
ESCAPING EXTINCTION:
CULTURAL DEFENCE OF
AN UNDEFENDED BORDER*

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Much has been written, and even more said, about what constitutes the Canadian character, what identifies the quintessential Canadian. A definitive answer continues to elude us, but two features clearly emerge as dominant elements in the make-up of both French- and English-speaking members of our family: we are constantly brooding over who we are, what gives us our Canadian character, and what makes us different from other nationals. Most of the latter never think about such things or take the answers for granted. Secondly, we share a keen awareness of, interest in, and concern with all things American, that is, with the U.S.A. Popular culture, sports, politics, even tourist attractions south of the border are part of the mental map of most Canadians and are frequently as important to us, if not more so, than corresponding indigenous realities. Inside every Canadian, whether she or he knows it or not, there is, in fact, an American. The magnitude and effect of this American presence in us all varies considerably from person to person, but it is ubiquitous and inescapable.

The economic dependence of Canada on the United States only exacerbates this state of affairs. Economic issues usually arouse the greatest interest and controversy; they are viewed from a variety of perspectives, depending on current problems and fashions. Right now, the debate about sectorial free trade is privileged, and it is an awesome matter, to be sure. But other aspects of our uneasily shared and separated lives are equally important. I shall deal with one of these and shall take a leaf out of the economists' book by also adopting a sectorial approach. The sector explored in this lecture is our culture and our cultural relations, particularly one manifestation of them.

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You may think that the wording of my title — "Escaping Extinction" — is a trifle hysterical and that to link Canadians, even if only potentially, to the dinosaur, the passenger pigeon, or the dodo ignores the fact that there is a dance or two left in us yet. The greatest threat to Canada lies in the possibility (some might even say "probability") that, as the result of the strong presence of American influences, our cultural development may be stunted. As I have suggested, U.S. styles, ideas and products are never far away. There is, alas, a well-grounded fear that as a consequence, our perceptions, values, ideas and priorities will become so dominated by those of our neighbours that the distinctiveness of Canada will, to all intents and purposes, vanish. The danger is greater with respect to anglophones than francophones, but even the latter have cause for alarm.

Canada's cultural vulnerability vis-à-vis the U.S. is manifest everywhere. Book publishing, the periodical press, film production and distribution, comic books, the record industry, theatre, dance, popular and so-called classical music — all have been dominated by foreign influences in Canada. The indigenous product has had an exceedingly hard time getting started and surviving. This was so, in English Canada at least, largely because of the absence of a suitable native infrastructure and of an indigenous tradition, and because of the easy accessibility of, first, British cultural goods, and later, U.S. counterparts. The facts are only too well known, even if the solutions do not always leap readily to the mind.

No form of cultural activity so clearly displays Canada's cultural dilemmas, and their implications for Canadian-American relations, as the field of communications. This critical and ever more important area is immensely complex. It encompasses such diverse aspects as trans-border data flows, the transnational character of satellite footprints, the allocation of scarce slots for communications birds in the geostationary orbit, and the implications of one country's being dependent on another with respect to computer hardware and software. More important still, it embraces the field of broadcasting.

All of broadcasting, but television in particular, has the most far-reaching effect on the minds of individuals and therefore on the nature of human society. TV is by far the most popular of all the media, engaging, on the average, the attention of Canadians for more than three hours a day. Children spend more time before the little screen than in the presence of teachers. Dominant perceptions of ourselves, of others, of this country and its neighbours, of desirable life-styles, of national and world affairs, of different ethnic, religious, and social groups, of the diverse regions at home and abroad — perceptions of all these things are profoundly influenced by the programming available and watched on television. No wonder then that this medium is a uniquely powerful force in the socialization of individuals and in the formation of collective attitudes, values and aspirations.

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And television is, as we all know, predominantly, even overwhelmingly American. This fact is of absolutely central significance in the state and development not only of Canada's culture but also of the country's perception of, and relations with, the United States. It is, therefore, imperative that we understand fully why we are so dependent on the United States and what we can do to ensure that the electronic media serve the best individual and collective interests of Canadians.

There are at least six major factors explaining why Canada is so vulnerable to the television world of the U.S.

First, the physical proximity of so many Canadians to the U.S. border places a vast majority of the population within the reception area of American signals with the aid of only a cheap rooftop antenna. New technologies, particularly cable, and more recently satellites, have placed almost the whole of the country within reach of American programming.

Secondly, eighty per cent of Canadians speak English and therefore have no problem in savouring the consumer culture produced south of the border.

