5

Running the business

DAILY newspapers are a mature industry in the economic sense: there is little opportunity for further market penetration by the product as it is. Most people who are likely to buy a daily newspaper are already doing so, and there are no signs that the number of people buying two or more dailies will greatly increase. The size of the market may be affected by further changes in the size and number of households and other shifts in living styles, but on balance the expectation must be that total circulation will increase by little more than the extent to which the adult population grows, and possibly by less.

Market overview

In these circumstances, and given the country's demographic characteristics, the economics of production and advertising dictate that newspaper markets as such are either monopolistic or oligopolistic. That is to say, in most communities there will be only one newspaper, designed for broad appeal to a local or regional market. In a few centres of heavily concentrated population, the market may be oligopolistic rather than monopolistic, in the sense that it can be economic for two or three papers to aim at different segments of the total market; in that case they compete not in the old head-on style, for the market as a whole, but at the fringes, where the "segments" into which the statisticians classify people are not in fact clear-cut. Competition is also operative from below, so to speak, in that weeklies can serve some of the purposes of dailies over a smaller market area; and the local daily may also be subject to increasing competition from above, in the sense that more people may have a choice in the form of a "national" or "regional" daily. These, however, are only marginal qualifications to the primarily monopolistic position now held by most dailies.

The monopoly or oligopoly is only for the product as such, and newspapers are in the unusual position, as we have seen, that only a fifth or so of their revenue comes directly from selling their product. The bulk comes from carrying advertising. And in selling advertising they are subject to considerable competition. For some kinds of advertising — for those generally summarized as "classified" and for the retail advertising of the large food and general stores — newspapers have at present strong

advantages. In many other sectors, particularly some of those categorized as "national", they have strong competition, especially from television.

So far the advantages have been enough to make the "monopoly" newspaper, generally speaking, a highly profitable business. While in the most recent few years, rates of return for Canadian daily newspapers as a whole have not been quite as magnificent as they were, they remain well above returns on capital in most industries. This has been reflected in the newspapers' investment decisions: they have felt confident enough, and have been able, to put a great deal of money into modern buildings and plant, moving to more capital-intensive technologies and reducing the proportion of labor in total costs. The results of recent years give no indication of long-term decline; their lesser magnificence can be largely explained by the combination of less buoyant economic conditions, affecting most industries, with the instability of a few large papers which had remained in competitive situations longer than most. Those situations were "resolved" in part with the closing of such papers as the Montréal *Star*, Ottawa *Journal*, and Winnipeg *Tribune*. At this point, therefore, it remains true to say that market maturity for the Canadian newspaper industry is more than comfortable; it is an affluent maturity.

Amateur economists, and indeed some professionals, are perhaps over-inclined to press on to industries the analogy with the life-cycle of animals. It tends to be assumed that maturity is followed by decline and death. In truth, of course, industries can remain mature for generations and, while never again producing the exceptional profits for leaders generated in their best years, nevertheless remain satisfactorily profitable. To do so, however, they have to adapt to changing environments. It is quite likely that the need for a major further adaptation lies ahead of the daily newspapers over the next decade or so.

In later chapters we discuss the significance of the emerging screenprint media. We see no evidence that they will, within the future as yet foreseeable, present major competition to the newspaper in its specific function of providing news, analysis, and comment. But some form of screenprint may well evolve as a highly convenient medium for the kinds of advertising in which print has been relatively invulnerable to broadcasting. Likely examples are some kinds of classified and display advertising, such as real estate, and the great staples of the grocery and department store ads.

If this proves to be the case, the newspapers of Wednesdays, Fridays, and Saturdays will cease to be so much bulkier than those of other days. The daily average newspaper will be slimmer. It will have to adapt itself to be more attractive to other advertisers, to get higher rates from them, and even so will probably have to convince its readers that its editorial content is worth more to them. The trend towards a decreasing ratio of circulation to advertising revenue will probably have to be reversed.

An analogy with the recent change in the automobile industry, from the gas-guzzling monster to the compact model, may not be misplaced. It suggests that those who are slow to make the change may be rudely shocked from their affluent maturity. There could be, during an adjustment period, a sharp change in the conditions in which newspapers run their business. We do not, at this point, make any firm prediction. Screenprint technology is too much in its infancy. But the possibility is real enough to demand forethought.

Strategic objectives

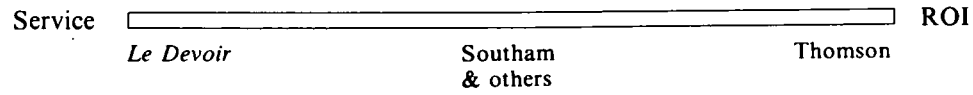
In any event, however, what may be changed is the environment for, not the nature of, the basic decision about objectives on which depends the way that a newspaper is run.

Like any business, it must make a profit to survive. Like any business, it is subject to constraints on how it makes its profits. For many industries, those constraints have become, in a more urbanized, affluent and educated society, tighter than they were in the days of a freer-wheeling capitalism: pollution control, health and safety regulations are conspicuous examples. Newspapers, however, are a business unlike others. *Once a daily has achieved a local monopoly, as most now have, the nature and quality of its specific product — its news content — ceases to be a close determinant of its revenue.* It has to become very much worse before large numbers of people stop buying a newspaper at all; and there are few additional readers to be attracted by improving the news product.

From a narrow business viewpoint, what is spent on the editorial content becomes simply a cost. The viewpoint was expressed most bluntly at our hearings by the publisher of the Winnipeg *Free Press* when he referred to the editorial department of his paper as "a non-revenue-producing department".[1] Obviously, there is in fact a minimum that must be spent on material that, in part at least, is reasonably what readers expect as news, and that advertisers expect to help to attract attention to their ads. The space between the revenue-producing advertisements must be filled. But beyond a minimum, determined largely by habit and expectation in the local market, editorial expenditure is, from the strict business viewpoint, simply a cost: a deduction from profit.

The dilemma of the monopoly newspaper is that this deduction from profit is what determines the quality of the newspaper's service to its readers, the fulfilment of its public trust. The newspaper proprietor must make a trade-off between his service responsibility, expressed in editorial costs, and the profitability of the business.

The terms of reference of this Commission reflect the general belief that responsibility to the public should weigh heavily with every newspaper. At the same time, it does need a profit, which is best expressed as a return on investment (ROI). In our hearings, it was clear that all proprietors recognized a public responsibility but they differed widely as to how and at what level the trade-off between public service and ROI should be drawn. Among Canadian papers (and in the tradition of many great papers in other countries), *Le Devoir* is most clearly at the public service end of the scale. Some of the other independents and Southam are in middle positions. Thomson and some others are closest to the ROI end.



On March 31, 1981, there were 117 daily newspaper titles in Canada, owned by 38 proprietors: 28 dailies were independently owned; 88 belonged to chains of various sizes; and one (the Toronto *Star*) was by itself as a daily but part of a public company with extensive other interests. This ownership pattern is summarized in the accompanying table, with circulation figures for the previous September.[2] In the following sections we will examine some of them in terms of what is known about the

way they run their business, and particularly how they make their trade-offs between public service and ROI.

Ownership of daily newspapers as at September, 1980

Owner	Number of titles owned	Location	Aggregate weekly circulation (in thousands)
Thomson	40	Various	6,865
Southam	14	Various	8,693
Sterling	11	Mostly B.C.	292
Gesca (Desmarais)	4	Québec	1,711
Bowes	3	Alberta	
		Ontario	93
Irving	5	New Brunswick	793
Toronto Sun	3	Alberta	
		Ontario	2,197
UniMédia (Francœur)	2	Québec	871
Northumberland (Johnston)	2	Ontario	41
Quebecor (Péladeau)	2	Québec	2,762
Armadale (Sifton)	2	Saskatchewan	715
Torstar	1	Ontario	3,522
Independent	28	Various	3,890
Total	**117**		**32,445**

Some of the owners are public companies and information about them is available, in most cases, from their annual reports and public statements. The analysis is less easy for those that are a part of a multi-industry conglomerate which consolidates its financial reports. Many of the owners, or their representatives, appeared before the Commission and spoke about their objectives in running their newspapers, and this background permits inferences as to their respective positions on the hypothetical service-ROI spectrum.

The Thomson group

Thomson Newspapers Limited and its subsidiary companies reported owning, at December 31, 1980, 128 newspapers: 52 in Canada, 40 dailies and 12 weeklies; 76 in the United States, 71 dailies and five weeklies. Kenneth Thomson confirmed at a public hearing that growth is a continuing objective, and growth has certainly occurred. Since December, 1973, the Thomson holdings have increased from 100 newspapers: 48 in Canada, 34 dailies and 14 weeklies; and 52 in the United States, 46 dailies and six weeklies.

The company is part of a much larger group of corporations, controlled by the Thomson family, that form a multi-national mixed conglomerate engaged in many other kinds of business, including wholesaling and retailing, real estate, oil and gas, insurance, travel and tourism, financial and management services, high technology

communications, trucking, and so on, most of which have no direct relationship with newspaper publishing.

In addition to Thomson Newspapers Limited, three major public companies form part of the Thomson organization — Hudson's Bay Company, International Thomson Organisation Limited, Scottish & York Holdings Limited. Public data show that in 1980 these companies had combined gross revenues from all operations in excess of $6.6 billion, gross assets in excess of $5.2 billion and net income of $195 million. Gross revenues of Thomson Newspapers Limited increased from $157.2 million in 1973 to $522.2 million in 1980; net assets employed from $73.6 million to $296.5 million; and net income, after interest and income taxes, from $26.0 million to $68.2 million. In 1980, Thomson Newspapers, while contributing only 7.9 per cent of the gross revenues of these companies, earned 35.9 per cent of the combined net income. Thomson Newspapers' return on net assets employed, before interest and income taxes, grew steadily from 70.4 per cent in 1973 to 76.8 per cent in 1979; in 1980, it dropped to 53.2 per cent due to acquisitions, principally FP Publications. History indicates that the forward march will be resumed.

The annual reports of Thomson Newspapers from 1973 to 1980 follow a rigid format. From time to time some light is shed on the policies of the company. The 1975 report contained the following statement of the company's operating policies:

> The results of your Company's operations for 1975 support our policy of confining our acquisitions to newspapers in small to medium-sized cities which are not as severely affected by downturns in the economy. . . .Your Company's philosophy of local autonomy in editorial matters is intended to ensure that its newspapers reflect the needs and character of the communities they serve. This philosophy ensures the acceptance of our newspapers in their respective communities and this in turn ensures their continued growth and profitability. . . .The continuing growth of your Company, both in terms of additional newspaper acquisitions and improved operations within existing markets, remains a fundamental objective.

Kenneth Thomson personalized these words in his testimony to the Commission:

> I believe in growing. I believe in growing in the newspaper business. . . .I like to invest. I like my family's investments to grow. . . .Newspapers I like very, very much.[3]

In the 1979 annual report, the acquisition of FP Publications was rather hesitantly reconciled with the objectives of growth, profitability, and community acceptance.

> Your Company is not yet able to fully assess the outlook for FP Publications for 1980. However, we are confident that on a long-term basis this acquisition will have a very positive impact on your Company's earnings.

Mention was made in the 1977 report of dividend policy: increase the rate to match the increase in income. Of the $140 million in dividends paid by Thomson Newspapers between 1973 and 1980, $100 million has flowed into other Thomson interests.

The importance of the cash flow from the newspapers was recognized by Kenneth Thomson:

> . . . everything that my family has today, and in terms of opportunities for the future, goes back to our newspaper organization.[4]

Reliance on the newspapers to exploit opportunities in other fields was underlined when Thomson hypothecated shares of Thomson Newspapers Limited in 1978 to obtain a loan from the Royal Bank of Canada to support exploration for oil in the North Sea.

The size of the Thomson group dwarfs its Canadian owned papers. Reliance is placed on reports and data filed by the individual papers and filtered through head office staff. Kenneth Thomson told us:

> ...I don't get around to see them very much personally, the individual papers, so I'm not as close to them in a sense, as I would like to be....But I can get the feel of our organization from our head office basically.[5]

What, then, can be said of the Thomson position on the service-ROI spectrum? Thomson told us:

> Look, we are running a business organization. They happen to be newspapers.[6]

Southam Inc.

Southam Inc., unlike the Thomson group, has no interests outside the broad field of what it refers to as the communication/information industry.

Southam publishes 14 daily newspapers, the weekly business newspaper *Financial Times of Canada*, 39 business publications, 24 annuals and directories, and 13 newsletters and looseleaf services. In addition it operates 10 printing plants and 53 trade shows and exhibitions. It has significant interests in other media operations: a near 50 per cent interest in two dailies, the Brandon *Sun* and the Kitchener-Waterloo *Record*, and a substantial interest in Selkirk Communications Limited which has extensive radio, television and cable interests in Canada and abroad. In response to an inquiry about its corporate purpose in 1980, the president, Gordon Fisher, said:

> One of our missions is to survive. Survive free of any interference that would prevent us from meeting our other responsibilities as we see them. One of our goals is to publish the best newspapers that we can, generally within the normal economic constraints....to the extent that I have a mission, it is to do nothing that would prevent it (Southam) being around 104 years from now, as a responsible member of an industry — and I am talking about the communications/information industry rather than the newspaper industry....[7]

Later he amplified his reference to an industry broader than just newspapers.

> ...to stick...to one product line — daily newspaper publishing — was really not appropriate for the long-term, because in the interests of the shareholders, there is always the possibility that somebody with another technology or new and creative ideas will come along and do something that would erode the relative position of daily newspapers in the total marketplace.

With regard to financial goals, Fisher commented:

> ...the only goal that we have ever stated publicly was the statement made in 1975...which set out a specific goal for return on the share-

> holders' investment. . .to earn 12 per cent return. . . .Well, we have not achieved that. . . .

The annual reports of Southam since 1973 elaborate on these themes. Corporate objectives can be inferred from its 1973 annual report which refers to record levels of revenue and income, to a strong demand for its daily newspapers and the advertising they carry, for its printed products, and for its business publications, trade shows, and services. That report concluded: "The year's results exceeded our most optimistic expectations." Similar sentiments underlining the goals of growth in revenues and income are expressed in subsequent annual reports.

The goal of diversification was enlarged upon in the 1976 annual report, which gave a definition of Southam's business "that has guided and in some ways limited the company's growth". That definition stated that the company's area of business was "communications" — both mass communications and products aimed at small, select segments of the mass market. Activities said to be appropriate included newspaper publishing and printing, as well as investing in broadcasting and other forms of electronic media; emphasis in new communications endeavors was to be on "information" or "knowledge" rather than on "entertainment". The statement concluded with a pledge that Southam would not acquire "control of more than one medium of mass communication within a single community nor. . .of any group of media that might represent a regional concentration".

Did Southam achieve its financial goals? From 1973 to 1980 it recorded a compound annual growth rate of consolidated gross revenues of 7.4 per cent in constant dollars. It recorded significant growth in the circulation of its daily newspapers, which came primarily from its acquisition of the Sault St. Marie *Star* and sole ownership of the Vancouver *Sun* and *Province*. Annual reports tell of investments made to make money or to save money: in 1975, to improve the competitive position of the Winnipeg *Tribune*; in 1976, to research reader-oriented products and to establish common computer systems; and throughout the period, to adopt new technology. The annual reports attest to Southam's diversification activities; in almost every year, it has reported the acquisition of another company, from Coles Book Stores Limited to Videosurgery Limited.

In all but one year from 1973 to 1979, Southam has been able to report increased profit and earnings-per-share and to increase dividends to shareholders. In 1980 reported profits and earnings-per-share dropped but dividends were increased. Since 1977, Southam reported segmented data — that is, revenues, income and net assets employed — for its four operational areas, newspapers, printing, book stores, and communications. The return on net assets employed for the newspaper segment declined from 32.2 per cent in 1977 to 19.4 per cent in 1980.

The inference from statements in annual reports and testimony to the Commission is that Southam's mission focuses on profitability and diversification within the communications/information industry. But profitability for Southam is not synonymous with a maximum ROI. The company has a number of self-imposed constraints. Its concern for journalism is exemplified in its news service for the daily newspapers and in its scholarships. The Southam approach is not single-minded. It is not solely profit maximization. It is not operating a business organization that just happens to be in newspapers.

Sterling Newspapers

The third largest chain in number of newspapers, but not in circulation, is Sterling Newspapers, created since the time of the Special Senate Committee on Mass Media. Sterling Newspapers became a division of Western Dominion Investments Company Ltd. in 1979. The Sterling chain comprises 11 daily newspapers, nine in interior and northern British Columbia, one in Saskatchewan, and one in Prince Edward Island. The chain also includes seven weekly newspapers, three in the vicinity of Vancouver, one in the lower Fraser Valley, three in the B.C. interior and one in Saskatchewan.

Western Dominion is a private company, one of many controlled by Warspite Securities Limited, the main holding company of the Black Group. According to an information circular issued by Argus Corporation Limited, Conrad M. Black, his brother G. Montegu Black, and members of their families own directly or indirectly 75 per cent of Western Dominion. Other principals are Peter G. White (no relationship to Peter G. White of the London *Free Press*) and F. David Radler. The company's investments are diverse, including interests in mining, oil and gas, food production, wholesaling and retailing, radio and television, and real estate.

The financial statements of the Sterling Newspapers division of Western Dominion and those of Western Dominion itself are not public. However, there are public data on some of the companies that Western Dominion controls — Hollinger Argus Limited, Argus Corporation Limited and Dominion Stores Limited. As at December 31, 1980, Hollinger Argus and Argus had gross assets of over $900 million; their 1980 revenues, made up primarily of royalties, interest and dividends, exceeded $90 million and their net income $35 million. In 1980, Dominion Stores total assets were $454.1 million, revenues $2.7 billion and net income $27.3 million.

Sterling Newspapers is a minor holding in this impressive conglomerate. F. David Radler, the president of Western Dominion, described the genesis of the newspaper chain:

> We saw a vacuum out west. There was very little chain ownership. There were available dailies out west and we went out and bought the dailies that were available but I think what's more important is we converted five newspapers that were weeklies into dailies. . . .We would be interested in anything. We'd be interested in buying existing dailies but where — if an existing weekly came up for sale and we could buy that weekly, we would consider weeklies that have daily potential.[8]

It is difficult to infer what weight Western Dominion gives to the objective of service in its management of the Sterling papers.

Radler told us he wrote some editorials for the Sterling papers. When asked if he was a newspaperman, he responded: "I am a businessman."[9]

Power Corporation of Canada (Desmarais)

The four dailies that form a part of the Power/Desmarais group are owned, through a series of companies, by Gesca Ltée. Gesca is owned by Paul Desmarais; its relationship with Power is established through an "income debenture which effectively provides that all the earnings and any realized changes in the incremental value of the equity of Gesca Ltée accrue to the debenture holder", Power Corporation.[10]

The names of Power's major subsidiaries and affiliated companies are well known: The Investors Group, The Great West Life Assurance Company, Montreal Trust Company, and Consolidated Bathurst Inc. The financial statements for these four companies, in addition to those of Power, were included in the 1980 annual report. The totals for all five show gross assets $9.5 billion; gross revenues $3.9 billion; net income $426.8 million. Gesca's contribution to Power's earnings in 1980 was $1.2 million.

In the eight years, 1973 to 1980, Gesca's total earnings from operations were $7.5 million; during this period it paid $10.7 million to Power in dividends and $2.5 million as repayment of loans.

Power regularly repeats in its annual report a statement describing its operational methods. This part of the statement reflects the mission of the corporation. It reads:

> While Power Corporation's ultimate responsibility to its shareholders is to produce a fair return on their investment, a primary objective is to select and develop management in each operating unit with the skill and expertise capable of building and maintaining well-managed companies within the free enterprise system.
>
> The Company operates on a decentralized basis, with the executive officer of each subsidiary and affiliated company responsible to its own board of directors for the progressive and profitable management of a company.
>
> Power Corporation monitors the performance of each of the companies, analyses the financial results, and participates through its board representatives, in major management decisions.

This statement is consistent with Desmarais' testimony that a newspaper can combine the business and public service motives. "But without a doubt, a newspaper is a business. . . ." [11]

The Irving family

The principal interests of the Irving family are transportation, pulp and paper, mining, and petroleum. Nearly all, including the newspaper companies, are family-owned and hence do not publish annual reports. It is clear that the daily newspapers represent only a very small part of the conglomerate. Three members of the family appeared at our hearings and passionately set forth their objectives. Arthur Irving, who together with his brother James and his father owns the Saint John paper, said:

> . . .we like the Saint John paper and that's the only one I'm involved with. I own 40 per cent and I intend to keep it forever. . .it is our privilege to own it, and nobody in this God-given room is going to take it away from us.[12]

The third brother, John Irving, who owns the Fredericton and Moncton papers, was asked about his objectives as a newspaper owner. He said:

> . . .my interest centres on them being good newspapers, responsive to the needs of the communities they serve. . . .My active involvement in the papers runs to assisting them to become more efficient and up-to-date in the areas of physical plants and facilities. . . .I am interested in their profitability but not to the extent that I review or trim the budgets which are prepared by the publishers. . . .The only terms of

> reference which I have given to my publishers in Fredericton and Moncton are: one, to publish the best possible newspaper; and two, to be as competitive as possible.[13]

How do the Fredericton and Moncton papers attempt to balance these "terms of reference" with the owner's interests? Tom Crowther, publisher of the Fredericton *Daily Gleaner*, explained:

> Basically, there has been no criticism of industry as such, pinpointing industry, in the Fredericton *Daily Gleaner*. . . .We don't criticize the International Paper Company as such, editorially. We don't criticize any company. . . .We have not editorially criticized any industry in this province.[14]

The brothers confirmed that they would be interested in buying additional newspapers within the province of New Brunswick or elsewhere, but not because they wished to be involved with the operation of the papers. Arthur Irving stated:

> But when it comes to newspaper business, we read the papers, we pay for our subscription and we think they are as good as any newspapers in Canada.[15]

Why, then? Arthur Irving, recalling the words of his father, K.C. Irving, to the Davey Committee, supplied the answer:

> We like to own things too.

