The recent publication of the Report of the Federal Cultural Policy Review Committee (under co-chairpersons Louis Applebaum and Jacques Hébert) provides a good opportunity to observe the problems of creativity and cultural integrity within the context of the capitalist marketplace. Greeted with great publicity upon its release, largely because of its controversial recommendations regarding the National Film Board (NFB) and the Canadian Broadcasting Corporation (CBC), the first major review of cultural policy since the Massey Commission of 1951 also allows us to glimpse the consciousness of the artistic intelligentsia and what they perceive to be the problems of culture within the evolving (technological) Canadian framework. Although not explicitly mandated to investigate culture, but rather cultural policy, such an objective is only possible once cultural goals have been defined and it is the definition of these goals that is the real political issue.

While the discussion is not explicitly framed in terms of high and mass culture, it is clear that it is precisely this relationship that forms the problematic for much of the debate. Separating out "new creative and interpretive activity" from "what is essentially enter-
there is clearly a very large sector of activity of which the primary function is to satisfy varying demands for entertainment and recreation, transmitting little from the past, leaving little residue in the form of future heritage and showing little conscious concern with the interpretation of society itself. As entertainment it relies primarily on market mechanisms. . . .

This sector does not comprise “culture.” Successful artistic endeavour instead needs to appeal to audiences that are discriminating and open to new experiences. It is this, “rather than size alone,” that becomes the measure of artistic success. Thus, “culture and the arts will flourish best in Canada when our artists are able to present their work to audiences with a fair measure of freedom from social, economic and political constraints.”

The authors of the report clearly subscribe to a view of mass culture (a culture mediated through the marketplace) as cultural decline, as a levelling of tastes where equality triumphs over excellence and where standardization, stereotyping, conservatism and the disastrous effects of the search for large markets replace the genuine experience of art with an artificial and shallow cultural gratification (a view similar to that adopted by conservatives such as Eliot and Leavis and radicals such as Adorno and Horkheimer). “Art for art’s sake,” freed from the confining needs of mass-market audience demand, is their ideal notion of creativity. The role of government is to provide the conditions to make that possible, to alleviate the situation in which artistic integrity and market-based forces pull in opposite directions.

The theme of market failure is one of the two major threads that run through the recommendations. The other is that of excessive bureaucratic control of cultural activity. The report seems to accept the arguments put forward by artists that there is too much interference by government and suggests that although the Massey Commission stressed the building of institutions (a stress on physical plant), it is now time to emphasize artistic activity freed from bureaucratic control. In particular, the recommendation that government take an “arm’s length” approach to support of cultural activity reflects the view that artists should be free from outside interference in their role as social critics and in their judgment of what constitutes good taste. The criticism of the artistic community directed at the state institutions (CBC, NFB, NAC) focuses on the insensitivity of these institutions to regional concerns, their unwillingness to support experimental works, their monopoly of
certain markets (e.g., NFB and the federal government), and their “unfair” competition in the marketplace.

Cultural activity seen from the perspective of cultural policy can be divided into two areas: those activities that can be called the individual or performing arts (visual and applied arts, performing arts, literature) and those that can be labelled the cultural industries (recording, film and broadcasting). The two spheres have different problems and, one would suspect, different solutions. In the former, the relationship between cultural activity and the market prevents entry of deserving products into the field. The market, the report suggests, measures only immediate benefits and not lasting ones (i.e., for future generations). More important, drawing on the arguments of Baumol and Bowen, the report argues that because the arts are heavily dependent on human labour, productivity cannot increase by substituting labour saving technology. But as wage rates rise for all sectors, including the cultural, then the prices of cultural products also rise. Subsidies are required even to sustain cultural output. They argue that market criteria cannot be the basis for decisions regarding the allocation of resources. The appropriate rationale is clearly stated — cultural goods deserve to be supported “simply because they are meritorious.” They confer benefits to society that cannot be measured by the supply and demand of the market. In addition, “merit goods” are beneficial to more than the cultural élite. They are also beneficial to the mass based cultural industries. Because the stress on large audiences leads to a reduction of risk and experimentation, the culture of mass communications is incapable of sustaining itself creatively. The report argues for the support of activity that serves minority interests to provide the dynamic behind mass culture. Mass culture needs high culture. Their case for government intervention applies with special force to the satisfaction of minority preferences.