Thirdly, the American entertainment industry is the most vital and vivacious in the world. Growing largely out of the enormously successful and widely applauded American film industry, television programs and stars found easy acceptance everywhere. American television has from the beginning and until the advent of PBS in the late 'sixties been conceived as a commercial medium whose major role is to deliver audiences to advertisers. The content has therefore been designed, and with consummate skill, to appeal to the largest possible audiences. While this may leave something to be desired aesthetically, or in terms of the educational potential of the medium, it has unquestionably produced immensely popular shows. The format and type of drama originated by the American entertainment industry have in the most recent era created a new universal art form which is claiming something close to a world-wide audience. Successful genres of drama as typified by *Dallas*, for example, have not only led to imitations domestically and massive sales in scores of countries, but are actually being copied in communities which in no way resemble the United States. America, having given us the western, has now presented the world with a vastly popular new theatrical form claiming widespread acceptance.

The fourth cause of Canada's vulnerability to U.S. television is probably the most telling. It concerns the economics of television programming and particularly of drama production. It costs about one million dollars to produce a one-hour show like *Dallas*. American networks can afford this expense because it can be amortized in their vast and rich domestic market. Having paid for themselves at home, these programs can then be offered to foreign, including Canadian, purchasers for from three to six per cent of their cost (Juneau). Although the money spent on a program certainly does

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not guarantee its quality, it is impossible to present consistently shows comparable to the best American dramas without spending very large sums on them. But the size of the Canadian market does not permit the same investment in indigenous productions as is possible in the States. Even the CBC can only afford to offer its English viewers less than two hours of original Canadian drama a week. The rest of the time the insatiable hunger for entertainment of our audiences can only be met from foreign sources or old stock.

As for the private broadcasters, their involvement in the production of Canadian drama is insignificant. One reason is obvious: they can acquire the rights to wildly popular American shows for very much less than the cost of comparable Canadian ones. It therefore makes very little *economic* sense for commercial broadcasters to try to program Canadian dramas.

The importance of this matter cannot be exaggerated. Fifty per cent of Canadian viewing hours are devoted to drama, but only four per cent of the available shows in this category are Canadian. Films, soap operas, sit-coms and TV plays are at least as important in influencing perceptions and values as public affairs, and yet the menu offered our viewers in this most popular type of programming is, in part because of the facts I just described, almost totally foreign.

Historical antecedents are also responsible for the strong presence in Canadian homes of American programs. They are the fifth factor we need to note. Television made its way south of the forty-ninth parallel in the 1940s. "The year 1948 is commonly accepted as the turning point when TV emerged as a mass medium and the U.S. networks changed their emphasis from radio to television." (Peers, *Cin C*, 20) Canada only authorized the new medium in 1952, after the release of the Report of the Massey Commission. In the first instance, service was provided only by the CBC and its affiliates, but in the early 'sixties CTV was licensed and provided an alternative source of programs in many parts of the country. Television broadcasting was, of course, regulated in hopes that the broadcasting system would, in the words of the 1958 Broadcasting Act, be "basically Canadian in content and character."

Viewers who bought sets before the inauguration of the CBC's service were able to watch U.S. shows and this, in a sense, established expectations and patterns which could not be ignored later. Both the CBC and the private broadcasters realized that they would only win and hold viewers, so many of whom could receive signals from abroad, if they themselves offered many of the most popular American programs; the appetite for these therefore became deeply ingrained. Free marketeers argue that in commercial broadcasting it is the viewers' tastes which determine programming. In fact, of course, the reverse normally occurs. The shows available shape tastes, and

in our case it was essentially American television fare which had formed the preferences of Canadian audiences.

This brings me to the last factor to be noted accounting for our vulnerability to American cultural influences. It would be foolish to ascribe the popularity of entertainment provided by CBS, NBC, ABC or PBS to its being crammed down reluctant Canadian throats. On the contrary, a great many Canadians have an avid thirst for most things American and feel perfectly at home being surrounded by them. This applies not only to anglophones but also to francophones, as their mass annual exodus to Florida, among other things, shows. The fact that these sentiments are induced in part by the hype emanating from Hollywood and the U.S. entertainment industry makes the Canadian empathy no less genuinely felt.

Although we have inadequate evidence to permit firm assertions, it looks as if the affinity for our neighbour's culture is not shared equally among all groups of Canadians. A mass-élite dichotomy is evident, with the better educated, higher-income groups being more sensitive to Canadian-American cultural differences and more interested in indigenous cultural products. One consequence of this phenomenon is that the more low-brow an American cultural activity, the wider its appeal in Canada. Similarly, it is largely Canadians with middle- and upper-class backgrounds and with middle- and highbrow tastes who are concerned with the health and viability of Canadian culture. A nationalist foreign cultural policy is therefore more likely to appeal to a minority of the population.

