best qualities of "objective" broadcast journalism — depth, civility, diversity, thoughtfulness, and relative independence.

Raboy estimates that, between 1984 and 1998, the total projected budget cuts endured by the CBC amounted to $414 million, or 47 per cent of its pre-1984 annual budget, when adjusted for the fluctuation in the Canadian dollar and inflation (Raboy, 1998: 167). The cuts have certainly exacted a heavy toll on CBC employees in more ways than one. In addition to the trend toward self-imposed censorship induced by
government meddling in the Corporation's internal affairs, the CBC's technical and creative staff have had to accustom themselves to living with the constant threat of unemployment, should the mood of the federal government toward the issue of public broadcasting fluctuate from one fiscal year to the other. The CBC has shouldered the blame of this and previous governments' frustrations over their inability to fend off the separatist threat to national unity that emanates periodically from Quebec.

It is also clear from the outpouring of opposition to the elimination of the regional supper-time newscasts among Atlantic Canadians that people in this region do depend on the CBC as their main source of information about the country. Evidence of this fact has been supported in several public opinion polls. If the Liberal government is serious about distancing itself from the blatant partisanship and manipulation of the national public broadcaster that has occurred under previous administrations, it has the opportunity to prove it by restoring the level of funding to the only media outlet in this country that has both the mandate and the interest in facilitating a truly democratic electronic public sphere.
CHAPTER SEVEN

Public-service Broadcasting in the Anglo-american Democracies: A Comparative Analysis

Although the factors which have affected public-service broadcasting in the Anglo-American democracies in recent decades have varied in accordance with the circumstances of the social, economic and political circumstances of each country, there are still commonalities among the experiences of the BBC, the CBC, the ABC, and PBS that are worth comparing. This chapter is organized in part thematically and in part chronologically. In some instances, certain political developments that are common to public-service broadcasting in all four countries occurred during the same era, in other cases they have not. In such cases, it seemed more appropriate the group those situation around a common theme. The particular events analyzed are viewed in terms of their impact on public-service broadcasting in the United Kingdom, Canada, Australia and the United States, with an attempt made to account for the similarities or differences among them. Where differences do exist, an explanation will be offered for the specific causes of those distinctions.

The Public versus Private Debate

While broadcasting began in each of the four Anglo-American democracies at approximately the same time — the 1920s — that is where the similarity during this early period ends. Commercial broadcasters began operating in the United States, Canada and Australia in the 1920s; the BBC in 1927; the Canadian Radio Broadcasting Corporation (CRBC) and the Australian Broadcasting Commission in 1932. Commercial broadcasters had established a presence in Canada, however, in the 1920s, accounting for the ‘mixed’ or ‘dual’ nature of the broadcasting systems in these two countries. Most notably, though, it is the differences among them that warrant attention. The US broadcasting system was virtually entirely commercial from the beginning, with no legitimate public-service broadcasting organization until the 1960s, while the other three countries started either with a public-service broadcasting in a monopoly situation or in competition with the private sector. The pre-eminence of commercial interests in the US broadcasting system was confirmed when Congress passed the first Communications Act in 1934, at which time the Federal Radio Commission, the forerunner to the Federal Communications Commission, allocated all the
SUMMARY

Enhancement of conventional software-based protocol with real-world applications.

Implementation of the enhanced protocol in various real-world scenarios.

Results and discussions on the performance of the enhanced protocol.

Future work and potential improvements for the enhanced protocol.
most prized frequencies on the electro-magnetic spectrum to profit-driven broadcasters. The disadvantaged position in the American broadcasting system in which non-commercial broadcasters found themselves in the formative stages of the meant that the priorities associated with non-commercial broadcasting would never warrant anything more than a token interest from US politicians and regulators.

Although public broadcasting services in the three British Commonwealth countries were foremost in the minds of most politicians and regulators in each nation’s broadcasting system until the 1970s, the fact remains that commercial influences have been present virtually since the beginning of broadcasting in the UK (although minimal until quite recently), Canada, and Australia. In Canada and Australia, commercial stations — either as independent entities or as affiliates of the public broadcasters — have been in existence since the 1920s. Authorities in both of these countries decided on a system where the British model predominated, but which allowed for a limited amount of commercial broadcasting. In the UK, commercial broadcasting was prohibited until 1954; however, British listeners were able to receive programming from offshore radio stations in Ireland, France and Luxembourg since 1930s (Crisell, 1997: 47). Consequently, the BBC had an official monopoly, with de facto commercial competition until 1954; Canada and Australia had ‘mixed’ systems; and the US was overwhelmingly commercial with just a smattering of unconnected community and educational broadcasting stations.

The role of radio as an instrument of nation-building has figured prominently in the conceptions of politicians in Canada and Australia, and to a lesser extent, the UK. In the case of the latter, the most apparent tension was between the different socio-economic classes in British society, although the London-centric nature of the BBC’s programming also provoked cries from many Scots, Welsh, and Northern Irish that their particular perspectives were being ignored by the broadcaster. The unique political culture of the US — where individualism and suspicion of government are inherent in the collective national psyche — and the supremacy of the ‘free market’ credo, negated the possibility of the broadcasting system being used by the state as a nation-building instrument.

The many parallels between the development of broadcasting in Canada and Australia had their origin in a landmark decision of the Judicial Committee of the Privy Council (JCPC) in Regulation and Control of Radio Communication in Canada (1932), which stated that, since the airwaves traverse provincial/state boundaries, authority over regulation of broadcasting rightfully belonged with the federal
government of Canada. This principle was later extended to Australia (Harding, 1985: 234). Canadian and Australian broadcasting histories can be largely characterized by tension between metropolitan elites (Montreal and Toronto, and Sydney and Melbourne, respectively) who envisaged a ‘national’ service and Canadians and Australians in the peripheral, primarily rural areas of both countries who felt that the primary emphasis of each nation’s broadcasting service should be local. Furthermore, because of the decentralized character of Canada’s and Australia’s federal systems, local (provincial/state) politicians often came into jurisdictional conflicts with their federal counterparts. Such tensions have been recurring themes of broadcasting policy in both countries throughout the twentieth century.

The main differences between the respective histories of broadcasting in Canada and Australia relates to two significant points: first, Canada is bilingual (French and English), while Australia is unilingual (English); and second, the fact of Canada’s close proximity to the US, and Australia’s relative isolation from the other Anglo-American democracies. Virtually all major decisions relating to Canadian broadcasting policy have been shaped by the influence of the American system, whereas in the UK and Australia, until the 1960s and 1970s, the threat of American cultural influence was not a grave concern. In fact, public-service broadcasting in Canada, in the form of the CBC, was inspired by Canadian nationalists’ concerns that easy access to the signals of American border stations would eventually lead to the cultural, if not political and economic, absorption of Canada into the United States (see Aird in chapter one).

In all four countries, senior political executives (Presidents in the US., and Prime Ministers in the UK, Canada, and Australia) have exercised a substantial amount of influence on public-service broadcasting through their powers to appoint the Chairmen and Board of Governors of their respective public broadcasting services. Most noticeably in Canada and the UK, governments have often believed that the public broadcaster should vigorously promote the government’s agenda in its programming, which has frequently been a source of friction between the state and the top management of the public-service broadcasters. Examples are the 1926 General Strike in the UK, and the FLQ crisis and Quebec referendum campaigns (1980 and 1995) in Canada. In a less obvious manner, the US and Australian governments of the 1960s and early 1970s came into conflict with PBS and the ABC, respectively, over coverage of the Vietnam War. By refusing to capitulate to the government’s insistence that they act as propaganda instruments, and because they reported the reality of war and civil unrest in a balanced and objective, public-service broadcasters
proved their worth to their respective national audiences, demonstrated their abilities as newsgathering agencies in their own right (not simply as distributors for the material supplied by national print news agencies), and asserted their independence from the governments of the day.

The Arrival of Television and Increased Commercial Influence in Broadcasting

In the US, as with radio, commercial television was dominant right from the beginning in the late 1940s, as CBS and NBC merely transplanted their radio operations into the new medium. Raboy (1990: 93) reports that, by 1946, the FCC had already licensed 24 commercial television stations. The FCC’s Sixth Report and Order put public-service broadcasting in the US at a serious disadvantage because it reserved only 11 per cent of the electro-magnetic spectrum for non-commercial use. The difference between the US and the other three countries in this respect is substantial. Day (1995: 22) comments that, “Nowhere [in the FCC Report] was mention made of a national public-television system such as that which existed in every other country with public-service broadcasting.” The BBC began television operations in 1948-49 and enjoyed a monopoly until the arrival of a commercial competitor, ITV, in 1954. The CBC started its television services in Montreal and Toronto in 1952 and it was not until the Board of Broadcast Governors (BBG) — a creation of John Diefenbaker’s Progressive Conservative government — approved a license application from CTV in 1960 that the CBC had a commercial competitor, although the CBC had to rely on private affiliates since the beginning of its national service and, therefore, had always carried advertising. The CBC also had to contend with competition from American private television stations in most of Canada.

The ABC introduced its television service after the passage of the Broadcasting and Television Act of 1956. Commercial television began in Australia at approximately the same time as the ABC. Commercial television arrived in Canada comparatively later than in the other three countries. The strength of Australia’s commercial broadcasting lobby seems second only to that of the United States; public-service broadcasting, therefore, did not have the head start in Australia that it had enjoyed in the other two Commonwealth countries. The pro-commercial bias of then Australian Prime Minister, Robert Menzies, was evident as he instructed the Australian Broadcasting Control Board (ABCW) to license two commercial
stations each in Melbourne and Sydney, while limiting the ABC to one station in each major city (Jacka and Johnson, 1998: 209). Existing newspapers interests also assumed control of commercial broadcasting in Australia; thus beginning a tradition of cross-media ownership which has become a concern in recent years.

In the UK, more restraint was shown by the government toward the idea of commercial television. Although former British Prime Minister, Winston Churchill was not particularly a devotée of the public broadcaster, when commercial television was finally introduced, the public-service tradition that had been established by the BBC was so entrenched in the minds of British politicians and regulators that there was never any doubt that the regulatory authorities would hold ITV to similarly strict public-service requirements. The balance between private and public broadcasting in the UK would remain until the 1970s. Nonetheless, it was under Churchill’s leadership that commercial broadcasting finally was officially sanctioned in Great Britain. The roles played by Churchill and Menzies in the advent of commercial television in their countries is instructive because it illustrates the pivotal role that can be played in favour of one side (public/private) when the chief political executive is predisposed toward one of the sectors.

In spite of his credentials as a staunch Canadian nationalist and a political centrist, even 1950s Canadian Prime Minister Louis St. Laurent was unable to withstand the effective lobbying efforts of private-sector radio interests who were pressuring the government to permit commercial television in Canada. In 1953, St. Laurent received a delegation at 24 Sussex Drive from the Canadian Association of Broadcasters (CAB). Although a national commercial television competitor for the CBC would not emerge for another seven years, Marc Raboy cites this occasion as a turning point in the balance of commercial and public-service considerations in the Canadian broadcasting system:

Private broadcasting thus added prime ministerial recognition to the imprimatur of the Massey Commission, further increasing its legitimacy... On 30 March 1953, McCann [minister responsible for broadcasting] clarified government policy. The ‘single station’ was to apply only until ‘an adequate national television system is developed’... In due course second stations would be permitted. This statement recognized the pecuniary rights of private station owners in a way that had never been done with radio... The [St. Laurent] government thus established the protection of commercial markets as one of the objectives of government regulation (Raboy,1990: 113).

One of the supposed virtues of public-service broadcasters is that, since such organizations are supposedly relieved from the pressure to make a profit by attracting the largest audiences possible, they are better able to offer programming that does not conform to the narrowly-prescribed limits of commercial TV. Politically and socially contentious and sensitive material is, therefore, appropriate on a public-service broadcasting service if a democratic society is truly to have the opportunity to debate and become informed about important issues. Ralph Negrine (1985: 20) comments that, "... the 1960s have come to epitomise 'public service broadcasting in its finest hour,' at its most provocative, irreverent and challenging." In Canada, the CBC's This Hour Has Seven Days fit this description; its irreverent and avant garde approach to social and political issues generated a huge following and an equally-vocal opposition from the government and business sectors of Canada. Knowlton Nash (1994: 334-335) states that:

With its irreverence and impudence, the first program set the pattern of controversy that would engulf 'Seven Days' for the two years of its life. The government complained about the unfair editing of Justice Minister Fauvreau's interview; Diefenbaker loyalists raged about the unfair portrayal of The Chief; there were cries of 'pornography'; and CBC head office killed a spoof on the Queen's visit to Canada ... Some interviewees became flustered, badgered into impudent or revealing remarks, so much so that Lester Pearson eventually banned all cabinet ministers from being interviewed on the program.

In Australia, the ABC's This Day Tonight provoked a similar reaction from the Australian audience and politicians in the late 1960s and early 1970s. As was the case in Canada, despite its success with the audience, ABC management eventually pulled the show from its schedule after persistent pressure from Australian politicians who failed to appreciate its innovative style. Etzioni-Halevy (1987: 48) comments that This Day Tonight, "... was characterized by its irreverent treatment of the politicians it interviewed and it was frequently charged with leftist bias ..." In the UK, That Was The Week That Was(TW3), aroused the same sort of response among the British audience and vested political and economic interests as did the above-mentioned programs in Canada and Australia. Crisell (1997: 119) notes that, "TW3 thus became the first satire to be on British TV. That it was broadcast by the BBC, that a publicly funded institution should at the prompting of its own Director-General see it as part of its role to 'prick the pomposity of public figures,' was remarkable ... TW3 had a short life. It always provoked angry complaints ..."

The 1960s were also the best period for American public-service broadcasting. President John F. Kennedy, a supporter of the concept of public-service in general, took an active interest in giving the US
federal government more of a role to play in the development of a broadcasting service that could
legitimately call itself ‘public’ and ‘national’... He appointed a sympathetic chairman, Newton Minow, to
head the FCC. His administration also initiated legislation that culminated in the passage of the Public
Broadcasting Act under Kennedy’s successor, Lyndon Johnson, in 1967. NET/PBS was more in tune with
the changing social/political environment of the US in the 1960s and 1970s than were US commercial
broadcasters, and this was reflected in the presence of ground-breaking programs such as Take this Hammer
and Black Journal. Both programs touched a raw nerve in American society because they dealt with the
difficult topic of racism, something which, until the 1960s, most white Americans chose to ignore. Both
programs — as well as many others that dealt with the Vietnam War, homosexuality, women’s equality, etc.
— lived up to two key principles of public-service broadcasting: provision of programming for minorities,
and the stimulation of public debate. They also provoked strenuous opposition from the conservative
elements of the establishment and ‘middle America’.

It was also during the 1960s that cultural nationalism, and resistance to perceived undue levels of
American cultural imperialism through the mass media, had risen to such levels in Canada and Australia that
concerns over the viewing habits of Canadians and Australians, and the levels of domestic programming
content versus US content, began to inform broadcasting policies in these countries in an appreciable
manner. Before its ‘about-face’ in the 1970s, the CRTC had rejected the notion of approving license
applications from Canadian cable applicants that proposed the use of microwave relays to re-transmit signals
originating in distant US cities. In offering the rationale for its 1969 decision (which it later reversed), the
CRTC responded that to increase the number of American channels available to Canadian viewers on cable,
“...would represent the most serious threat to Canadian broadcasting since 1932” (CRTC, 1969: 14). The
weight accorded to cultural concerns related to the influence of US television expressed by the CRTC in the
1960s stands in stark contrast to the decidedly industrial focus exhibited by the Commission in its decisions
in the 1980s and 1990s (which will be discussed later in this chapter), where the prime concern of regulators
was quite apparently the need to develop a technical and industrial infrastructure for the Canadian
broadcasting system. The regulatory rationale of the CRTC in the 1960s is summarized by Raboy (1990: 197) as follows: “The problem was not whether microwave technology should be used to help the
development of cable, it was to decide whether the use of additional techniques should be authorized to
enlarge the coverage area of US networks and US stations and therefore their advertising markets in Canada."