The Toronto Sun Publishing Corporation

The Toronto *Sun* started publishing during the period under study. Only three annual reports have been issued in the years since it became a public company. All reflect exuberant delight:

> . . .a dream in 1971. . . .We now (in 1979) own $20 million worth of assets in Toronto and $5 million worth of assets in Edmonton.

The 1980 annual report said that "the little Syndicate that grew keeps on growing" and the "little Syndicate", the "Sun Syndicate", is the vehicle for diversification. In addition to its controlling interest in United Press Canada and Unibiz, a financial news service described as an "executive toy" by *Sun* president Douglas Creighton, it is also into manufacturing newspaper boxes, supplying carrier bags and buggies, distributing games and contest ideas, and merchandising bats, pens, caps, and T-shirts. From 1973 to 1980, consolidated gross revenues grew from $4.5 million to $58.2 million, a compound annual growth rate of 30 per cent. Substantial investments have been made in the Toronto paper and a *Sun* has been established in Edmonton and a *Sun* acquired in Calgary.

The financing of the *Sun* was discussed at our hearings. Two board members are from prominent real estate firms. Creighton assured the Commission that the private sources of the company's capital had no influence on editorial policy.

Creighton described the original concept and philosophy of the company:

> We wanted to be tabloid; we wanted to be bright; we wanted to be opinionated; we wanted to have lots of pictures. . . .We wanted to inform. . .we wanted to entertain, and. . .we wanted to remain financially healthy. . . .[16]

UniMédia Inc. (Francoeur)

Jacques Francoeur owns two dailies and 13 weeklies in Québec through his substantial control of UniMédia. His other investments include newspaper and periodical distribution, printing operations, and car and truck rentals. He bought *Le Soleil* in 1973 after Desmarais was thwarted in his attempt to do so, and they have been linked for some time through their previous close business associations and chains of community papers. Francoeur, when asked about his objectives in owning newspapers, said:

> . . .it's an essential public service which must provide the best newspaper possible in the local context, while taking account of financial ability. It would be a great deal easier to turn out better newspapers everywhere if we had a better profit margin.[17]

Asked if he agreed with the opinion of Desmarais that a newspaper, even though it renders a public service, should be closed if it goes into the red, Francoeur replied:

> Well, the laws of the market serve as a clue there. Our paper suppliers, our journalists, our printers want to have their salaries and to see their bills paid every week.

He tempered this comment in respect to the ownership of newspapers by conglomerates:

> As long as the loss. . .is reasonable, you can go ahead and support it with your eyes on the future.[18]

Quebecor Inc. (Péladeau)

The Québec counterparts of the Toronto *Sun* group of papers are *Le Journal de Montréal* and *Le Journal de Québec*, both owned by Quebecor. In addition, Quebecor owns 28 community and pop weeklies. The 1975 annual report proudly tracked the record of diversification since incorporation in 1965: acquisitions included printing and publishing companies, newspapers, magazines, and a number of other ventures. In 1977, Quebecor established the Philadelphia *Journal*, which it saw as the forerunner of a number of newspapers throughout the United States.

From statements in Quebecor's annual reports, we infer a mission of growth and profitability: ". . . our management policies. . .are oriented to profitable operations" (1974); 1976 was a year of "growth and achievements"; the 1977 report noted the "importance we attach to expansion", and the 1979 report the "marked increase in profitability" consequent on consolidation of the company's activities.

The principal shareholder, Pierre Péladeau, confirmed plans for expansion when he appeared before the Commission. When asked if he would consider buying radio or television stations he replied, "without doubt, without doubt". When asked if he had thought of going to other locations in the United States he replied: "Oh, definitely, definitely." His expansion plans for newspapers focus on the United States. Asked if he had plans to launch other newspapers in Québec he said:

> Not today, but there could be opportunities, there could be opportunities.[10]

From 1973 to 1980, Quebecor increased its consolidated gross revenues at a compound annual rate of 14 per cent in constant dollars. Quebecor profits and per-

share earnings grew during the period, and it paid its first dividends in 1977. The cash flow resulting from its newspaper operations is a source of its growth as a media conglomerate. Asked about his objectives, Pierre Péladeau said:

> The name of the game is profit. If you don't make a profit, you don't have a newspaper. And you can develop a very pretty philosophy, but the fact is that if a business does not succeed, well, there's no business.[20]

Armadale Company Limited (Sifton)

Michael Sifton has two dailies in Saskatchewan, the Saskatoon *Star-Phoenix* and the Regina *Leader-Post*. These two dailies now form part of a mixed conglomerate enterprise which includes airport operations, real estate and other investments, as well as radio stations in Regina, Winnipeg and Hamilton. There are no public data on the Armadale operations since all are held through private companies.

In his testimony Sifton told us about the dangers of government control of the newspaper industry. He also told us about the "pretty damn fine people" in the major chains. Sifton, a resident of central Canada, said:

> . . .it would be nice to have every newspaper owned by an individual who can be the local proprietor per se. The economics don't prove that way. No how. . . .[21]

Much of Sifton's presentation to us related to estate planning difficulties which he attributed to the capital gains tax provisions of the Income Tax Act. Notwithstanding these difficulties and his expressed views on local ownership, Sifton would like more newspapers. Kenneth Thomson described his telephone conversation with Sifton in the early months of 1980:

> He phoned me and he indicated that if we were going to sell off any of our newspapers from the FP group, that he would be interested. . . .He said, "You know, we're not as large as you are, but we would be happy to buy one or two newspapers." He said, "We want to make a buck." I remember the expression and I said, "Well, does that mean, Michael, that you only want to buy a profitable newspaper or two. . . .You wouldn't be interested in the newspapers that are losing money?" and he said, "No."[22]

Torstar Corporation

Torstar is a conglomerate. The day-to-day operations of the Toronto *Star* newspaper are managed separately from those of Torstar. Other enterprises which Torstar controls include Comac Communications Limited, Metrospan Printing & Publishing Ltd., Harlequin Enterprises Limited, and Neilsen-Ferns International Limited.

In addition it has a 50 per cent partnership interest with Southam in Infomart and a one-third interest with Southam and Thomson in Today Magazine Inc. A one-third block of shares in Western Broadcasting Company Ltd. was sold in June, 1981.

In February, 1981, Metrospan added to its 14 community papers those of Inland Publishing Co. Limited, thereby giving it 27 community papers circulating in and around metropolitan Toronto. This purchase also included Inland's extensive commercial printing facilities in Mississauga, Ontario.

Torstar's consolidated gross revenues have grown dramatically from $94.8 million in 1973 to $472.7 million in 1980. Equally dramatic is the decline in the contri-

bution to these figures made by the *Star* and the community papers. In 1973, newspaper revenues accounted for 96.3 per cent of Torstar's consolidated gross revenues; just eight years later they accounted for no more than 37.6 per cent. In constant dollars, the newspaper revenues have risen only marginally. In the same period *Star* circulation has risen, but primarily because of a decision to publish on Sundays and strong growth in Saturday circulation. While the operating profits of Torstar have climbed steadily over the period and in 1980 were $58.9 million, the contribution of its daily and weekly newspapers to these profits has remained about the same in current dollars — $13.9 million in 1973, and $12.4 million in 1980.

In his testimony, Beland H. Honderich, chairman of Torstar, referred to responsibility:

> I think the newspaper's prime responsibility is to inform the public, whether it's a local community or a national community. . . .If the people in the local community don't feel the newspaper is serving their needs, they won't support the paper. . .the marketplace will determine whether or not the newspaper is serving the local needs. And if it's not, obviously, it won't support it.[23]

He also spoke of the effect of group ownership and said that it:

> . . . place(s) in the hands of relatively few people the power to control what their newspapers publish. Even if this control is not exercised directly, it is exercised indirectly through budget controls and the selection of publishers and editors. For the same reason that independent newspaper publishers tend to hire people that reflect their opinions, the owners of group newspapers select people whose opinions do not vary too greatly from their own.[24]

At a later session, when asked how he would regard the role of Torstar and its subsidiary companies, he described that role as "communications and information", adding that newspapers and magazines also provide entertainment, while Harlequin "romantic fiction novels" provide information as well.

It is apparent that the pressures for growth and profitability have dictated Torstar's recent acquisition policy. "The shareholders of Torstar are making an investment and they will expect a return on their investment. . . ," said Honderich.[25]

The Beacon Herald of Stratford Limited

The Dingman brothers publish a daily newspaper in Southwestern Ontario, the Stratford *Beacon Herald*, which has been in the family since 1886.

In testimony to the Commission, Charles Dingman, the co-publisher, stated that he was not contemplating acquiring other newspapers or media operations. "We find that. . .we've got our hands full in Stratford."[26]

Asked how he viewed newspaper operations, he responded:

> . . .it's a business, all right. It has to turn a profit, but it's not a business like any other. You're publishing a newspaper; I think there's the trust there you have to publish the news. Your news department, shall we say, in the strict sense of the word, doesn't earn you any money; it's all outgo, but if you're going to be a newspaper, you have to have it, you have to support it adequately in order to fulfill your responsibility.

This acknowledgement of social responsibility is not subordinate to the ROI objective, although its cost is clearly recognized.

Le Droit Ltée

Le Droit Ltée of Ottawa, although a private company controlled by a religious order, gives some publicity to its annual report. *Le Droit* in 1974 described its mission thus:

> . . .the newspaper *Le Droit* has a distinct and unique mission: it is a Christian paper, independent in politics, and intended to serve Franco-Ontarians and francophones in the west of Québec.

The company has not ignored profitability and growth, but it has not made them a top priority. Up to 1974, the company had declared a dividend only once.

Some shift in emphasis is seen in the 1979 annual report. The opening paragraph of the president's message reported that:

> . . .all sections of the business have maintained and in some cases speeded up their tempo of efficiency and growth. Despite an increasingly difficult economic environment and constantly mounting costs, the newspaper has been able to assure its readers and advertisers of a high quality product, and to increase its sales of advertising and subscriptions, and to finish the year with a slight profit.

The same annual report announced an acquisition leading to greater diversification — Select Educational Distributors in Oakville, Ontario. It gives the company "an open door on the English-Canadian market and eventually the American market". When combined with *Le Droit's* other business activities in printing, publishing and radio broadcasting, a media conglomerate with a distinct emphasis on the service objective emerges.

Le Devoir

The statement of Michel Roy, editor-in-chief of *Le Devoir*, gave a strong image of a newspaper policy carefully designed to appeal to a particular audience:

> *Le Devoir* is not an easy newspaper to read, at least not by the usual standards in media circles; they say it's at times austere, in spite of systematic efforts to make it easier to read and to give it a less sombre appearance. But we have chosen to inform, to comment, to analyze, in the political, social, cultural, and economic sectors.[27]

He also expressed the view that:

> If newspaper businesses were obliged to publish their financial statements every year, this would allow the public. . .to know the state of the company's resources, and it would make these businesses more open, it would allow the public to see the difficulties a little before they appear and before a company closes; in the end it would perhaps allow some businesses to be saved, and. . .to establish closer ties between the business and its reading public and the community where this newspaper is published.[28]

While *Le Devoir* recognizes that it is necessary for a newspaper to make money, Roy stated:

> . . .that they (newspaper businesses) earn profits, that is normal in our capitalist society, it is the condition of survival, they say. Now the question is to know what percentage of profit goes to the head office of the business. . .in the form of dividends, and what percentage is reinvested in the business, especially in the editorial section for hiring journalists.

Le Devoir is clearly situated at the public service end of the spectrum.

Evaluation

This review of the approach of proprietors to the running of their newspapers makes very clear a general relationship between the type of ownership and the emphasis, as between public service and ROI, of the owner's objectives.

Nearest to the business (ROI) end are the mixed conglomerates, the companies with extensive interests in other businesses besides newspapers. They are Thomson, Western Dominion, Desmarais, Irving, and Sifton. They fit their newspapers into their general business objectives. For some, their daily newspapers appear to be regarded as cash generators for investment in further expansion of the mixed conglomerate. Where profitability of the newspapers is relatively low, it is still reasonable in most cases and there is indication that some companies regard the newspapers as serving the needs of the larger organization by helping to limit criticism of it.

More to the centre of the spectrum between service and profit are the owners whose interests, while going outside newspapers, are mostly in the general area of communications. They include public companies like Southam, Toronto *Sun*, Quebecor, UniMédia, and Torstar.

Nearest to the service end of the spectrum are some private companies. *Le Devoir* and *Le Droit* stand out but some owners of English-language papers, such as Walter J. Blackburn of the London *Free Press* and the Dingmans, evidently share some of the same motivation, although their way of expressing themselves is not as direct.

In a qualitative analysis, the distribution of newspaper owners in the spectrum of objectives is illustrated.

Service ROI

Independents	**Media Companies**	**Mixed Conglomerates**
Le Devoir	Southam	Thomson
Le Droit	Toronto *Sun*	Western Dominion
Dingmans	Quebecor	Desmarais
	Torstar	Irving
	Blackburn	Sifton
	UniMédia	

The dotted lines separating the groups reflect the imprecise nature of such qualitative assessments. Almost all the industry spokesmen who appeared before us expressed concern for both objectives; but there are clear differences in how they weigh the two against each other. The diagram indicates our judgment of the relative weight given the ROI and service objectives by different types of newspaper owner.

The differences in objectives, as between owners, do not seem to make much difference to management relations with production labor, which were discussed briefly in the previous chapter and will be the subject of one of the research studies to be published after this Report.

The relations of management with editorial staff are more varied. If it were necessary to make a generalization about Canadian newspapers, it would have to be that there is a great gulf between management and journalists. A shrugging of shoulders about what has appeared where, and what has not appeared, and why, is the

most common attitude of reporters to the overall result of their efforts. In consequence, journalists have far less sense of intrinsic rewards from their work than most start out expecting. Cynicism early sets in, though many go on wanting to improve themselves and their work. But how? There is little encouragement.

Fortunately, this general judgment is subject to qualifications. Journalists in Québec have asserted themselves more than those of the English-language press and, while that has some negative aspects, on balance it seems true to say that journalism in Québec is more enlightening to the reader and more satisfying to its practitioners. Within the English-language press, journalistic morale tends to be at its lowest in the papers at the right end of our spectrum and to improve somewhat in the papers whose proprietors rate their public responsibility higher.

In a mixed conglomerate, such as Thomson, the *only* obvious measure of success is a quantitative measure, that is, ROI. Newspaper ownership is particularly attractive to such organizations because of the large cash flow, in relation to investment, that can be generated. Often the newspaper is, for the conglomerate, a "cash cow".[29] Its revenues can be milked not only to buy other newspapers but also, as by Thomson, to finance expansion into other ventures. The journalists' sense of estrangement has a solid base in corporate objectives and strategy.

However, the newspaper owner who takes his public service objective seriously is at a financial disadvantage. The service-oriented paper necessarily has a lower financial return, and hence a lower financial value, than it would if ROI were the only objective. A buyer with a business objective can therefore pay what is, for him, a relatively low price for the cash flow that can be realized after he has reduced costs to the minimum consistent with the continuing existence of the newspaper. But that relatively low price from such a buyer's viewpoint, based on *potential* earning power, is for the present owner a price that cannot reasonably be refused, when he looks at it in relation to his own profitability while serving the public responsibility objective.

This is why Southam, as a public company, is vulnerable to takeover. It is also, however, why in the past some independent proprietors have felt that, if family ownership could not be perpetuated, they would wish to sell only to Southam. The Windsor *Star*, for example, chose to allow only Southam to bid, because it was believed to take the public service objective seriously. The same attitude was expressed by Blackburn with regard to any hypothetical future sale of the London *Free Press*.

Nothing of the kind has ever been said of Thomson or Western Dominion, with their heavy emphasis on ROI. It has been said of Thomson that "... one has the feeling that they would be just as happy to own 40 massive bank vaults or 40 widget factories."[30]

We must conclude that the push to concentration in the newspaper industry has been so strong precisely because it is a business not like other businesses. In most industries, the best managed firm, offering products of better value for money, will generally be the most successful, and will invest accordingly. This is partly true of the newspaper business, insofar as it is a business; but for newspapers it is also true that great financial advantage can result simply from cutting editorial costs and reducing the quality of service. When ROI is the overriding objective, the editorial content of a paper becomes little but the carriage for the advertising. The quality of the content is reduced to the minimum that will support the carriage of the advertising.

Such a policy produces a cash flow so large that any more service-oriented, and therefore less profitable, newspaper is vulnerable to almost irresistible offers to purchase. In the absence of protective government action — protection, in the public interest, of the freedom of the press from financial subversion — there are no predictable limits to even greater concentration of ownership.

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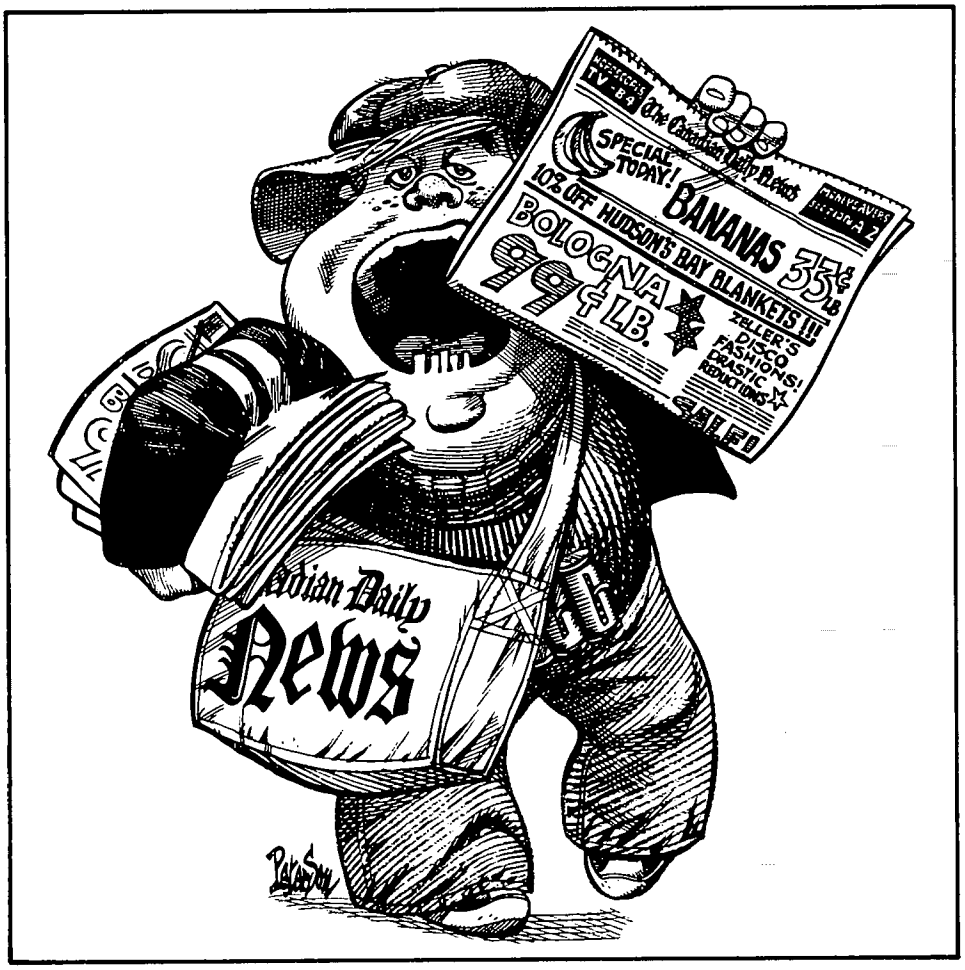

Roy Peterson,
Vancouver

6

The newsroom

IT HAS often been said that journalism is not a business like others. What, then, sets it apart? To answer the question, we must go to the heart of the action in the newspaper itself, the newsroom.

While the newspaper's ideal is to report the truth, it cannot, obviously, provide an account of everything that happens. It is forced to choose from the multitude of facts and events, statements, announcements, and opinions that daily enliven the community. That choice is determined first of all by the nature of the medium. The newspaper brings the event to the reader via the printed page; so, apart from news selection, there must be time for writing, page makeup, printing, and distribution. These different stages, and especially the last two, prevent the newspaper from competing with the electronic media in terms of immediacy; on the other hand, it can treat the news in more detail and in greater depth.