Canadians not only like American programs; they also believe that they are entitled to have full access to them. This strongly held view compelled the CRTC to enable Canadian cable systems to carry the programs of American stations, and it has weakened the government's will to block the widespread pirating of American shows carried on satellites. Not only individuals and companies but also municipalities, sometimes supported by Members of Parliament and provincial governments, have resorted to the unauthorized reception of U.S. signals, many of which are meant to be available only to bona fide subscribers.

The result of being so exposed to other people's electronic offerings is that it is extremely difficult for our own programs to be made and to be aired. Many of our most gifted writers, performers and technicians are consequently forced to find work abroad where they cannot but end up by reflecting the realities and perspectives of another country. Under these circumstances it becomes extremely difficult for very large numbers of Canadians to know the highly textured and varied character of their own land and to allow their imaginations to roam at home rather than abroad. This makes it hard not only to recognize one's own national interest but also to pursue it. American popular culture, and particularly television, are thus

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an immense Trojan horse enabling foreign concerns and priorities to infiltrate our very minds and beings.

Lest that martial metaphor of the Trojan horse give rise to a misunderstanding, I hasten to add that the nationalist, pro-Canadian stance espoused here in no way reflects an anti-American sentiment. Although the overall quality of American television may not fully satisfy, many of its programs are good. In any event, Canadians should not be deprived of the opportunity of watching whatever they please from abroad so long as a reasonable chance is provided for their own shows to be available. This is the problem: given the potent forces favouring the foreign product and the latter's plentiful supply, what can be done to create conditions in which Canadians can make genuine choices between foreign and domestic offerings? When only four per cent of drama available is Canadian, such a choice does simply not exist.

Canadian policy planners laboured hard and long in an effort to find a solution to the dilemma. No less than six Royal Commissions and special committees of inquiry, as well as seemingly endless Parliamentary probings, have struggled with the problem, and we are still without a sure-fire remedy.

The issue has both domestic and international dimensions. Students of international affairs now draw important distinctions between the field of *international* relations, which focuses on the interaction between states speaking through their governments, and *transnational* relations, which deal with all manner of individual, corporate, and other contacts across boundaries. Our broadcasting conundrum has both transnational and international aspects, as well as purely domestic elements. To examine it is, in fact, a nearly perfect means of exploring the perspectives the two countries adopt towards each other, since it touches on virtually every facet of their political, social, economic and cultural characteristics and how these affect the relations between them. Canadian broadcasting policy is, in other words, and contrary to what one might at first surmise, a singularly suitable and apposite subject to be tackled in a series of lectures on Canada's Perspective on the U.S.A.

The centrepiece of Canada's broadcast policy has always been an Act of Parliament. The most recent version, that of 1968, as amended several times since, contains a description of what the Canadian broadcasting system should be. It states unequivocally that radio frequencies are public property and hence implies that they should be used in a manner promoting the public interest. The Act nevertheless recognizes that Canadian broadcasting undertakings constitute one system, comprised of both public and private elements. This system, it is asserted, should be owned and controlled by Canadians "so as to safeguard, enrich and strengthen the cultural, political,

social and economic fabric of Canada." Another clause specifies that programming should use predominantly Canadian creative and other resources. The Act also provides for two of the major actors on the broadcasting scene: a nationally owned broadcasting corporation (the CBC) and "a single independent public authority" (the CRTC) which is to regulate and supervise the system according to the objectives enunciated in the Act.

Underlying these and many other provisions is the assumption that broadcasting should not respond merely to the dictates of the market but that it should serve certain national interests, some of them related to the strengthening of a sense of Canadian nationality and identity. This concern with community goals rather than the profit motive (substantially at variance with the American pattern) is also reflected in the Act's specifying that when a conflict emerges between the private and public elements, it shall be resolved in the public interest "but paramount consideration shall be given to the objectives of the national broadcasting service."

The Act thus essentially accomplished three things: it set the goals of the Canadian broadcasting system (in greater detail than is suggested by my summary); it provided the objectives and mandate of the CBC; and it created a powerful regulatory agency independent of the government of the day.

Although the relative position of the CBC had been declining in English television since the creation of the private networks, the Act reaffirmed its primary role in the system. It also charged it with special responsibilities in providing "for a continuing expression of Canadian identity." And it has certainly been the CBC which has played a key role in providing such Canadian drama as has been available. The private broadcasters for the most part tended to focus on producing news, public affairs, and sports broadcasts and some inexpensive light entertainment. In so far as TV drama is concerned, they have relied virtually exclusively on the purchase of popular American shows, a programming policy which, to a lesser extent, even the CBC itself has had to emulate.