The cultural industries suffer in addition from a couple of familiar problems. Being the main market for American cultural products, “dumping” practices and economies of scale militate against the development of an indigenous cultural industry and thus rob Canadian cultural producers of the opportunities to use the mass media of film or broadcasting. Even where indigenous industries have arisen, because they are based on the need to cater to large markets, Canadian mass culture is inseparable from other mass cultures. We not only need Canadian cultural industries but “distinctly” Canadian cultural expression to be communicated through them.

In the attempt to alleviate these problems, federal cultural policy
could adopt one or more of five interventionist roles: (1) government as patron — financial aid to artists through grants, etc.; (2) government as catalyst — encouraging the flow of private funds to cultural activity through tax incentives; (3) government as regulator — creating the conditions within which cultural activity can take place; (4) government as proprietor — ownership of CBC, NFB, etc.; and (5) government as custodian — protecting cultural heritage. The report stresses especially the first three roles as appropriate modes of government intervention.

In the areas of the individual and performing arts, the report stresses most the role of the federal government as patron to the arts, and secondly, its role as catalyst. For the visual and applied arts it is suggested that increased grants go to applied artists and that to stimulate a market for cultural products there be encouragement (through tax incentives) for private purchasers and that more funds be available for public purchases. In the sphere of the performing arts, the report recommends that the Canada Council initiate a programme of incentive grants related to presentation of new Canadian works and, in the general move against the notion of the government as proprietor, it is suggested that the National Arts Centre should forego in-house productions, adopt a policy of "showcasing" the best Canadian talent in the performing arts and attempt co-productions with other Canadian theatrical and operatic companies. This proposed move of government from proprietor to patron is consistent throughout the report. In the field of writing, publishing and reading, the major suggestions all stress the role of government as patron. This includes increased support of non-fictionalists, payment to authors for library and photocopy use, and the establishment of a subsidy programme for magazine publishing similar to that existing for book publishing.

In the area of the individual and performing arts, the two major concerns of the committee (market failure and bureaucratic control) have been met squarely. This is accomplished largely by taking individual artistic activity outside of the confines of the marketplace by increasing the amount of funds available for financial support and by stimulating a specialized market (by encouraging public and private purchases) to which the artist can respond without compromising his/her integrity and freedom. In addition, artistic freedom is protected by moving away from the notion of government as proprietor and stressing very strongly the notion of the "arm's length" principle of government support.

The recommendations concerning the cultural industries are less
clearly framed to address the central questions. The goal of cultural policy here is the fostering of indigenous industries and the emergence of a distinctly Canadian artistic sensibility as a form of expression instead of the American dominated culture of mass appeal. In relation to the cultural industries, the report attempts to use the mediation of the market to resolve the problems of national expression by setting up the government in the role of regulator. For instance, in sound recording the report recommends the extension of Canadian content regulations to FM radio to aid the development of the "specialized" (high culture) sector of the market.

The most controversial recommendations in the report are saved for the chapters on film and broadcasting. Whereas with the individual and performing arts it is recognized that free artistic activity and integrity is only possible outside of the full sway of market forces, in the analysis of the cultural industries there is surprising optimism that the marketplace can fulfill the goals of cultural policy. To understand fully the rationale behind the report’s direction in terms of film and broadcasting, we have to comprehend the role envisaged for government institutions in the cultural framework. The report states:

the programs of state-owned undertakings should be so framed as to complement the offerings already available from other sources, and be modified where necessary to reflect changes that have occurred in that external environment.5

The authors believe that the emergent technology of pay-TV provides changes in the external environment that warrant modification of the cultural institutions. As an increasing number of channels become available, we are moving to an era of "freedom of choice" where the "control over programming is passing from the hands of broadcasters to viewers and listeners."6 Fragmentation of the audience, the argument runs, will lead to variety and the satisfaction of minority tastes. The "narrowcasting" technology will provide an incentive to independent producers as the market becomes more open and production can move away from the culture of mass appeal. A technological determinism replaces the analysis of the social relations of the marketplace as "quality" becomes an inevitable outcome of the new developments. All that is needed to ensure the emergence of a distinct Canadian sensibility is to make sure that the quality products are produced by Canadians.