Other constraints and limitations stem from the format of the newspaper, from the market it seeks to serve, from its style and traditions, and finally from its system of management, which is closely tied to the ownership of the business. In sum, journalism is a severely limited world:

> The environment in which journalists must function, and develop and exercise their own rough versions of moral philosophy, is the corporate world of centralization, rationalization, and minutely calculated expenditures. In this world, journalists are only marginally professional, yet they are also aware that in that margin exists not only their salvation but their reason for existence.[1]

The editorial department

The clicking of typewriters, the noise of paper being crumpled or torn up, the incessant ringing of the telephones; the constant traffic around the news desk, which hums like a beehive; an atmosphere that becomes increasingly hectic as deadline approaches; news that spreads like wildfire — an attempt on the life of the president of the United States, the death of a world figure, an air tragedy, or the launching of an election: only someone who has experienced daily life in a newsroom can understand the fervor it can inspire, and why men, and more and more women, spend the

best part of their lives there. The newsroom is the heart of the newspaper; without it, advertising would be without a vehicle, and the presses would have no reason to roll. But, as we will see, businesslike organizational structure tends to make the editorial department not only like other departments, but secondary to others.

There is no standard organizational model for our daily newspapers. Titles vary with functions, and this diversity is even more pronounced in the French-language papers. Usually, however, the head of the editorial department is called the editor-in-chief, and he reports directly to the head of the newspaper — the publisher in English-language papers, and a PDG (*président directeur général*), an *éditeur*, or a *directeur* in the French-language press.

The editor-in-chief is responsible for all the editorial content of the paper. Often, he prefers to concentrate on the editorial page. A career journalist of great experience, he is steeped in the traditions of his newspaper and thus knows the direction it should take on a day-to-day basis. Whether he writes editorials or not, he keeps a vigilant eye on the newsroom. He is often the newspaper's public spokesman and usually maintains close relations with politicians and opinion leaders. If he has the personality for it, he can influence the paper much more profoundly than the owner or publisher.

The *Globe and Mail*, for example, would doubtless not be what it is today if its editor-in-chief, Richard J. Doyle, had not been on hand to assure continuity for nearly three decades (two as editor), under four owners and six different publishers. But, as explained in an article that appeared in April, 1981, in *Saturday Night*, Doyle has always thought that "journalists should avoid commitment to everything except their craft and their newspaper".[2] It was he who, fresh in office, established the political independence of the *Globe* at the beginning of the 1960s. He has steadfastly maintained it since, not only in political matters, by adhering to an ideal of press freedom that often tends to get lost in the management of newspapers.

> Doyle plays a role that is crucial to the life of the Establishment, yet he remains an outsider.[3]

To a great extent, the editor-in-chief of the *Globe* belongs to a breed which unfortunately is on its way to extinction.

Under the editor-in-chief are to be found one or two assistants who may carry the title of executive editor, editorial page editor, or other. On English-language papers, there is a managing editor, who is directly in charge of the newsroom. It is he who hires and fires, and who in addition negotiates editorial space with the advertising department. There is also a news editor, who is in charge of the news desk. He reads everything and determines a story's importance and hence its prominence in the paper. If he is not pleased with a story, he puts it aside or asks for a rewrite. He personally sees to the layout of page one. He supervises the rest of the layout, which is done around the desk by sub-editors or in the various sections by department heads — local, national, international, entertainment, business, sports, and so on.

It is here at the desk, at the layout and headline stage, that a good part of the style of the newspaper is determined. *Le Devoir* does not write headlines like those of the *Journal de Montréal*, nor the *Globe and Mail* like the Toronto *Sun*. In the first of each pair, the headline will be less sensational, more restrained, and more in tune with the significance of the news. Similarly, the prominence accorded various news stories will be rather different from one paper to the other. Some dailies with a

national outlook such as the *Globe*, or *Le Devoir*, will be ready to give a banner headline to national or international politics, while local dailies will emphasize news that is most important to their municipality, and the pop tabloids will blow up the most spectacular news item. It all depends on the desired market.

The format of the newspaper can also have an effect on the style of news stories, if not their content. The tabloid calls for more concise news treatment (or more superficial, as the case may be). There is hardly any detailed analysis, and major features are even scarcer. But is this really because of format? In North America, with rare exceptions such as the *Christian Science Monitor*, the tabloid is usually associated with news that is light, fast-paced, and abundantly illustrated. In Europe, however, many respected dailies are this size. *Le Monde*, which is the best example, could not be more different in style from the North American tabloids. Its articles are laden with analysis and commentary, and the news is not illustrated. When Pierre Péladeau said the tabloid was the "format of the future", could he have been thinking of *Le Monde*?

In the setting we have briefly outlined, the reporter is the one who produces the copy. Court reporter or labor columnist, parliamentary correspondent or entertainment critic, city hall reporter or travel writer, he or she provides the vital link between the event and its appearance in print. Every newspaper has its staff content, that is, copy written by regular editorial staff, and other copy provided by press agencies, syndicates, and various correspondents and stringers, as well as syndicated columnists.

In all, the editorial content of a newspaper depends not only on the characteristics and limitations of the paper itself, but also on available space, the decisions and objectives of management, and many other factors. A newspaper can be studied from many different angles: the ratio of advertising to editorial space, of editorial comment and analysis to straight news, of staff writing to articles from agencies and other sources, of local news to national and international news. All these relationships determine the character of the paper.

Over the years, business development has tended to place more importance on the newspaper's most profitable function, its role as an advertising vehicle, to the detriment of its social and intellectual aspects. Thus the editorial department has ultimately come to be seen as a "non-revenue-producing department",[5] to use the words of the publisher of the Winnipeg *Free Press*, Don Nichol. As a result of his telling the Commission that he had been "very generous" in his budgetary concessions to the editorial side, commissioner Laurent Picard wanted to know more:

> Picard: Okay, let me try to be more direct — I know that you don't have a return on investment in a division, on a per-newspaper basis, but if I were to tell you that you will get a better newspaper if you lose two per cent on the return on investment, or return on equity. . .
>
> Nichol: Yes.
>
> Picard: What would you do?
>
> Nichol: Well, I'd go for the better newspaper.
>
> Picard: At two per cent less?
>
> Nichol: Sure.
>
> Picard: Three per cent? At three per cent less?

Nichol: I'm easy.

Picard: Four per cent less?

Nichol: Well, if it were my newspaper, I would certainly; eight, depending on what the eight is going to do to me, what it's going to do to my bottom line.

In this ambiguous context, it is not surprising that journalists, those "salaried eccentrics", as the first Lord Thomson of Fleet called them, quickly lose the taste for their job. They leave university or schools of journalism full of ideals and collide with a system in which they are merely cogs, held in more or less esteem.

> The same thing is said endlessly by reporters in all parts of the country. They come to newspapers, usually nowadays from the journalism schools, with fresh new Bachelor of Journalism degrees, in part attracted by the supposed glamor and excitement of the reporter's life, in part with the notion of improving the world by making (people) more aware of what is going on around them but still ready to chase fire engines while they learn the ropes. And too often they find that, beyond the fire engines, lie only obits, the nightly police checks, Rotary Club luncheons, coroners' juries, the annual convention of the Good Roads Association, and features on the Fall Fair.[7]

The demonstrated profitability of the newspapers, and especially the fear of doing profitability the least harm, can lead to a presentation of news that is increasingly dull and insipid; and this predictable and unchanging news in the end no longer even corresponds to reality:

> Well, the very shape of the daily newspaper suggests it is a world, if you will, a microcosmic world, that doesn't correspond to the real world. In other words, there are large business pages. On the business page, there is a great deal of space given to stock market reports. And yet only three per cent of Canadians own any stocks.
>
> There are large travel sections; there are fashion supplements; there are automobile supplements — as one appeared in the Toronto *Star* last week, pages and pages without anything critical about the automobile. So that the very structure of the product that you get in your hands at your doorstep does not correspond with the society at large.[8]

Cynicism and disillusionment are current in the newsrooms because of the reluctance of publishers to encourage digging for news that goes beyond the very short term. In this connection, a reporter from a daily in the West noted that too often reporters are given assignments, such as press conferences, which will produce instant copy. No one wants to take a chance on investigative reporting or on long and exacting research. Wondering whether the conflict between profit and investigative journalism was not irreconcilable, the reporter concluded:

> If profit precludes newspapers from digging, there is a definite problem with the system of running newspapers.[9]

There are complaints that investigative journalism frightens too many editors, who associate it with the exposure of scandals — the Watergate syndrome — instead of seeing in it a way to provide thorough explanations of an event, or series of events, whose importance often escapes the public in the flood of current events. Many reproach newspaper managements for not using the resources at their disposal effec-

tively. It is said that newspapers must be more selective, and instead of scattering their energies on the superficial, should make concerted efforts to cover the most important subjects in the clearest way possible in order to educate the public.

Declining prestige

Journalists are increasingly concerned about declining public confidence in them and in the written press in general. The scandal that blew up around the Pulitzer Prize, awarded in April, 1981, to the Washington *Post* for a story that turned out to be fictitious, did not help the situation. Nor did the unfounded accusations levelled by the Toronto *Sun* at John Munro in June, 1981. The newspaper had accused the Minister of Indian Affairs and Northern Development of having made gains on the stock market when Petrofina was acquired by Petro-Canada. The paper had to apologize less than a week later, and acknowledge that the story was a fabrication by one of its star reporters. Don Braid, columnist for the Edmonton *Journal*, underlined the low prestige of the profession as follows:

> When I left teaching to become a journalist, my principal said, "You will not only suffer a pay cut, but you will also suffer an immense loss of status." And I think that is true. I think our reputation as journalists and as architects of newspapers in the community at large is very low.[10]

Why is this so? Some journalists are of the opinion that newspapers underestimate the intelligence of their readers, that management is loath to devote time and money to projects that present the slightest risk of failure; in short, that they aim more at entertainment than education. They complain that salaries are too low to attract, and particularly to keep, competent people. Above all, they decry the practice, rare though it may be, of publishing articles expressly to please an advertiser. A young journalist employed by the Thomson chain spoke of this:

> Sometimes the ad people. . .will say to an advertiser, "We'll get somebody to write a nice story about you, too." You feel like a prostitute. . . .But they (management) just say, "You've got to accept that that's part of it sometimes."[11]

This practice, which occurs most often in local or regional dailies, helps neither the morale of journalists nor the prestige of the press in general.

In addition, the present system limits opportunities for journalists to move ahead in their profession, in that it favors only vertical promotion. The journalist climbs the rungs from simple reporter to sub-editor and so on, up to the highest management posts in the editorial department. There is hardly any lateral promotion, hardly any possibility to specialize as a journalist and at the same time receive a salary comparable to that of managerial staff. Yet the writer who acquires a solid reputation in a given field can be as valuable to his paper as the majority of sub-editors. This flaw in the system results in many defections, particularly by bright reporters who go to look for more lucrative work elsewhere, in the electronic media or in fields related to information, such as public relations or government service. It is not surprising that few people over 40 are found in the newsroom. A journalist put it quite frankly:

> The only reporters we have in this place who are not management and are in their 40s are the kinds of reporters you don't expect much of. . . .They are there because they haven't gone some place else.[12]

Another shortcoming is that newsroom management receives almost no training. Consequently, they are in general poor managers, despite a widespread assumption that an excellent writer, once promoted to management, will naturally be well suited to manage the operation and the staff of the newsroom. Training within the newspaper is an idea that is only beginning to take hold in Canada, as we will see in a subsequent chapter.

One of the effects of maximizing profits is to reduce the share of editorial material produced by staff. In-house writing is a source of expense because it requires reporters to go out in search of news, managers to plan and supervise assignments, and specialists in local affairs: all of which are unnecessary when a paper relies upon news agencies. Even chain-owned newspapers, from medium size to small, have hardly any staff correspondents on the national scene and none on the international scene.

Canadian newspapers give the impression, moreover, that they consider it set in stone that foreign journalists are best placed to report international news. This is less a question of conviction than the result of pragmatic considerations, international news being obtainable more cheaply from news services than from staff correspondents sent abroad at great expense. The editor of the Montréal *Gazette* described the problem clearly to the Commission:

> Now, obviously, it would be better if the *Gazette* maintained a network of its staff correspondents around the world. Clearly, that is impossible. These days it would cost upwards of $100,000 a year to maintain a single correspondent abroad. And most editors, if they must choose between spending another $100,000 for one correspondent abroad, or using it to provide three extra reporters to cover City Hall, or the West Island, or Québec City, or Ottawa, will spend it, naturally, on local or regional coverage.[13]

But these pragmatic reasons and considerations, which are never questioned, often mean that Canada continues to lack a perspective and point of view of its own in international affairs.

Market trends

The pre-eminence of economic values ultimately leaves its mark on the newsrooms. In large centres, journalists are wondering more and more if it would not be better to give in to market trends, which favor the growth of popular tabloids, and present news that is facile, sensational, and quickly produced, instead of racking their brains to bring out the significance of events for a public that seems not to want it. In the smallest centres, it is more a question of knowing whether the newspaper should compete with television and the large metropolitan dailies, or choose to fall back on its strength, the local news.

In Québec, long and costly strikes and the closing of several dailies in the last decade have made journalists more sensitive to the economic demands of the newspaper industry. The social idealism of the 1960s, for which some still carry a torch in the newsrooms, is increasingly giving way to a concern for professional efficiency. This phenomenon is most noticeable among younger journalists, and particularly in the Quebecor newspapers, as is evident in a survey conducted for the Commission.[14] In this respect, too, Péladeau's tabloids have influenced journalism in Québec more

profoundly than one would have thought. Their commercial success, their dynamism, their daring, give their journalists the impression of being on to a good thing, and of having a firm grip on reality. They are by far the best paid in Québec, and also the most satisfied, as the survey shows. In the other dailies, one senses an absence of enthusiasm, if not moroseness. In the broadsheet newspapers, by contrast, only a minority of journalists state that they can carry out their job properly (compared to 60 per cent at Quebecor). This bitterness creates conflict or leads to alienation and inertia, all of which paralyzes the traditional dailies and puts them in a position of weakness in face of the almost irrepressible rise of Quebecor.

In a rapidly changing world, newspapers in general are behind the times and lag behind their readers, according to columnist Jack McArthur of the Toronto *Star*. He believes that among a great number of Canadians there is "more understanding and a greater interest in the more complex things of the day than there is among a lot of newspaper people".[15] This, in his opinion, stems not from a lack of ability, but from the prevalence of old-fashioned ideas such as that of necessarily associating news with fires, sordid murders, and train derailments. There is also a generation gap that is growing larger:

> Many of those who determine what constitutes "news", either in print or electronic media, are usually older, and probably have a different set of values than the "Boomers" (younger adults between 18 and 24). This could be a contributing factor in the variation of interest in "news". It may mean that the traditional and established concepts of news may not be as relevant to the daily lifestyles of younger adults as was once the case.[16]

This might explain in particular why the young prefer to read magazines and books.

But if newspaper content is slow to adapt to new realities, externally the newspaper is in the process of changing radically under the impact of new technical equipment. The clicking of typewriters and the crumpling of paper are increasingly images of the past, like the deskman with his eyeshade and the reporter with his police pass in his hat. The video display terminal (VDT) has arrived in the newsroom and with it comes a new atmosphere and a new way of handling copy which could have profound repercussions on the written press.

> The newsroom has become less clubby than it was, and less grubby, both from the same cause. That is the advent of the video display terminal (VDT) as the newsroom manifestation of the new computer typesetting. In most newsrooms of the country, the typewriter has gone to join the quill pen, and the waste-baskets that overflowed with aborted leads and infelicitous middle passages are left to soft drink cans and discarded newspapers. . . .Today's reporter doesn't write on paper, nor does the editor edit on paper or write his heads on paper; both punch keys, like so many airline clerks making out tickets, and characters, words, and sentences are made to appear — and disappear — on a screen which produces no mess.[17]

But is this ship, fast plowing into the future, guided by blind or by visionary pilots? More to the point, where is newspaper management to be found in all these currents? How can the attitude of owners and management influence the direction of the business?

Newspaper management

According to a study[18] based on a sampling of dailies throughout the country, newspaper management of personnel is marking time in relation to technical development. In the production and editorial departments, the managers' job is particularly difficult. They must direct and motivate staff despite a notable lack of objective information that would enable executives to evaluate performance.

The results of the study show that the corporate owners can exercise an influence on the newspaper through their choice of senior executives. This influence can make itself felt even more directly through choosing or encouraging a weak management. When the staff does not feel strongly led, the newspaper administration, like the parent company, tends to see the necessity for closer supervision and for general control of decision-making. This in turn further weakens management, not because it lacks the ability to manage, but because it is not encouraged to become strong and autonomous.

On the other hand, by choosing strong management, or at least those who are considered strong by the staff, the owners can also influence the paper. In this case, however, the influence is less direct and depends more on the conduct and ability of the senior managers. When management gives an impression of strength, it likewise tends to believe that it is more independent. The result is that it can devote more effort to long-term planning and the introduction of change.

The staff of independent newspapers, in contrast to those belonging to a corporation or a chain, tend to believe that the owner is more concerned with the reader's needs, that he encourages impartiality and local news, and that he is less weighed down by the financial aspects of the business, such as profit, circulation, and advertising.

In newspapers belonging to corporations, on the other hand, the staff thinks that the owner is more interested in the financial side of the business and less with its public service side. But it should be noted that most employees, according to the study, say they agree with what they consider to be the owner's objectives. It is in the newsroom that one finds the greatest departure from the views attributed to the owner. There, cynicism reigns on this matter.

As for competition between newspapers, it seems that a good number of journalists do not have much faith in its virtues, perhaps because the "young journalists have never known anything but non-competitive newspapering".[19] In fact, it is in the small centres, where journalistic competition no longer exists, that this opinion prevails, as our study indicated.

> Staff of newspapers in smaller markets, particularly those at English-language dailies, are more likely than staff in larger markets to believe that competition between dailies is unnecessary. They also believe more emphasis should be placed on regional and less on national and international news.[20]

Some argue that in the end competition means only a circulation war, which does not necessarily translate into the improvement of a newspaper. The principal advantage seen in having two competing newspapers is the greater likelihood that a local event will not pass unnoticed.

Compared to their anglophone counterparts, francophone journalists tend more, in general, to view the newspaper as a public service and to believe that the reader

wants to be informed. They are more in favor of the regional outlook and of staff-written material. They believe that while the newspaper functions better when several people are involved in decision-making, diversity of opinion in day-to-day operations should not be encouraged. Finally, they look upon competition with a more favorable eye than their anglophone colleagues.

But what happens when a newspaper changes hands? In particular, what happens when the business becomes part of a chain or conglomerate? In other words, what effect does corporate concentration have on newspaper content? During the Commission hearings, every newspaper chain in the country made much of the latitude and autonomy which they said they leave to their local publishers and editors. Southam even makes local autonomy, in the editorial area, one of the main articles in its "credo". We shall see how this works out in reality.

A change of ownership often influences the morale of journalists more than the content of the newspaper. After the merger of the Victoria *Times* and the *Daily Colonist*, under the Thomson regime, the atmosphere in the newsroom was described as intolerable. Even if the situation is not comparable, the acquisition of *Le Soleil* by UniMédia in 1973 created discontent among journalists and provoked strikes that were painful to both sides. As one of our studies shows:

> The entry of the daily newspaper, *Le Soleil*, into Jacques Francoeur's empire meant a cultural clash between Québec traditions and Montréal marketing practices.[21]

In the same way, the sad end of *Montréal-Matin*, acquired by Power Corporation to protect the advertising market of *La Presse* and closed when it did not serve this end, sowed much bitterness in journalistic ranks. The testimony, sometimes moving, of the president of the union of the now defunct daily, given before the Commission in Montréal, is revealing in this respect:

> There are three clans in Québec, the Power clan, the Desmarais clan — that is to say the Power-Desmarais clan, it's the same business — the Francoeur group, and the Péladeau group. When it's not one clan that buys a newspaper, it's the other. Whether it's with money of one clan or another doesn't change much.[22]

The impression that they have become mere pawns on a vast chessboard, tiny cogs in an empire that governs them from a distance and that ultimately takes no interest in them except for the profits they represent, contributes to the disenchantment of journalists in some newspaper chains. Certain stingy practices and tendencies sap their morale still further.