The reasons for the CBC's recourse to American drama and such programs as *Hockey Night in Canada* are instructive. As I have already noted, one way which Canadian broadcasters have used to attract audiences is to present popular American shows. Thus, for instance, *Dallas* is brought to us by our very own public corporation. Furthermore, only part of the CBC's income is derived from government subsidies. It must cover some of its expenses from advertising revenue. This is said to have several advantages: it is an inescapable necessity in so far as the CBC's affiliates are concerned. These private stations which operate in places where the public broadcaster does not own an outlet depend for their survival on the sale of commercials. Secondly, advertising provides useful information and thus is seen by many business people and consumers as an essential service. Finally, income

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derived from sources other than parliamentary votes is considered to be some protection against possible political interference.

There is, of course, also a down side. Advertising sometimes distressingly interrupts dramatic lines in a story and thus destroys its artistic effect. Many of the potentially most loyal CBC viewers were disgusted by the Corporation's use of commercials during the showing of *The Jewel in the Crown* and forsook the CBC for PBS which had scheduled the series for a later showing without interruptions. The commitment to present the lucrative sports events all too frequently compels the postponement of the *National* and the *Journal* and thus appears to interfere with what some perceive to be a main part of the CBC's mandate. Some also argue that the advertising revenue adds little to the network's independence.

From the perspective of this essay, the most intriguing aspect of the CBC's and the private broadcasters' reliance on U.S. programming is that American cultural products are, in an important way, paradoxically used to diminish the U.S.A.'s cultural influence. Viewers display considerable loyalty to the station to which they are tuned. It is therefore argued that audiences attracted to Canadian stations by U.S. programs will continue being tuned to Canadian news, sports, and other programs which are offered by the CBC because of its policies, and by many private broadcasters because of the need to live up to the CRTC's Canadian content regulations.

The CBC has another excellent reason for purveying foreign shows, sports, and all manner of other programs. The Broadcasting Act enjoins it to provide "a balanced service of information, enlightenment and entertainment for people of different ages, interests and tastes covering the whole range of programming in fair proportion." This immensely broad mandate makes it imperative that the service cover a bewildering array of productions. When it is remembered that it must do this in both of our official languages, that it operates four superb radio networks, a northern service and international shortwave agency, and that it reports Parliamentary debates via satellite, it becomes apparent that the CBC is among the world's largest and most active broadcasters.

Although like all big and aging structures the CBC has organizational problems and confronts formidable internal challenges, it has made and continues to make key contributions to the broadcasting and cultural scene in this country. This is evident at two levels: the quality of its programs is, for the most part, extremely high and its increasingly successful efforts are making Canadian programming available during the prime viewing hours. Compared to the record of the private broadcasters, its performance in this area is phenomenal.

In addition, the program sales arm of the company, CBC Enterprises, is having increasing success in selling Canadian productions abroad, including

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in the U.S.A. The latter is particularly encouraging. American audiences, no doubt because of the timid and unventuresome habits of the commercial networks, have amazingly parochial tastes. Except for PBS fans, who comprise only a very small proportion of the U.S. viewing public, Americans are not attracted to foreign shows. It is well known that some Canadian films and TV plays have had to have their Canadian features, such as place and street names or the presence of Canadian banknotes, Americanized before they became acceptable to U.S. buyers. The fact that such programs as *As It Happens*, on radio, and *Seeing Things*, *The Wayne and Shuster Show*, *Empire, Inc.*, as well as other CBC productions on television are being heard or viewed abroad indicates that the CBC may be able to benefit from the growing world television market. Still, realistically, one must recognize that the successes so far have been modest and that the costs of major Canadian drama productions are not likely to be recouped through exports. We shall have to continue to a very great extent finding domestic means of paying for our own television production.

If Parliament intended the CBC to be the principal player in our broadcasting bands, then the CRTC was to be the principal conductor. It has, as the Act suggests, licensed broadcast undertakings and has supervised the overall system in an effort to ensure that the goals enunciated by Parliament are realized. Judgement of how successful it has been is by no means unanimous. Some see the regulatory agency as an overbearing ogre imposing élite tastes and unrealistic demands on a potentially enterprising but shackled industry. Others consider it to be a supine slave of the private broadcasters. On balance, it is probably fair to say that it has fought pretty tenaciously for Parliament's goal of a predominantly Canadian broadcasting system but that its efforts have often been blunted by some fundamental characteristics of the Canadian environment.

It has not been aggressive in ensuring the primacy of the CBC within the system and it has been rather lenient with respect to the Canadian content goals. Because of the staggering difficulty of defining the key terms, it has also largely avoided implementing the Act's injunction that "the programming provided by each broadcaster should be of high standard."