Similar concerns were voiced during the 1960s in Australia by those who cited the expansion of commercial television as contributing to the increased cultural homogenization that accompanied American post-war dominance in commercial popular culture, and argued that the prevalence of American television programs in Australia, if left unregulated, would be a harbinger of the eventual deterioration of a sense of a distinctive Australian political identity. Harding (1985: 247) contends that:

Of course, the issue was not simply a financial one. It was really about commercial broadcasters being willing participants in a cultural cringe which seemed to mirror and epitomise Australia’s political posture of the previous twenty-five years — for example, obsequious involvement in a US adventure in Vietnam. The commercial sector was thus a willing actor in the Americanisation of Australian broadcasting output. The issue was all about taking resources from a society without putting sufficient back in.

The motivating factors behind Canadian and Australian resistance to commercial broadcasting and US cultural imperialism — fears of American economic, cultural, and military power — and a longing for a bygone era when Great Britain was each nation’s ‘mother country’, were qualitatively different from those in the UK. In the UK, resistance to American television was most likely based on the fact that America’s increased power in the post-war era intensified Britons’ feelings that their country’s decline as a world power was inversely correlated, but directly related, to America’s ascension. The rationale given by British authorities for maintenance of the BBC’s monopoly until 1954 was tinged with resentment toward the US. Stephen Barnard (1989: 29) remarks that:

Behind it [resistance to commercial TV] lay a sense of national economic inferiority, exacerbated by Britain’s dependence on American finance for post-war reconstruction, and a feeling that Britain’s cultural ‘superiority’ over the United States (and the values reflected in its history and traditions) were under threat.

The 1970s: a Tale of Dynamic Socio-political Transformation, Technological Advancements, and Political Opportunism and Manipulation

The tendency of political authorities to subordinate social and cultural concerns to technological and economic ones did not abruptly begin with the election of conservative parties to power in the United Kingdom and the United States in the late 1970s and early 1980s; its roots may be found in the policies of non-conservative governments in all four countries in the 1970s Common to the situation of public-service
broadcasters in all four countries is the fact that even so-called ‘centrist’ leaders — Canada’s Trudeau, US President Carter, Prime Minister Wilson in the UK, and Australia’s Hawke and Whitlam — were not immune to the temptation to apply pressure to public service broadcasters to have them operate in a manner which worked to the political advantage of their respective parties.

In Canada, two events could be seen as having signaled this transformation: the creation in 1969 of the Department of Communications, in which responsibility for broadcasting and cultural policy was combined with management of the more obviously industrial and commercial concerns of the telecommunications sector; and the Trudeau government’s decision to endorse Telesat Canada, a commercial monopoly. When Trudeau’s ostensibly centrist government announced the details of Telesat, the Liberals’ Minister of Communications, Eric Kierans, heralded the ownership mixture of the new corporation as a “...pathfinder for future government/public/private industry partnerships” (HOC, Debates, 1968-69: 7492). Raboy (1990: 194) asserts that the terminology employed by Kierans, “…introduced a new conception of the public to the field of discourse: the stockbroker’s conception of the public as shareholder.”

The CBC was used as a scapegoat by Trudeau for the federal government’s frustration over the growing separatist movement in Quebec during the 1970s. Knowlton Nash (1994: 393) summarizes the effect of Trudeau’s tirades against the French-language network of the CBC, the Société Radio-Canada (SRC) in the late 1960s-1970s: “What Trudeau’s ‘close up the shop’ threat did ... was to stir up a frenzy of separatist accusations against the CBC, making them seem legitimate now that they had prime ministerial blessing ... Within two months of the PQ victory ... in Quebec [in 1976], an all-out Liberal assault began on the CBC” (Nash, 1994: 393, 426).

The 1970s was a tumultuous decade for the BBC as well. Negrine (1985: 22-23) suggests that the polarization of British politics and society in the 1960s threatened the centrist, consensus-driven, ‘middle-of-the-road’ philosophy of the BBC, which had developed alongside the British welfare state. He argues that events of this decade highlighted the structural incapacity of an institution which was built upon those principles to adapt to its changed environment:

The BBC has tended to gravitate towards the centre and towards consensus in terms of politics and values ... A variety of political changes called into question the traditional working ethos of the broadcasting institutions. The fragmentation of the political centre [20 years earlier then in Canada], the breakdown in the post-war elite consensus regarding the management of the mixed economy along
Keynesian lines and an increasingly ideological response from both Right and Left to political and economic problems in the 1970s were all part of this changed climate of political debate.

Although both the CBC and the BBC experienced instability during the 1970s, it must be emphasized that the cause of each broadcaster's consternation differed widely in terms of the sources from which they originated. The Canadian broadcaster's woes came from the Trudeau government which believed that the CBC was not conforming to the role to which it had been assigned, whereas in the UK, the BBC's problems stemmed from the fact that its organizational culture and programming philosophy had been unable to keep pace with changes taking place in the society around it.

A local emphasis has long been a feature of the Canadian, Australian, and US public broadcasting systems. However, the key distinction between the US, on the one hand, and Canada and Australia on the other is that decentralization of the public broadcasting system in the US was consciously encouraged by conservative politicians, such as Nixon and Reagan, to divide and weaken opposition from PBS to their particular political agendas (Bullert, 1995: 18-19). In Australia, and to a somewhat lesser extent Canada, localism in public broadcasting was a genuine byproduct of the nation's geography, demography, and history that legitimately reflected itself in the structure and programming orientation of the ABC and the CBC. It could be said that the 'localism' of the US public broadcasting system was a 'top-down' phenomenon, because it was exacerbated and manipulated by federal politicians, whereas in Australia and Canada, 'localism' could be described as a genuinely 'bottom-up' process.

In the United States, the supposed 'public status' of PBS did not spare the broadcaster from the application of political pressure even from moderate Democratic President Jimmy Carter's administration. In the controversy concerning PBS's airing of the 1979 documentary 'Death of a Princess', the Carter's administration capitulated to demands from the government of Saudi Arabia that, because the documentary cast that country in a negative light, PBS should not broadcast the program. Although PBS management strenuously objected to this unwarranted intrusion by the US government into its programming decisions, a concession was eventually made when the broadcaster held a discussion panel, which included representatives from the Muslim community, to debate the veracity of the program (Day, 1995: 18-19).

This exceptional case aside, the American public broadcaster's situation could be discretely compartmentalized according to which half of the decade is being considered. The period of the Republican
administration (1969-1976) had a negative impact upon PBS, while during Carter's Democratic presidency, its circumstances were much improved. Similarly, but in reverse order, in Australia, the first half of the 1970s (approx. 1972-1975) was beneficial to the ABC, as Labor Prime Minister Whitlam's policies favoured the public broadcaster — in terms of both money and legislation — over commercial broadcasters; during the first two years of the Whitlam administration, the ABC's Parliamentary appropriation was increased by 30 per cent (Jacka & Johnson, 1998: 214). However, it should also be noted that, just as 1970s Canadian Prime Minister Trudeau could be quite generous toward the CBC if he believed that the broadcaster was contributing toward his government's agenda of promoting national unity, Whitlam's reasoning for supporting the ABC was not motivated entirely by altruism. Labor prime ministers, until the 1980s, had a notoriously stormy relationship with the country's commercial media; consequently, Whitlam believed that a strong public broadcaster would benefit his party's political aspirations in the next Australian federal election (Harding, 1985: 244). Conversely, the latter half of the decade saw a sharp reduction of political and financial support for the ABC from the administration of Liberal-National Prime Minister Malcolm Fraser. Harding (1985: 249-250) notes "...the extent to which Fraser's policies were the exact obverse of Labor's... during the Fraser years the ABC was to endure 30% cuts in funding in real terms and a 20% reduction in staff numbers."

A divergence of attitudes toward new communications technologies marks another fundamental point of departure among the governments of the four Anglo-American democracies in the 1970s. In Canada and the US, cable was eagerly embraced by both governments and regulatory authorities, while in the UK and Australia, authorities approached the introduction of cable into their broadcasting systems much more cautiously than their North American counterparts. Mark Starowicz (1993: 90) contends that too many new cable services were approved by the Canadian broadcasting regulator in the absence of a clear-cut perception of how they might affect the existing broadcasters or the Canadian public. The Trudeau government did not impose the large cuts in funding to the CBC that were later to be carried out by its successors. However, the indifference shown by the 1970s Liberal government to the potentially detrimental effect that the CRTC's expansion of the number of private cable stations might have on the public broadcaster, in combination with its assault against the SRC, contributed to a climate where the once revered institutional symbol of Canadian culture (the CBC) began to lose some of its prestige. Its weakened condition at the end of the Trudeau era
would leave the CBC vulnerable to the ideological attacks and funding reductions that would take place in the 1980s and 1990s.

In contrast to the US and Canada, authorities in the UK showed much greater reluctance in introducing the new television technology of cable into the broadcasting system. This was due to an awareness that, without careful consideration of the potential impact of cable on the existing players in the system, the long-established public-service tradition of British broadcasting could be jeopardized. The 1977 Annan Committee Report described cable as “a ravenous parasite”, and recommended that any alteration of the status quo in the British broadcasting system be of “an incremental and marginal kind.” (Negrine, 1985a: 108-110).

Although Australia, like the UK, was relatively late in adopting new broadcasting technologies such as satellites and cable (pay-TV), this reticence had little to do with the Australian government’s concern over the effect that such technologies might have on the conventional broadcasting system and the stability of public-service broadcasting. In Australia in the 1970s, during the Fraser administration, the delayed introduction of such technologies owed more to the fact that it did not want to endanger the interests of the country’s conventional, commercial broadcasters, with whom Fraser had very close ties (see Glynn Davis, 1990: 360).

**The Assault from the ‘New Right’ against Public-Service Broadcasting**

Although the ascent of the neo-liberal ideology, and the concomitant decline of public-service broadcasting in the Anglo-American democracies, is generally regarded as having its genesis with the election of Margaret Thatcher in the UK in 1979, it should not be forgotten that Fraser’s implementation of a ‘free-market’ agenda in Australia preceded Thatcher’s by three years. Evidence of the favouritism shown to wealthy commercial media interests by the Fraser administration can be taken from incidents such as the legislation passed by the Liberal-National government which re-defined the terms required for ownership of a television station in order to allow Murdoch to purchase a Melbourne television station even though he was a foreign resident. It is arguable that this move set the stage for further consolidation of cross-media ownership and concentration (Bonney & Wilson, 1983: 79).
Meanwhile, in the UK, Mrs. Thatcher’s Conservative government initiated changes to Britain’s broadcasting system which would reverberate throughout the other three Anglo-American democracies for years to come. Thatcher was convinced that the reversal of Britain’s economic decline lay in developing the nation’s capacity for innovation in the area of communications technology, and the expansion of cable television was a key component of this strategy. Thatcher’s plan to make the UK a leader in Information Technology (IT) was based on a:

... commitment to private funding of cable systems as against either a publicly funded national development or one that gave British Telecom a major role in the development of the network... The government also designated 1982 as IT Year and it subsequently focused on IT as a favourable candidate for introducing industrial growth and renewal in Britain (Negrine 1985b: 111-112).

Cornford and Robins (1998: 194) add that Thatcher also appreciated the potential offered by the introduction of new technologies to undermine the power of British labour unions, whom she perceived to be the greatest obstacle to revitalization of the UK economy. Thatcher’s faith in technology and private-sector involvement as panaceas for the problems within the UK broadcasting system and the national economy was unfounded. She tried to force such innovations on a system and society that was not yet ready for them. According to Michael Tracey (1998: 211), by the early 1990s, the penetration of cable pay-TV stations in the UK stood at only five per cent of all potential subscribers.

In Canada, a similar assessment of the CRTC’s approval of the introduction of cable specialty pay-TV channels in the early 1980s is offered by former CBC producer Wayne Skene (1993: 112), who called the regulator’s approach to this issue “ill-advised, poorly-planned, [and] ridiculously licensed”. Although Australian authorities did not grapple with the regulation of alternative broadcasting technologies until a decade or so after the British and Canadians, when they finally did, similar mistakes were repeated.

According to Jacka and Johnson (1998: 221), the lack of foresight regarding the possible impact of pay-TV on conventional broadcasters exhibited by the regulatory agency then responsible for the commercial broadcasting sector, the Australian Broadcasting Authority (ABA), has led to an even greater degree of ownership concentration in the Australian media, as established commercial television and newspaper interests have also captured the new services.

In the United States in the 1980s, commensurate with its dedicated strategy of reducing public expenditures on any government services that primarily benefited the lower socio-economic classes, the
Reagan administration gradually and consistently reduced the share of PBS’s budget that came from the federal treasury. Although the target audience for most PBS programs is upper-middle class, there is no immediate and direct monetary benefit to this group which results from a substantial investment in this service by the federal government. Conversely, Americans of a lower socio-economic status are not generally avid viewers of the public broadcaster, but the programming offered by PBS remains available to all citizens regardless of income level, if they choose to avail themselves of the opportunity. Although never funded by the US government at a level comparable to public-service broadcasters in the UK, Canada, and Australia, the financial pressure exerted on PBS by the Reagan administration left the broadcaster even more dependent on individual donations and corporate sponsorship (underwriting). As noted by Engelmann (see chapter four), many large petrochemical and pharmaceutical companies, suffering from very poor public image problems in the 1980s, sought to redeem themselves through their affiliations with quality PBS programs. Overall, the effect of corporate underwriting on the programming independence of PBS and the public interest of Americans in broadcasting could not be described as positive, as powerful corporate sponsors routinely circumvented FCC regulations which forbade a company from underwriting a PBS program concerning a topic which was in relation to the sponsor’s product.

The Combination of Technological Determinism and Neo-liberal Ideology: the 1980s Onward

An obvious similarity among all four countries in the 1980s and 1990s was a rapturous enthusiasm of governments and regulators for new technology and a certainty about its inevitability, without a corresponding level of concern given to imbuing the use of new technologies with a social purpose. Tracey (1998: 49) notes that, “From the late 1970s, the new technologies provided the rationale, the argument that while there may have once been a case for regulating the spectrum as a scarce national resource in the public interest, developments in the technical capacity to communicate obviated that position.”

Although separated by time, three investigations into the respective broadcasting systems of the UK, Canada, and Australia typified a distinct shift in emphasis in policies which had previously concentrated on the public interest aspects of broadcasting to those which focussed on the commercial development of television ‘industries’. The rationales of the UK’s Peacock Committee (1986), Canada’s Federal Cultural
Policy Review Committee/Applebaum-Hebert Committee (1982-83), and Australia’s Dix Committee (1981) and Mansfield Inquiry (1997), all centered on the belief that, in the new globally-competitive communications environment of the 1980s and 1990s, each government would be wise to divert funds that had in the past been provided to public broadcasters for program production to members of the independent television production sector. Again, Mrs. Thatcher’s government led the way in this trend by commanding the BBC to ‘outsource’ 25 per cent of its program production to British independent producers (Cornford & Robins, 1998). In Canada, the Applebaum-Hebert Committee recommended likewise, a recommendation that was acted upon by the Canadian government with the creation of the Broadcast Program Development Fund (BPDF), later renamed the Canadian Television Fund (CTF). In Australia, the Dix Committee’s investigation and the Mansfield Inquiry offered the same advice, that government support be re-directed from program production at the ABC to that nation’s independent production community.

According to Richard Collins (1988: 108) the justification for government support for outsourcing program production from public-service broadcasting organizations to independent producers, regardless of country, is motivated by, “The concern to drive down production costs and erode barriers between insiders and outsiders underlie government’s consistent support for independent producers.” In spite of the fact that such funds for independent production are promoted under the banner of encouraging programming diversity and fostering the development of an industry, the fact remains that with every increase in the number of specialty channels vying for the limited pool of funds which exist for such funds, the amount that can be devoted to the production of one particular program is correspondingly reduced. Given this economic reality, it is difficult to believe that such funds make any significant contribution to programming and quality, diversity, education, and a democratic public sphere.