> As at the *Colonist*, some expense-cutting moves took place at the *Free Press* after the Thomson takeover, but before the *Tribune* collapse, which may have colored subsequent events. An attempt to curb newsprint waste in line with practices on other Thomson papers led to a decree cutting the number of papers delivered into the newsroom. This led to a brief but bizarre period in which *Free Press* reporters had to go downstairs to a newsstand to get a copy of their own paper. The move was apparently instituted to set an example — the papers would be cut back, and later restored, as a signal of how important it was to curb waste, but the idea backfired and was hastily rescinded.[23]

The concentration of the press has had even more pernicious effects. The conformity it tends to impose, the constant search for even the smallest savings, and the

recourse to tried and true news formulas, has resulted in the development of a dreary uniformity in the handling of the news. S.R. Herder, general manager of Thomson's *Evening Telegram* in St. John's, Newfoundland, while finding it understandable that the big chains would want to apply everywhere those methods which had been successful elsewhere, acknowledges that this way of doing things "lessens the variety and flavor" of newspapers.[24]

Concentration also tends to make local editors mere functionaries in the service of a management system, and to remove them from their social responsibilities. Professor Henry Mintzberg of McGill University described this phenomenon well:

> (Chain ownership) tends to insulate management from local pressures, local situations. The loyalty is to the corporation, the loyalty is to the bottom line, and there is a certain mobility built into the fact that, if you don't make it in Montréal, then you can move to Toronto or Winnipeg or what have you, within the same corporation. I think that creates certain tendencies to be less sensitive to local needs, and perhaps sometimes to be less in touch with them.[25]

Some newspaper executives who have fixed ideas on the dangers of concentration occasionally find themselves in embarrassing situations. Such was the case of the publisher of the Toronto *Star*, Beland Honderich, chairman of Torstar Corporation. He declared before the Davey Committee in 1969:

> The growth of newspaper chains is dangerous, because it gives a few people the power to determine what many newspapers will print. That the present owners of chain newspapers claim not to exercise this control in no way destroys the argument, for they have the power of effective control, and if they do not use it now, they or their successors could decide to use it at some time in the future.[26]

He returned to the charge, in February, 1981, before this Commission:

> My reading of Canadian newspapers suggests that group ownership has tended to restrict the variety of opinion available to the public.[27]

Then the following month before the Commission, he commented on the acquisition of Inland Publishing by Torstar's subsidiary, Metrospan:

> In my mind, there's a great deal of diversity of opinion available to people in this market.[28]

Unfortunately we do not have Honderich's reaction after Metrospan, having become owner of two Mississauga weeklies, decided in April, 1981, to withdraw one of two reporters from the municipal beat and to use the remaining one for both publications. We are asked to believe that this move, which is consistent with administrative rationalization, in no way lessens diversity of opinion and editorial expression in Mississauga. Indeed, an executive of the company declared: "I don't see how stories from two reporters covering City Hall will be different."[29]

A digression is appropriate here to discuss the special situation of concentration in Québec. The Quiet Revolution brought in its wake a profound debate on news in Québec. The concept of social responsibility of the media there went beyond the purely moral aspect that it had elsewhere in North America to challenge the whole system of ownership in the newspaper business. The outcry was particularly loud

when Power Corporation acquired *La Presse* in 1967. The Bertrand government formed a legislative committee to study the question and to allay public wrath. Later, in 1973, Premier Robert Bourassa prevented Desmarais from adding *Le Soleil* to his group. This episode put a brake on the movement to concentrate ownership of the daily press in the hands of three existing chains owned by Desmarais, Francoeur, and Péladeau. A certain equilibrium was thereby established, to which the public and journalists have since grown accustomed.

Concentration is thus no longer the centre of debate that it was 10 years ago. It has been argued that concentration has not led to the closing of newspapers, except for *Montréal-Matin*, which was already moribund and which Power Corporation kept alive for several years at very great cost. Nor has it resulted in the depopulation of newsrooms through centralizing news, parachuting metropolitan news reports into the regional papers, and so on. Nor has it entailed political or financial censorship of any sort. On the contrary, it has enabled some newspapers to stay in the market, and introduced marketing techniques which are not bad in themselves, even if they have not been counterbalanced by an equivalent contribution on the intellectual level. Obviously, concentration has not had the same effects in all parts of Canada. Québec, in this regard, sets up certain defences of its own: a society ever on the defensive, the primacy of collective values, the relatively easy mobilization of opinion, the influence of unions, and a government that is willing to intervene.

In English-speaking Canada, editorials are considered to reflect the opinion of the newspaper and therefore are not signed. By contrast, in the French-language press, the signing of all editorials constitutes an important brake on the influence of business managements and the large corporate owners. The president of the UniMédia group and owner of *Le Soleil*, Jacques Francoeur, told the Commission in Ottawa: ". . . it's rather difficult to ask an editorial writer to violate his principles in order to accept those of management."[30] The problem arose in an acute way during the referendum. Francoeur would have liked the editorial page of *Le Soleil* to reflect the two tendencies that divided Québec. However, since he was unable to find an editorial writer who favored the "no" side, and since no one could be compelled to sign an editorial contrary to his convictions, Francoeur asked his editors to refrain from taking a stand. At *Le Devoir*, where management was in conflict with journalists, notably in connection with appointing a new publisher, they preferred to let the editorial writers express themselves freely. The result was that only the editor-in-chief lined up with the "no" side. This editorial liberalism, clearly, flows from the signing of editorials. It combines with other factors peculiar to Québec to counterbalance the concentration of press ownership by putting obstacles in the way of undue influence in the editorial area.

Still, it remains true in Québec that news sources are often confined to the same agencies and press conferences. In the end, the news is the same from one paper to another and from one medium to another. Thus, as was mentioned in *Les journalistes*[31], the news editor of *Le Devoir* checks the lead stories of Radio-Canada and the news chief of Radio-Canada consults *Le Devoir* before preparing his televised newscast. The process is appropriately summed up as "dancing with one's sister". The cultural homogeneity of francophone Québec and its lack of resources, by com-

parison with those of English-speaking North America, tend therefore to standardize the news more insidiously and effectively perhaps than could any industrial concentration.

This contagious uniformity has a parallel in English-speaking Canada, where most newspapers depend on the same agencies and news services. One has merely to think, for example, of the 40 local and regional papers of the Thomson chain which depend almost entirely on Canadian Press for their national news.

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Calgary

7

The news services

MUCH of what Canadians read in their daily newspapers, hear on radio, and see on television newscasts comes from the humming wires of the news agencies — The Canadian Press, United Press Canada, and their affiliates abroad. How well are they doing their job?

It is a key question because the agencies are important. They keep us in touch with national and international events — telling us, in simple terms, what is going on in the world around us. Without them, we would soon lose touch with one another at home, and with the rest of the Global Village.

Any examination of this facet of the news industry must begin with the biggest institution of its kind, the one that affects us most: The Canadian Press, the national news-gathering co-operative. CP is Canada's national voice in print, and increasingly on radio and television as well. It is an anonymous voice in many respects; its name is seldom, if ever, mentioned in broadcasts, and appears only as (CP) at the top of printed news dispatches.

CP's history goes back nearly three-quarters of a century to Winnipeg, where the three local newspapers (those were the days) launched a battle to break the Canadian Pacific Railway's monopoly of the distribution and sale in Canada of the Associated Press report from the United States. The CPR had held exclusive rights to AP since 1894. (There is sketchy evidence that the railway itself had held a controlling interest in the Manitoba — now Winnipeg — *Free Press* before it was acquired by Sir Clifford Sifton in 1898. Although the CPR's own records do not indicate its ownership, the supposed deal between the railway and Sifton is referred to in a number of publications over the years, including G.R. Cook's *The Politics of John W. Dafoe and the Free Press*. Sifton, who was minister of the interior in the federal government of the day, is said to have acquired the paper at a knock-down price in return for helping the CPR get a $3 million federal subsidy to build a spur line into the mineral-rich B.C. interior.)

In 1907, the CPR abruptly doubled the price of delivering the AP service to the Winnipeg papers. The publishers responded by forming their own co-operative agency under the name of the Western Associated Press, buying the services of

United Press, Publishers' Press and, later, Hearst News Service in place of AP. The railway fought back, demanding a higher rate for carrying the new competitive service on its telegraph lines. After two appeals by the publishers to the federal railway commission, however, it agreed to relinquish the AP contract. Canadian Press Ltd. then was formed to take over distribution of AP in this country.

It was not until 1917 that CP began to develop its own news-gathering service in Canada. It did so at first with the aid of a $50,000 annual subsidy from the federal government to cover the cost of leased telegraph lines. Five years later, after much political debate about the wisdom of government involvement in the news business, the grant was cancelled, and CP members took over full financial responsibility for its operation. In 1925, they went on record at CP's annual meeting as declaring that never again must the co-operative accept a grant or subsidy from any source outside the industry itself. Today, CP, without help from government, delivers a quarter of a million words of news copy each day to its more than 100 newspaper members and close to 450 commercial customers in the radio and television industry, including the publicly owned CBC.

With its bureaus and newsrooms across the land, its service in two languages, and its growing inventory of sophisticated electronic hardware, CP does an expert, efficient, and conscientious job of covering the news within the limits of its budget and its mandate. It is expanding its service and modernizing its delivery methods.

Its shortcomings, however, are painfully visible. One of them is the quality of its services to French-speaking Canada — with more than a quarter of the national population — which can best be described as an embarrassment. Perhaps equally critical, in terms of keeping Canadians informed, is CP's chronic inability to stretch its resources to provide an authentically Canadian picture of events beyond Canada's borders. In that wider sphere, its performance appears to be going from skimpy to non-existent.

CP is a major operation by anyone's standards. It runs a multitude of news wires both day and night. Its 17 domestic and foreign bureaus employ more than 300 editorial people, including bureau chiefs and management personnel. It is represented in every province except Prince Edward Island, although in some cases the representation is minimal.

Its reach outside the country, however, is drastically limited. The overwhelming bulk of its foreign coverage is lifted from the wires of Associated Press, Reuters, and Agence France-Presse (AFP), with which it has exchange agreements. CP itself maintains only two correspondents in London, one in New York, and two in Washington. That's it for foreign staff. It employs not a single correspondent outside the English-speaking world.

Closer to home, it does not even assign its people on any regular basis to Canada's huge northland. (Neither do the newspapers, for that matter, with the single exception of the Edmonton *Journal*. The CBC does that job much better.)

CP, of course, is the creature of its membership, the newspaper publishers, more than half of them with the Thomson and Southam chains. Everywhere across the country the Commission encountered a lethargic, *laissez-faire* attitude with regard to CP's product, not least from CP management and the directors elected to its board from the publishing industry.

CP's immediate past president, Martin Goodman, president of the Toronto *Star*, described the agency in these glowing terms:

> . . .a precious cultural resource. . .it embodies, in practical form, the hard-to-define character of Canadians, and its delivery to papers and stations across the country represents the harder-to-achieve goal of national unity.[1]

Stirring words. But what is the reality?

The Commission, in the course of its public hearings from Halifax to Victoria, heard from CP's men and women in the trenches, the staff correspondents who produce the daily report. Their comments were troubling.

A staffer in the Maritimes, for example, suggested that what the agency is delivering to its member newspapers and broadcast customers is "journalism by the pound". He decried the chronic shortage of staff and overload of work assigned, and noted: "There's an awful lack of original investigative and interpretative reporting, especially in the regions."[2] Instead of concentrating on broader coverage, he complained, CP staffers are tied down by routine, rewriting hourly radio news bulletins and processing sports scores.

Another staffer, in Ottawa, where CP maintains one of its biggest and most active reporting operations, expressed it with some bitterness: "CP executives may protest all they like, but penny-pinching remains the watchword of the day when it comes to getting the news."[3]

These and other complaints from the lower deck were strongly disputed by Keith Kincaid, CP's general manager, who termed it "a bleak and erroneous picture". He pointed to what he termed CP's "impressive record of growth in staff, news volume, quality, depth, and diversity", and observed: "These are hardly the activities of an organization in a constant state of retrenchment; but rather of an organization that is constantly growing and striving for improvement."

But such optimism and cheer cannot blind the Commission to the facts taken from CP's own submission. In the decade since 1971, when CP's overall numbers of non-management editorial staff grew from 220 to 299, the number of CP reporters assigned to Ottawa, the national capital, grew by four (from 27 to 31); but one-man bureaus in Windsor and London, Ontario, were closed, leaving the vast area between Toronto and Winnipeg — nearly a third of Canada's land mass from east to west — essentially uncovered; the one-man bureau in Paris was closed; the eight-man operation in New York City was reduced to one with the transfer of most of its operations to Toronto; and London, England, which 10 years earlier had boasted a staff of five (including the bureau chief), was cut to two, one of them a locally engaged helper. "At various times," CP's brief conceded, "CP has had correspondents in Moscow, Paris, and Brussels. They were withdrawn when it was decided by the membership that more resources should be devoted to domestic coverage. . . ."

This conscious decision to reduce the quantity and quality of CP's staff coverage abroad, it may be noted, flies in the face of the sympathetic, but firm, advice given to the co-operative by the Special Senate Committee on Mass Media in 1970:

> We come now to an area of operation in which we think CP could be, and should be, doing a better job. . . .We think it should have more staffers abroad, reporting the world scene *as Canadians speaking to Canadians.*[4]

That study gave general support to CP's performance as a "clearing house" for Canadian news, saying it did the job "supremely well". But with respect to its foreign coverage, mainly through its purchase of the U.S.-owned and managed AP report, it noted:

> We do not suggest that the Associated Press. . .is not a fine news service. It is. But it is an American news service, and no amount of tinkering with AP copy in CP's New York office will give it a Canadian character.

And it added:

> We think it is immensely important that the reporters who give us our picture of the world should reflect the kind of bias that Canadians tend to share, rather than the bias that Americans or Frenchmen or Englishmen tend to share. We think there should be more Canadian reporters abroad.

CP's answer to this advice has been to reduce its budget proportion for foreign coverage from 2.3 per cent in 1974 to 1.1 per cent in 1979.

Two nations

The Davey Committee in 1970 gave general approval to CP's efforts to provide "adequate" service to French-language members of the co-operative. Although the Committee acknowledged that the French service was inferior to the English, it blamed the deficiency on harsh economics, and suggested:

> The best measurement of its utility is that its subscribers believe CP is doing everything it can to meet their needs.

More than 10 years later, that measurement deserves to be taken again. And here the Commission's research, along with the evidence of CP staffers at our hearings, leads to a much less sanguine judgment of the quality of the French-language service.

The French service is unwell. It is not yet a hospital case, but it certainly needs a doctor's attention. (PC) — for *la Presse canadienne*, as it appears in story placelines — requires an infusion of money and authority. It needs an elevation in status as well. The service consists of 30 reporters, editors, and translators, just one-tenth of CP's overall editorial strength. Its job is to serve 11 French-language newspapers in Québec, Ontario, and New Brunswick with 18 per cent of the national daily circulation. Its small numbers are spread thinly among Montréal, Québec City, and Ottawa, with one working in the English-language headquarters operation in Toronto.

It is treated by CP as a subsidiary, regional service like those in the Maritimes, Ontario, and the West. Its subsidiary status is underlined by the makeup of the CP board of directors: two seats out of 19 are reserved for French-language publishers, only one of whom need be from Québec.

Of the 20 French-service staffers assigned to Montréal, only six are full-time reporters, four handling general news and two covering sports. The rest are doing desk work or translating the English-language report for use in the French-language press. In Québec City, PC (or CP) employs 11 correspondents, seven of them French-speaking. They cover the National Assembly and occasionally deal with regional events in the eastern part of Québec. Two work for the CP English-language service and two for the broadcast service. The Ottawa bureau of CP, where there are 27 reporters, has three on the French-language side. Other than the single representative attached to CP's head office in Toronto, there are no French-language editors or writers anywhere else in the country.

This is a sore point with editors of the French-language newspapers outside Québec. The publisher of *l'Evangéline* in Moncton, serving a large French-speaking population in New Brunswick, told a Commission researcher:

> When we can't cover the Legislative Assembly ourselves, we have to translate the English correspondent's text or one sent to us by Canadian Press, written by a journalist from one or other of the Irving papers.[5]

A CP French-service reporter told the Commission at its Montréal hearing that even in French-speaking Canada, the English-language service takes the lead in coverage, while the French service sticks basically to translation of the English report for Québec papers. He described the major responsibility of the French-speaking staff as "reheating" news originally written in English.

Our research also found a general dissatisfaction on the part of the French-language dailies with the coverage provided by the English-language service. This dissatisfaction includes the selection of events covered, the way they are covered, and especially the fact that the coverage is done in English and later translated. This may explain why the French-language press pays little attention to news from the rest of the country beyond Ottawa. As a consequence, its readers are isolated from their English-speaking compatriots. Our study of CP's regional output also indicates that Québec is seriously under-represented in national coverage. Coverage outside Montréal and Québec City is almost totally lacking.

Québec editors and publishers alike are critical of CP's behavior as a co-operative. "It's run by the Toronto *Star* and the Southam and Thomson groups," argued Jean Sisto, the assistant publisher of *La Presse* in Montréal. "The French service is dependent on the English service," agreed René Ferron, managing editor of *Le Nouvelliste* in Trois-Rivières. "If the newspaper chains in English Canada were to decide. . .to reduce the quality of their wire services, we couldn't do anything about it."

Guy Rondeau, who runs CP's French service out of Montréal, echoes the feeling expressed by the newspaper executives. "It seems impossible to make the French papers' presence felt within Canadian Press," he observed. "The lack of interest in CP shows up as well in the French service. No member paper requested anything specific on the Ontario general election. They all claim our coverage is too political. But they ask for more sports and news items."

Part of the problem — and a serious one in budget terms for CP — is the mushroom growth of the Quebecor tabloids *Le Journal de Montréal* and *Le Journal de Québec*. They are talking openly of withdrawing from CP and establishing a news service of their own. "We pay for a service, nothing more," according to Pierre Péladeau, the head of Quebecor. "If it doesn't meet our needs, we'll look elsewhere."

Withdrawal of the two papers would deprive CP of $500,000 a year in assessment revenue, more than a quarter of its total receipts from the French-language press. It would result in sharply higher assessments for the remaining French-language papers and the English-language press as well, or a devastating reduction in the quality of service provided.

CP suffered a similar blow with the defection of the Toronto *Sun* group in 1979 and 1980. The Quebecor move would be more harmful, however, since there are fewer French-language papers to make up the revenue deficit and provide news to

the co-operative in return. The result could be a further degradation in quality of Québec coverage for the rest of the country.

Another cloud on CP's horizon is a study commissioned in 1977 by the provincial minister of communications to consider the viability of a separate Québec news service. It found that such a service would have to count on the massive support of Québec publishers and the disappearance of CP if it were to be viable.

The UniMédia papers — *Le Soleil, Le Quotidien* of Chicoutimi, and several weeklies — have also proposed an alternative news service, but the idea has not been put into full operation because of concern that unions would not permit its use in all papers of the group. If Quebecor withdraws from CP, however, the existing small operation, known as EdiMédia, might be extended.

Canadian Press budget revenues 1974-1981

	1981	1980	1977	1974
Assessments	$8,888,000	$8,112,771	$6,289,723	$4,284,072
Other services	2,989,100	2,612,536	2,222,121	1,306,046
Broadcast News, gross	7,233,500	6,517,935	4,132,350	2,360,655
Press News, gross	2,084,100	1,635,542	1,379,379	797,005
Pictures	1,483,600	1,365,075	992,416	708,455
	$22,678,300	**$20,243,859**	**$15,015,989**	**$9,456,233**

Canadian Press assessments to member newspapers (1981)

Group	Assessment ($)	% of total assessments	% of total circulation of CP members
Southam	$2,357,377	26.6	28.8
Thomson	2,443,661	27.5	22.4
Gesca	478,009	5.4	5.6
Quebecor	478,068	5.4	9.1
Irving	307,986	3.5	2.6
UniMédia	247,225	2.8	3.0
Sterling	197,410	2.2	1.0
Independents	2,370,410	26.7	27.5
Total	**$8,880,146**	**100.1**	**100.0**

Looking inward

On the English-language side, the Commission came up against an almost smug expression of satisfaction with the *status quo* from publishing executives who determine CP's budget and thrust. For example, Margaret Hamilton, president of Thomson Newspapers Limited, offered the general comment that CP "is a better service in relation to serving the individual newspaper than anything available in the United States. And I think that's quite an accomplishment. . . ." She agreed that she would like to see more international coverage from CP, but called it "a case of, you know,

priorities". She added: "I don't sense a strong demand from the members of CP for additional foreign coverage."[6]

At the other end of the scale from the Thomson papers, which are mostly small, community-oriented publications, Martin Goodman of the Toronto *Star* told the Commission: "There is not a public appetite for international coverage."[7] In an earlier interview he said: "If foreign coverage is important, show me the outcry. The audience is certainly not demanding it."[8]

Well, let's look at this question again. The Commission's research has turned up some prominent examples which suggest that the audience, if not "demanding" wider coverage of world affairs, is at least extremely interested.