Still, its impact on what is available on the air has been very considerable and salutary. The insistence, in the 'seventies, that thirty per cent of the music played on AM radio be Canadian, fiercely attacked by the broadcasters, created a Canadian record industry and poses no serious problems to the licensees. The benefits to Canadian musicians, and hence to their audiences, has been enormous.

Although Canadian content regulations on television are less successful, they have nevertheless made a considerable difference to the availability of Canadian programs on our stations, particularly private ones. In essence

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each broadcaster must, on the average, present Canadian programming during 60 per cent of the daily schedule and during at least half of the evening hours. The CBC is governed by more stringent requirements but has for some time exceeded these by a fairly wide margin. One result of the regulations has been that high quality news, public affairs, and sports are widely available on all Canadian stations. Variety, light entertainment, and drama, on the other hand — categories which are expensive to produce — have been woefully neglected by the private sector. With only rare exceptions, domestic children's shows have also been overlooked. To meet the Canadian content quotas, many stations have also resorted to inexpensive quizz-shows and similar "fillers," usually exhibited at low viewing times. This kind of programming and the allocation of inadequate resources to the rare production of Canadian drama have contributed to the low esteem enjoyed, by and large, by Canadian programs. Despite the indifferent reputation of domestic production in the minds of many, when good quality shows or mini-series are available, they attract very significant audiences.

It is probably no exaggeration to say that the most powerful factor in the back of the CRTC's mind has been the need to protect the Canadian element in our broadcasting system. The presence of the U.S. is therefore of major importance in the evolution of Canadian broadcasting policy. Examples abound but I shall mention only two. Knowing full well that Canadian broadcasters, particularly in the private domain, cannot produce Canadian programs unless their revenues are ensured, the Commission has defended the economic viability of its licensees whenever this was compatible with the terms of the Broadcasting Act. Thus rules were developed forcing cable systems to provide simultaneous program substitution when a U.S. and Canadian station carry the same show at the same time. Accordingly, a subscriber watching a program on an American station which is available at the same time on a Canadian channel would see the same material, including the ads, as one tuned to the Canadian source of that program. The purpose is, of course, to protect the advertising revenue of the Canadian broadcaster.

The other reason for the never absent awareness of the "U.S. factor" in Canadian broadcasting on the part of the Commission is that a majority of Canadians can, as we have noted, receive U.S. signals "off air," that is, without cable, and that to prevent Canadian cable systems from carrying U.S. stations is impossible in the current climate of opinion. Thus *too* stringent Canadian content regulations and other prescriptions giving our programming a distinctive flavour and quality could easily drive audiences into the arms of the American networks and out of reach of Canadian broadcasters and of the CRTC altogether. Thus the limits of what we can do in this country are set not only by ourselves but also in a very real sense

by our neighbours. And when I say this, I mean not only the U.S. government but also private companies and individuals.

So far, in our survey of what has been done to give Canadians a choice between watching U.S. and indigenous television, we have caught a glimpse of the Broadcasting Act and its pivotal creatures: the CBC, private broadcasters, and the CRTC. But other instruments are required, farther removed from the Parliamentary umbrella. The most remote, in this sense, is educational television. Under conditions laid down by the CRTC in response to a cabinet directive, educational television services were established in several provinces by agencies legally at an arm's length distance from the provincial government. Some of these, like the Knowledge Network in B.C., are devoted exclusively to instructional purposes but others, notably TV Ontario and Radio Quebec, have defined their mandate very broadly. In some of their activities these networks resemble PBS and they certainly cater in part to adult audiences. Although they carry a good deal of foreign programming, their schedules also provide considerable Canadian content. Substantially different from the commercial networks, they furnish viewing opportunities which are not otherwise available. Their children's services are excellent, but they do not add materially to the availability of Canadian dramatic shows for adults.

As we have seen, the Broadcasting Act focuses on the CBC, the private sector, and the CRTC as the chosen instruments for the realization of a successful policy. But the intractable nature of the problems, particularly in the light of technological innovation, has made it imperative that other agencies and measures come to the rescue. Some have been on the scene for a while, but others have emerged only as the result of growing difficulties. Among the former, the National Film Board is a well-known and widely acclaimed producer of fine Canadian programs. For reasons which must be related to internecine rivalries, NFB programs have not been shown as frequently on Canadian television as they have, in recent years, on PBS. Neither the private broadcasters nor the CBC have utilized the rich storehouse of Film Board footage to the extent possible, although at least one Quebec cable system does make effective use of it and the CBC has done much better than the private networks. Co-productions between the CBC and the NFB have become increasingly common lately and have resulted in some first-rate programs.