Compounding the problems faced by public-service broadcasters in the increasingly competitive and export-oriented television environment in the latter decades of the twentieth century has been the integration of technological and economic concerns with social and cultural considerations. The result in the UK, Canada, and Australia has been that government departments which formerly had little involvement or interest in broadcasting and communications now have a much greater influence on the direction of policies in these fields. The conflicting priorities of dissimilar departments in the UK is reflected in the following observation by Hooper (1996: 232):
DNH [the Department of National Heritage], responsible for sustaining a diversity of views, tends to want to have a smaller number of players within the UK market. DTI [the Department of Trade and Industry] would wish to see a smaller number of British-owned larger players. Strong in the home market, these players would be able to leverage into becoming big global players.

One of the co-chairs of Canada’s 1986 Task Force on Broadcasting Policy (the Caplan-Sauvageau Task Force), has noted a similar tension between Canadian federal government departments that, in previous eras, had been responsible for what were considered discrete policy areas. Florian Sauvageau claims that:

In Ottawa, on the MAI [Multilateral Agreement on Investment] confusion reigned — and still does — even within the Cabinet when, at the beginning of 1997, the Minister for International Trade, contrary to his colleague in Heritage and influenced by texts from academic colleagues who are themselves engulfed in the wave of globalization, considered the possible negative repercussions of ‘cultural exemption’ and wondered if the future of our cultural industries does not rely more on exports than on ‘protection… This is perhaps true for certain cultural industries that are closer to entertainment and are very successful on the international market, but certainly not for institutions such as the CBC which should contribute above all to democratic debate in the country (Sauvageau, 1998: 140).

The sentiments expressed by Hooper and Sauvageau are echoed by Armstrong. Commenting on the Australian experience, he posits that, “While no politician or official document would state that further concentration of media may be a sacrifice worth making in order to support large-scale production in the audio-visual industries, many of the policies support that trend” (1996: 4). In his analysis of the CRTC’s condoning of increased concentration in Canada’s electronic media, Audley makes a similar observation: “. . . the Commission [CRTC] notes the applicant’s plans to position RCI [Rogers Communications] as an industry leader in the push to compete with non-Canadian companies by developing electronic information and multimedia services for the new communications environment.” Designing policies with the intent of developing ‘national champions’, at the expense of ensuring diversity of media ownership, is an unfortunate consequence of regulators holding such an attitude.

‘Going Global’: The Sacrifice of the Domestic Public Interest in Favour of International Commercial Success

In the UK in 1987, as part of the BBC’s response to the pressures for ‘fiscal responsibility’ and increasing its ‘marketability’ from the Thatcher government, John Birt was named as head of the BBC’s news directorate and deputy to then Director-General Michael Checkland. A recruit from a major private-sector competitor London Weekend Television, Birt was intent on “branding” what he perceived to be the
Corporation’s strength: its news and current affairs programming. The creation of BBC’s World Service Television News (WSTV) in 1986 exemplifies the Corporation’s revision of its traditional domestic public-service role to a strategy aimed at using its reputation for quality journalism to exploit the economic opportunities that Birt believed awaited the BBC in the global media environment. The BBC’s new international focus represented a dramatic shift in the Corporation’s sense of its mission, having gone from being a broadcaster which saw itself as a British institution whose primary obligation was service to the British public to an organization which now believes that it can only fill this role if it can position itself on the leading edge of the international television news market. It should also be mentioned that World Service Television News is operated as a distinct service from the BBC’s domestic services, and that it is run on a commercial basis as part of BBC Enterprises Company. It draws none of its operating revenue from the license fee, but from export sales to other countries, advertising, and co-ventures with private-sector partners. The creation of World Service Television News was indicative of the shift in the BBC’s focus from one that had previously emphasized public service domestically to profitability in the global media market.

It seems that Birt’s plan to ‘brand’ BBC’s tradition of journalistic excellence has been accomplished, but at what cost? The Corporation built its reputation for impartiality, quality, and professionalism in its news service precisely because its public service remit and the license fee supposedly sheltered it from the vagaries of commercial competition and the obsession with popularity and ratings. The question must be posed, then, whether its new export-oriented strategy does not defeat the original purpose of the BBC as a non-profit public-service broadcaster in the first place? The marketing philosophy first established by Birt has become so pervasive that several former BBC governors have publicly expressed their reservations that the “dumbing down” of the broadcaster’s programming has gone too far. In its search for a new Chairman of its Board of Governors, the BBC is being encouraged to find someone who will curb the current Director-General Greg Dyke’s penchant for populist, ratings-driven programming. According to former BBC governor, Margaret Spurr: “The BBC has got to provide something for everyone and that is a difficult job. It does provide excellent programmes some of the time, but the new programmes seem to be going downhill” (cited in G. Davidson, Scotland on Sunday, 10 June 2001, 5).

As an indication of the extent to which the commercial mentality has permeated the outlook of CBC’s management, the CBC’s Annual Report for 1998-99 boasts, in a section titled Programming Partnerships,
"In adapting to a new environment, English television is forging more alliances with the private sector and with foreign partners. In 1998-1999, approximately 60% of English Television's production was secured from the independent production community" (CBC, 1999: 30). The degree to which criteria previously reserved for the corporate boardrooms and accounting firms of the private-sector have infiltrated the upper-ranks of CBC's management structure and superseded concerns about quality programming and public service broadcasting can be witnessed in the following quotation from former CBC President and CEO Perrin Beatty. In his Message from the President and CEO, the first observation Beatty gleaned from a nationwide series of public consultations was that, "The message delivered by that cross-section of Canadians is clear and eloquently simple: wherever we live, we have a right as taxpayers and shareholders to enjoy the same CBC services" (CBC Annual Report 1998-1999: 12, emphasis added).

In Australia, the present Liberal-National Coalition government's neo-liberal fixation with 'efficiency' and expenditure reductions at the expense of the public interest in the ABC's programming was even admitted by the chairman of the most recent investigation into the organization's activities, the Mansfield Inquiry. Bob Mansfield subscribed to the same assumption that is commonly held by neo-liberals looking to reduce public expenditures: that the contracting of public services to the private-sector will necessarily yield cost-savings. In his final report, Mansfield stated that outsourcing was, "... the core of the progress the ABC needs to make" (1997c: 122), but admitted that, "I have not been able to obtain reliable comparison of the production costs of the ABC and the independent production sector because of the different methods used and their lack of transparency" (1997d: 37).

Promoting the virtues of 'efficiency' and 'accountability' in reference to the role of the public-service broadcaster is appropriate if there is an over-arching philosophical basis for such an emphasis. The problem, however, with most of the high-minded pronouncements in this area offered by those responsible for the direction of policies in the contemporary broadcasting environment is that such criteria are touted as ends in themselves, rather than as a means toward the attainment of some higher objective, such as the creation of an electronic public sphere where the citizens of the Anglo-American democracies can become engaged in a rational and informed dialogue about the societies they inhabit. As for the current state of affairs in public-service broadcasting throughout the world, Tracey deplores the limited vision demonstrated by senior management of public-service broadcasters. He contends that:
It reflects a confusion of purpose, and a belief in the techno-fix of management theory, usually from the United States — which is not exactly the paragon of effective efficiency . . . What we are witnessing here is a version of something which characterizes — in my view defiles — much of modern life, the triumph of technique over principled, humane purpose . . . Efficiency and accountability to what end with what presumed consequence? (Tracey, 1998: 260-261).

Adding to the sense of bewilderment and ambiguity that has plagued public-service broadcasters over the last two decades has been governments’ insistence that noncommercial broadcasting services are an unnecessary luxury that, in times of economic recession and instability, cannot be justified on a cost basis. Absent from the discussion concerning state support for public broadcasting is the notion that such services indeed do qualify as public goods that, because of their own intrinsic value, warrant an adequate level of funding. The financial crises that have been inflicted on public-service broadcasters in the Anglo-American democracies stand in direct contrast to the largesse bestowed by governments upon large private-sector industries. The disparate treatment displayed by governments in all four countries throughout the last twenty or so years toward public institutions such as public-service broadcasters and commercial enterprises reflect the lack of comprehension and appreciation on the part of politicians and bureaucrats for the worth of a service that cannot be quantified in a strictly economic sense. Moreover, public broadcasting has often faced spending cuts on a level which is disproportionate even in relation to other parts of the public sector. For example, in Australia, according to Alan Brown:

... over the decade [1990s] there were increase in real expenditure both in aggregate and in the ‘big ticket’ items of defence, education, health and social security. Appropriations to the ABC however had declined by one-fifth. A further calculation reveals that when comparison is made between fiscal years 1986 (the peak year for ABC funding) and 1999 the real decline is 34 per cent.

The most dramatic alteration between the Australian state and the nation’s public-service broadcaster occurred during the administration of former Labor Prime Minister Bob Hawke in the 1990s and early 1990s. The weak commitment of Hawke’s government to the philosophy underlying public-service broadcasting, combined with the Prime Minister’s sensitivity concerning his image in the mass media, spelled dire circumstances for the ABC. Despite the fact that social democrats in Australia have, for the most part, traditionally been suspicious of the commercial media, Hawke’s overwhelming obsession with political success led him to compromise his centre-left principles and generally to show more favouritism towards Australia’s commercial broadcasters than would be expected from a Labor prime minister. Davis (1990: 359) maintains that, “Some ties [between Hawke and the commercial media] have been personal: Hawke’s defense
of Kerry Packer during a controversy surrounding the Costigan Royal Commission, and the award of the Order of Australia to Rupert Murdoch, American citizen.”

Hawke’s embrace of free-market ideology was not confined to just broadcasting. Somewhat uncharacteristic of the mentality displayed by former Labor prime ministers such as Whitlam, Hawke was once reported to say that, “... our particular aim is to secure, to the maximum extent possible, shared perspectives grounded in a realistic appreciation and market conditions” (cited in Walter, 196: 58). The 1980s prime minister’s departure from his Labor Party roots appears even more dramatic if one accepts Ward’s proposition that “Hawke has shown greater adherence to laissez-faire free enterprise than even the previous conservative governments” (1993: 172). The emphasis of Hawke’s administration on ‘pragmatism’, as exhibited in the ‘Equalization Plan’ and the auctioning of channels (see chapter five), drew criticism from the left-wing of the Labor Party that Hawke had abandoned the traditional social democratic, public-service ethos of the party. Hawke, like Mulroney, Thatcher, and Reagan, had conducted an extensive deregulation of his country’s financial sector in 1984. Hawke’s Minister of Finance, and successor as Prime Minister, Paul Keating, once commented that, “... the [Hawke] government has always recognised that to produce a sustainable long-lasting economic recovery, the private-sector would have to be restored to its traditional major role” (cited in Battin, 1993: 237).

The importance of the above statement is that, as with Canadian Prime Ministers Mulroney and Chrétien, the UK’s Tony Blair, and the U.S.’s Clinton-Gore administration, it shows that, despite pronouncements to the contrary, the best interests of national public broadcasting organizations may be compromised by political leaders of any orientation in the Anglo-American democracies if they seem to clash with measures designed to appease the private-sector or to ensure electoral success. Without supporting evidence, all political leaders of the Anglo-American democracies in the 1980s put faith in the idea that strong domestic businesses would not only strengthen the nation’s economic competitiveness, but would also further the public interest. Under the Hawke administration’s ‘Equalization Plan’ — ostensibly aimed at providing more equitable access to broadcasting throughout Australia’s urban and rural areas — new franchises for so-called ‘regional’ stations were auctioned in a manner similar to the one employed by the UK’s IBA when Mrs. Thatcher was prime minister.
A parallel is also observable between Hawke’s equalization project and the FCC’s changes to ownership regulations in the US during the 1980s in that regulators in both countries capitulated to the demands of wealthy commercial media owners to change the conventional limitations — which were based on the number of broadcasting outlets held by a single owner — to the much more vague and easily manipulated concept of audience ‘reach’. In order to help develop the infrastructure for a national television network system in Australia, aided by AUSSAT, Hawke’s Minister of Communication, Michael Duffy, went even further than American regulators and lifted the ceiling on the ‘reach’ for Australian commercial broadcasters to 43 per cent, a figure which approximated the combined percentage of Australia’s population represented by its two largest cities: Sydney and Melbourne. One analyst estimated that the media ownership changes allowed by the Hawke policy netted Kerry Packer and Rupert Murdoch collectively a “... one billion dollar gift” (Macphee, cited in Davis, 1990: 364). In the US, the maximum reach condoned by the FCC, until this year, was 25 per cent.

Hawke would likely have described his government’s actions of the 1980s as a pragmatic response to the changing economic and political conditions of the era. In a similar vein, Engelmann (1996: 190) notes that in his first year as president, Reagan convinced the US Congress to reduce the budget allotted to PBS by $35 million from the $172 million that had been slated for the Corporation during the final year of Carter’s presidency. According to Feigenbaum et al, Reagan valued this privatization of public assets, including the airwaves, as much for its symbolic value as for its practical benefit as a cost-saving measure: explain:

In the hands of the Reagan administration, privatization became more than a pragmatic adjustment. It represented a deliberate attempt to use the ideas of privatization to substantially reshape the economic and political ecology. Privatization as economic theory became privatization as a political strategy (Feigenbaum et al, 1996: 137).

A common trait among Reagan, Mulroney, Thatcher, and Hawke is that when electoral success appeared to conflict with ideological conviction in the concept of ‘small government’, political expediency took precedence over principles: while it is not to be denied that Thatcher, Reagan and Mulroney had become disciples of deregulation and privatization, and a lesser role for government, their actions often revealed that each could be quite generous with public funds when it suited their political purposes. Reagan’s largesse to the defense industry, Mulroney’s extravagant spending on publicity in support of his free trade agenda,
and the huge sums of public funds spent by Thatcher on advertising her privatization scheme in the UK’s commercial media lend support to the contention that neo-liberals in the 1980s operated according to a double-standard when it came to matters of fiscal restraint.

**Political Interference in Public-Service Broadcasting: the ‘Double Standard’ between Official Rhetoric and Actual Policy**

Perhaps somewhat paradoxically, the two strongest proponents of the ‘free flow of information’ doctrine, Reagan and Thatcher, were also two of the twentieth century’s most secretive and manipulative political leaders when it came to dealing with the media in their own countries. Just as Bernard Ingham, Thatcher’s Press Secretary, continuously hounded the BBC over its coverage of Northern Ireland, the Falklands and Gulf Wars, Reagan’s Director of the CIA, William Casey, tried to bully the US media when he believed that its reporting of the Reagan administration’s support for the right-wing Contra terrorist organization in El Salvador were something less than supportive. In what has to be considered one of the most flagrant violations of journalistic independence and freedom of the press in recent U.S. history, in 1985 former director of the Central Intelligence Agency, William Casey, tried to convince the FCC to revoke all of ABC’s radio and television licences after the network had reported that the intelligence agency had assassinated a US citizen in Hawaii (Mazzocco, 1994: 90).

Decentralization of the public broadcaster’s decision-making structure provides another tactic that was commonly employed by governments in the 1980s in their attempts to neutralize criticism to their policies. Just as Nixon and Reagan had consciously exacerbated the localism that was endemic to the PBS affiliates, in Australia, the Dix Committee — which had been commissioned by the Fraser administration, but whose final report was acted upon by the Hawke government — recommended even further regionalization within the ABC than already existed. This policy has been followed by the last four Australian governments, regardless of whether they happened to be the social democratic Labor Party or the conservative Liberal-National Coalition (see Brown, 2000). This emphasis on decentralization has become so ingrained in Australian broadcasting policy that it has now become an accepted doctrine at the ABC. If the organization is kept rather fragmented, it becomes harder for the broadcaster to conceive of an integrated and unified response to the challenges that may be posed by government funding cuts. Decentralization has
a certain populist appeal because of the presumption that the ABC will be more responsive to the wishes of Australians throughout the country; however, as was witnessed in the UK and the US in the 1980s, it also serves the purpose of diffusing opposition to the decline of concepts such as the public sphere and the public as a collective of citizens with a common interest. Reagan and Mulroney both exploited the notion of decentralization as a means of solidifying their control; however, in the Canadian context, this tactic produced a significantly different effect on the national public-service broadcaster than it did in the US or Australia.