To begin with, an extensive survey was conducted in 1979 for the Department of External Affairs by Goldfarb Consultants Ltd. of Toronto, which, incidentally, often does research for Goodman's newspaper. The study showed that, of the 1,024 respondents interviewed, 39 per cent rated their personal interest in international issues as high; another 48 per cent defined themselves as "somewhat interested". Only 13 per cent indicated no interest at all. Interest in happenings outside this country was highest in British Columbia, where 46 per cent of respondents listed themselves as "very interested". The figure for Ontario was 42 per cent, followed by the Prairies and Québec at 37 and 35 per cent respectively. People from the Maritimes indicated the least interest — 32 per cent — which may be explained by the fact that Maritimers, with their traditional high interest in the United States, do not think of that country as "foreign" — it is "the Boston States" — in the same way that they do European or Asian countries and relationships.[9]

There are other examples. A National Newspaper Readership Study done for the Canadian Daily Newspaper Publishers Association in 1975 recorded the views of 7,715 Canadians on the sufficiency of local, national, and international news coverage. It found that 25 per cent of those interviewed wanted more international coverage in their papers, whereas 20 per cent wanted more national coverage, and 27 per cent favored more local coverage. In cities of more than a million population, where the major newspapers are often served by their own international news sources, the level of discontent with the volume of foreign coverage was slightly lower, at 24 per cent. In cities of between 100,000 and a million, it was 27 per cent; in smaller centres of 1,000 to 99,000 people, it was at the national average of 25 per cent. In urban French-speaking Canada, where 1,623 respondents were polled, the level of discontent was lower at 22 per cent.[10]

A national study conducted for the Commission listed a majority of respondents — 59 per cent — who selected newspapers as their primary source of local news. For more distant coverage, however, they gave higher marks to television. That may underscore the feeling that newspapers fail to deliver enough foreign news.[11]

A vicious circle is at work. There are few Canadian correspondents abroad. Consequently, the editorial staffs of Canadian newspapers include too few people with knowledge of the outside world. Consequently, they do not know how to handle foreign news well. Consequently, the editors are able to convince themselves that what they cannot handle confidently is not what the readers want. People do not get the paper they would like but the paper its editorial staff is capable of producing.

CP itself is not unmindful of the industry-wide trend to downplay foreign coverage. Its former general manager, John Dauphinee, told a 1977 meeting sponsored by

CDNPA that he saw "a resurgence of regionalism" in the country's papers, but overall a narrowing of interest in events outside the local community.

A 1978 study conducted by Statistics Canada found that while more Canadians read local news than international news — 66 per cent to 48 per cent — this reflected "the news as presented by the newspapers". It added this cautionary note: "We should not leap to the conclusion that a particular group is not interested in national or even international news because they do not read the newspaper pages which feature it."[12]

The higher the educational, income, or age level of a group, the study found, the higher the percentage of interest in both national and international news. This may help to explain the present CP general manager's comment to the Commission that "the only complaints about foreign coverage I hear are from journalism professors" and that "if I detected any interest from newspapers, we'd do more."[13]

However, at a meeting of la Fédération professionnelle des journalistes du Québec (FPJQ) in December, 1980, Robert Pouliot, a freelancer who writes for *La Presse* from the Middle East, challenged the view that Quebecers at large are not interested in international affairs. He cited a poll by *La Presse* a year earlier which showed that while 22 per cent regarded sports as their favorite reading, 36 per cent identified international news as most important.

It is also worth quoting students of the School of Journalism at the University of King's College in Halifax, who told the Commission: "Local reporting must not supplant solid coverage of foreign news. The country desperately needs more foreign correspondents, correspondents who live overseas and are free of what may be called 'the American bias'."[14]

Stuart Keate, the former publisher of the Vancouver *Sun*, admitted in testimony to the Commission that "one of the ironies. . .is that the public does not display a noticeable interest in foreign affairs." Nevertheless, he said, his paper strived for and achieved a balance of one-third foreign news to one-third national, and the remaining one-third provincial or municipal in origin.[15] (The *Sun's* managing editor, Bruce Larsen, estimated, however, that the paper's current content runs closer to 60 per cent local, 20 per cent national, and 20 per cent international, including both U.S. and foreign. So the *Sun's* appetite for world news may have dwindled since Keate's retirement.)

One final comment from the academic community: Professor John Sigler of Carleton University, noting that the Goldfarb study had shown that a large majority of the Canadian public wanted more information on foreign affairs, added as a clincher: "Canadian interests are not necessarily going to be well reflected in total reliance on the non-Canadian international wire services."[16]

Nearly 11 years after the Senate Committee report on the subject, it is past time for CP and its member publishers to sit up and do something about improving Canadian foreign coverage.

The chains that bind

Who ultimately decides what Canadians want, and what they will receive, from their national news-gathering agency?

The day-to-day, hour-by-hour newsroom decisions are made by CP's editors. But the people up top — those who rule on budget matters, who decide how and

where the money will be spent — are the publishers of the daily newspapers that make up CP's membership. More than half of them (with 57 of the 110 votes among the general membership) represent the Southam and Thomson chains. Another quarter belong to smaller newspaper groups. The remainder — just under 25 per cent — are classified as independent.

Do Thomson and Southam, then, with their superior numbers, rule the roost? Well, yes and no. If they chose to vote as a bloc, they could. In practice, however, they don't appear to do so. The real decision-making power is delegated by CP's directors to a six-man executive committee. Here again the two big chains dominate the membership in numbers, with two members each on the current executive. The fifth place is held by a French-language publisher, who holds the office of vice-president; the sixth by the Toronto *Star*, an independent member and the country's largest daily. All the members of the executive committee represent conglomerates.

Chain influence on both the board of directors and the executive is a matter of concern to some of the remaining independent publishers, who concede it is inevitable in realistic terms. "If either of the two dominant chains is not in agreement, you couldn't get a program through," according to Michael Davies, publisher of the independent Kingston *Whig-Standard*. "They have to agree. Otherwise it doesn't matter what the rest of us want."[17]

Publisher Walter Blackburn of the independent London *Free Press* sees the Thomson-Southam dominating influence as a natural consequence of the financial burden the two companies bear as CP's largest contributors; it would be the same, he suggested, in any business with major shareholders who had to pay the bulk of the costs.

Blackburn described the influence of the two chains on CP's decision-making as "very substantial", with Thomson people generally concerned about expenditures and Southam more interested in improving the service. This was not surprising in view of the kind of newspapers Thomson owned, at least until the takeover of FP. These papers were mostly small-town dailies, with needs and demands on CP somewhat different from the bigger papers: they wanted short stories, not comprehensive coverage.

Another of the independents, Hunter S. Grant, co-publisher and president of the Brockville *Recorder and Times*, noted that Thomson people do not put much effort into CP meetings: "The reason is that a day out of the office is a day they aren't making a buck for Ken (Thomson)."[18]

Of the two chains, Southam appears the more active in CP's affairs. On the executive committee, both its representatives are publishers of large papers, the Vancouver *Sun* and the Edmonton *Journal*. Thomson's people represent small publications, the Cambridge (Ontario) *Reporter* and the Cape Breton *Post*.

Another point of vulnerability for CP is the agency's growing dependence on broadcasters for a large slice of its revenue. Through its subsidiaries, Press News Ltd. (PN), which serves the CBC for about $1 million a year, and Broadcast News Ltd. (BN), which delivers both print and voice reports to the private radio and television industry, CP gains more than $9 million a year in gross revenue toward its total budget of nearly $23 million. (PN also draws revenue from other sources, including magazines and non-daily newspapers, government departments, the armed forces, and schools.) Compared to CP's 110 newspaper subscribers, 449 radio and television

clients take the BN output. Between 1974 and 1980, CP's total budget grew by 117 per cent. BN's share grew even faster, by 176 per cent.

BN's runaway success in the marketplace poses an incipient problem for CP. Now that broadcasters contribute so heavily to CP's earnings, they are expected to demand more in return, either through direct representation on the CP board, which at present has only publisher members, or through formation of a separate broadcast news agency, which they could control themselves.

The establishment of a second agency might be a good thing in other ways. Both A. Roy Megarry, publisher of the *Globe and Mail*, and Murray Burt, managing editor of the Winnipeg *Free Press*, suggested the idea to the Commission. It would help to overcome homogeneity in the news report, and would introduce a new element of competition in the media world.

Other voices

What there is at present, as a direct competitor, is United Press Canada Limited (UPC), the offspring of the American agency, United Press International. UPI retains a 20 per cent investment in the enterprise, with the remaining 80 per cent now in the hands of the Toronto *Sun* group.

UPC is actually a stepchild of the former British United Press, formed in 1923 as an affiliate of United Press in the United States. The two companies were integrated as UP International in 1958. In its heyday, BUP, with head offices in Montréal and a branch operation in London, England, maintained a staff of 85 correspondents, 24 of them in Canada. In 1938, 15 Canadian dailies that were members of CP also subscribed to BUP.

Today, UPC has eight bureaus across the country and 24 full-time editorial staffers, along with 60 to 100 "stringers" — freelancers or journalists employed by newspapers or radio stations in various parts of the country. As a straight reporting agency rather than a co-operative, it does not require its subscribers to contribute news in return. Hence it does not match CP's wider coverage. It does, however, transmit a daily average of 30,000 words of Canadian news, plus about 15 pictures. News from abroad, provided by UPI, adds an additional 50,000 words of copy and 90 pictures each day.

UPC offers advantages to editors that CP seems unwilling or unable to match. Its picture service is superior, and its tight, colorful writing style is particularly popular with the tabloids. Although its Canadian sports news is limited in volume, its U.S. coverage is all-embracing and generally excellent.

The agency has about 25 newspaper clients, including the three Toronto daily publishers (among them the *Sun*, its majority owner). It serves five Southam dailies — the Vancouver *Sun* and *Province*, the *Citizen* of Ottawa, the *Gazette* in Montréal, and the Windsor *Star*. It also delivers its service to about 50 independent radio and television stations, and CBC national radio and television, both English and French. The *Globe and Mail* is its only subscriber in the Thomson group. UPC's budget for 1981-82 is $2.8 million.

UPC has fallen on hard times with the closing of the Winnipeg *Tribune* and the Ottawa *Journal*, and earlier the Montréal *Star*, and the merging of the two Thomson papers in Victoria into the new *Times-Colonist*. The closing of the *Journal* alone cost the agency $57,000 a year in revenue. Of the 13 chain-owned newspapers which took UPC service at the time of its founding in 1979, only six remain subscribers.

UPC's operations have never been profitable — its deficit last year ran to $300,000 — and, unlike CP, it cannot recover its losses by increasing assessments on its remaining subscribers. The deficit is picked up by its owners: 80 per cent by the Toronto *Sun* group, 20 per cent by UPI in the U.S.

Patrick Harden, UPC's general manager, presented persuasive arguments in favor of competition between the news services to keep the coverage "honest". One agency, he explained, keeps a constant check on the other, and can correct the record where needed; editors following both can spot the deficiencies when they occur. But he could offer little advice to the Commission on how this competition could be preserved in the face of economic pressures. He conceded he would not find government subsidization of the service "particularly alien", provided there were safeguards to ensure that the assistance did not "carry any strings".[19]

Comment from journalists, their editors, and publishers across the country was generally in favor of wire service competition. The question in many minds, however, was whether the shrinking marketplace could continue to sustain two competing services without subsidization.

The result of the newspaper closings and consolidations has been that the broadcasting sector, which delivers some 40 per cent of UPC's revenue, has become crucial to its survival. UPC has responded by attempting to form a special broadcasting service, with separate wires for television and radio. The proposal has drawn some interest from executives of the private CTV network, Standard Broadcast News, and Newsradio services. Given a go-ahead, the new service could start this year, with a first-year budget of around $1.25 million. Most of the cost would be in extra staff — possibly as many as 25 to 28. The service might be operated as a subsidiary of UPC, with part ownership by other groups. UPC's success in such an enterprise might cause serious damage to CP in the broadcast field, where the service provided by CP's subsidiary, BN, has been under attack. If UPC is successful in penetrating heavily into BN territory, CP stands to lose an important part of its total income.

Death in the family

Any discussion of the news services that help to enlighten Canadians must take notice of the death in the family that occurred simultaneously with the closing of the Winnipeg *Tribune* and the Ottawa *Journal*. We speak, with regret which is widely shared in the industry, of the short-lived FP News Service.

The FP service, a small but elite group established to serve the FP newspapers, came into existence only in the fall of 1979; it never lived to see its first birthday. It was warmly welcomed by its competitors, who saw it as a distinctive and admirable addition to the supply of interpretation and comment, particularly out of Ottawa. In part, it was a victim of its own high quality, and accompanying high cost. With the sale of the FP chain of newspapers to the Thomson group and the closing of the Ottawa *Journal* which followed in August, 1980, it was quickly put to death by its new owners.

Kenneth Thomson, in evidence before the Commission, explained the decision in these words: "I don't think they (Thomson publishers) would want a service of that kind, as elaborate a service, as extensive a service . . . and they certainly wouldn't want to be saddled with the cost of paying for what they wouldn't largely want, or use." The closing was not discussed with Thomson's publishers, however, before it

took place. As Thomson put it: "We operated on our knowledge of how we felt they felt, on past experience."[20]

The FP News Service was a relatively expensive operation, with a first-year budget of nearly $900,000. (The Thomson News Service budget runs at less than half that amount.)

A tribute to what might have been, had FP been allowed to live, came to the Commission from columnist Allan Fotheringham, who left to join Southam News before the axe fell: "It was conceded all around, through the press gallery in Ottawa and throughout the rest of the newspaper world, I think, that it (FP) was composed of some of the brightest, and happiest, and best-equipped journalists assembled as a group in Ottawa."[21]

With the closing, they scattered quickly to other positions — the first editor, Kevin Doyle, had already left for *Newsweek* in New York; his successor, Doug Small, went to Global Television, and the rest to magazines or freelancing. As Fotheringham put it: "They're all making their money, some perhaps more, some perhaps less. But the public loses by losing that much experienced talent."

The Cadillac agency

The death of FP left just one major "alternate" service — Southam News.

Southam is the Cadillac of the news service business. It is well funded, does more foreign corresponding than any other Canadian service, and is widely admired by its competitors. Yet, it may be the very paucity of other matching services that makes it look so good.

It reflects the affluence of its owners, the biggest of the Canadian newspaper chains. It maintains its own correspondents on four continents, pays superior salaries and generous allowances. And it will continue to grow, Southam president Gordon Fisher assured the Commission: "It has never crossed our minds to contract the news service. In fact, it will expand as our bottom line expands."[22]

The Southam service has grown consistently during the past 20 years as the newspaper chain has grown. In 1957, when there were eight newspapers in the group (there now are 14), it operated with only three bureaus — Ottawa, Washington, and London — and a handful of correspondents. Today, there are 11 bureaus, six in Canada and five abroad. The yearly budget stands at $2,306,000.

Curiously, however, the SN service has some severe critics within the chain, and its use in Southam papers is spotty. While the Calgary *Herald* uses close to 60 per cent of its output, the Brantford *Expositor* uses only 20 per cent, and the *Gazette* in Montréal, with one of the largest circulations in the group, carries only 22 per cent of what it receives.

Christopher Young, a former editor of the Ottawa *Citizen* who headed the news service as general manager from 1975 until 1981, and now its senior correspondent based in London, England, acknowledges that low usage is a constant sore point. In one case, which he described as unusual, the individual with the most influence over the paper's content has "almost a hit list" of Southam reporters whose work he does not respect. Their material never sees the light of day in his newspaper.[23]

As publishers and editors of the papers change, use of the service changes, too. Young takes this in his stride, noting that "it's not very profitable to keep on badgering" the critics to use more of the agency's output.

Pride vs profits

> If we're not doing a decent job, the job that we ought to do, then I want to do it; . . . if we can improve, we will.[24]

When Kenneth Thomson makes that kind of statement — as he did to this Commission — he invites a challenge to carry out his commitment.

Colin McConechy, the former editorial consultant for the Thomson newspaper group, described the company's news service (TNS) as "anemic". He accused the company of "indifference" to the need for editorial quality throughout its operations.[25] The effect is nowhere more visible than in the tiny, undermanned news service itself. It operates on a budget of approximately $400,000 a year — less than one-fifth of the amount that Southam spends on its news service.

The Thomson papers, other than the *Globe and Mail* (which doesn't use the service) and Winnipeg *Free Press*, are relatively small dailies which cannot afford the same level of expenditure as their bigger Southam cousins. They also pay a somewhat higher Canadian Press assessment per subscriber than do the majors. (CP's complex assessment formula provides for a gradual drop in cost per thousand as circulation goes up. CP officials see this as the essence of the co-operative nature of the organization, with the stronger members helping the weaker ones. It can also be seen as an exercise in practical politics, since the major papers bear the bulk of CP's costs.)

Thomson provides no international news coverage from its own correspondents. The role of the news service was spelled out succinctly by Brian Slaight, Thomson's executive vice-president: "We are not trying to duplicate CP. We are not trying to compete with CP. We are trying to supplement CP coverage for our local audience."[26]

To offer criticism of TNS, as many of the Commission's witnesses did, is not to be critical of the people who work for it. One of the best political commentators on Parliament Hill, Stewart MacLeod, contributes a five-times-weekly column which is widely published in the chain's papers. A foreign affairs column is filed from Toronto by John Harbron, who before the death of the Toronto *Telegram* was editor of its editorial page. A business and consumer column is also written from Toronto by Vincent Egan; and the Ontario Thomson papers carry a Queen's Park column by Derek Nelson. Beyond that, the service provides little but local items from Hansard in the House of Commons and the Ontario legislature.

We have dealt with Thomson's faults and failings in the news service area. In the absence of any strong defence from the Thomson side, the Commission is left to reflect on the biting analysis of Edwin Bolwell, former editorial director of the defunct FP newspaper chain: "You can imagine what would happen if the Thomson group bought an NHL franchise," he told us. "They would buy all the other teams and shoot winning scores into empty nets."[27]

The outsiders

Because CP's news output is so limited in the area of its own foreign coverage — or at least in part for that reason — many Canadian newspapers buy material from syndicates and agencies in the United States and Britain.

The most important American sources are the New York *Times*, the Los Angeles *Times*-Washington *Post*, Knight-Ridder, Chicago *Tribune*, *Christian*

Science Monitor, and Des Moines *Register and Tribune*. From Britain, the papers buy the services of the *Sunday Times*, the *Times*, *Financial Times*, *Daily Telegraph*, *Guardian*, and the *Economist*. Without exception, they are worthy services from some of the world's outstanding news organizations. As supplementary services, they are beyond reproach. The problem is that in terms of depth and quality, they are *not* supplementary; in the absence of comparable Canadian services, they are all that's available.

The *Globe and Mail*, for example, buys the New York *Times* service along with that of the *Times* of London, Reuters, and, from Paris, *Le Monde*. The Vancouver *Sun* and Toronto *Star* make use of the combined wire of the Washington *Post* and Los Angeles *Times*. The *Gazette*, now alone in the Montréal English-language market, has the luxury of both New York *Times* and *Times-Post* coverage.

Beyond these extra services, some major papers buy the work of freelance correspondents in other countries. As the Toronto *Star's* Martin Goodman testified: "The strength of the *Star* has never been its reliance on the services so much as on the fact that it has stringers, people who may work for somebody else but freelance for us, or on a retainer, both across the country and throughout the world."[28]

Even if CP were to provide more adequate foreign coverage of its own, some or all of the larger papers would continue to buy these special services, if only for the sake of variety. But a wider CP coverage would reduce the necessity to do so — and give an authentic Canadian touch to what Canadians read.

To sum up

The Canadian Press is doing a good job in an efficient and conscientious way within the constraints placed upon it by its member publishers. If it is to become a better service, it is up to the directors of the co-operative to give it the direction and the funding to do so. Prominent among the weaknesses that could be corrected are the inadequate service to French-language papers, and thus to French-speaking readers; and the virtual absence of foreign coverage by CP staff correspondents.

The dominant influence in CP belongs to the chains; as a result, the organization fully reflects the power of concentration in Canada's newspaper industry. But CP cannot be faulted for taking direction from its membership as a whole. Its members are ultimately responsible for what CP does, and doesn't do; it is their responsibility to respond to criticism and act accordingly.

United Press Canada and Southam are taking their responsibilities seriously and contributing to a general improvement in the standards of news service journalism.

As for the Thomson organization, if it heeds the words of its chairman, it will go to work to build greater quality into the Thomson News Service: an effort that would be appreciated by readers of those newspapers, and would serve Canada's interests as well.

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Aislin (Terry Mosher),
Montréal

Cartoon donated by the artist. Mosher was co-author with Peter Desbarats of *The Hecklers: A History of Canadian Cartooning - A Cartoonists' History of Canada* (McClelland and Stewart, 1979). Mosher and Desbarats advised the Commissioners in their selection of cartoons for publication in this Report.

8

The public agenda

THE reporting and discussion of public affairs is a mainstay of newspapers, and the performance of their role in this respect has been a central concern of the Commission. An important part of the function is political journalism. Without political news and commentary, it is possible to publish a list of stock-market quotations, a racing sheet, or a community bulletin board. What these publish is news, but they are not newspapers as we understand them.

Informed and opinionated newspapers have been fundamental to the development of modern Western democracy. Thomas Jefferson once wrote to a friend that "were it left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter."[1]

Through its own research, public hearings, and letters from newspaper readers across the country, the Commission has become aware of a national consensus on the quality of political journalism. There is a belief that it has lost vitality, and with this has come a decline in regard for the newspaper as an institution. Exploring the relationship between these developments is vital, not only for the future of newspapers but for the well-being of the nation. Newspapers cannot thrive without political journalism, and there may be some doubt whether democracy can flourish without newspapers, or their equivalent.

In this respect, Canada's daily newspapers cannot be said to be thriving. In their public affairs reporting, and in their interpretative role, they have lost the impact they once had on public thinking. In part, this is because they have adapted to the standards of television journalism, with its emphasis on political leaders rather than the issues for which they stand. Newspapers have failed to exploit their own very real advantages of depth and comprehensiveness.