Beyond this, the federal government has developed a number of initiatives designed to strengthen Canadian program production and the general health of the television industry. Three deserve our special attention: the negotiation of international agreements facilitating co-productions between Canadian and foreign companies, the Canadian Broadcast Program Development Fund, and the famous (or infamous, depending on which side

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of the border you stand) Bill C 58. The first of these can be dispatched quickly. Ottawa has actively sought to enter into agreements with a number of governments under the aegis of which Canadian and foreign partners would be able to benefit, in their production of films and television programs, from joint investments, sharing larger markets, access to their respective television outlets under preferred conditions, and from otherwise reinforcing one another's efforts to maintain a healthy domestic production industry. While many of the signatories are francophone countries, the scheme is by no means confined to them. The U.S.A. is, for obvious reasons, not included, and neither is Britain. In the latter case union agreement makes such accords unacceptable.

The Canadian Broadcast Production Development Fund was announced by the Minister of Communications, Francis Fox, when he launched his new broadcast policy in 1983. Its goal was to provide fairly substantial sums of money annually to private production companies and independent producers for assistance in the creation of drama, children's and variety programs. A pump-priming feature required that for every dollar provided by the fund, the producer must raise at least two dollars elsewhere. Thirty-five million dollars were provided at the start, but the sum was to rise to sixty million by the fifth year. By that time, therefore, the fund was expected to inject \$180 million for the production of programs in neglected categories.

Half of the monies available each year were to be allocated to productions intended for exhibition by private broadcasters and the other half by the CBC. The fund was to be administered by Telefilm Canada, the new name given to the Canadian Film Development Corporation. It was also announced that the cost of the project to the government was to be raised from the imposition of a six per cent tax on Canadian cable companies. Since the latter pay no royalties for the programs they deliver to their subscribers, this was deemed to be a fair arrangement, inducing the profitable cable industry to contribute to Canadian production. Canadians were to be given the opportunity to see indigenous programs meeting certain requirements by means of a redistributive arrangement drawing on funds collected from companies who derive their income to a large extent from distributing the services of the American networks.

This ingenious scheme got off to a good start and led to the commissioning of some promising Canadian programs. The CBC made ample use of the opportunity from the start; it committed about \$23 million by commissioning new programs from independent producers. The private broadcasters, however, whose record in the production of Canadian drama, variety, and children's programming had for so long been generally shameful, still showed less interest, even with the new incentives, and put up only ten million. The program is now in a state of crisis because the CBC budget cuts

announced by Marcel Masse, the new Minister of Communications, prevent the Corporation from making further use of the fund in the immediate future. The government is in the process of trying to revise the terms of the program so as to rescue it from oblivion.

By far the most controversial initiative of the federal government in support of Canadian cultural development, including broadcasting, was Bill C 58. This piece of legislation received extensive publicity largely because of its impact on the Canadian editions of *Reader's Digest* and *Time*. President Eisenhower personally intervened against the measure. The conversion of *Maclean's* into a weekly would not have been possible without it. But the Bill's most far-reaching impact on Canadian-American relations results from its effect on a small number of American television stations situated near the border.

Introduced in 1975, C 58 sought to stop or reduce the hemorrhaging of Canadian advertising funds from Canada into the United States. Broadcasters to be protected were, for the most part, in the Toronto, Vancouver and Montreal areas. American stations just across the border allegedly deprived the Canadian broadcasters of substantial revenue by accepting and even aggressively soliciting Canadian advertising beamed at Canadian viewers. Some stations were apparently established for the primary purpose of milking the Canadian market. The legislation, actually an amendment to the Income Tax Act, intended to put an end to all this by no longer accepting the cost of TV commercials placed by Canadian advertisers on American stations as a tax-deductible business expense. It has been estimated that Canadians spent about \$21.5 million on U.S. TV advertising in 1975. This represented roughly ten percent of all Canadian television advertising. As the result of the legislation, the revenue of American border broadcasters dropped to \$6.5 million by 1978.

The American reaction could not have been fiercer. It is no exaggeration to say that the border broadcast dispute, which still continues, has been the most threatening irritant in Canadian-American relations. It also illumines some significant differences between the two countries which we shall examine in a moment. The affected U.S. broadcasters lobbied as best they could to have the legislation rescinded but without success. Since then, major figures have become involved on both sides of the border. Henry Kissinger raised the matter with Alan MacEachen, then Secretary of State for External Affairs. Congress retaliated by passing legislation which severely restricted income tax deductions allowed Americans who attended conventions in Canada. The revenge apparently cost Canada hundreds of millions of dollars in lost tourist income.