The current Managing Director of the ABC, Jonathan Shier, boasts of the Corporation’s movement in this direction: “Decentralisation is not cheap. That’s why you don’t see much evidence of it in the commercial sector. I ask again: if not the ABC which media organisation would make such a commitment” (ABC, 14 March 2001: 1). Perhaps the reason that Australia’s commercial broadcasters have not embraced decentralization of their activities is because they quite rightly recognize that it would weaken their ability to respond quickly to the changing broadcasting environment. The ABC’s managing director, on the other hand, appears to be trying to pretend that this fragmentation of the Corporation is of its own choosing, and that it somehow serves the public interest.

In terms of what was observable to Canadian viewers, the effect of the cuts to the CBC during the Mulroney era in Canada (1984-1993) had the opposite effect to those which were witnessed in Australia. In response to the constant cuts that were made to the Canadian public broadcaster during this period, there was movement toward greater consolidation of the Corporation’s resources in its English- and French-language headquarters in Toronto and Montreal, respectively. This was compounded by the decision of former CBC President, Gerard Véilleux, to close 12 stations in regional centres throughout the country. In essence, it could be argued that the CBC experienced both decentralization and centralization in the 1980s and 1990s. On one hand, a greater proportion of its production budget and capacity was filtered out to the independent production sector, while on the other, decision-making authority became more concentrated in Ottawa, Toronto, and Montreal. The CBC’s ability to fulfill a fundamental component of its mandate — “to reflect the regions to each other” — seems to have slid down the scale of the Corporation’s priorities in recent years, as evidenced by Rabinovitch’s ill-fated proposal to eliminate local supper-hour newscasts in the summer of 2000 (see Chapter Six).
The ‘Multi-channel Universe’, ‘Globalization’, and the Concept of ‘Consumer Sovereignty’: Fragmentation of the Audience and the Decline of the Public Sphere

Neo-liberals in all four Anglo-American democracies have attempted to hide the true objectives underlying their promotion of technological convergence, ‘consumer sovereignty’, ‘choice’, and the benefits of competition through the increased licensing of commercial broadcasting services. Beneath all the rhetoric alluding to the alleged benefits which will accrue to ‘consumers’, as opposed to the ‘public’, is a desire to play down the notions of the collective good, a civic culture, universal provision of services, and a common public sphere. The sole intent of the neo-liberal agenda is to reduce everything to an economic basis. The ‘de-politicization’ of the public, and the destruction of the public sphere is simply a necessary component of the overall neo-liberal agenda. While it may sound conspiratorial to make such a suggestion, the proliferation of an ever-increasing number of television services, and the segmentation of the audience that they require to be profitable, have a strictly economic impetus. As observed by Thomass (see chapter three), an overall decline Mrs. Thatcher’s deregulation of British broadcasting had a generally detrimental effect on British broadcasting in the 1980s. Judging from the views expressed by the former BBC governor (see page 87), there seems to be justification for Thomass’s assertion that the commercial, populist emphasis at the BBC in recent years has resulted in a decline in the quality and educational function of the British public broadcaster’s programming.

In Australia, the trend over the past decade has been toward a policy of ‘self-regulation’ for the nation’s commercial broadcasters, which, the ABA presumes, will provide Australians with a greater amount of choice through the multiplication of television services that such a policy, combined with so-called ‘technological abundance,’ will deliver. As yet, the evidence supporting such a supposition is lacking, for while Australians may have access to a greater number of satellite, cable, and conventional television services, it does not appear that there has been a corresponding increase in the quality of entertainment programming, nor in the level of news and current affairs programming which lies at the core of a democratic public sphere in broadcasting. Greater commercialization of the nation’s broadcasting environment abetted by the Australian Broadcasting Authority’s policy of industry ‘self-regulation’ has not lived up to the promise of ‘consumer sovereignty’ in the most literal sense of the term. Australia’s current television guidelines,
contained in the *Broadcasting Services Act* (1992), have resulted in a much greater level of discretion exercised by non-broadcasting agencies, such as the Australian Competition and Consumers Association (ACCC). Armstrong (1996: 20) argues that:

... no express provision has been made for social values or policies which would compete with the economic values embedded in competition law. This in turn raises some profound questions about the direction of the media. For example, how far can accepted principles like Australian content, investment in new infrastructure and freedom of communication be recognised by the competition regulators?... Politicians and planners would not dare spell out a policy that bodies such as the ABC, SBS and community broadcasters have no place in the new environment. But they have adopted policies such as auctioning of frequencies and commercialisation of delivery channels which have a similar effect. 'Access' in the new competition regime does not extend beyond commercial access at a fair price.

The notions of 'consumer sovereignty', 'consumer choice', and 'competition', however defined, undoubtedly find in the United States the most receptive audience among all four of the Anglo-American democracies. Deregulation, or rather, re-regulation according to the dictates of the market, is at its most advanced stage in the United States simply because that country has long been the most *laissez-faire* of western democratic nations to begin with. Price & Weinberg state (1996) that:

Over the last 20 years, a fervour for the workings of the market has overtaken a commitment to federal intervention... The idea that their should be special efforts to encourage minority voices in the media is now relegated to the dustbin of history. Worries that no media company should be too large have given way to ideas that being big is important (Price & Weinberg, 1996: 278).

In Canada, at the dawn of the twenty-first century, the CBC, the public interest, and the idea of broadcasting as a noncommercial public-service sit precariously amidst an environment where the CRTC appears to have resigned itself to continuing its ritualistic charade of requiring from new license applicants a token commitment to the production of Canadian programming — a problematic concept in itself — while the Commission continues to approve a continuous stream of new television services of often dubious merit, as far as audience demand is concerned. As a country, Canada has probably invested more on a per capita basis in the technological development the nation's broadcasting system than any other Anglo-American democracy. Unfortunately, however, the production of genuinely Canadian programming has lagged far behind the country's technical capacity to transmit television services. With each technological advancement in broadcasting, and the presumed expansion of 'choice' that accompanies such progress, Canadians have become exposed to an increasing amount of American commercial programming. To say that the increased number of television services has played any sort of positive role in the strengthening of national unity,
...
Canadian identity, political awareness among the public, and understanding between the country’s two main linguistic groups would be an absurd exaggeration. Starowicz (1993: 86-96) argues that:

... a combination of privatization, indifferent regulation, and weakening of the public broadcaster allowed Canadian television to become more and more driven by market forces which inevitably favoured importation over production... The pressure for more stations came from the private sector, couched in the language of free choice and efficiency... This is the logical flaw at the root of the ‘free choice’ argument brandished by the Canadian cable industry... Freedom of choice in television means the freedom and the means to produce television, not merely consume it.

The Choice Before Public-Service Broadcasters: Go Commercial or Atrophy?

As economic and technological convergence combine to make media companies an extremely attractive business proposition, the global media scene is dominated by an ever-decreasing number of huge, vertically- and horizontally-integrated transnational media conglomerates. In their attempts to compete with such commercial monoliths, and in an effort to convince their respective governments that public-service broadcasting is still a relevant and worthwhile investment, public-service broadcasters in the four Anglo-American democracies have felt compelled to engage in joint ventures with private-sector partners. Commensurate with its strategy of ‘branding’ the Corporation’s reputation for quality programming and public affairs coverage, the epitome of the public-service broadcaster, the BBC, has become one of the most aggressive participants in the global media environment. As noted earlier, the BBC’s World Service Television (WSTV) has been operating as a commercial venture since the late 1980s. In recent years, the broadcaster has extended this mode of funding by adding numerous other commercial services bearing its trademark. Gina Davidson reports that British supporters of the BBC’s public-service tradition are gravely concerned that the effect of this philosophical shift among the Corporation’s management has had a detrimental effect on the public interest. She writes that, “They [former BBC governors] are speaking out amid growing concerns that the corporation is heading ever more downmarket, loading the schedules with reality TV at the expense of quality programming” (Scotland on Sunday, 10 June, 2001: 5).

In 1997, the BBC’s international commercial operations earned $125 million for the Corporation, a figure that it anticipates will rise to approximately $500 million by 2006 (Clarke, Financial Times, 16 July 1998: 7). In fact, the BBC has consciously avoided teaming up with public-service broadcasters in the other Anglo-American democracies, preferring instead to join forces with private-sector partners whose
commercial expertise, it is anticipated, will strengthen the public broadcaster’s profit potential. McChesney (1999: 253) such public-private ventures have become commonplace:

But nowhere has the commercialization process been more apparent than in the United Kingdom, where the BBC began in the late 1990s to make deals that would have been inconceivable a few years earlier. The BBC has, for example, signed major coproduction deals to launch commercial channels in the United States and elsewhere with the US Discovery Communications and UK Flextech, both owned in part by media giant AT&T-TCI. It developed a children’s program, Teletubbies, to some extent because it could capitalize on enormous merchandising sales globally through a joint venture with Hasbro, a toy manufacturer. Likewise the BBC signed a deal in 1998 to coproduce programs with Berlusconi’s Mediaset. In 1997 the BBC launched “the beeb,” a commercial website to be funded through advertising, subscriptions, and merchandising sales.

The CBC has followed the BBC’s lead. Its all-news and public affairs channel, CBC Newsworld, is funded entirely by revenue from advertising and cable subscriptions. The ABC, though it has yet to take on commercial advertising, has not been exempt from this push toward commercialization of its services. In 2000, the Australian government’s Department of Communications, Information Technology and the Arts (DCITA) approved a deal which saw the ABC license its content to Australia’s largest telecommunications company, Telstra. Under the proposed arrangement, “ABC must consider Telstra’s reasonable suggestions (my emphasis) in relation to the mix and variety of content (Friends of the ABC, 2000: 9). Anxiety among Australian advocates of public-service broadcasting was heightened by the fact that the details of a deal involving a public corporation (ABC) were negotiated in seclusion, without any opportunity offered to the public to have any sort of input. The Friends of the ABC express dismay over this situation, which they term “commercial in confidence” (FABC, 2000: 9).

In the United States, support from the federal government had declined by the 1990s to a mere 15 per cent of the annual budget of PBS. In addition to “enhanced underwriting”, a euphemism used by the broadcaster to describe the commercials that it now often carries at the beginning and the conclusion of programs, PBS has also instituted a policy whereby it provides wealthy Wall Street corporations with the opportunity to pre-screen its schedule, a practice that was formerly conducted only by the US commercial networks. McChesney deplores the creeping commercialization that he believes has made PBS virtually indistinguishable from it commercial counterparts. He maintains:

PBS is engaging in the type of branding and commercial cross-promoting that mirrors the behaviour of the corporate media . . . In a striking manner, PBS is capitalizing upon its children’s programming to create a commercial merchandising powerhouse. It wants to rake in its share of the billions of
dollars to be made selling products linked to PBS kids' show characters. PBS is even establishing its own for-profit toy stores in major markets, à la Disney and Warner Bros (McChesney, 1999: 252).

The ironic and self-defeating aspect of PBS's incursion into commercial territory (as well as those of the other three public-service broadcasters) is that it has compromised its integrity as a public-servicing broadcaster by trading on the very characteristic which built the reputation of its children's programming — its lack of commercial exploitation — as a means toward transforming itself into a commercially viable enterprise. The FCC has not helped matters much for maintaining the public interest as a valid consideration in the formulation of US broadcasting policy either. With another Republican administration in Washington, there is not much support for maintaining existing rules pertaining to cross-media ownership and other public interest issues. In April 2001, the FCC announced that it was relaxing restrictions that had prohibited one company from owning a newspaper and a television station in the same market, as well as the "dual-network rule" which prevented one network from taking control of another. The current chairman of the FCC, Michael Powell, revealed his disregard for the idea of encouraging a diversity of political voices in the media by limiting the concentration of ownership in the broadcasting and print media sectors. Powell posits, "I don't know why there's something inherent about a broadcaster that means they can't be combined" (cited in Labaton, New York Times, 16 April 2001: 1). Powell's remarks were made in response by the media giant
...
Viacom to an appeal against an FCC provision that limited the share of any broadcasting market by one company to 35 per cent. Stephen Labaton (16 April 2001: 2-3) reports that:

Some policy makers say that the changing climate, particularly among judges, is similar to the sharp reversal of the courts on affirmative action in the last 20 years. Federal courts once supported affirmative action programs but ultimately abandoned them after becoming skeptical that they could achieve their goals of promoting racial diversity in the workplace and at educational institutions . . . A Democratically controlled FCC almost certainly would have appealed it [the Viacom 35 per cent issue] . . . The relaxation of the rules is a consequence of the new conservative Republican regulatory climate in Washington and an expansive reading of the First Amendment by the United States Court of Appeals for the District of Columbia that makes it difficult, if not impossible, to justify ownership limits.

Conclusion

In this chapter, we have examined, and tried to account for, the commonalities and contrasts among the experiences of the public-service broadcasting organizations in the Anglo-American democracies. The most obvious similarity observed is that public-service broadcasters in all four countries appears to be facing an uncertain future, as do the very notions of public-service broadcasting and a democratic, electronic public sphere. Governments in the UK, Canada, Australia and the United States, particularly over the last two decades or so, seem to have forsaken the commitment to communitarian values embodied in the post-war Keynesian welfare state that were a necessary precondition to the creation of national public broadcasting services. Consequently, to some extent, each broadcaster has shifted its focus from service to its national audience toward commercial pursuits in the international television market. This trend, in turn, threatens the legitimacy of the public-service broadcasters’ claims to be distinctive, relevant, and deserving of continued financial support from their respective governments.

The BBC is, perhaps, the best example of a public-service broadcaster that has, to some degree, reneged on its public-service commitment to its own national audience, in the effort to lessen its economic dependence on the British government. From a commercial perspective the UK public broadcaster has been quite successful, but its very success in the international market calls into question the validity of the BBC’s public-service designation. To one extent or another, the same could also be said of the CBC, the ABC, and PBS. The future of a public-service broadcasting environment where the audience is perceived as citizens rather than simply as consumers of a commodity looks bleak indeed. In the next chapter, we will examine
what the broader implications of this trend are for the viability of a democratic public sphere, and will conclude with some suggestions for what steps, if any, might be taken to remedy the situation.
CHAPTER EIGHT

Conclusion

The Effect of Neo-Liberalism on the Principles of Public-Service Broadcasting in the Anglo-American Democracies since the mid-1970s

It is safe to argue that public-service broadcasting throughout the Anglo-American democracies has suffered a serious decline over the past quarter-century. The reasons for the current situation vary, of course, to the extent that social, economic and political developments in the United Kingdom, Canada, Australia and the United States have not been identical during this period. Nonetheless, the preceding chapters have made it clear that the forces which have threatened public-service broadcasting in each country since the mid-1970, in some respects, bear remarkable similarity. Most noticeable is the voluntary abdication by political and regulatory authorities in all four states of public interest considerations as the main determinant of broadcasting policy in favour of the philosophy of the market. A common feature, then, among the four countries is that the conception of the broadcasting audience as a ‘public’ — a collection of citizens — has been supplanted by the notion of ‘consumers’ of media products. Throughout the Anglo-American democracies, neither politicians nor regulators, nor even the management of public-service broadcasters themselves, have questioned the latter view.

With the aid of new communications technologies, transnational businesses have advocated broadcasting policies that are counter-productive to the express purpose of public-service broadcasting; and governments that are sympathetic to the doctrine of the market have acted accordingly, by enacting policies in this area that have marginalized the concerns identified with the public interest in the continuing debate over broadcasting and communications policy. The remainder of this chapter consists of a summary of some of the key developments that have transformed the broadcasting environments in the UK, Canada, Australia and the US, most of which have had a largely detrimental effect on the condition of public-service broadcasting in those countries.

Before we address the question of the viability of public-service broadcasting per se in the twenty-first century, however, it is worthwhile to review Tracey’s eight principles of public-service broadcasting
(1998: 26-32), mentioned in chapter one, in order to obtain an accurate picture of the impact that the major trends that have been discussed throughout this thesis have had on those same principles.