In part, also, the decline can be traced to the concentration of newspaper control. Chain ownership tends to withdraw from commitment on issues of national importance; chain owners, in fact, make a virtue of their non-involvement. Such matters are delegated to local managers whose responsibility is by definition diluted. Often, they take their mandate to apply chiefly to local affairs. The result, in terms

of vigorous national debate, is debilitating. The alternative, that power to influence opinion should be more openly exercised from a few corporate boardrooms, is not acceptable. The only acceptable direction is to reinvigorate the national influence of independent editorial voices, and that will require further adaptations in the structure of the newspaper business.

The essential connection between a healthy, independent, and diversified press and democratic vitality has been noted since state authorities in Europe gave up licensing printed matter. Society in North America has been influenced by newspapers whose founding purpose, highest calling and basic support, high-minded or otherwise, originated in the world of politics.

The relationship is at the heart of the Commission's concern about ownership and concentration in the daily press. As Heywood Broun wrote nearly 50 years ago, after the death of two New York dailies, "I wouldn't weep about a shoe factory or a branch-line railroad shutting down, but newspapers are different."[2] A.J. Liebling, in his book *The Press* in 1964, was worried about the plight of the press at that time because he saw it as "the weak slat under the bed of democracy".[3]

The press and the party system were identified in 1955 by Canadian historian Frank H. Underhill as "the two chief instruments in democratic communities for mediating between the government at the centre and the citizen body at the circumference".[4] In his foreword to W.H. Kesterton's pioneering history of Canadian journalism in 1967, Wilfrid Eggleston said that ownership, control and quality of the press are of "paramount importance"[5] in a large, complex, and democratic society.

Until recently, Canadians took it for granted that newspapers were political creatures. The political birth of the modern Canadian nation was attended by a highly political press. Newspapers at the time of Confederation "reported and informed; they commented and criticized; and in the broadest sense they revealed the diversity not only of men and politics but of life itself." The passage is from *The Life and Times of Confederation*, by P.B. Waite, who also described "the real interaction of politicians and newspapers" during that period. "Political patronage the newspapers expected and received. They entered the cut and thrust of political life with all the verve of the politicians whose views they represented. Their remarks were vigorous, at times vindictive and downright scurrilous; they had in fact the same characteristics as politics itself."[6]

This was the way publishers, editors, and journalists saw themselves at that time. George Brown, the editor of the *Globe*, once postponed a decision to enter politics because he was "better employed here, firing away in the *Globe*".[7] Journalists still working on Canadian newspapers can remember editors who were militants in the highest echelons of political parties, and politicians who treated journalists as if they were propagandists for hire.

That newspapers have lost some degree of political influence, in the smoke-filled back rooms and with the public, is both self-evident and well documented. Research studies for the Commission have confirmed it. Less obvious, at first glance, is the relationship between this loss of political vigor and the trend toward monopoly newspapers owned by large corporations. Most journalists believe, as a matter of faith, that one has followed the other, but academic researchers have usually found it impossible to measure the connection empirically.

The decline of the newspapers' place in public affairs is related to changes in ownership, although that is only one of many factors. The newspaper that was, in

effect, owned by a political faction was once the rule. Little more than 150 years ago, the *Times* of London received an annual payment from the Foreign Office to support its policies. In the 1930s, the deficits of a daily newspaper in western Canada were met by the country's prime minister, R.B. Bennett. It was not until the 1960s that the Union Nationale party in Québec relinquished control of its newspaper, *Montréal-Matin*. Today it is fashionable to sneer at the propaganda newspapers of yesterday, and no one would want to resurrect them, but they were not without virtues. Their political biases were declared. They were expected to compete with other newspapers, often of the same kind. Cutthroat commercial competition was compatible with a lively marketplace of rival political ideals crying for attention. The funds that political parties poured into newspapers were a tribute to their influence.

For better or worse, publishers, editors, and journalists were wedded to the political system as closely as the politicians. Naturally, they saw a great deal of one another. No longer is this the case. According to Commission research, the old pattern of close and continuing ties between cabinet ministers and important editors and publishers is largely a thing of the past, apparently having declined along with the partisan press.

The relationship has cooled on both sides. Publishers and editors may proclaim a new independence from political influence but the fact is that the politicians, in the main, have stopped trying to convert or corrupt them. The attention of the political world is elsewhere, distracted by the television screen and new problems of communication. Few politicians can spare much time for editors who no longer have firm party loyalties, devoted readers, or recognizable public reputations. The modern editor, anonymous to his or her readers, is of less account in political circles than the electronic journalist armed with a camera and microphone.

The 1957 federal election campaign was the first in which television was used extensively. It has taken less than 25 years for the television screen to replace the newspaper as the most prominent source of political news for most Canadians, the main concern of political specialists charged with molding public opinion, and the chief recipient of political advertising. In the 1979 federal election campaign, more than 55 per cent of the money spent on advertising by the three major parties went to television; radio received 27 per cent; only 18 per cent went to print media of all kinds.

Powerful chorus of faded divas

Decreasing influence is a vicious circle for newspapers, but society could view it dispassionately were it not for anomalies in the process. While people generally rely less on newspapers for political information and guidance, those for whom newspapers remain important often play a leading role in shaping the opinions of others. "Major daily newspapers," in the words of one of our research studies, "remain the primary source of public affairs information not only for the top decision-makers but also for the most politically attentive segment of the population at all levels."

The relatively long tradition of political print journalism, compared with electronic media, and the large editorial staffs of newspapers, compared with radio and TV newsrooms, continue to give newspapers a major background role in the nation's continuing political drama. Faded prima donnas they may be, in many cases, but in combination they still form a powerful chorus. As Senator Keith Davey said to the

Commission, "Now, more than ever before, print determines if not how we think, then certainly what it is we think about. . . .Print, principally newspapers, determines society's agenda."[8]

Although there is relatively little research to illuminate the precise relationship between news media and government, the role of newspapers as agenda-setters for society and, to some extent, for government, is well documented. A study of public opinion in Canada from 1960 to 1978 found that public perceptions of the most important problems facing the country were related not only to the actual incidence of unemployment or inflation, for instance, but also to newspaper headlines.[9]

The *Globe and Mail* testifies to the influence that continues to be exerted by a newspaper with a clearly defined idea of its own role and substantial editorial resources. It is read by almost three-quarters of the country's most important decision-makers in all parts of Canada and at all levels of government. More than 90 per cent of media executives read it regularly and it tends to set the pace for other news organizations. *Le Devoir* plays a similar role in the French-speaking community. The Toronto *Star*, through its syndicated columnists, has some national influence. The *Star* and other major dailies continue to influence the tone and content of political discussion in their own regions.

This indirect influence, on the mass media and other opinion leaders, seems difficult to reconcile, at first glance, with the fact that newspapers have lost ground with the public as the primary source of political news and commentary. Have they, overall, lost or gained influence? Clearly, they no longer have the field of political news and commentary to themselves. This loss of direct influence on the public, however, has to be considered in the light of their unrivalled news-gathering capacities, and their depth of news coverage. Other media rely on the newspapers' assessment of events to guide their own coverage. Newspapers remain indispensable in the whole process of reporting and evaluating political activity. Perhaps they have failed to recognize and exploit this sufficiently. They could have expanded and improved their political coverage in recent years instead of seeming to accept, at times, the role of camp-followers of the electronic media.

The sheer momentum of newspapers, because of their size and traditional role, continues to make them influential agents in our public life. If this momentum has become aimless, the danger to society is greater than if the newspapers had become simply irrelevant. There is some evidence that this has occurred.

The most revealing and worrisome signs are at the local level, where newspapers originated and where the voice of the newspaper still commands the attention of citizens and the awe of local politicians. The power remains but the will to use it has largely disappeared.

There is evidence at the local level, if no longer at the national level, that newspapers can affect election outcomes. In a 1977 study of civic politics in Vancouver, nearly two-thirds of the voters polled said that newspapers were an important source of civic news — at that level, a more important source than television.[10] In most cities, the newspaper has a larger local affairs staff than the total for all local broadcast media. It continues to influence the content and tone of public affairs coverage by these other media. Its letters-to-the-editor columns are an extensive and permanent record of popular debate on political issues. At the local level, newspapers often provide the only vehicle for alternative or critical perspectives on the policies of a domi-

nant faction. Their role as opinion leaders in the community is critical and irreplaceable.

Several editors and publishers of smaller dailies told the Commission's researchers that chain ownership had increased the editorial independence of their newspapers by making it easier for them to resist pressures from local power structures. In Nova Scotia, for instance, the executive editor of the Cape Breton *Post*, Ian MacNeil, told the Commission that "since Thomson took over, we have become a better newspaper. The previous publisher had prejudices like you wouldn't believe. I have not found that anywhere with the Thomson people. They're much more open."[11] Such cases do not mean, however, that new-found independence has been much used by newspapers. It has been negated to some extent by monopoly situations. Good political reporting and commentary require resources.

The Commission found that newspapers in competitive situations were more likely than those in monopoly situations to make editorial endorsements of political candidates at all levels. They also tended to accompany these endorsements with a wider ranger of political comment. Although the evidence is not conclusive, our research data suggest that competition does foster editorial vigor.

A number of editors told the Commission's researchers that to endorse candidates in a monopoly situation would be unfair. Several municipal politicians who appeared at our public hearings said the same. Some editors claimed that readers wanted their only local newspaper to be unbiased. Editors in competitive situations, on the other hand, were likely to argue that the newspaper had a right to express its opinion.

Monopoly newspapers generally are more reluctant to make endorsements in local than in federal or provincial elections. They claim that other newspapers with different editorial positions on provincial and national affairs circulate in their communities to some extent; only with respect to local affairs do they enjoy a clear monopoly on editorial comment. "Who will help other candidates who are not endorsed?" asked the editor of the London *Free Press* in one of our research interviews.

There are differences in endorsement practices among chains, and between chains and independent newspapers. The newspapers most likely to make no endorsements are those owned by such small chains as Sterling and Bowes, and the Quebecor newspapers whose president, Pierre Péladeau, said to the Commission, "I take for granted that our role is to report the news as it is, and leave it to the reader to make the right decision."[12] Practising what he preaches, Péladeau ensures the political independence of his readers by giving his editors none; they are not allowed to write editorials. Southam dailies are inclined to endorse candidates at all levels. Smaller independents and Thomson newspapers are more likely to refrain from endorsements than other chain-owned newspapers of the same size. Margaret Hamilton, president of Thomson Newspapers, told the Commission that the group's newspapers "do the very best job they can to inform the public about all of the candidates". She downgraded the importance of political editorial endorsements, saying that "one of the things that those of us who are in the industry sometimes over-estimate is our political. . .or our influence editorially."[13]

At the Commission's hearings in Halifax, the publisher of the *Chronicle-Herald* and *Mail-Star*, Graham Dennis, stated that "it is our duty, insofar as is possible, to

avoid aggravation of our political conflicts."[14] Testifying to the success of these efforts, William MacEachern, Liberal member of the Nova Scotia legislature for Inverness, told the Commission that the Dennis philosophy seemed to be that "if something is said or is given the mantle of the legislature on it, the *Herald* will print it, but they seem to be deathly afraid of touching any subject that has anything even remotely connected with controversy.... They do not take a partisan position.... I wish to God sometimes that they would."[15]

Varying practices among chains and independents have occurred within a general decline of partisan editorial commitment among newspapers, particularly at the local level. Monopoly journalism seems to be the cause, rather than chain ownership *per se*. As the Commission discovered, at times this deterioration has been noticed and deeply resented at the local level. The most recent and perhaps strongest example of this public reaction was explored for the Commission in a case study of media and local political coverage in Victoria, where two newspapers under common Thomson ownership became one, the *Times-Colonist*, in September, 1980.[16] The study revealed a high degree of dissatisfaction among citizens and politicians alike with local political coverage by the combined newspaper, as well as a sudden increase in attempts by politicians to use the media, particularly radio and TV, to communicate directly with citizens.

Instead of two reporters covering city hall politics in Victoria and being "quite often...at opposite ends", according to one of them, there was only one after the newspaper merger. The survivor also doubled as a weekly columnist on municipal affairs, losing credibility as an objective reporter. A constant flow of letters from Victoria gave the Commission a keen appreciation of how reluctantly some Canadians accept, at least at first, the change from a competitive to a monopoly press.

The question that concerns us is not the propriety or otherwise of political endorsement by a monopoly newspaper. Endorsement can be grossly unfair to some candidates. Neutrality can take the edge from a newspaper's political coverage. Some monopoly English-language newspapers occasionally have adopted signed editorials in an effort to avoid official endorsement of candidates, a common practice in Québec where editorial writers not only sign their work but sometimes disagree with one another on the same page.

Editorial writers on a contemporary newspaper, of course, have no monopoly on opinionated journalism. In place of the former division between editorials and objective reporting, there is now a no-man's-land of individual commentary inhabited by cartoonists, columnists, photographers and photo editors on occasion, and reporters aspiring to analytical journalism. The absence of partisan editorials, in a modern newspaper, doesn't necessarily mean a lack of viewpoints strongly expressed throughout the newspaper.

The issue, therefore, is not only whether a newspaper has a strong political position as editorial policy. Desirable as that has been in the past, monopoly ownership now impedes it. The only way to overcome this would be to assure real independence for editors. In the meantime, the question is whether newspapers care enough about political affairs to pay for adequate reporting and informed analysis, whether opinionated or not.

In many areas, community newspapers publishing once, twice, or three times a week have enlarged their political coverage and commentary as the dailies have

declined, but in all but a few cases they lack the editorial resources and circulation to provide a real alternative to the monopoly daily. The editorial weakness of some of these dailies, however, may have contributed to the growth of weeklies in the past decade.

Coverage of provincial politics, particularly in regions dominated by a single newspaper or newspaper group, suffers from the same disabilities, mitigated to some extent by other media and newspapers from outside the region.

The Ottawa Gallery

If there is to be conclusive evidence of a decline in political journalism, it must be sought in the inner temple of the profession — the Parliamentary Press Gallery. Prime Minister Mackenzie King described the Gallery as "an adjunct of Parliament". In 1969, the federal Task Force on Government Information referred to it as "the most important instrument of political communication in the country".[17]

Only a generation ago, the Gallery, like its provincial counterparts, was generally partisan, with reporters closely identified with various parties. It was more like a club than a professional association. The political world in Ottawa now has outgrown the club. While Gallery membership has increased substantially, from 88 members in 1959 to 234 in 1981, it has grown more slowly than government and it has failed to keep pace in experience and expertise with the institution that it is supposed to observe and assess. Members of the Gallery themselves seem to be conscious of a decline in prestige. As more and more reporters appear on the Hill, according to the Commission's research, they "appear to be getting younger and less experienced and the rate of turnover appears to be increasing, reaching an estimated 40 per cent per year in recent years." The suspicion is growing that "becoming an Ottawa correspondent no longer represents the pinnacle of a reporter's career".

Members of the Gallery also sense that they have become less important in the eyes of their publishers and editors. As late as the 1960s, there still were legendary figures in the Gallery who were more like ambassadors for their newspapers than mere correspondents. After extensive interviews with members of the Ottawa Gallery and those in the provinces, researchers for the Commission concluded that "Ottawa coverage may have improved in the past 20 years and, in particular, more specialized analytical copy may be available, but it has to fight for space in the regional dailies and often ends up in overset or the wastebasket."

"This pattern," according to our research, "also appears to reflect a decline in the priority given to political coverage, a decline which accompanies the end of the partisan press. Many gallery members across the country told us that they had to struggle to get space in the face of marketing surveys which appeared to favor feature material over hard news and political comment."

Gallery members also recognize that the complexity of modern government has outstripped their own capabilities. Despite a trend toward specialization in the larger news bureaus, vast areas of official activity are rarely covered. In particular, the superior courts, regulatory agencies, and bureaucratic policy formation are virtually ignored. "In many cases," according to the Commission's research, "the growth of the galleries has merely resulted in more reporters chasing the same stories, often from the same perspective."

The increase in the number of print journalists in the Ottawa Gallery, from 83 in 1959 to 142 in 1981, has been due mainly to an increase in the size of major bureaus, the establishment of more news services, and a sharp rise in the number of freelance journalists. The "Ottawa correspondent" for the regional daily has been on the decline as more newspapers have relied for Ottawa coverage on news bureaus serving a number of papers, and Canadian Press. Fully half the nation's daily newspapers rely exclusively on CP for Ottawa coverage. Fewer than 20 per cent have their own correspondents in Ottawa, while the rest supplement CP coverage with pooled coverage, syndicated columnists, or occasional visits to Ottawa by staff reporters.

Concentration of ownership appears to have produced concentration of news facilities in Ottawa, resulting in a centralization of national political coverage. This is an ominous development for a nation that requires efficient and interactive communication between the national political centre and regional centres of political and economic power. Regional correspondents in Ottawa traditionally helped to inform politicians of conditions at home as well as reporting Ottawa news from a regional perspective. Central news bureaus often tend to produce copy that even editors, let alone readers, find irrelevant.

While the traditions of individual newspapers and the preferences of local news executives are important factors in determining the extent and character of a newspaper's political coverage, the Commission's researchers found that mergers of newspapers and the creation of pooled news services clearly resulted in a loss of diversity. The large news services can provide comprehensive coverage of parliamentary events, and in this respect may be doing at times a better job than their predecessors, but the flow of commentary and interpretation has been severely limited.

Press and politics on-camera

Concentration of ownership and centralization of political coverage have coincided with the advent of television. In 1959, there were five broadcast (and somewhat outcast) journalists in the Ottawa Gallery. Their number has risen to 92 in 1981 and they tend to dominate the style and content of news coverage in Ottawa. Television reporters, in particular, form an identifiable elite in the Gallery, with incomes and audiences far larger than those enjoyed by print journalists. They have unrivalled access to politicians. Political developments are scheduled and staged to suit their requirements.

In a typical Ottawa "scrum" of journalists besieging a politician for comment, radio and TV journalists usually are at the centre, asking the questions, while the print journalists scribble in their notebooks on the sidelines. The politicians tend to answer in short "clips" tailored for newscasts rather than entering into substantial discussions with journalists. Researchers for the Commission found that "despite the good work of some correspondents and producers, especially with the CBC, the requirements of television news have clearly helped to make political coverage more superficial."

Some observers believe that television has helped to create a more cynical, confrontational style of journalism, which has spilled over into newspapers. Emotional political conflict is made to order for television news, but information about complex political situations is extremely difficult to present on television in ways that will

interest and inform viewers. In theory, the brief news reports on television should be complemented, for the audience, by information in newspaper articles. In reality, print journalists tend to follow the cameras, microphones, and lights toward television's story and, in many cases, to form part of the cast of extras that eventually appear in the television report. Later, having watched the news on television, they return to their typewriters to try to describe the new role that television plays as participant as well as recorder of the political process. Fearful about their own careers, often relying on radio and television for extra income and exposure, print journalists have found it difficult to adapt to television without being overwhelmed by it.

Within the small world of the media, nevertheless, print remains the agenda-setter. The first item of the day's business in every radio and TV newsroom is the reading of newspapers, usually the *Globe and Mail* followed by the main regional newspaper, and the scanning of reports from CP, largely drawn from newspapers. With the print journalists in Ottawa following on the heels of broadcast journalists, with editors in TV newsrooms using newspapers as a guide to newscast line-ups, the process of "pack journalism" reaches a circular absurdity.

Television has come into its own, and political journalism has veered toward total irrelevance, during recent election campaigns. Liberal party strategists in 1980 went so far as to declare that they did not care what the print medium published so long as the party received regular television coverage. Key staffers from the three major parties started each day of the election campaign by reviewing clips from the previous night's television coverage on all networks. The most effective campaign strategies were those that deliberately limited leaders to one or two media events each day where they addressed selected partisan audiences. These *ersatz* public appearances almost completely supplanted authentic contact with voters and precluded any intelligent discussion of issues. Television was forced to report them daily while print journalists were reduced to criticizing the television campaign. That did nothing to inform citizens of the substance of party differences on the major issues facing the country.

While newspapers have criticized television coverage of election campaigns, their own is remarkably similar. Several studies have shown that leadership is the most prominently reported theme in campaign coverage by both newspapers and television. The similarities in emphasis among the media are far more striking than the differences. Studies of the 1974 and 1979 federal election campaigns have found that the dominance of television networks and news services encouraged uniform and centralized campaign coverage.[18] Newspapers appear to have been heavily influenced by television coverage with its emphasis on attacks and counter-attacks, leadership, color, action, and the "horse race" aspect of campaigns. Local and regional issues have been neglected.

Newspapers continue to provide a wealth of detail about candidates and issues in election campaigns. Without this background information, many election reports on radio and TV would hardly make sense. Newspapers continue to do this out of a sense of duty and tradition, but increasingly their best talents and most prominent columns are given over to reporting and reviewing the campaign's electronic circuses where the stars of politics and television journalism compete for public attention. By following this course, newspapers place themselves on the sidelines, to some extent, and miss an opportunity not only to provide in-depth political news and commentary

that most of their readers cannot find elsewhere, but to regain their primacy as the main channel of communication between government and the people.