This measure was ultimately annulled, but matters did not stop there. It was proposed that punitive changes should be made to the U.S.-Canadian

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automotive agreement if C 58 was not rescinded. Legislation was introduced in Congress by Senator Goldwater intended to prohibit foreign ownership of cable if no reciprocal rights are granted — a provision which would have hit several large Canadian companies with cable franchises in the U.S. President Carter and Reagan both urged Congress to pass legislation which would mirror Bill C 58. The most serious attempted retaliation was contained in an amendment to the 1982 Senate mirror bill which would deny U.S. business tax deductions for the purchase of Telidon, Canada's videotext system. A successful move in this direction would seriously harm the future of Canada's high-tech industry, which is expected to play a pivotal role in the country's economy in the emerging information society.

Why has this dispute assumed such a virulent character? After all, a loss of some fifteen million dollars annually in revenue is trifling between countries whose trade exceeds seventy billion a year. As sometimes happens in the relations between states and neighbours, the controversy, though quite insignificant in many ways, encapsulates some extraordinarily sensitive issues which arise from fundamental assumptions and values central to both societies. It also reveals how political structures sometimes create problems as well as solving them.

The Canadian position grew out of a few central assumptions: Canadian cultural life was being threatened by the massive advantages which American cultural products derived from the huge scale of the American market. Measures needed to be devised to create an environment in which Canadian creativity could flourish and which would provide Canadians with their own cultural goods.

With respect to broadcasting, it was assumed that programming must be predominantly Canadian and for this to happen adequate resources must be available. A serious drain in such resources, particularly in the major markets, weakens the economic viability of the licensees and therefore their ability to live up to their commitments, particularly with respect to Canadian content. Something had to be done to protect them. Tax policy was seen as an acceptable means for achieving these ends.

Although economic measures were being used to promote national goals, the purposes of the enterprise, in so far as the government of Canada was concerned, were cultural and were related to the very preservation of a distinct Canadian identity. It was of course also the case that Canadian broadcasters affected by the new measures would derive economic benefits from them.

Two major concerns animated the violent American reaction. The border broadcasters were outraged by what they saw as the unfairness of the Canadian action and they, and less immediately involved Americans, objected on the grounds that Canada was interfering with freedom of

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information and with the salutary and efficient operation of the free market.

Canada's broadcasting system, so it was argued, benefited in no small measure from the free availability of American network programs. The Canadian cable industry, in particular, sold subscriptions to the American channels without paying any compensation, and its rapid and vast growth rested on its ability to deliver these highly popular offerings. Canadian practices of commercial or signal substitution were seen as contributing to piracy. The ability to benefit from selling time to Canadian advertisers on the same footing as Canadian stations was therefore considered a fair compensation for a contribution made to Canada by the American stations.

It was further affirmed that the benefits of the Canadian tax provisions would not achieve their intended goal: Canadians would continue watching the American stations and there was no assurance that the advertising revenue accruing to the Canadian companies would find its way into greater Canadian content. This train of thought was echoed in 1981 by Ted Rogers, one of Canada's leading cablecasters: "... there has never been a public accounting by the privileged few companies," he asserted, "who financially benefited from this ... legislation. There should be such a public accounting. ... If the cash flow gains to these relatively few private companies is not going to produce enhanced Canadian programming — then the bill should be repealed." (cited by Arries, 147)

It is doubtful whether the cause of the border broadcasters would have received so much support in the United States, and for so long, had there not been a matter of deep-seated principle involved. A very large number of Americans, inspired in part by the First Amendment, has a passionate and absolute commitment to the free flow of information. No matter that this ideological position often miraculously coincides with crass self-serving economic interests and that, domestically, it is occasionally compromised by the mundane claims of competing interests, the free speech rhetoric arouses ardent and genuine support among most Americans. To interfere with the transfer of information (whether it be related to gun chewing, gumshoeing, or the Gettysberg address is of no consequence) as directed by the whims of the market, is to impose authoritarian and reprehensible restraints inimical to human freedom. It is this deeply ingrained terror of interference with freedom of speech which has led to the tragic misreading of the MacBride Report and of the New World Information Order and the related U.S. withdrawal from UNESCO, and which has also given the border broadcasters ideological support.

There were other aspects of course. Senator Moynaham, in explaining his "strengthening amendment" linking the mirror legislation to the sales of Telidon, noted that "the Canadians have made the issue a major test of our

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will to protect U.S. service industries faced by unreasonable and unfair discrimination by a U.S. trading partner. ... The border broadcast issue is indeed a test of our trade laws." (H and J, 54) So the problem is not seen merely as one of abstract principle but also as one possibly setting a precedent with respect to international trade and even property rights. But whatever the instrumental and egotistical motives for retaliation, and whatever the desire of certain politicians to cater to the interests of their constituents, the ideological drive and concern is not only genuine but also paramount.