Viewed from within this context, the proposals regarding the NFB and the CBC begin to make some sense. Thus the recommendation to dismantle the NFB as a producing body and to
divert more funds to the market-oriented Canadian Film Development Corporation (CFDC) is an attempt to utilize the production forces set loose by the new technology. However, given its investment-oriented (as opposed to subsidy) approach, it is difficult to see why the CFDC will encourage anything distinctly Canadian. The cultural mandate pulls against market forces and profitability. It becomes even more difficult to perceive in the light of the recommendation to continue the Capital Cost Allowance tax incentive for investment in Canadian film production, given the recognition that in the past the result of this has been to foster the film industry in general rather than to stress Canadian content. Given the size of the Canadian market, the stress on investment and profitability geared to larger markets seems bound to overwhelm the cultural mandate. The mistrust of in-house NFB talent must be deep for the marketplace to be trusted with such a task.

Regarding the CBC, the report proposes to eliminate advertising and turn everything except news production over to independent producers. The stress on advertising revenue and the sale of large audiences to advertisers has unfortunate consequences for programming and the report is undoubtedly correct in advocating removal of this constraint. But further than this, the mistrust of the use of unionized in-house talent leads the report to recommend that the CBC get everything but news from the market. Due to its "sorry labour relations," which prevents the elimination of wasteful activities and unproductive resources, and "its tradition of secrecy," there has been a "hardening of the creative arteries." The answer is to seek creativity in a stimulated marketplace.\(^7\)

There is, however, no clear indication that narrowcasting will lead to quality productions, although the report seems to have accepted uncritically the industry's position that this will be the result. The market framework for cultural products is not going to change. The rate of profit is still going to depend on the ratio between production costs and the amount that can be generated from audiences (either directly or via advertising). Instead of general mass communications, we are moving towards an era of specified mass communications (as the examples of ESPN and M-TV in the United States has shown). In addition, no assurances have been given that advertising will not be featured on the new channels. Indeed the early indications are that narrowcasting simply means that the audience will pay for what it presently receives "free." There is no guarantee in the technology itself that will ensure the desired quality. Even if the argument about narrowcasting and quality is accepted, given the size of the Canadian market, there is
still no incentive for producers to come up with anything distinctly Canadian. The rationale is still going to be profit and the search for larger (American and European) audiences. In addition, the report puts an added responsibility on private broadcasters to provide "better" Canadian production by urging that the Canadian Radio-Television and Telecommunications Commission require them to allocate substantial percentages of their programming time and budgets to Canadian productions. But given the reliance on advertising revenue, such programmes are not going to stress Canadian quality, but rather the search for large mass audiences. We may certainly have more Canadian mass culture, but that is not the stated cultural goal.

The report states continually that cultural policy should be more than just an employment policy. Unfortunately, in their recommendations for the cultural industries, the authors have done exactly what they attempted not to do. Conditions are provided for the stimulation of the production of cultural products without providing at the same time freedom from market forces that largely determine the shape and content of those products. This is due in large part to the dislike by the artistic community of governmental institutions such as the NFB and the CBC, which are precisely the kinds of organization that adequately funded and freed from market controls, could carry out the cultural mandate. Caught between two stools, the report decided to represent its constituents within the artistic community and settle for improved employment chances within what it hopes will be a stimulated marketplace. However, in the case of the NFB and the CBC, it seems to have thrown out the proverbial baby with the bathwater.

The report recommends two very different kinds of cultural policy for the two spheres of cultural activity, although similar effects are intended — the stimulation of the marketplace to encourage the production of specialized cultural products. There is, however, little understanding of the types of effect that different markets will have on production. The report assumes that the rules are the same in both spheres when in fact they are not. The market for a painting is a lot different than the market for a film. However fragmented the audience for the latter, certain rules of the cultural industries will apply and will come to shape the cultural product to a much larger degree than in the former case. Too much emphasis is placed on the liberating effect that the new technology will have on the market. Because of this, the stated cultural goals of distinct Canadian production would not be met although the conditions may be created whereby Canadians will participate to a fuller degree.
in the production of industrial cultural products. As such we can see the report as less of a review of cultural policy and more as the representation of the interests of the artistic community. Hiding behind a nationalist flag, this is clearly a statement reflecting the material interest of the producers of cultural products. The goal of distinctly Canadian production is merely a nationalist smokescreen. Ultimately, however, the report bears witness to the fact that cultural problems cannot be answered through an industrial policy. Instead of cultural freedom, what we see is the intensification of the process of — in the words of Nicolas Garnham — the industrialization of culture and the move of commodity relations into the creative sphere. Only when effects of commodity production within the cultural realm and the tyranny of the marketplace have been overcome can we even hope for creative integrity and freedom.

Notes

2. Ibid., 32
3. Ibid., 4
4. Ibid., 64
5. Ibid., 5
6. Ibid., 271
7. Ibid., 277