The first of Tracey’s fundamental principles of public-service broadcasting — *that such services should be accessible to the entire population of a nation without regard to cost and place of residence* — has remained largely intact; however, because of the plethora of new cable and satellite television services that have emerged since the 1980s, no public-service broadcaster among the four examined in this analysis can claim as large of a proportion of its domestic audience as it could prior to that decade. Therefore, it is reasonable to conclude that, while access to public-service broadcasting has not diminished over the past two decades, its prominence within each nation’s broadcasting system has sharply declined because of the lack of foresight exercised by national regulators eager to embrace the opportunities promised by the ‘technological revolution’ in the communications industries. The vastly expanded number of commercial competitors found within each nation’s broadcasting system provides ample evidence of the disregard shown for the non-commercial values of public-service broadcasting by politicians and regulators alike.

As for the second principle of public-service broadcasting — *that its programming should possess a universal appeal* — the events of the last twenty or so years seem to have had a mostly negative impact. When the number of broadcasting services available to viewers was much more limited than it is presently, public-service broadcasters in the four Anglo-American democracies prided themselves on their ability to offer an eclectic mixture of programs from which most viewers could find something that appealed to them. Even when they did not, perhaps because certain programs pertained specifically to some segments of the public rather than to others, it was envisaged that the mere exposure to programs featuring experiences particular to one segment of the community would enhance the level of tolerance and cooperation in society as a whole. The options available to viewers who did not believe that they could relate to programming focussed on other ethnic groups, for example, prior to the explosion of new services in the 1980s, were quite limited, even in North America where there existed a larger number of broadcasting networks than in the rest of the world. However, since the advent of the ‘multi-channel universe’ with its enormous number of specialty channels, and the consequent fragmentation of the audience, viewers have been encouraged to remain within the narrow confines of what is familiar and of specific interest to themselves. As a result, there is less reason for members of the public of different ethnic origins and lifestyles to find that they may
have learned something new because they had no choice (other than to not watch television at all) but to sit through a certain program that they may not have been especially interested in before the program they desired to see was broadcast. Furthermore, the vast array of specialty channels available today that focus exclusively on one particular format or genre have captured many programming areas that were traditionally the preserve of public-service broadcasters, such as news, public affairs, documentaries and educational programs. It could be argued, then, that the capacity of public-service broadcasters to serve an omnibus (all-purpose) function has been effectively abrogated by national regulatory bodies that have knowingly transferred the responsibility for fulfilling such programming niches to cable and satellite specialty services. As the ability of public-service broadcasters to offer general interest programming has receded, so has the legitimacy of their claims that they are still relevant to the public, which, in turn, has eroded the impetus for governments to allocate sufficient funding for public broadcasting.

The third basic principle of public-service broadcasting — that special attention be given to the programming interests of minority communities within the national population — has also been adversely affected by the rise in neo-liberal philosophy and the growth of commercial television services. The decline in political support for the merits of non-commercial broadcasting has encouraged the adoption of a greater emphasis on a philosophy more compatible with the market among the senior management levels of public-service broadcasting organizations. In order to justify their existence to politicians, the programming policies chosen by the senior management of public-service broadcasters have shown evidence of a much more populist approach than had previously been the case. An appeal to the 'lowest common denominator' is assumed to be a necessary consequence of populist programming policies. The 'branding' of the BBC’s news service in the international television market is the most obvious example of this trend. The British public-service broadcaster’s increased emphasis on populism and marketing approach is not an isolated incident either; much of the news and public affairs programming found on the CBC, ABC and PBS is virtually indistinguishable from those of the commercial networks.

In the 1960s and 1970s, PBS was lauded for its adventurous spirit because of programs which challenged the status quo and cast light on the plight of African-Americans and other minority groups in the US. Over the past two decades, however, the schedule of PBS has contained a greatly-expanded number of business-related programs. The reason for this shift in the programming philosophy of the American public
broadcaster is simple: in order to compensate for the reduced level of funding from the US government, PBS has devoted more effort toward attracting the sort of audience (white, well-educated and affluent) desired by its largest source of funding, corporate underwriters. Naturally, issues related to social justice that held particular appeal for disadvantaged minority segments of the audience (blacks, hispanics and the disabled) are noticeably less common today than they were in the 1970s.

In Canada, the CBC has responded to government cutbacks to its funding by reducing the amount of local news content and regional productions in its broadcasting schedule. This development has not gone unnoticed by its critics, who argue that the Corporation has become excessively pre-occupied with events in Toronto, Ottawa and Montreal, to the detriment of the audience in the West and the Atlantic provinces. Before the 1980s, the CBC was often criticized for being a centralized, bureaucratic institution; however, this situation has been exacerbated even further because of the broadcaster’s consolidation of its operations in the cities where its headquarters are located, a move that was prompted by continually-decreasing financial support from the federal government. Ironically, viewer surveys have consistently shown that the geographic areas in which the CBC’s services are needed and valued most — the West, the North, the Atlantic region and, of course, Quebec — are also the regions which have been shortchanged to the greatest extent by the Corporation’s attempt to cope with its financial predicament.

Perhaps the best example of the adaptability of public-service broadcasters to the changed broadcasting environment in recent decades is Britain’s Channel Four. Channel Four began operation in the early 1980s and was intended to cater for minority segments of the UK national audience, a feat which, by most accounts, it had successfully accomplished until the British government experienced a change of heart in the 1990s. As the number of television services grew throughout the 1990s, there was a noticeable decline in the quality of the minority programming offered by Channel Four. As with PBS, the British minority-focussed public-service broadcaster resorted to a greater amount of popular, entertainment-oriented programming as a means of retaining its audience share in the midst of sever competition for viewers posed by the entrance of many new commercial services.

A re-orientation of the programming philosophy of Australia’s multicultural public-service broadcaster has also been witnessed during the past decade, and is seen by many as an indication of the increased pressure placed on the broadcaster by the Australian government to enhance the marketability of
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its programs for foreign customers. There has been a marked shift in the focus of SBS's programming away from Australia's 'ethnic' communities to overseas audiences, a result of the Australian government's discovery of the lucrative opportunities available for the Australian public-service broadcaster's programs in the international market. Arguably, the primary motivation for the aggressive promotion of the programs of SBS has been the Australian government's desire to lessen its financial commitment to the multicultural broadcaster, and foreign sales are seen as the surest way to achieve this goal.

In recent years, alternative specialty channels, such as Black Entertainment Television (BET) in the US and the Aboriginal Peoples Television Network (APTN) in Canada, have sprung up cater to specific minority audiences; however, because such services are subscription-based, they are not universally accessible. While it is better that such stations exist than not, viewers first must pay the additional charge of cable. Moreover, because stations like BET and APTN are specifically designed to appeal to members of their target audience (African-Americans for the former, and Aboriginals in the latter case), there is less chance that viewers from other ethnic/racial groups will be exposed to their programming than they would if such content was available on conventional broadcasting services which carried a variety of programming.

Tracey's fourth principle of public-service broadcasting — that public-service broadcasters serve the public sphere — the fourth principle — and his fifth, that they strive to uphold a commitment to the education of the public, overlap to a considerable extent. Thus, they may taken together. According to Tracey (1998: 29):

> It understands that while within civil society individuals pursue their own private self-interests, it is within the public sphere that they function as citizens. It is a fundamental principle then that public broadcasting must motivate the viewers as citizens possessing duties as well as rights, rather than as individual consumers possessing wallets and credit cards.

In spite of the commercial pressures with which public-service broadcasters in the Anglo-American democracies have had to contend because of governments reductions to their funding, the coverage of public affairs still appears to be one programming area in which the BBC, CBC, ABC and PBS have outperformed their respective commercial counterparts. Whether this superiority in political coverage can be maintained, in light of recent trends toward joint ventures and co-productions with private sector partners such as those concerning ABC's on-line agreement with Telstra and the BBC's alliance with Disney, remains to be seen.
While a trend toward populist news and public affairs coverage has been observed among public-service broadcasters in the past few decades, this could be construed as a response to the general deterioration of the political awareness and cognitive complexity of the audience as much as it has been a conscious choice by the broadcasters themselves. And, even if the movement toward event-driven, personality-oriented and sensationalist news and public affairs programming has been a deliberate strategy, to swim against the current that prevails in the industry at large would surely invite the accusations of elitism that public-service broadcasters have gone to great lengths to dispel. It could be argued that, in tailoring their coverage of news and public affairs in a less ‘high-brow’ style, public-service broadcasters are merely adapting to the contemporary intellectual climate in society as a whole. Regardless, the public-service broadcasters still provide citizens with a greater amount of public affairs programming than their commercial competitors, with the exception of all-news specialty channels such as CNN.

Nonetheless, ‘service to the public sphere’ and ‘commitment to the education of the public seem to have been subverted because of the pressure put on public-service broadcasters to operate as efficiently as their private-sector counterparts to justify their continued relevance to the government and the public; in other words, to act according to commercial criteria. Historically, public affairs programming is among the least popular forms of television programs. Consequently, in an effort to attract the largest possible audience for programs of this nature, public-service broadcasters have followed the path laid by commercial broadcasters and have redesigned their news and public affairs programs to be more esthetically pleasing, quicker paced, and less serious in tone. ‘Infotainment’, the euphemism applied to such programs, has become common among the schedules of all the public-service broadcasters in the Anglo-American democracies. Electronic ‘town hall meetings’ of the sort found on the CBC’s The National are symptomatic of the melding of entertainment and information that has occurred in the news coverage of public-service broadcasters. Even the BBC, whose news and public affairs coverage has historically been revered among both public and private broadcasters, has adopted a more populist, event-driven approach to the presentation of the news. In one sense, such trends may appear to be innovative and to invite participation in public debate from the public; however, such a presumption is misleading because, in order to make the news comprehensible and palatable to the ‘average viewer’, they are often over-simplified and the subtleties of complex and multi-layered issues are lost in the process. Rather then challenging viewers and elevating the
level of public discourse, such populist forms of news programs pander to apathy and laziness inherent in most of us in an effort to make important — but not black and white — issues and events easily digestible and exciting. By succumbing to the temptation to make the news more entertaining, public-service broadcasters are performing a disservice to the public by contributing to the ‘dumbing down’ of public dialogue.

That public-service broadcasting should be distanced from all vested interests (political and economic) is the sixth principle of public-service broadcasting. The various cases of interference by politicians in the affairs of public-service broadcasters discussed in the preceding chapters should be sufficient to dispel any illusions concerning the supposed ‘arm’s-length’ relationship between governments and public-service broadcasters in the Anglo-American democracies. Few politicians of any ideological persuasion have shown compunction about violating this principle if they believed it suited their particular purposes. The various examples of ‘regulatory capture’ by commercial broadcasters in all four countries also calls into doubt the validity of this principle in the context of contemporary public-service broadcasting, as does the prevalence of the notion that ‘self-regulation’ by the broadcasting industry can accommodate the objectives of genuine public-service broadcasting. Calls for ‘balance’ — which have been heard with increasing frequency over the years — have been commonly used to intimidate public-service broadcasters, and are simply meant to disguise politicians’ intent to impose a form of self-censorship among the journalists.

The reliance of public-service broadcasters on government funding is another factor that subjects them to often unwarranted manipulation from overly-sensitive politicians, as is the prerogative possessed by the chief executives of each Anglo-American democracy to appoint whomever he or she chooses to the boards and presidencies of each national public-service broadcasting organization. It is worth noting, however, that the BBC has recently revised its traditional hiring practice, and for the first time, will be accepting applications for the vacant position of Director-General rather than having the British Prime Minister make the appointment (Davidson: 2000: 5). The controversy surrounding the 1992 CBC documentary The Valour and the Horror, where the CBC’s board and management capitulated to pressure from disgruntled war veterans and the Canadian government to censure what they saw as Terence and Brian McKenna’s insulting portrayal of Canada’s military in the Second World War (see Taras, 1999 or Nash,
1994), and the BBC’s reporting of events in Northern Ireland during Margaret Thatcher’s term in office, serve as two examples of a public-service broadcaster’s vulnerability to the whims of the government of the day and to pressure from powerful interest groups that is inherent in this sort of funding arrangement.

Public-service broadcasters have also been strongly encouraged to enter into co-productions and joint ventures with commercial partners. The impact of such a strategy has been most evident in the US, as PBS has sought alternative sources of revenue through the opening of retail outlets, the pre-screening of programs for Madison Avenue corporate interests, and an increased number of corporate sponsorship announcements at the beginning and end of each PBS program. The creeping commercialization of the American public broadcaster has been further compounded by the relaxation of FCC regulations which had limited the duration and content of such announcements. In terms of style, the acknowledgements given to corporate underwriters on PBS programs are barely distinguishable from the traditional commercial formats observed on the US commercial networks.

The sincerity of the BBC’s commitment to public-service values has also become a topic of debate in recent years, as many British observers are wary of the potential effect that the Corporation’s partnership with commercial entertainment conglomerates such as Disney will have on the British public broadcaster’s willingness to treat its audience as citizens rather than merely as consumers. In Canada, the CBC has incurred criticism because of its excessive coverage of the Stanley Cup play-offs each spring. Many see this as an indication of the Corporation’s skewed priorities because its flagship nightly news program, The National, is often pre-empted by extended coverage of the hockey play-offs. As a result, the news program — supposedly the cornerstone of the CBC’s service — is jostled around the programming schedule from one time slot to another, making it exceedingly difficult for those Canadians less interested in hockey than in the important political events of their country to locate it. Understandably, the veracity of the Corporation’s claim to be Canada’s public forum for news and current affairs is met with some skepticism because of such incidents. In Australia, the announcement in 2000 that the ABC had entered into an agreement with Telstra, wherein the nation’s largest private-sector telecommunications company gained exclusive rights to the public-service broadcaster’s news content for its on-line Internet service, provoked many Australians to express concern for what the effect that such an arrangement might have on the broadcaster’s editorial independence.
The seventh principle of public-service broadcasting—*that broadcasting should be structured so as to encourage competition in programming rather than competition for numbers*—seems to have been all but forsaken by the public-service broadcasters of the Anglo-American democracies, as the growing practice of outsourcing program production to the independent sector has brought with it additional concerns related to program quality and independence. In an attempt to reduce public-service broadcasters’ dependence on public funds, governments in the UK, Canada and Australia have insisted that the BBC, CBC and ABC, respectively, contract substantial portions of the programs they broadcast to the independent producers of those countries. Theoretically, such a strategy could enhance the diversity and creativity of public broadcasters’ programs, but in the ultra-competitive television market of the late-twentieth and early-twenty-first centuries, independent producers are compelled to create programs which attract customers with the largest budgets—commercial broadcasters. Public-service broadcasters are generally unable to match the prices offered by private broadcasters; consequently, the benefits of consumerism that are demanded by advertisers figure prominently in the programming decisions of commercial broadcasters and, in turn, those of independent producers.

The cost of attracting and retaining competent technical and creative personnel is another factor which constrains the autonomy of broadcasters, whether public or private. Although most public-service broadcasters are not wholly dependent on advertising revenue, they must still compete for the same pool of qualified personnel against commercial broadcasters who generally possess much greater financial resources. If commercial broadcasters are more prosperous, and they usually are, public-service broadcasters have no alternative other than to pay what the market will bear. Therefore, escalating personnel costs caused by the ever-increasing demand for talented professional program-makers cannot help but have an adverse effect on public-service broadcasters’ ability to offer competitive salaries to experienced personnel, which, inevitably, has negative repercussions for program quality. Moreover, considering the fact that independent producers have little choice but to make programs with the widest possible commercial appeal if they hope to remain financially solvent, it is highly likely that, knowing the propensity of advertisers to prefer ‘safe’ non-controversial or offensive material in which to sell their products, independents will not produce programs that are as adventurous as they otherwise might. This constraint on independents is also likely to have a
‘spill-over’ effect on public-service broadcasters since it would, to some extent, homogenize the offerings in the general program supply.