Less than two decades ago, politicians relied to some extent on journalists' assessments of public opinion. This ceased almost entirely in the 1962 election which was described, at the time, as Canada's "first scientific election" because of the use of intensive, privately commissioned public opinion surveys, statistical analysis, and the latest techniques in advertising and mass communications. By polling voters and spending heavily on television advertising, political parties have attempted to absorb and control two campaign functions — intelligence and communications — that they once relied mainly on the press to provide. The largest newspapers and newspaper groups commissioned their own opinion polls. All this activity reinforced the focus on party leaders because the results were often presented as measures of the effectiveness of leaders' campaigns.

Recent election campaigns have exemplified the concentration and uniformity of news coverage that has become the norm in Canadian political journalism. Everyone keeps an eye on the *Globe and Mail* in English, *Le Devoir* in French, usually through the news agency that all the newspapers own in common, Canadian Press. CP is also the main news provider to radio and TV stations throughout the country. All from one and one from all: concentration of the Canadian media has raised pack journalism to the level of a national institution.

Ironically, however, the same concentrated press that breeds conformity now raises the banners of regional pride against it. Interchangeable publishers, editors, and reporters, instant boosters of wherever they happen to be, lash back in parochial anger at the world that they have helped to create.

It is easy to say that television is blunting the blade of print journalism. The fact is that the newspapers themselves are largely to blame. By their emphasis on personalities, rather than the exploration of issues, they have followed television up a blind alley. They have lost much of their audience for serious discussion of public affairs because they have not put into political reporting and analysis the resources required in a world of increasingly complex issues. They have not taken advantage of their own strengths. Thereby, they have seriously weakened their fundamental role in a democratic society.

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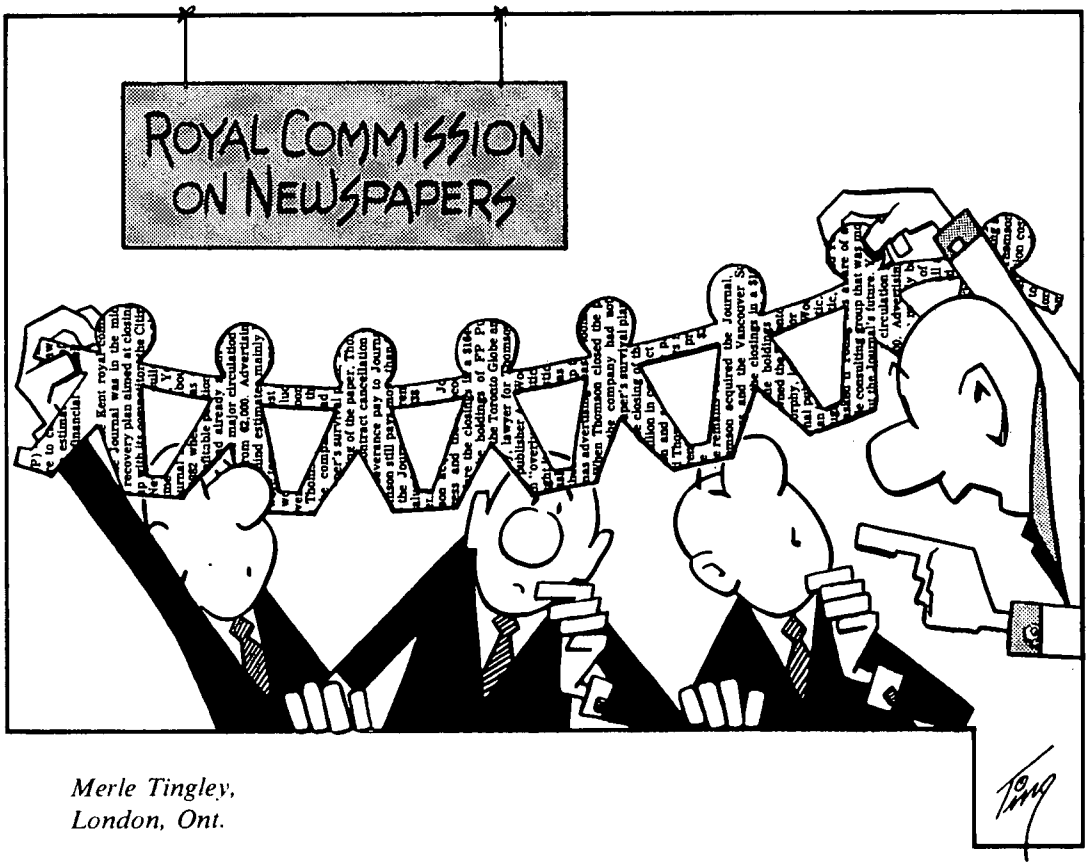


Merle Tingley,
London, Ont.

9

Quest for quality

LIKE any trade, profession, or industry, journalism must pay constant attention to quality if it is not to lose public confidence. In a fast-moving age, with few fixed or familiar values, journalism needs more and more guideposts and guardrails if it is not to deviate from its course — a sort of signalling system to keep it on the right track and to point out ways to improve and extend its service. In this chapter, we will examine recent progress in this country in self-regulation, through press councils and ombudsmen, and in apprenticeship and professional development, through journalism courses and organizations devoted to the improvement of the press, both as a business and as a profession. It should be noted that these means of maintaining and improving the quality of journalism apply in most instances to both print and broadcast journalism.

The press council

As a rule, a press council is a permanent, self-governing body set up primarily to observe the news media and to hear complaints the public may have about the media's performance. Sweden was the first country to establish such an organization, in 1916. Today, the press council can be found in a number of countries, and it varies in function and form. The Swiss council, for example, is composed only of journalists, the Japanese only of media owners, while the British includes journalists, owners, and representatives of the public.

In Canada, the idea of a press council was slow to develop. The British council, formed in 1953, served as a model during the 1950s and especially during the 1960s when in Québec and Ontario demands for a press council became insistent. Social unrest and challenge to authority reached a peak in that period, and the press found itself at the centre of the storm. The media, which in a consumer society are expected to represent everybody, were pulled hither and yon, torn between the competing interests of all the many groups that were determined to make their voices heard. In Québec, the rise of violence associated with nationalism, the accusations and criticism levelled increasingly at the press, and above all the arbitrary intervention of the police into journalists' activities, convinced thinking people, within the

media and without, of the need for an impartial body, one above the fray, to judge the sins and omissions of the press and, in particular, to protect its freedom. In Ontario, the struggle was less heated, but there, too, the press did not escape the tensions arising out of the new social divisions. In fact, in 1968, the McRuer Commission on Human Rights felt it necessary to propose to the provincial government that it set up an independent press council to monitor and discipline news organizations.[1]

At the end of the 1960s, the idea was ready to take off, and it seems to have been the Davey Committee that gave the starting signal. The Senate report strongly advocated the creation of press councils for both linguistic communities. The Toronto *Star*, which had toyed with the idea for some time, decided at that point, along with other newspapers, to move into action. Thus was born the Ontario Press Council, in June, 1972. The year before, Mark Farrell, publisher of the Windsor *Star*, had already established a council for the Windsor region. It was also in 1972 that the Alberta Press Council was formed. A year later, after much debate and vacillation, Québec created a similar body. These four press councils, the only ones in Canada at the moment, have already established important benchmarks in self-regulation for the journalism profession and for the newspaper industry in general. In most respects, however, the four differ in both spirit and practice. The difference is particularly noticeable between the Ontario and Alberta councils and that of Québec, which from the very outset assumed unusual range and importance.

In English-speaking Canada, the three councils, inspired mainly by the British experience, base their approach on conciliation rather than on arbitration or judgment. They limit their concern to the written press and, with certain exceptions, to the minority of newspapers that make up each council. The small Windsor council is in a category by itself; its community orientation brings the Windsor *Star* and radio station CKWW together in support of the same ideals. However, it appears that the preponderance of public representatives on the council (two-thirds) has up to now kept other media from joining. At least this is the explanation offered as to why the other news organizations have turned a deaf ear to invitations to join. The Windsor council has had to handle relatively few complaints, some of which concerned the right of access to the media.

The Alberta Press Council, whose membership includes five of the province's eight daily newspapers, has several features in common with Ontario's. For example, it has equal representation from newspapers and the public (five delegates from newspapers and five from regions served by the papers), it deals only with the print media, and it hears complaints only if the aggrieved party cannot come to a prior agreement with the newspaper. The council's aim is to give the public a possibility of recourse against abuses of the press and to promote the right to information. It has had to examine cases of obstructing press coverage, notably on the part of prison authorities at Fort Saskatchewan, who forced press photographers to expose their film after an official visit, and of the University of Alberta, which tried to bar press coverage of some official meetings. Yet the council handles only a few cases a year. This light activity has been attributed to the low level of politicization in rich Alberta.[2]

The Ontario council does not have this problem. It has handled more than 600 cases since its inception, twice as many as its Québec counterpart. Established by a handful of newspapers to preserve the freedom of the press and to foster better rela-

tions with the public, the council tries to settle disputes between parties before rendering a decision of its own. It has had to deliver a final opinion on only a minority of complaints, the majority of the complainants having obtained satisfaction from the accused newspaper or having withdrawn their complaint. More than half of the grievances concern the honesty and objectivity of reporting, and nearly a quarter the difficulty of access to the newspaper. In its report for 1979, the council noted that complaints concerning news treatment were declining in relation to those about access to the newspaper and advertising content. This reflects a new trend in public demands. As well, the council has been drawn into broader social questions such as sexism. This issue, among others, forced it to break its own rule of confining its attention to particular cases, and in 1978 it published a brochure proposing general guidelines for the media on this question. In another incursion into the realm of ethics, it put out, a short time later, a position paper on the subject of acceptance by journalists of gifts and services.

Despite its progress since 1972, the Ontario Press Council is not recognized by all newspapers. After the North Bay *Nugget* joined in March, 1981, the council still numbered only 10 member dailies, though they account for 55 per cent of newspaper circulation in Ontario. One sign of the distrust with which the council is regarded: of the 17 non-member papers against which complaints were filed in 1979, 16 refused to authorize the council to examine the complaint. Moreover, no paper belonging to the Thomson chain is a member of the council. Kenneth Thomson stated in Commission hearings in Ottawa that the publishers of his papers decided on their own not to join the council. As for himself, citing the British experience, he does not believe such an organization can be very effective: "I think every newspaper is its own press council in a small community."[3]

Because of the different nature and bent of Québec society, the Québec Press Council (QPC) is like no other in Canada. Although the concept of a press council had been accepted in principle by 1968, five years elapsed before it became a reality. The delay was caused by the antagonism between press employers and employees. Both sides are represented on the council which, with the public's representatives, is a tripartite body: six from management, six journalists, six from the public, and the chairman, who must also come from the public. There are other differences between the QPC and its English-language counterparts. The QPC includes both the press and the electronic media and its jurisdiction is not limited to members. Before examining a complaint, it does not require bargaining by the parties concerned; rather it asks them for explanations and then renders its decision. Thus it operates as a tribunal which seeks to impose its moral authority on the world of Québec journalism.

Tempted at the beginning to adopt a code of ethics, the council finally chose to build up a casebook based on precedents. This pragmatic approach, which conforms so little to French legal tradition in Québec, was taken because the industry and profession have so much trouble reaching agreement on common objectives, and because of a general fear of too-rigid codifications. The QPC's objective is to protect and strengthen the public's right to fair and full reporting; up to now it has received some 300 complaints. This is a relatively low number and it reflects not so much public apathy as the slowness of the council (because it lacks means) to win public recognition. The number of complaints did, however, rise 28 per cent in 1980. It seems that there are twice as many complaints about newspapers as there are about

journalists. Insufficient access to the columns of the newspapers is much deplored. The other most common subjects of complaint are biased coverage, inaccurate information, lack of professional discipline, discrimination, invasion of privacy, and interference with the right to information. During the referendum period particularly, the council was hard-pressed to strike a balance between the freedom of the press and the right of the public to be informed. Leaning now to one side, now to the other, the council underlined not only the tensions peculiar to Québec society, but also the problems inherent in any press council.

Though in the past eight years the QPC has earned a solid reputation and has without a doubt helped to eliminate certain abuses, it is not unanimously accepted in the publishing world. Senior management, and especially those who run media that lean toward the sensational, look upon it with suspicion. In this regard, remarks made before the Commission by Serge Coté, editor of *Le Journal de Québec*, a paper frequently criticized by the QPC, are quite revealing:

> Let's say that we are rather reserved toward the press council. We're psychologically distant, if you like, toward the press council because our product is different; . . . our product is arrogant, it's biting at times and that goes against the traditionalism in the Québec media, and if only for that reason, we greet the remarks that may be made by the media traditionalists with great reserve.[4]

For their part, the journalists, who are represented on the council by delegates from the Fédération professionnelle des journalistes du Québec (FPJQ), argue that the QPC favors the rights of business management over the right of the public to know. They note with disapproval that more than 80 per cent of the council's funding comes from the business sector. They fear that this inordinate weight may sway decisions at critical moments. To remedy the situation, the council has tried for several years to finance itself through an independent foundation, but the amount forthcoming up to now has been far below expectations.

More generally, it is considered unfortunate that public representatives on the council are a minority and that the council is dominated by the industry and the profession. As journalist Louis Falardeau pointed out recently, "Because of the presence of management and journalists, both of whom defend their own interests, the council is paralyzed every time those interests greatly diverge. And because the council functions by consensus rather than by vote, to avoid conflicts that could split the council, the public's members do not play the role of arbitrator but instead help to find compromises; for the same reasons, the council never gets around to taking a clear position on the large and very important problems regarding the public's right to be informed. The best example of this is the pious resolution expressed every time there is a long strike in the media." Falardeau concluded:

> In my opinion, a council controlled by the profession, regardless of the sincerity and goodwill of its members, will serve only to protect the interests of the profession. Now if it's really the public interest that we want to serve, let's give the Council to the public and let's agree to serve on it only as defenders of our own interests. Let's stop acting as judges in our own case.[5]

Ombudsmen

Along with the press council, another means of self-regulation has appeared on the Canadian newspaper scene: the ombudsman, who could be defined as the reader's

protector, appointed by the newspaper itself. The word and function originated in Sweden, which in 1969 appointed a news ombudsman, a judge by profession, to serve the public exclusively.

But it was, rather, recent American experience that inspired the Toronto *Star* when it introduced the ombudsman in Canada in 1972. In fact, the experienced journalist who became the newspaper's conscience, so to speak, or the reader's representative, and who was given the necessary space to publish his comments, was never officially called an "ombudsman" but "Your man at the *Star*". There was more to the creation of this post than pious purpose, however. The *Star* wanted to strengthen its credibility. Thus the move was something of an attempt to attract readers. The ombudsman, in serving as the paper's moral bondsman, became a good drawing card.

Self-serving or not, this step nonetheless had positive effects on the practice of journalism in that it inspired caution and greater concern for objectivity. The same effect has been observed in Alberta where the Edmonton *Journal* was the third daily in Canada to have an ombudsman. The *Journal*'s ombudsman, John Brown, told the Commission that his work had made the newspaper's staff more sensitive to the public interest. However, even though he receives some 60 calls a week from the public, he says that journalists' complaints are even more numerous. "Sometimes," Brown told us, "you wonder who are more difficult, the readers or the people who work at the newspaper."[6] The ombudsman is thus led imperceptibly to become a kind of mediator within the newspaper itself. Brown, incidentally, was one of the founders of the North American Organization of Newspaper Ombudsmen, which has 25 members.

One Québec daily, the *Gazette*, recently named an ombudsman, and another, *Le Soleil*, plans to do so soon. Both are omnibus newspapers like the *Star* in Toronto. *Le Soleil* is in fierce competition with *Le Journal de Québec*, to which it has lost many readers in recent years. Québec City's traditional newspaper no doubt seeks to establish better communication with a public it feels is harder than ever to hold. As the Toronto *Star* has already proved, the ombudsman kills two birds with one stone: he enhances the prestige of the newspaper, and endows it with a kind of moral conscience.

In fact, the ombudsman exerts considerable influence. He receives the public's complaints and undertakes to find solutions. He publishes his findings in a column in which he has great freedom. Finally, in seeking through persuasion to reinforce concern for fairness in the treatment of news, headlines, and so on, he stimulates competition for excellence in the newsroom.

Strengths and weaknesses

Since the Davey Report, self-regulation by the press has made much progress in Canada, at least in those provinces where there are press councils and ombudsmen. Though still relatively new, these mechanisms have already proved their value, exerted their moral authority, and laid the foundations for journalistic ethics that could spread across the country.

Nonetheless, senior management remains extremely touchy about the possibility of outsiders meddling in its affairs. Thus press councils are regarded with considerable mistrust. The president of Sterling Newspapers, David Radler, expressed this

feeling before the Commission when he characterized press councils as "an open forum for denunciations".[7] Murray Burt, managing editor of the Winnipeg *Free Press*, was equally harsh when speaking of the councils:

> I don't like the prospect of editing over my shoulder, perhaps second-guessing three months after the fact — or however long after the fact.[8]

Many publishers and owners, however, see press councils as the lesser of two evils. The president of *Le Journal de Montréal*, Maurice Custeau, had this to say when speaking of the QPC: "We don't like to be judged, but it's a necessary evil."[9] In fact, it is to the industry's advantage. Press councils and ombudsmen develop better communication and understanding between newspapers and their readers. In addition, they serve as a shield against government intervention, the shadow of which hangs over the press like Damocles' sword.

In social terms, press councils promote tolerance and fair play. They contribute greatly to a change of attitude, they grease the wheels of social change, so to speak. The intervention of the Ontario and Québec councils against racism, ethnic stereotypes, and sexism, are examples. But for the councils themselves, these large questions have an even more critical aspect. They put their customary authority to the test and in effect force them to establish general standards. Thus they have been led almost inevitably into the realm of ideology and politics, especially in Québec where ideological tendencies are more pronounced than elsewhere. Moreover, because the media often have a bone to pick with public authorities about access to information, the councils, even the smallest, have had to take a public stand against unwarranted closed meetings and police harassment.

The right to information also causes a problem when it runs up against the principle of free enterprise. The notion of freedom of the press, born at a time when it was relatively easy to launch a newspaper, and when there was a profusion of papers of every political stripe, is today strongly opposed by the notion of the public's right to information. The press councils, especially Québec's, are torn dramatically between these two notions, which both management and journalists use to their respective advantage. Massive industrialization and the concentration of press ownership in the past several decades have made the social responsibility of the media essential. But how can a company's freedom of expression in refusing to publish an article be reconciled with the public's right to information? Is it like trying to square the circle? The existing councils are cautiously feeling their way, trying to find a happy medium.

At the beginning of the last decade, the Davey Report recommended the creation of a national press council. Many wonder if the idea is still appropriate. In fact, it was not recommended once during the Commission's hearings in the major cities across the country. Instead, the most common suggestion was the establishment of press councils in provinces where there is none. The fact that provincial councils have an established practice, that there is already an established jurisprudence which differs from one place to another, and that the nature of the councils differs from one place to another — all this seems to present an obstacle from the outset to the creation of a Canada-wide organization.

The profound differences between the Ontario and Québec councils speak for themselves. How to reconcile, for example, the normative, legalistic propensities of

francophones with the distrust anglophones have for everything that even faintly smells of a court? (Paradoxically, the Ontario council has tended so far to be more legalistic than its Québec counterpart.) Another drawback is that a federal or Canada-wide council, even if it had no authority other than moral, could impinge upon provincial jurisdictions; all the more because it would touch on culture and communications, fields that have already produced epic debates between the central government and Québec.

Furthermore, how can an effective press council be set up in a province such as New Brunswick where the English-language media are monopolized by a single family? Such questions indicate how difficult it is to apply the idea of a press council universally and uniformly in Canada.