What lessons can Canadians derive from this ongoing battle other than that, when the undefended border is concerned, a snowflake into an avalanche may grow? The first is that despite many similarities and affinities, profound disparities exist between our two countries. In so far as these relate to broadcasting, they have been admirably summarized by Theodore Hagelin and Hudson Janisch, on whose study of Bill C 58 I have drawn heavily in the foregoing discussion. Canadian and U.S. domestic communications policies, they say,

differ both in their ends and their means. Canadian policy seeks cultural development; U.S. policy seeks consumer choice. Canadian policy relies on program content regulation and a strong public broadcasting system to achieve its objectives. U.S. policy relies on structural, or industrial, regulation and a strong commercial broadcasting system to achieve its objectives. (H and J, 56)

A major consequence of these differences is that when disagreements occur between the two countries, which is inevitable, both deep-seated ideological and mundane egotistical forces are likely to come into play. And, as the history of religious wars has so painfully taught us, disputes in which self-interest is bolstered by articles of faith are devilishly hard to resolve.

Secondly, Americans, though in many ways among the most generous people in the world, can also be inordinately tough bargainers. In international relations and transnational dealings they nearly always play hardball and rarely give 2.54 centimeters.

Thirdly, because of the size of the country, its power and outlook, Americans are not always well-informed about prevailing conditions and the philosophical preoccupations existing among others. Even the most enlightened find it hard to understand Canada's cultural nationalism. They cannot see why we would not wish to embrace joyously all manifestations of American civilization and why anyone should be afraid of it or why it should pose any dangers. After all, it is benign, unassuming, and universally valid.

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This lack of understanding is exacerbated at the official level by the complex and fragmented nature of the U.S. governmental structure. The Constitution's imposition of the separation of powers has something to do with the highly differentiated character of Washington's organizations, but there are other reasons. The following bodies are involved in formulating international broadcasting policy: several "desks" in the State Department, the FCC, the National Telecommunications and Information Agency, the Office of the U.S. Trade Representative, various committees of each House of Congress, and a special Co-ordinator with ambassadorial rank attached to the State Department. The proliferation of agencies leads to specialization which may prevent the adoption of a holistic view on policy matters. It is, for instance, highly likely that the perception of Bill C 58 by officials involved in trade policy will completely ignore the cultural dimension of the legislation and so fail to see its purpose and the importance attached to it by the Canadian government.

Finally, the absence of cabinet government bestows awesome powers on Congress. Since party discipline there is relatively weak, it is not at all uncommon for various regional interests to cohere on policy packages serving specific local groups. Logrolling is rife, and the wishes of fairly small groups like those of the border broadcasters, for example, can be combined with others for the sake of forcing relatively unimportant or even unwanted policies on the nation. There is some evidence that not all the retaliatory notions against Canada introduced in the legislature had the support of the U.S. administration and that the latter does not favour the practice of linking one particular international issue to others which may be quite unrelated to it.

The insights obtained by our examination of the U.S. position on the border broadcasting dispute are instructive with respect to the theme of this essay — how to avoid cultural extinction in the face of the bubbling American presence next to and inside us.

Although the problem is in a sense truly international or at least in the domain of transborder relations, its solutions are essentially domestic. No amount of pressure on Washington or even on American industry is going to sensibly diminish the inexorable American cultural influence. We need to review our attitudes to our country and its cultural traditions and opportunities. The quality of our cultural production must be enhanced so as to enable it to hold its own. This has implications for the educational system and for the organization of our economy. A review of broadcasting policy is in order in the light of current conditions. It appears that the government is gearing up to another (the fourth) attempt to produce a new Communications Act. Some of the matters touched upon in my lecture must be borne in mind while this process takes place.

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Public broadcasting needs to be strengthened rather than weakened, and its appropriate place and form reaffirmed. Likewise, the regulatory process awaits streamlining and adjustment to guide us effectively into the next century. Other governmental measures cry out for examination, as does a searching look at what must be done by the private sector if we are to maintain our national identity.

As in so many other areas, the prime ingredient in the escape from extinction is to recognize the problem realistically and then to have the will to act upon it. Ironically, whether we have these qualities, whether we can muster the force needed to defend ourselves effectively, depends in no small measure on the extent to which we have already become Americanized. If we trust the market to pull us through, if we fail to pursue the public interest through both public and private means, then, I fear, we are lost.

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