The eighth principle of public-service broadcasting states that the rules of programming should liberate rather than restrict the program-maker. This principle implies that, with the exception of obscene, violent, racist or sexist content, broadcasting regulators should refrain to the maximum possible degree from impinging on the programming decisions of broadcasters. In Canada and Australia, particularly, concerns related to preservation of the nation’s cultural integrity have persuaded regulatory authorities to require that a specified percentage of programs carried by broadcasters be produced domestically. On the surface of it, this may seem to be a rather benign and justifiable restriction of the autonomy of broadcasters in those countries, as such quotas are intended to strengthen both national identity and the domestic television industries of Canada and Australia. Problems arise, however, because of the uneven and prejudicial enforcement of national content provisions; regulators in both countries have demonstrated far greater leniency in their application of these requirements on the private broadcasting sector than on the CBC and the ABC. In Canada specifically, the CRTC’s Canadian content legislation provides many opportunities for commercial broadcasters to uphold the letter of the law while circumventing its spirit; the CRTC requirements leave plenty of room for manipulation so that the Canadian programs are shunted to the poorest viewing times, while the peak early evening viewing hours consist of cheaply-purchased but popular American entertainment programs (Taras, 1999: 178). And, as noted in chapter six, the policy of simultaneous substitution allows Canadian commercial broadcasters to reap the benefits of inserting Canadian advertisements into the programs that they re-broadcast from the US. The CBC, meanwhile, has put in place a 100 per cent prime-time Canadian programming schedule, which requires a vast amount of its shrinking resources to be devoted to less financially profitable domestic programs. Not all observers are convinced that an entirely Canadian programming schedule at the CBC is essential to serving the public interest. John Doyle (2001: 1) remarks, “I think the CBC’s biggest mistake in recent years was to attempt to be 100 per cent Canadian in prime time. Public broadcasting should show us the best of our own and the world’s television, not the best, the worst and the most indifferent of our own TV shows. Strangely, it is TVOntario that often fulfills this function best.”
CanWest-Global, as noted in chapter six, contributes the least among the three English-language national broadcasting network to Canadian programming. Nonetheless, this failure to contribute to Canadian national identity failed to stir the CRTC or the government’s competition and anti-trust authorities to action when the company purchased the majority of Hollinger’s newspaper holdings in November 2000. The most probable excuse that CanWest-Global might offer to regulators for its inability to broadcast an acceptable amount of Canadian content would be that, after its absorption of 13 major newspapers and The National Post, it was $4 billion in debt (CP Wireservice, St. Catharines Standard, 3 February 2001: C9). The CanWest-Hollinger deal poses serious questions regarding the level of ownership concentration and the public’s right to have access to a diversity of political views in the Canadian media.

**Does an Effective Role Remain for Public-service Broadcasting in the Anglo-American Democracies of the Future?**

It remains to be seen whether anything can be done to reverse the decline of public-service broadcasting in the Anglo-American democracies. Nothing short of the highly improbable prospect of increasing public-service broadcasters’ levels of government funding to pre-1980 levels, and revoking the licenses of many of the commercial services that presently abound, would seem capable of restoring the condition of public-service broadcasting to that which existed prior to the 1970s and 1980s. However, given the unlikelihood of such a turn of events, there are a few measures that, if adopted, might at least alleviate the dire situation in which the Anglo-American public-service broadcasters currently find themselves.

Of the four public-service broadcasters examined in this thesis, it is arguable that the CBC faces the most uncertain future. Despite the Canadian government’s January 2001 announcement that the CBC’s parliamentary appropriation would be increased for the first time in nearly two decades, recent controversies emanating from the public broadcaster’s perceived role in the 1995 Quebec referendum and the 1997 APEC scandal are illustrative of the limits to the CBC’s independence. The controversy surrounding the 1997 APEC Conference in Vancouver, for example, centered on CBC reporter Terry Milewski’s allegation that the Prime Minister’s Office had given the RCMP explicit instructions to take whatever measures they considered necessary to prevent human rights protesters from harassing President Suharto over his
government's involvement in East Timor. When Milewski refused to capitulate to pressure to suppress his story, the government persuaded the CBC's management to take disciplinary action against him.

While public-service broadcasters in each of the other three Anglo-American democracies struggle with diminishing budgets and political pressures of one sort or another, only the CBC finds itself continually embattled with politicians because of its coverage of the country's ongoing constitutional struggles. The very concept of 'national unity', and the government's expectation that the CBC promote it, has often proven to be problematic and divisive because of the complications that such a requirement poses for the broadcaster's commitment to the ideal of objectivity. This has been especially true for the French-language division of the Corporation. The fact that the CBC must operate two distinct, yet comparable, English- and French-language networks, coupled with the fact that Canada's political stability is always in question, means that declining audience shares and budgetary difficulties — the main irritants for the BBC, ABC and PBS — only compound an already precarious position for the Canadian public-service broadcaster.

A perplexing dilemma for all four public-service broadcasters in the Anglo-American democracies is how to demonstrate their continued relevance in a broadcasting environment where regulators and politicians alike have decided to give precedence to the idea of 'consumer choice' rather than the public interest as the primary determinant in their deliberations over whether they should continue to expand the number of commercial services available to the public. In Canada, evidence of the CRTC's willingness to allow the dictates of the market to override non-economic considerations is provided by the Commission's recent announcement to relieve small cable operators from the responsibility to apply for license renewals every seven years, the relaxation of restrictions pertaining to the television signals that they must carry, and from whom they can purchase programming. In his explanation to the Canadian Cable Television Association (CCTA), current CRTC Chairman David Colville defended the removal of these public-service requirements from small cable operations as follows: "What you see is a trend, which reflects the commission's philosophy of allowing the marketplace to generally regulate itself" (quoted in Damsell, 2001: B9).

It is ironic indeed that at the same time that the CRTC is promoting self-regulation among small cable distributors in the Canadian broadcasting system so that they can supposedly compete more effectively with satellite providers, the CBC has come under a greater degree of scrutiny. In response to outcries from
the federal government that its political news coverage in the early 1990s was not as even-handed as it could have been, the CBC complied by imposing a monitoring system of its programming to ensure ‘accountability’ (Taras, 1999: 168).

Despite the attacks against it, when it comes to its contribution to ‘Canadian’ programming the CBC is beyond reproach in comparison to other members of the broadcasting system. Although cable operators were the beneficiaries of 38 per cent of the total revenue gained in the Canadian broadcasting system in 1994, this sector injected a meagre 6.4 per cent of all money invested in Canadian programming that year. Contrast that with the fact that, in 1994, the CBC’s expenditure on Canadian programming accounted for 42 per cent of the overall amount spent on domestic program production, although its share of the system’s total revenue was only 20 per cent (Raboy, 1995: 115). As for addressing the apparent inequities in Canadian broadcasting policy, with respect to the differential treatment of the system’s public and private sectors, Raboy suggests the following:

... the only ‘solution’ to the financing of public broadcasting lay in taking the Broadcasting Act at its word and adopting a holistic approach to the economics and policy expectations of the system as a whole: to stop treating a [cable] distribution franchise as a license to print money, to stop agonizing over the belly-aching of both private broadcasters and the CBC and insist that they meet their respective mandate requirements, and to open more windows to public service in the expanding media environment (1995: 116).

Raboy argues that the ability to remedy the situation of public-service broadcasting in Canada has been hindered by too narrow a view of public broadcasting, and an absence of the political will necessary for experimentation with alternatives besides the nation-wide, all-purpose service of the CBC. He envisions that, for public-service broadcasting to live up to its title and truly fulfill the objectives required for a participatory and democratic public sphere, provincial educational networks, community-owned non-profit stations and citizens’ advisory panels should be accorded a greater role in the operation of the system. Raboy adds that, if public-service broadcasting in Canada is to remain viable in the twenty-first century, there should be a redistribution of the revenue obtained by the prosperous sectors of the system to the less fortunate ones. His idea is akin to the equalization and transfer payments scheme that has been in operation at the federal level for quite some time, whereby Canada’s wealthier provinces (i.e., Ontario and Alberta) contribute a share of tax revenue that is disproportionately higher than what they receive in return in order to ensure a relative equality of public services that are offered in the areas of health and education between
themselves and poorer provinces (i.e., the Atlantic region). If adopted, such a formula would, in effect, amount to subsidization of the non-profit sector of broadcasting by the commercial sector (Raboy, 1995: 116).

The verdict as to the future of public-service broadcasting in the UK varies according to the perspective of the observer making the prediction. Paddy Scannell (1995) reports that, following a period of tumult and uncertainty in the 1980s and early 1990s, the various components (public and commercial) which comprise the British broadcasting system had achieved a harmonious equilibrium, with each broadcaster having a clear understanding of its role. Scannell has been more reticent than other commentators to argue that there has been a decline in the quality of the programming offered by broadcasters in the UK. But, as noted in chapter 7 (see Davidson, 10 June 2000: 5; cited above, page 245), several former members of the BBC’s Board of Governors have recently been urging the Corporation to refrain from the populist style of news coverage that has been witnessed of late and return to the journalistic standards of past eras upon which it had built its stellar reputation. And, while BBC management argues that the Corporation’s improved domestic ratings and commercial success overseas have not been achieved at the expense of program quality, others are less certain. McChesney comments that:

The BBC defends these [commercial] activities, arguing that by being a commercial enterprise (especially outside of the UK), it can support its public service activities domestically. The BBC’s commercial activities generated $125 million in 1997, and it hopes to quadruple that figure by 2006. BBC officials also insist that their commitment of providing a noncommercial service to the entire British population is as strong as its ever been. Those comments notwithstanding, it is hard to see an endgame for this strategy that does not include the utter abandonment of public broadcasting (McChesney, 1999: 254).

One thing seems almost certain, and this is applicable to the condition of public-service broadcasting throughout the Anglo-American democracies: if the public sphere — as represented by public-service broadcasting — is to be restored to a place of prominence, there needs to be a fundamental alteration of the basic values ingrained in each nation’s social and political environments. The myriad of new broadcasting services that are now available, and the resulting fragmentation of the general audience, are both the cause and the consequence of the increased salience of identities other than national affiliation. Pessimistic though it may sound, for public-service broadcasting to be relevant to its citizens in the twenty-first century, a return to the core values and ethos which formed the social and political fabric of the Anglo-American democracies
in the wake of the Second World War must occur first. The quality of a nation’s public-service broadcasting system is in direct relation to the strength of the larger civic culture it inhabits. Michael Tracey (1998: 278) asserts that the changes required for the restoration of a democratic public sphere in broadcasting must emanate first from the public itself; but he adds that, given current circumstances, this is highly unlikely:

The sense of real instability which now affects public broadcasting is, of course, a function of technology, and government policy fed by ideology. But it cannot only be that. It is aided and abetted by the growth of huge corporations that dwarf the ordinary ‘individual’; a deregulated, commercially driven, multi-faceted world that is fundamentally divisive. It is coarsened further by sheer mediocrity, the flight from excellence, the enthronement of the trivial, the superficial, the ghoulish in market-driven television. These factors are all definitely part of the condition of modern culture constructed from the ground up. Governments have been receiving succour, a kind of silent applause, from viewers and listeners who think from within the self rather than with any developed sense of the collective. A simple law seems to be at work: no market, no value.

According to Taras (1999), the lack of support among the Canadian public for the CBC, and public-service broadcasting in general, is symptomatic of a pervasive cynicism toward government and the public sector in Canadian society at present. To compound the CBC’s predicament even further, neo-liberals who want the market freed from all constraints that had been imposed to protect the public interest and reduce inequality in the postwar era are eager to prey upon the public’s disillusionment with politics to their own advantage. The apathy that infects Canadian civil society today is an important harbinger of the loss of concern for the collective welfare that threatens the maintenance of the country as unified political entity. The atomization of the population, which primarily serves the interests of the business sector in its continuous search for new market niches, can be witnessed in the other Anglo-American democracies as well. With specific reference to the Canadian context, Taras contends that, “. . . the anti-CBC position presumes that society doesn’t need the things that government spending can provide — investments in basic human services such as hospitals, roads, and what is at least as important, a communication system that links the country together” (Taras, 1999: 178-179).

**Technology as the Enemy of the Market and Commercial Broadcasting: a Paradox**

What, then, accounts for the disintegration of the public sphere and the decline of public-service broadcasting accelerating to such an extent since the early 1990s? The fusion of new communications
technologies with market capitalism, referred to above by Tracey, can hardly be considered accidental. According to Michael Lewis (2000: B7):

The current phase of American capitalism began on Nov. 9, 1989, with the formal collapse of socialism. Suddenly, there was no need to flavour the free market with a dash of something else. The little pockets of socialism that had been tolerated when socialism posed a threat now, overnight, seemed horribly retrograde. Since then, if by some marvelous coincidence, a lot of new technology has arrived to enhance market forces. The Internet is one such technology. It creates new markets and new competition in old markets and helps put a better price on everything.

Lewis also argues that, rather than servicing a pre-existent need among the public, the rapid evolution of new technologies in the 1990s has been inspired by a mindless fixation with the notions that faster is better and more is absolutely necessary, without equal regard for the long-term repercussions that unplanned technological innovation might have on society, the economy and the political system. Interactive television, or the ‘black box’, is one such example of the creation of an artificial need, where one had not previously existed, for new technology that serves the interests of capital rather than the public. The revolutionary transformation in the relationship between individuals and the media, and between consumers and the market, that is promised by interactive TV is founded on nothing more than unsubstantiated speculation. There is no evidence to support the belief that the North American public demands interactive TV and that the market is simply filling this need. Paradoxically, though, this same technology — the ‘black box’ — that was being pushed on the public to further the interests of the corporate sector may yet prove to be the undoing of commercial broadcasting and large-scale market capitalism.

The current structure of the North American broadcasting industry could be thrown into disarray because of the invention of one small company, TiVo, owned by Jim Barton. Proponents of TiVo claim that, for the first time, true consumer sovereignty might be realized because of the opportunity this device provides for viewers to bypass any commercials they choose, and to watch what they want at a time that is convenient to their personal schedules rather than those determined by television and marketing executives. Although it is unnecessary to explain the technological details of the ‘black box’ since it is extremely complicated, it is safe to assume that if TiVo’s ‘black box’ becomes as popular as the Internet, the viewing public would be liberated from the programming monopoly of conventional networks, cable operators, and satellite services. It could be argued, of course, that TiVo is merely the latest refinement of a technology that began with the video-cassette recorder (VCR) in the late 1970s. To an extent, this is true; however, the level of
technological sophistication of TiVo contains a much higher degree of artificial intelligence; viewers need not program it because it selects relevant programs based on its observation of individuals’ viewing behaviour. It is, simultaneously, more intrusive and ‘user-friendly’ than its predecessor, the VCR.

It should be noted at this point, however, that revolutionary character of such monumental transformations in the manner in which humans interact with the media, the market, and themselves have been predicted with other technological innovations such as television, radio, and the printing press. With the benefit of hindsight, however, it can be argued that people have adapted such technologies to their established patterns of interaction rather than allowing their behaviour to be dictated by new communications media. Human agency has too often been ignored by those who believe that human relations would be profoundly and irrevocably altered by the introduction of new communications media. Ron Burnett, former Director of McGill University’s Graduate Program in Communications, suggests that the democratizing and empowering potential offered by so-called “lowcast media” should not be overestimated:

It is not, as has often been argued, the case that media technologies have altered the communities which have made use of them. Rather, general cultural conceptions of the role of technology have been transformed by experiences with them. New technologies fit into a set of pre-existing frameworks of a philosophical and ideological character. The presence of this cultural, geographic and political space means that technology is not the sole engine for change in isolation of many other factors. In the same way as one cannot talk about rock music without talking about jazz and blues, one cannot approach video or multimedia as the focal points for a radical break with the past without talking about performance, theatre, cinema and other forms of public spectacle. These have conditioned, and been conditioned by, very particular notions of communication and community, art and the role of public and private discourses about culture (Burnett, 2001: 4).

Perhaps it is wiser to conceive of new communications technologies as being parts of a reciprocal and symbiotic relationship with their users, rather than as discrete and self-contained entities unto themselves. Nonetheless, Lewis notes the irony of the ‘black box’ situation. Public-service broadcasting in the Anglo-American democracies was largely undermined by commercial broadcasters and cable operators who managed to convince government regulators that their services benefited the public because they promised increased choice to the audience/public/consumers. Now, commercial broadcasters, cable operators, and advertisers anxiously monitor the public’s response to this new technology and strenuously lobby politicians and regulators in an attempt to dissuade them from approving the introduction of the ‘black box’. Because of this particular technological device, Lewis (2000: B8):
The entire history of commercial television suddenly appears to have been a Stalinist plot, erected as it has been, on force from above rather than choice from below. The networks have coerced, or attempted to coerce, consumers to watch programs and commercials in which they have no native interest. The advertisers who pay for the commercials have agreed to believe, without good evidence, that some meaningful percentage of viewers actually behave in this manner. They have further agreed to believe, again without good evidence, that the sort of people that watch a particular program have a more than ordinary interest in the products advertised on that program. People who enjoy pro basketball are more likely than people who watch soap operas to drink beer; therefore beer companies buy ad time in the middle of pro basketball games.

Although TiVo’s ‘black box’ may appear to hold the potential for facilitating a more participatory democracy and ‘consumer sovereignty’, such forecasts will only materialize if this technology is kept out of the hands of powerful commercial interests. Given the enormous financial stakes involved for commercial broadcasters and advertisers, if Lewis’s prognosis is correct, this would be a difficult task indeed. In its infancy during the 1950s and 1960s, FM (frequency modulation) radio was a technology that was unappreciated by the dominant commercial broadcasters. Consequently, its ‘underground’ status allowed marginal groups such as pacifists and disgruntled university students to assume control of most of the FM frequencies in North America and Australia, while regulators and the mainstream media gave the technology little attention.

Globalization and the Decline of the Nation-State: Revisited

Warren Magnusson (1996) suggests that the legitimacy of the nation-state reached its pinnacle by the middle of the twentieth century, but that this Eurocentric conception of the ideal political community no longer satisfactorily accounts for the way in which people today interact on a social, economic, or political level. He further argues that, as individuals throughout the world have come to feel the effects of economic globalization in their daily lives, and as their own states become larger and more complex, the bonds through which a sense of community are formed have transcended national boundaries. Magnusson contends that ethnic origin, ideological perspective, and social causes provide individuals with the sense of connectedness which lends itself to the development of a participatory public sphere. He adds that the national public sphere, if such a thing ever really existed, is simply no longer salient to the majority of people in the current era.
National public-service broadcasting systems were products of twentieth century Western society, and that it was in those nations that the notion of the modern nation-state was initially envisaged and then, transplanted to the rest of the world. If, as argued by Magnusson, as the nation-state has lost much of its importance as the principle unit of politico-territorial organization and identity, so too have the national public-service broadcasters — direct consequences of the nation-state — been proven inadequate in many respects for many individuals within those states. Since few national governments have been able to effectively counter the destabilization and alienation among their respective populations that have accompanied the phenomenon known as globalization, many citizens now feel that the national capital is extremely distant (metaphorically, if not literally) from their actual daily experiences. As a result, it is arguable that the sense of detachment from the national government and political community that has occurred would require some sort of replacement, as the human need for a sense of community seems to be a permanent fixture. As mentioned in chapter two, highly sophisticated international communications systems are another cause and effect of globalization. Although the telecommunications systems which connect the globe were developed primarily at the impetus and in the interest of transnational businesses, the fact that they exist has also facilitated the strengthening of ethnic diaspora populations and other communities of interest. The largest multinational corporations most often have their main operations in the leading financial centres of the world — a first tier consisting of New York, London, Paris and Tokyo, and a second comprising such centres as Toronto, Sydney, Chicago, etc. — most of which also happen to be urban areas that attract a large percentage of immigrant communities from the rest of the world. Magnusson argues that such centres have replaced the nation-state as the primary locus of human political, economic, cultural and political activity, but that, to their own detriment, national governments have failed to acknowledge this fact. He claims that:

New York is not just a locality within the United States; nor is it merely a part of a larger geographic unit. On the contrary, it is a major node in an international urban system, the spatial organization of which differs in character from, and ultimately transcends the spatial organization of, the state system. In terms of urbanism as a way of life, the state system is just an element in the complex that produce order in the global city.

Canada, for example, was a nineteenth-century creation of an imperial power (Great Britain) struggling to maintain and economic and political presence in a continent that was threatened with being dominated by its adversary and expansionist former colony, the United States. Although the initial
motivation of the British for the establishment of Canada may have been primarily political and economic, nonetheless, throughout the late-eighteenth century until the mid-twentieth century, this political entity seemed quite secure. Furthermore, because of the cooperation between the various communities, ethnic groups and regions that was indispensable to the project of nation building, in addition to the flow of goods, capital and people, cultural and economic ties developed among the regions of which Canada is composed. In such an environment, a national public-service broadcaster appeared to be a natural adjunct to the other elements which formed the Canadian state.

Today, however, as new communications technologies and the super-ordinate influence of transnational corporations have, to some extent, undermined the sovereignty and authority of the national government as the principal focus of Canadians’ economic, cultural and political activities, other sources of identification — whether organic (ethnic, racial, etc.), or voluntary (non-territorial communities of common interest, such as environmentalists, pacifists and feminists) — appear to offer Canadians the intimacy and cohesiveness required to compensate for the sense of dislocation caused by globalization.

In Canada and Australia, for example, the original rationale for federal jurisdiction over broadcasting rested on the presumption that, because the airwaves were not constrained by provincial/state borders, a political authority with a broader perspective (central government) should assume control over this sphere of activity to ensure that the national interest was served. The importance of this factor — that the airwaves did not abide by provincial/state boundaries — has been obviated by technological advancements in the areas of cable and satellite transmission, and by the increased number of licenses to commercial broadcasting services that Canadian and Australian broadcasting regulators have consciously granted to commercial applicants in recent years. Many viewers in these two countries appear to feel that the local stations, for the most part commercial broadcasting services, are more attuned to their programming needs than are their national public-service broadcasters.

It should hardly be viewed with alarm that the presumption upon which public-service broadcasting was based — of a unified, integrated and cohesive national community — no longer conforms to the reality of contemporary society in the Anglo-American democracies. Given this, members of the television audience will turn to other forms of communication which they believe more adequately meet their particular interests and expectations as members of highly-differentiated, discrete and mutually-exclusive segments of
a body of individuals for whom national borders are of little consequence. The movement towards interactive TV, the decline of public-service and commercial broadcasting, and the disintegration of the mass market can probably be best understood as natural extensions of a cumulative process that began in the middle of the twentieth century. According to Tracey (1998: 264-278), as old, familiar markers of identification and solidarity came to be seen as ill-equipped to adapt to the turbulence and instability of modern life in the West, people have sought alternative modes of association and interaction. If, then, the prognosis for conventional commercial broadcasting is bleak, the possibility of revitalizing public-service broadcasting and a shared, national democratic public sphere appears dimmer still.

**Alternatives to National Public-Service Broadcasting**

The Pacifica Foundation in Berkeley, California was the first non-commercial, non-government-funded community radio station, beginning its FM operation in 1949. To this day, Pacifica’s five stations — KPFA (San Francisco Bay area); KPFK (Los Angeles); WBAI (New York); KPFT (Houston); and WPFW (Washington, D.C.) — remain exemplary cases of broadcasting as a democratic public sphere, as they are unencumbered by neither the political interference that seems inherent in state-funded public broadcasting, nor the financial pressures that are part of commercial radio. The Pacifica stations benefited from a 1949 FCC decision that allotted 20 of the available FM channels in the US broadcasting system for non-commercial use (Lewis & Booth, 1990: 116). Pacifica’s impact on American broadcasting has far exceeded its number of listeners, as it was the first radio broadcaster to engage the listener as a participant in the service with its mode of funding being entirely reliant on subscriptions paid by its audience. Since Pacifica initiated this practice in the late 1950s, it has subsequently been emulated by other non-commercial broadcasters such as PBS, NPR and TVOntario. Pacifica has steadfastly refused overtures of funding from the Corporation for Public Broadcasting (CPB) because of its belief that such a relationship would unduly impinge on its editorial independence and political expression. Peter Lewis and Jerry Booth (1990: 116-117) note that:

The key to the Pacifica programme philosophy is the relationship with and support from listeners. With no tradition in America of public service or licence fee payment, listeners in the San Francisco Bay area from 1949 onwards were offered a bargain that has continued to prove satisfactory — a service that deliberately attempts to satisfy needs unmet by other stations in return for a voluntary
annual (and tax-deductible) subscription ... Listener sponsorship has always been matched by volunteer involvement ... In 1986, there were 22 paid staff and 250 unpaid staff. Volunteers are recognised as unpaid staff if they have been with the station a maximum of four months undertaking 20 hours of regular work in the station per month. This designation entitles the volunteers to attend and vote at staff meetings, and by agreement of the Union of Electrical Workers which represents the paid staff, to have access to grievance procedures and participation in the union health plan. This union recognition underlines the fact that volunteers are not seen as cheap labour but as an essential element of listener participation.

To many, it may seem strange that such an innovative and experimental approach to broadcasting should have occurred in the Anglo-American democracy with the weakest system of state-sponsored public broadcasting; however, two considerations specific to Pacifica are worth noting. First, Berkely is the home of UC Berkely, considered the hotbed of political radicalism during the counter-culture of the 1960s and early 1970s, and its rapid growth during this particular period can be considered as an integral part of the opposition of student pacifists (hence the name ‘Pacifica’) to the Vietnam War; second, novel ideas concerning the reformation of conventional institutions are often inspired by a hostile environment. Robert Hackett and Yuezhi Zhao (1998: 12) contend that:

The United States, after all, is the historical and global bastion of the objectivity regime. Perhaps not coincidentally, it is also a society in which market forces and the doctrine of market-liberalism are even more ascendant than in Canada. Partly for that reason, the malaise of the United States’ political and media systems is more advanced; but so too are its alternative media, debates about journalism, and emergent movements to democratize the media.

It is reasonable, then, to attribute Pacifica’s uniqueness among non-commercial broadcasters to the fact that there has always been a dearth of alternatives to commercial media in the US. Perhaps there is some truth to the adage, “dire circumstances call for drastic measures.” Pacifica has been able to maintain its creative and political integrity because it has distanced itself, in terms of its mode of funding, from both political and corporate interests. The broadcaster is a member of the National Federation of Community Broadcasters (NFCB), and organization which, among other things:

♦ is governed by a group broadly representative of the community it serves;
♦ has a stated and demonstrated commitment to the participation of women and Third World people in all aspects of its organization and operation;
♦ has a stated and demonstrated commitment to access by the general public to the airwaves; and
♦ provides or seeks to provide to the general public and not to any single group, organization or institution (Article 1, Section 1.01, NFCB Bylaws).

The mission of the NFCB therefore is remarkably similar to the fundamental principles of public-service broadcasting, principles which in recent years government-funded national public-service
broadcasters have had difficulty upholding. Perhaps the success, in this regard, of Pacifica and the NFCB is due to the fact that they are voluntary, locally-oriented organizations with no restrictions on membership other than the requirement that those involved are not motivated by profit or political gain. Except for the Pacifica Foundation, however, the promise of FM for community broadcasting and a legitimate electronic public sphere has been unfulfilled. Commercial broadcasting is so entrenched in the US that even government supported radio and television stations find themselves in a precarious position; non-profit, community-based broadcasters are quite simply 'voices in the wilderness' in the American broadcasting system. The political and social environment of the 1960s and early 1970s which allowed for the growth of community broadcasting in the US has since vanished, as witnessed by the increasingly commercial approach adopted by government-funded broadcasters such as PBS and NPR (see chapter four), and commercial broadcasters eventually came to dominate the FM band as it became apparent that they could reap huge profits there as well. Lewis and Booth (1990: 49, 121-122) remark that:

Gradually 'progressive FM' became safe enough for commercial exploitation and 'album-oriented rock' (AOR) was adopted as a money-making format... In view of the hostile climate in which public broadcasting presently operates, its introduction in America may turn out to have been a relatively short-lived result of a particular conjunction of political and social circumstances... Among public broadcasters, the language of the market-place can be heard — programme product, targeting audiences, defining the market. Stations that in the 1970s were proud not to be format-bound, now strive for a 'seamlessness' to carry the audience through from one segment to another. NPR reflects the new realism in its call to double the audience within five years.

In Australia also, FM broadcasting had an inauspicious beginning. As in the US, the Vietnam War played a pivotal role in the creation of community-based FM radio in Australia (Hope-Hume, 1997: 3). It was not until the 1960s that a collection of "consumer-led movements" that were dissatisfied with the programming offered by the ABC and the nation's commercial broadcasters began to explore the possibility that FM radio offered for non-mainstream interests. Langdon (1995: 2) broadly categorizes these groups as follows: "Frequency Modulation/Fine Music, Ethnic Access, Educational Broadcasting and Community/Political Access." Like the Pacifica Foundation in the US, the advocates of FM radio in Australia envisioned a broadcasting service that would be run by and for the listeners. Similar to the US, Australian commercial broadcasters failed to appreciate the value of FM radio and thus, pressured the ABCB to assign all FM licences to more elusive UHF band rather than the more accessible AM band.
By the late 1970s, commercial broadcasters realized the opportunity they had lost by overlooking FM radio, but by then, ‘public’ (Australian designation for community) radio and FM had become synonymous. In fact, Australia was the first Anglo-American democracy to officially recognize public/community radio on an equal basis in its legislation with commercial and national (public-service) broadcasting (Lewis & Booth, 1990: 133). Members of Australia’s ‘ethnic’ communities (non-Anglo-Celtic) were instrumental in the development of ‘public’ radio because they felt that their programming needs were not being adequately addressed by the ABC and commercial broadcasters. Langdon (1995: 4-5) reports that:

... as commercial radio became more competitive and format-driven, the amount of ethnic broadcasting decreased until, in 1972, there were only 36 hours in six languages of NESB [non-English-speaking broadcasting] in the country. And, of course, the ABC hardly recognised Australia as a cultural influence on its broadcasting policies; ethnic broadcasting was, and still is, anathema to the ABC. So ethnic leaders too looked to the concept of the new public sector of broadcasting to satisfy their access needs. ... In fact, the number of hours of ethnic community broadcasting is in excess of 800 hours per week around the country, far in excess of what is provided by SBS’s stations (and at a fraction of the cost).

The term ‘public radio’ was changed to ‘community radio’ with the passage of the Broadcasting Services Act in 1992, as an accommodation with the Australian government who wished to distinguish between, “... the non-government public broadcasters — which claimed the term ‘public’ by allowing public access — and the government ‘public broadcaster’ (the Australian Broadcasting Corporation) — who claimed the term ‘public’ because it was funded from the public purse and broadcast in the ‘public interest’ ” (Hope-Hume, 1997: 5). Although community broadcasters in Australia conveyed an authentic, minority view of Australian politics and society in the 1960s and 1970s, as an increased number of commercial radio stations have been licensed in recent years by the ABA, the economic imperative that they bring with them to the FM band has placed non-profit broadcasters in an awkward position: either they continue to present alternative, and often controversial, programming and risk sinking into oblivion, or they imitate the populist, mainstream approach to programming exemplified by the ABC and commercial broadcasters. Either way, the essence and original rationale for their existence is threatened. Despite its promising beginning, the government-funded multicultural broadcaster SBS has found itself in a similar predicament. Bob Hope-Hume (1997: 7) contends that:

To present a multicultural view of Australia the government set up the Special Broadcasting Service (SBS), retaining more direct control than was available over the ABC and, as a consequence of that, ensure that the voices on SBS remain politically conservative in that they avoid voices of dissent, and
so, are supportive of the status quo. . . To actively seek to subvert the *status quo* can mean that community radio itself is marginalised . . . A rather unfortunate trend from some community broadcasters in the nineties is to seek to maximise audiences in an attempt to attract sponsors to provide the necessary finance to continue. To maximise the audience, the voices that challenge the status quo are silenced to be replaced by easier listening music, a programming move considered necessary by those stations, as many of the traditional sources, such as the universities, are not continuing to support the stations.

Public access television, in contrast to public-service broadcasting, is not necessarily dependent on government funding for its operation. Perhaps because of the anemic condition of government-supported public broadcasting in the US, public access TV has reached a more advanced stage there than in the other Anglo-American democracies. Generally, the philosophy of public access television is similar to that of community radio — sponsorship from, and participation of, viewers — in the production of its programs, although many public access operations also receive financial support from local government, cable operators and non-profit civic agencies. According to Laura Linder, most US public access stations are:

. . . managed by a board of directors composed of local citizens who are volunteers and have a stake in the success of the organization. Because of this personal commitment, they tend to do a better job of educating the community about public access television, setting priorities, addressing the diversity of the community, and raising money. In addition, they are in a better position to deal with controversial programming, if necessary (Linder, 1999: 35).

There have been a few public access television success stories; for example, the music channel MTV purchased two programs that had been produced by a local New York City organization known as the Manhattan Neighbourhood Network. Unfortunately, however, such cases where a grassroots, non-profit broadcasting organization has seen its programs distributed to a national audience are rare, given that fewer than 20 per cent of US communities have public access stations. Without a more secure system of funding, which would likely mean intervention from the federal and state governments or the corporate sector, public access television will be inhibited from fulfilling its promise as a democratic forum for citizen involvement in broadcasting at the local level. In addition, even if such support were forthcoming, there are no assurances that the same fate would not await public access television that has befallen PBS and NPR, meaning that they would then be vulnerable to the commercialization and political interference that accompanies these sorts of funding arrangements. As it is, there is wide variation in the level of quality among US public access television operations, in accordance with the size of their local audiences and the generosity of local
philanthropic and civic organizations. As for the future of this form of public broadcasting, Linder suggests that:

The battles for the future of public access TV will be waged one by one, citizen by citizen, and community by community. Each community will have to determine for itself the value it places on the creation and support of a local, non-commercial television outlet. It is a battle most often waged on two fronts: philosophic and economic. If a community and its leaders are not convinced of the benefits of providing citizens with the means of producing their own television programs, the concept is unlikely to get off the ground. But even when advocates are able to muster political support, financial support is required for public access to survive and thrive. Although public access are funded primarily by the cable companies, local government, and/or an educational institution, often funding is not at a sustainable level. Because of this insufficient funding, many public access television organizations are challenged to find additional sources of income (1999: 48).

Imparga Television, an Aboriginal broadcasting company in Australia, appears to be such an organization whose community members believe it is worth the investment of money and effort to support a service which reflects the particular perspective of that country’s indigenous peoples. Although Imparga received initial funding from the Australian federal government and subsidies from state governments in Queensland and Western Australia, it is operated as a commercial enterprise which derives the majority of its revenue from advertising (Imparga, 1998: 5). It is also unaffiliated with any of Australia’s commercial broadcasting networks, although it has entered into an agreement with Optus, a private telecommunications carrier, so that its signal can be distributed nation-wide by satellite. Furthermore, at great expense to itself, because of the toll that alcoholism has taken in many Aboriginal communities, Imparga has enacted a policy that bans the advertisement of alcoholic beverages on its service (Imparga, 1998: 5). Imparga began its broadcasting service in 1988, but its growth in recent years can be attributed to the Broadcasting for Remote Aboriginal Communities Scheme (BRACS), implemented by the Australian government in 1994 (Breen, 1995: 132). As of 1998, the programming of the Aboriginal broadcaster reached 189,000 viewers in primarily remote regions of South Australia, the Northern Territory, Victoria and New South Wales. Through its partnership with Optus, assisted by the further development of Australia’s cable infrastructure, Imparga has plans to make its service available throughout the country. The company has also instituted an affirmative action program to stimulate employment in the television industry among Aboriginals. By 1998, 50 per cent of its staff were Aboriginals (Imparga, 1998: 4). The case of Imparga television is instructive because it illustrates the fact that a broadcaster that is not aligned with either large commercial broadcasters
or the government can succeed in attracting broad-based support and active participation from the community it serves, and be commercially viable, without compromising its public-service commitment.

Australia is not alone in its efforts to encourage broadcasting for its indigenous population; in 1985, the Canadian government implemented the Northern Broadcasting Policy and the Northern Native Access Program. Shortly thereafter, the CRTC approved an application for Television Northern Canada (TVNC), a new network that would broadcast to native communities in Canada’s North (APTN, 2001: 3). The Aboriginal Peoples Television Network (APTN), licensed by the CRTC in 1999, is available via cable and satellite to throughout Canada. Although TVNC was available in Canada’s North, there was no Aboriginal television service broadcasting in the Southern part of the country, where the vast majority of the Canada’s Native people reside. The management of TVNC was instrumental in rectifying this oversight, as it urged the federal government and the CRTC to provide the necessary capital and regulatory support to launch this service. APTN is not accessible over the conventional airwaves; however, because of the high concentration of cable subscribers in the country (approximately 8 million households), it is virtually universally available to all Canadians. So far, APTN appears to be meeting the expectations of its target audience, Natives, while giving non-Native Canadians a greater opportunity to witness the world from the perspective of Canada’s first peoples (APTN, 2000: 3).

Prognosis for the Future: a Re-configured Public Sphere

The state of California has arguably been a trend-setter in many aspects of twentieth-century life throughout the Anglo-American democracies. Sometimes for the better, but often for the worse, developments which take root in California are an indicator of what will eventually spread throughout the industrialized English-speaking countries. In a negative sense, this American state could be said to epitomize the disintegration of the traditional nuclear family, the loss of community feeling, the fragmentation of the collective, and the increased isolation of individuals that is characteristic of much of modern existence. It stands to reason, therefore, that if a sense of disconnection and social divisiveness is felt most acutely by Californians, evidence that people still yearn for a forum where they can discuss and debate important issues should take place in that state before it does elsewhere. However, rather than engaging in this sort of
communal experience via a national public-service broadcaster, people so inclined have reverted to the practice of visiting salons reminiscent of the eighteenth-century bourgeois coffee houses of Habermas’s public sphere. Participants in Los Angeles’ twenty-first century salon circuit represent a diverse and eclectic cross-section of that city’s economic, political and entertainment elite. Museum curator Paul Holdengraber claims that, “This [Los Angeles] is a particularly discombobulated city, a city with no real centre” (cited in O’Connor, 2001: F9).

Tracey’s assessment that people in the diverse and highly-complex societies of the Anglo-American democracies have forsaken entertaining notions of community dialogue and the public sphere in favour of self-interested and parochial interests underestimates human beings’ need for communication with others about the community they inhabit. During the postwar era, when industry was based on mass production, and when national populations and popular cultures contained a greater degree of homogeneity and uniformity than they do today, sharing common experiences and engaging in a dialogue through a national public-service broadcaster was the most suitable vehicle for such a purpose. It is plausible, then, that the composition of the contemporary Anglo-American democracies can be described as an amalgam of many ‘mini-publics’ that occasionally interact with each other, but often do not. If this is the case, the salons of Los Angeles provide a reason for restrained optimism about the future of the public sphere, as they are run as non-profit, voluntary, and portable events. They are not orchestrated by any large corporation or government agency; rather, they are the product of a grassroots, genuinely-felt commitment by people interested in the resurrection of a civic culture, social intercourse and public deliberation about the events which shape all our lives.

Is all hope lost for the possibility of having a democratic and participatory public sphere in broadcasting? Or can the sentiments which have inspired the development of these modern-day salons in Los Angeles by applied to public-service broadcasting as well? As noted above, public access television in the US, and community broadcasting services in Canada and Australia, have an exclusively local orientation, whether the focus of such programming is on the local municipality or on some other community of interest (ethnic, civic, issue-oriented, etc.). Therefore, such community-based and -operated broadcasting services seem to provide the nearest approximation of the elusive participatory and democratic public sphere among the various possible options (cable specialty channels, national public-service broadcasting organizations and
conventional commercial broadcasting networks) that this thesis sought to explore. This is not intended to deny the fact that there remains a role for national public-service broadcasters. On the contrary, they still have an important function to fulfill. As noted at several points earlier in this study, the various groups which comprise the national communities of the Anglo-American democracies often diverge in terms of their particular interests; however, they sometimes fuse together when it concerns political and economic issues of national and international importance. Given this, we should shift our focus from being exclusively centered on the nation-state or, for that matter, national broadcasting, in order to strike the proper balance between the transnational, the national, and the local. Magnusson explains the dynamics of modern society when he describes the "inevitable complexity of the political hyperspace that constitutes the terrain for world politics" as follows:

Each [social] movement is characterized by its own politics, as is each juncture between movements. No single movement governs the whole. And yet, the movements come together to produce urbanism as a way of life . . . We, as political actors and analysts, have to respond creatively to this odd ensemble. We may look to the unity that emerges — to the nascent discursive community within the global city, which enables us to talk about preserving indigenous cultures, or recognizing different modes of civilization, or protecting human rights — but we are liable to find that this unity is only a momentary sensation. We may retreat from this disappointment into our own particularities, only to discover that these too are momentary. It is an easy shift from there to despair, but that would only be to repeat the odd nihilism [state-centrism] of international relations theory. We can take heart instead from the reality of a global city in which only change is permanent (Magnusson, 1996: 300).

It should be noted that Magnusson’s usage of the term ‘social movement’ encompasses all groups which engage in political activity, including those of an ethnic/racial, economic, cultural and political in the conventional sense, as he believes that politics lies at the heart of all human activity, whether or not it is recognized as such. It is on issues of national and international significance, which require a perspective that gives viewers a national context for the events they are witnessing, that national public-service broadcasters should concentrate. Coverage of local issues, as well as those concerning particular ethnic groups and communities of interest should be left to members of such entities themselves, as exemplified by local commercial broadcasting, cable access television and FM community broadcasting. The only problem with such a proposition is that, as things currently stand, community broadcasters and public access television organizations in the Anglo-American democracies — the most participatory and democratic media — are severely under-funded.
Is there any way of remediying the financial difficulties of public access and community broadcasting so that such broadcasters can more productively perform their roles as a postmodern public sphere? There is, but it requires a dramatic alteration in the traditional conception of public-service broadcasting held by national governments and regulators. First, there is no logical justification for national broadcasters to be expected to live up to the impossibly broad mandates which with they have been saddled. Again, if we look at the Canadian situation, with the exception of certain isolated communities in the North and the Atlantic region where there are no exist satisfactory alternatives, the CBC should get out of the business of local broadcasting and confine itself strictly to the coverage of national and international news and public affairs. Other types of programming of national importance, such as NHL hockey and the Olympics, should remain on the CBC’s schedule; however, the provision of costly Canadian drama programs should be the responsibility of Canada’s commercial broadcasters. With the enforcement of stringent Canadian content and public-service guidelines by the CRTC (which, incidentally, has not been the case), commercial broadcasters are perfectly capable of satisfying this requirement. The CBC’s most respected programming is its news and public affairs coverage; therefore, it is in this area that it should focus its efforts.

If the CBC were discharged of its obligation to produce local news and drama programming, it would require a much smaller budget than is the case presently. Consequently, much of this surplus funding could be dispersed to local community and public access broadcasters, to be distributed on the basis of merit and need by local government authorities. Moreover, regulatory responsibility for all broadcasting operations in this country that are not affiliated with national networks would be better placed if it was delegated to local authorities. As for funding, a system similar to that which has been used for many years with respect to the payment of municipal taxes could also be applied to community and public access broadcasting. Whereas homeowners in Ontario have traditionally been requested to indicate whether they wanted their education taxes to be assigned to the public or separate school systems, similarly, local residents can also be asked to signify to which local broadcaster — community or public access, television or radio — they wish to devote their taxes. There should also be a greater share of funding and regulatory authority downloaded to the provincial level, since, on the basis of the example of TVOntario, provincial educational broadcasters perform a very important service. The federal and provincial governments have handed down
responsibility for several other public services to lower levels of government. Why not broadcasting as well then?

Although such ideas might be criticized for contributing to an increased bureaucracy and jurisdictional overlap, it is obvious that national regulatory authorities, and the manner in which public-service broadcasting has traditionally been funded, cannot cope with the diverse programming need of citizens in the many communities that constitute the Anglo-American democracies. As these countries become increasingly complex, diverse and stratified, conceiving of a national public-service broadcaster as the only possible opportunity for a democratic and participatory public sphere seems misplaced and appropriate. When CBC President Robert Rabinovitch announced his intention to close many regional news programs, the only public and political outcry occurred in Atlantic Canada; residents in the rest of the country seemed to care less, likely because they had long since realized that a remote CBC did not reflect their interests, which were primarily local or issue-based, and because they had access to a wider variety of commercial stations.

Because of its sharply-reduced responsibilities, the CRTC would no longer be in need of as many employees as it currently has; therefore, many regulators trained at the CRTC could then be placed at local regulatory commissions, which would perform the same function with respect to community and public access broadcasting as the CRTC historically has. It might be asked, if such proposals were put into effect, what could be done to ensure that local cable operators would comply with having their facilities and equipment used for such purposes. Quite simply, in order to gain their cooperation in such a matter, an incentive must be forthcoming that would appeal to cable companies' financial self-interest. Just as local governments currently contract out many other types of public-services, ranging from garbage collection to road construction, they could also contract the services of cable operators to be used by community and public access organizations. Further income could be derived if, rather than focussing strictly on the balance between Canadian and foreign content in the programs offered by the CBC and commercial broadcasters, the CRTC and local regulatory agencies could impose a condition of license approval on all cable operators in the country that would require them to ensure a balance between local and non-local content, as well as between the amount of commercial versus community programming. If the focus of citizens/viewers has largely moved from the national to the local level, it is only logical, then, that regulatory authorities should
be more concerned with the locality in which programming is produced rather than the nationality of the producers.

Earlier in this thesis, the extremely localized character of PBS was cited as a hindrance to the broadcaster’s ability to serve the public interest, and the promotion of this tendency by various US administrations was criticized accordingly. This condemnation of the decentralization at PBS may appear to contradict the proposals put forth in this chapter; however, it must be remembered that circumstances were substantially different in the US during the time in which the excessively-local character of PBS was argued to be a problem. In the 1960s and 1970s, PBS’s competition in the American broadcasting system was confined to the three large commercial broadcasting networks: NBC, CBS and ABC. In order to mount an effective resistance to being disregarded by the FCC, PBS needed to present a ‘united front’ so that it would be perceived by the regulator as being as cohesive an institution as its commercial competitors. Also, because of the social and political turmoil which existed in the US during the 1960s and 1970s (Vietnam War and civil disorder), a unified national alternative to commercial broadcasting seemed necessary to combat the social disintegration that was encouraged by news coverage on the commercial networks which, because of their reliance on ratings and advertising revenue, devoted an excessive degree of attention to the conflictual aspects of the events of that era.

Today, however, is a different story. Although racial and socio-economic inequality and income disparity have not vanished, the consumerist mentality promoted by commercial broadcasters has become so firmly entrenched in the minds of Americans that it would take a complete reversal of public opinion to create an environment that would be hospitable to the idea of devoting more public funding to a national non-commercial broadcasting service. To a lesser extent, the same could also be said about Canada, the UK and Australia. If politicians at the national level are to reverse this pattern of declining financial support for public-service broadcasting, it will occur at the impetus of the public; however, given the dominance of neoliberalism, the market philosophy and the individualism that is at the core of both in the societies of the Anglo-American democracies today, the prospect of such a development materializing seems extremely remote.

Perhaps the Los Angeles salons provide the note on which this thesis should conclude: the public sphere is not obsolete, it has merely been re-invented in accordance with the circumstances of modern
society. It may be argued, therefore, that the future of a democratic public sphere and public-service broadcasting would benefit from emulating the flexible, small-scale character of these salons. This could be accomplished if governments and regulators in the Anglo-American democracies would encourage local, community-based (not necessarily geographic communities) broadcasters to occupy a place in their respective systems equivalent to those of national public-service broadcasters. Australia’s ‘public’ FM radio stations are an example of this approach, as are public access television services in the US. If indeed a closer attachment is felt toward this sort of broadcasting service by the citizens that comprise the various ‘sub-publics’ of modern nations, it would likely be more difficult for powerful business interests to marginalize community public broadcasters as they have national public-service broadcasting organizations. There are such broadcasting organizations in each Anglo-American democracy, but, unfortunately, governments and regulators in these countries have not yet been flexible enough to explore the full potential that a re-formulated version of public-service broadcasting could add to the strengthening of a democratic and participatory public sphere.
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