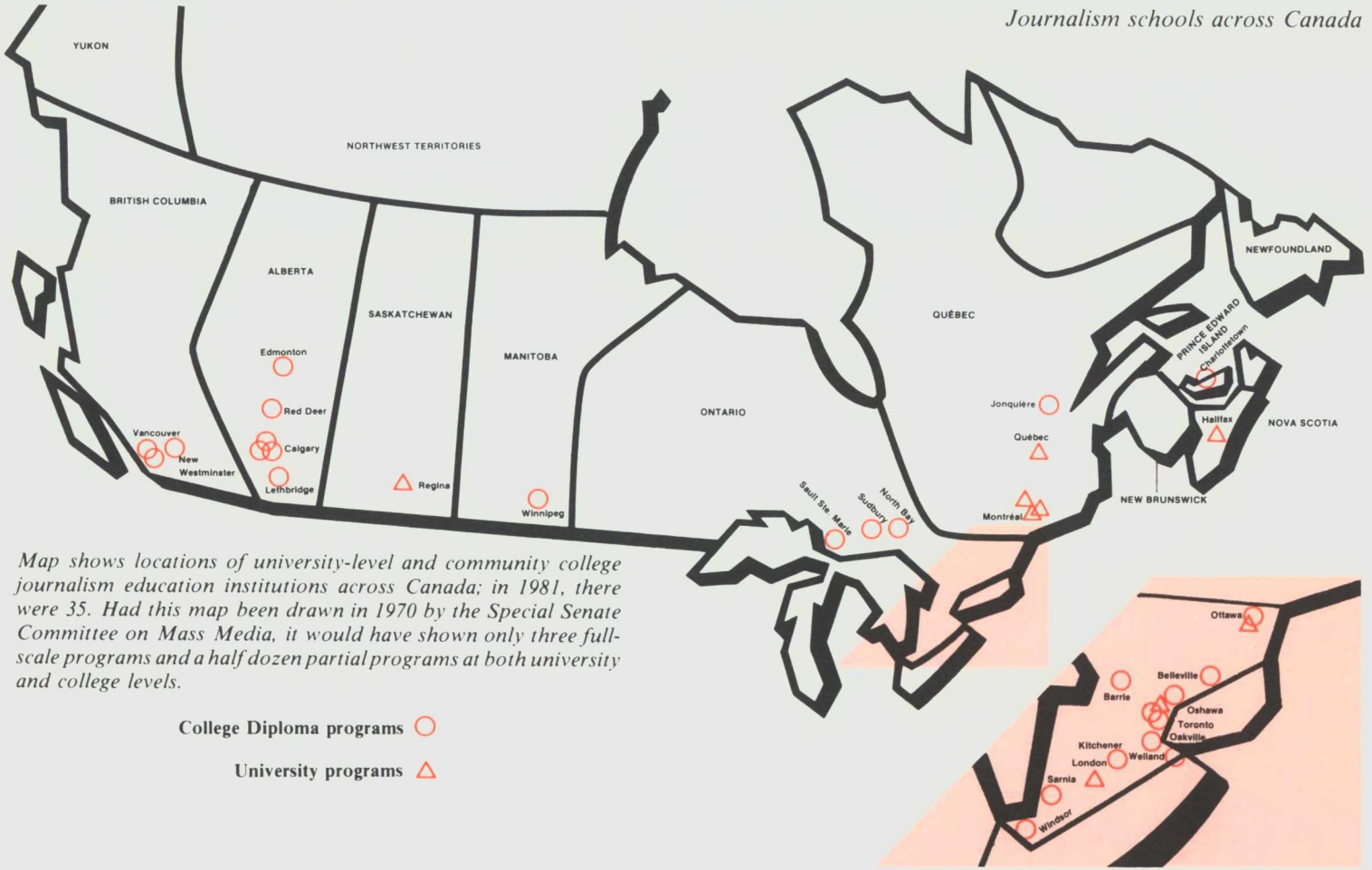
Schools of journalism

As the Canadian Daily Newspaper Publishers Association stated in its brief to the Commission, journalism courses in colleges and universities constitute one way of improving the quality of the press in the country.

Though it had a late start compared to the United States, the teaching of journalism in English-speaking Canada has a certain tradition behind it, while in French-speaking Canada it is still in its infancy. Journalism courses were offered at the University of Western Ontario in London in the 1920s, but it was not until 1945 that a complete program was set up there, and at Carleton University in Ottawa.[10] In 1949, the Ryerson Polytechnical Institute in Toronto started a journalism program which differed from the others in its emphasis on the practical aspects of the occupation. These three Ontario institutions constituted what could be called the cornerstone or first wave of university teaching of journalism in Canada. The second wave came after the Davey Report or just before it, as at Université Laval in 1968. The Senate Committee, deploring the gaps in journalism training, recommended that courses be instituted at the university level in every region of the country. This now is almost the case, since the past decade saw journalism programs set up at Concordia University in Montréal in 1974, the University of King's College in Halifax in 1978, and the University of Regina in 1979; and the University of British Columbia is getting ready to fall into step in 1983. During this same period, Québec set up similar programs in the two French-language universities in Montréal. So much for expansion. We now take a look at the programs offered.

In English-speaking Canada, 31 institutions offer courses in journalism: six universities and 25 colleges. The training varies not only from level to level, but also from place to place. In general, the colleges offer programs of one to three years in length to students who have completed Grade 11 or 12, university graduates, and experienced journalists. College instruction leans toward the practical side of journalism and emphasizes written work. General academic courses, when they are offered, are of secondary importance. Although those with college diplomas find it difficult to obtain jobs on the large daily newspapers, they do manage to find work with weeklies, small dailies, and local radio stations. But it all depends on the location. Graduates of Vancouver College (Langara Campus), for example, having no competition from the university level at the moment, are well received in their region. The same is true for Holland College, which offers the only course in journalism in Prince Edward Island. Others are distinguished by the quality and originality

Journalism schools across Canada



Map shows locations of university-level and community college journalism education institutions across Canada; in 1981, there were 35. Had this map been drawn in 1970 by the Special Senate Committee on Mass Media, it would have shown only three full-scale programs and a half dozen partial programs at both university and college levels.

College Diploma programs ○

University programs △

of their teaching. Humber College in Toronto, whose journalism program is the most advanced in the country at college level, has become known for the importance it places on the role of new technology in newspapers. Algonquin College in Ottawa is the only institution to offer a complete journalism program in each of Canada's two official languages.

At the university level in English-speaking Canada, the six institutions currently offering courses in journalism have programs that differ substantially. The length of the programs is equally varied. The School of Journalism at Carleton University, by far the leading one in the country, with some 600 students and 22 full-time professors, offers a four-year bachelor's degree and a specialized master's degree for which a thesis is required. There is also a more concentrated course, which lasts one year, for those already holding a bachelor's degree. The BJ program is a mixture of liberal arts courses and specialized study. In 1974, the University of Western Ontario dropped its undergraduate program, and now offers a journalism program at the master's level only. This course, open to university graduates and experienced journalists, lasts 12 months. Enrolment is limited to about 40 students. The advantage of limiting courses to graduate students, according to Professor J.L. Wild, is that they do not drop out of the course as undergraduates tend to do.

> We were spending a good deal of time with people who weren't destined to be journalists. . . . Perhaps today the whole process should be at the graduate level, in the interest of both journalistic and media standards.[11]

Other features at Western include an annual student exchange program with the department of journalism at Université Laval and a special journalism program for native Indians and Inuit.

The four other universities offer only a BA in journalism for the time being; each is different in some way from the others. Over the years, the Ryerson Polytechnical Institute in Toronto has become known as a down-to-earth establishment, leaning more toward practice than theory. The prejudice against Ryerson graduates, that they were merely uncultured technicians, has disappeared since the institute became a degree-granting institution in 1972. Nonetheless, the three-year course (with an enrolment of more than 400 students) emphasizes practical work and subjects not usually found in universities, such as press photography, graphics, and editing.

Concordia University initially offered a minor in journalism, but since 1980 has offered a major as well. The program now includes an introduction to radio and television broadcasting. The university's location, in the heart of Montréal, allows it to produce graduates sensitive to the French fact. Indeed, this is one of its aims, and it requires of all graduates a working knowledge of the French language. Concordia's journalism department submitted a study to the Commission on the services offered by the Montréal English-language media to their linguistic community.[12] The two newest schools have already developed an individual character. The University of King's College, in the Maritimes, devotes the first year of its four-year BA program in journalism to a survey of Western civilization, including literature, economics, fine arts, and science; the last year is devoted to practical journalism. Finally, the School of Journalism and Communications at the University of Regina offers two years of general and two years of practical training.

As we have seen, English-speaking Canada has a well-developed system of journalism education, extending from college to university and from sea to sea, and the

programs are quite varied in content and orientation. This is true at both the bachelor's and master's level. The diversity is enriching, especially in a field as undefined and as general as journalism. It is well here to let a hundred flowers bloom.

Graduates of schools of journalism in English-speaking Canada seem to have little difficulty finding jobs. While, in general, those from university obtain better positions than those from college, few if any of the hundreds graduating each year are unable to find work. Management seems fairly satisfied with these recruits. Employers find that, despite basic shortcomings such as a firm knowledge of grammar and the ability to type, the graduates learn quickly. This plays an important part in their getting jobs, as does the high motivation represented by their years of study of the profession. Also, the graduates seem to be improving every year. Thus a degree in journalism is becoming more and more of an advantage in entering the profession. The proof is that the major newspapers now recruit on campuses each year.

The situation in French-speaking Canada is not so rosy, in relation to either employment opportunities or the education of apprentice journalists. Having developed much later than the English side — the Department of Journalism and Communications at Université Laval was created only in 1968 — the teaching of journalism is still to a certain extent in the primary stage. This is indicated by the fact that there is still no bachelor's degree offered in journalism, let alone a master's degree, and a general skepticism reigns among newspaper people about the value and usefulness of such studies.

Only two French-language universities offer diplomas in journalism: Laval and Montréal. Even then it is only a certificate for the equivalent of a year-long course, given at night at the Université de Montréal, and a minor part of a BA degree at Laval. Université de Québec à Montréal (UQUAM) offers a journalism course as part of studies for a BA degree in communications.

At the college level, the Jonquière CEGEP is the only one in Québec to offer a three-year program in journalism. (CEGEP stands for Collège d'enseignement général et professionnel: college of general and professional instruction.) This program, which got under way in 1967 in the Department of Media Arts and Technology, trains the aspiring journalist in news writing and radio and television broadcasting. The only other college offering journalism training in French is in Ottawa: Algonquin College. Its two-year program was established in 1971 to train print journalists. In passing, one wonders why no school of journalism has been established in Hull, since half of the French-speaking students at Algonquin College come from Québec.

Journalism studies in the French language thus leave much to be desired. Many observers have deplored the scattered and limited resources and programs, and the lack of conviction of those responsible. Caught between the theoreticians and the practitioners of the communications arts, university teaching is standing still if not going backward. Graduating students are the first to criticize their overly theoretical training, which ill prepares them for the realities of working life. These graduates must prove their competence in newsrooms where the old tradition of on-the-job training is still in force, even if most editors and publishers say that in principle they favor journalism schools. Moreover, for the 100 or so graduates every year, there is hardly any hope of getting a job in the major news organizations, which are fully staffed and where the waiting lists have grown considerably longer with the recent

closing of some papers. The only openings are at local radio stations and especially at the weekly newspapers that have sprouted up all over Québec in recent years. Faced with this state of affairs, many suggest restricting admission to journalism courses or at least ensuring that the universities and the press work together to find a solution. It has also been suggested that more emphasis be placed on the upgrading and development of journalists already on the job. It was with this idea in mind that those responsible for university programs invited the FPJQ to join them in setting up the Centre québécois de recherche et perfectionnement en journalisme (Québec Journalism Centre for Research and Professional Development).

But journalism students are not necessarily assured of a brighter tomorrow. In Québec, as in the rest of Canada, the shortage of job openings threatens to become acute in the next few years since there are more and more graduates and fewer newspapers. A pertinent question is whether it is wise to make a degree in journalism the only means of entry to the profession. Isn't there a risk of imposing sterile uniformity on an art that should be open to all avenues of knowledge? Care must be taken that the schools do not reduce journalism to a practice for a privileged few and themselves become seminaries for the various journalistic vocations.

As far as the teaching of journalism is concerned, there is a generally felt need at the moment for concerted action on the part of schools, both colleges and universities, to harmonize their programs without making them uniform; concerted action by the universities, the profession, and the industry to adjust the yearly flow of graduates to the needs of local, regional, and national markets; to unite theory and practice; and to adapt journalism programs to present and future realities.

In this respect, instead of turning out narrowly trained journalists, sealed off in their shells producing journalistic pearls, with no concern for the outside world, could not the schools develop a critical look at the news media? To be sure, it would be necessary to combine this with teaching the practical aspects of the craft. There are some important questions that bear on the future which can be studied in depth only at university. What is the significance of new technology, such as videotex, for journalism? What will be its effects on quality and style? And, above all — a question of particular interest to the Commission — what effect will the concentration of the ownership of the media have on the distribution of news, and what effect will it have in the foreseeable future?

More immediately, in an officially bilingual country such as Canada, it is surprising that so few schools of journalism, on both the English and French-language sides, demand of their graduates a certain degree of bilingualism. Communications are vital for bringing together the varied elements of Canadian society. Since journalism is the nerve centre of modern communications, it is imperative that leading journalists be able to communicate in both of the country's official languages.

But the solution to the problems of the press will not be found only in the university. Within the profession itself there are other ways to improve journalistic quality, other possibilities relating to professional development, which we will now examine.

Journalists and professional development

Although for decades there has been a repeated call for a higher quality of journalism, professional development programs have had a long and difficult birth. Except

for occasional conferences and workshops organized by newspapers, there was no serious effort before 1972 when the Canadian Daily Newspaper Publishers Association (CDNPA) created its editorial division, and it began to function fully only in 1975. Since then, professional development programs have gained much ground, at least in English-speaking Canada.[13] Almost all daily newspapers with a circulation of more than 70,000 offer journalists their own professional development programs or take part in those set up at the regional or national levels.

The CDNPA has been a catalyst in this development. In 1974, it began a series of regional seminars on subjects ranging from municipal affairs to editorial staff management. It has also organized several national forums, including one in 1977 that brought newspaper editors and publishers together to discuss the constitutional question. In the past few years, to strengthen ties with universities, the association has organized two projects: an "editor-in-residence" plan, which allows an editor to spend a few days meeting students (the term seems a little strong, given the brevity of the visits); and a publisher-professor exchange program, which offers each an opportunity to gain a fresh perspective from exposure to the other's milieu. In 1981, the association established a new type of service, making available to newspapers material for in-house seminars on various subjects such as deciphering financial reports, the use of opinion polls, and others. It is estimated that in five years, more than 1,500 newspaper executives and journalists have made use of the association's programs. Even though these programs last only a few days, a week at most, they are good training if for no other reason than to demonstrate the need for professional development programs of greater scope and depth.

The Canadian Community Newspapers Association has also organized training sessions on several journalistic topics for weekly newspapers. And the two major daily newspaper chains have instituted quite different professional development programs through their head offices.

Those which the Thomson group has adopted for its newspapers are quite restricted. A central office team, upon request from member papers, organizes round-table discussions on practical questions such as page makeup, efficient editing, reporting techniques, etc. In addition, publishers and editors are invited to Toronto once or twice a year for more comprehensive sessions. This system, which has been in operation for almost 20 years, seems efficient in augmenting practical training, but it is seriously deficient as far as the major trends and larger problems of the profession are concerned. This method of working in isolation cuts the Thomson papers off from important developments elsewhere.

At Southam, the situation is different. The question of professional development is left to the individual newspaper, and attention is focused instead on management courses for executives. Two types of courses have been organized. One is a week-long session, led by a professor from the University of Chicago, for case-study of problems in newspaper management. The other deals with personnel management, relationships between executives and employees, and is offered to deskmen and department heads. The company also used professional training officers for a while but gave this up in 1976. It should be pointed out that Southam, while having initiated few professional development programs within its organization, did set up a scholarship program for journalists in 1962.

A number of papers have started their own professional development programs, consisting essentially of workshops and seminars. These meetings deal with both

theoretical and practical questions. At the Kitchener-Waterloo *Record*, for example, a group of journalists and executives interested in municipal affairs held regular meetings in 1979 and 1980 to improve the handling of news on this subject. And the Calgary *Herald* has hired a copy editor to help journalists improve their style. Other papers such as the *Globe and Mail* have begun to hold writing workshops, with limited success. Others periodically evaluate the performance of the different branches of the editorial operation. As far as broader questions are concerned, several initiatives have duplicated programs already set up by the CDNPA. In general, the weakness of internal seminars on general topics is that they lack the scope, and do not last long enough, to make journalists truly proficient in a specific area.

Another means of promoting excellence in the newsroom under consideration for several years is to have a specialist concern himself solely with professional development. But given the unsatisfactory experience at the *Gazette*, and other semi-failures, it appears that this idea has not yet taken hold. The principle is good but in practice such a sensitive post must be held by someone capable of fitting into the day-to-day operations of the business and earning the respect of journalists, which is not easy.

To give journalists the opportunity to improve themselves, several newspapers, other media, private businesses, and press clubs offer scholarships. The Southam organization is a leader in this respect. Since 1962, it has given journalists with five years' experience an opportunity to study at the University of Toronto, paying tuition fees and related expenses, plus a salary. It now awards fellowships to five candidates a year, at an annual outlay of more than $100,000. Southam's fellowships are available to all Canadian working journalists, French or English-speaking. It is regrettable that other organizations have not yet seen fit to follow this Southam initiative.

Canadian Press also organizes training workshops for its journalists but has distinguished itself primarily by its surveillance of journalistic language. Its stylebook is in widespread use and has gone through several printings.

The Centre for Investigative Journalism, founded in 1978, is a new instrument that the profession has created to raise its standards. Up to now there have been three annual meetings, the last one held in Montréal in March, 1981. Major issues of the day are discussed, those that might be fit subjects for deeper study: threats to the environment, the arms industry in Canada, government subsidies to sports, current political schemes and manoeuvres, and so on. Already with 600 members, the centre has just opened a permanent office in Montréal. It also publishes a periodical devoted to journalism and organizes regional meetings on specific subjects. Up to now, the newspaper industry and the universities have looked upon this initiative of the profession with great reserve.

Still others have added grist to the mill. In Edmonton, reporters and editors have formed an association — The Edmonton Journal Newsroom Association — dedicated to improving the quality of the profession. It organizes meetings with people from outside the newspaper to discuss investigative journalism and other subjects of mutual interest. A similar association came into being in 1980 in Regina. It has already organized a seminar in that city on the improvement of the media.

Finally, publications run by journalists themselves play a role, and it is not a small one. But their critical view of the industry offends some. Thus the journalism magazine *Content*, lacking advertising and financial aid, had to curtail the number of issues it published in 1980 and finally suspended publication in April, 1981.

Because of its subject matter, the magazine made an important contribution to the profession. There were articles on the media and the law, freedom of information, an evaluation of journalism schools, international coverage, and technology. *Content* also dealt with cases of deliberately slanted and truncated news, encouraged journalistic research, and, on occasion, took the large newspaper companies to task. In short, it served as a stimulus and a goad to an industry that often has need of exactly that. Another publication that played an important role was the *Carleton Journalism Review*. Inserted four times a year in *Content*, it served as a forum for debate and analysis of the major currents and trends in the press.

On the French-language side, apart from rare initiatives and many good intentions, it must be said that unfortunately hardly anything of substance has been undertaken for the professional development of working journalists.[14] The old practice of learning "on the job" continues to prevail in the newsrooms. Newspapers say they have neither the time nor the means to round out the professional development of their editorial staff. Thus they hire only those who are already trained and experienced; as long as the journalists produce copy, they are left to shift for themselves. Several factors account for this situation. The higher level of education of journalists has put an end to the initiation that was once imposed on cub reporters who often had everything to learn and the humility needed to become apprentices. The editor-in-chief of *Le Devoir*, Michel Roy, is not alone in regretting the fact that such "coaching" no longer exists. The growth of unions has had the effect of reducing the probation period and of gradually building legalistic ramparts around journalists' copy, in which the editors cannot change a comma without an epic struggle. This was, indeed, one of the major issues that touched off the strike at *Le Devoir* in 1981.

In the past few years, however, certain ideas have sprouted in the desert. *La Presse* agreed to pay the equivalent of a year's salary to journalists who decided to go back to school or to take professional development courses. In effect for four years now, this plan does not seem to have had much success. It has been used only to 50 per cent capacity and not all of the journalists who have taken advantage of it have done so with a real plan for professional improvement. Then again, some collective agreements provide for time off without pay for study, to write a book, etc. Finally, there are also possibilities of study abroad under programs sponsored by l'Office franco-québécois pour la Jeunesse (Franco-Québec Youth Office) and other international organizations. One of the most effective of these appears to be the "Journalists in Europe" program offered by the Centre international de formation des journalistes (International Centre for Education in Journalism) in Paris to bilingual journalists (English, French, German). It is an eight-month introductory program in European affairs. A number of Québec journalists from both print and electronic media have taken advantage of it every year since 1974. But there has been no great rush to obtain these grants. The program "Journalists in Europe" is also offered to English-speaking Canadian journalists, but they have made even less use of it than their francophone colleagues.

La Fédération professionnelle des journalistes du Québec (FPJQ) has only recently begun to concern itself with professional development. This concern was reflected in the 1980 annual meeting which centred on conditions surrounding the practice of the trade. Serious concern over the state of journalism appears also in *Le*

"30", a monthly magazine published by the federation for its members. In addition, the FPJQ was active in setting up the Centre for Investigative Journalism and a Québec centre for research and professional development. This latter organization, which was proposed by the heads of journalism programs in three French-language universities, is designed to combine the resources of all interested parties so that professional development for Québec journalists can take wing. The exact program remains to be defined, but it is the great hope of the moment. Thus the idea of professional development is spreading in Québec and perhaps, if everyone does his part, it will bring important results in the years to come.

In conclusion, it can be said that the 1970s were years when some progress was made in the area of improving the quality of journalism in Canada. Some press councils and ombudsman services were set up, schools of journalism were opened in regions that had none, and professional development programs undertaken by companies or professional organizations got off to a healthy, albeit a slow, start. Even taking into account the numerous gaps and deficiencies that need correction, and the often glaring inequalities in development from region to region and from province to province, the fact remains that concern for quality has intensified over the past 10 years and this concern is here to stay. The way has thus been paved to make the 1980s a period of even greater sensitivity — on the part of the industry and the profession — to the quality of journalism in this country. The future of our press depends on it.

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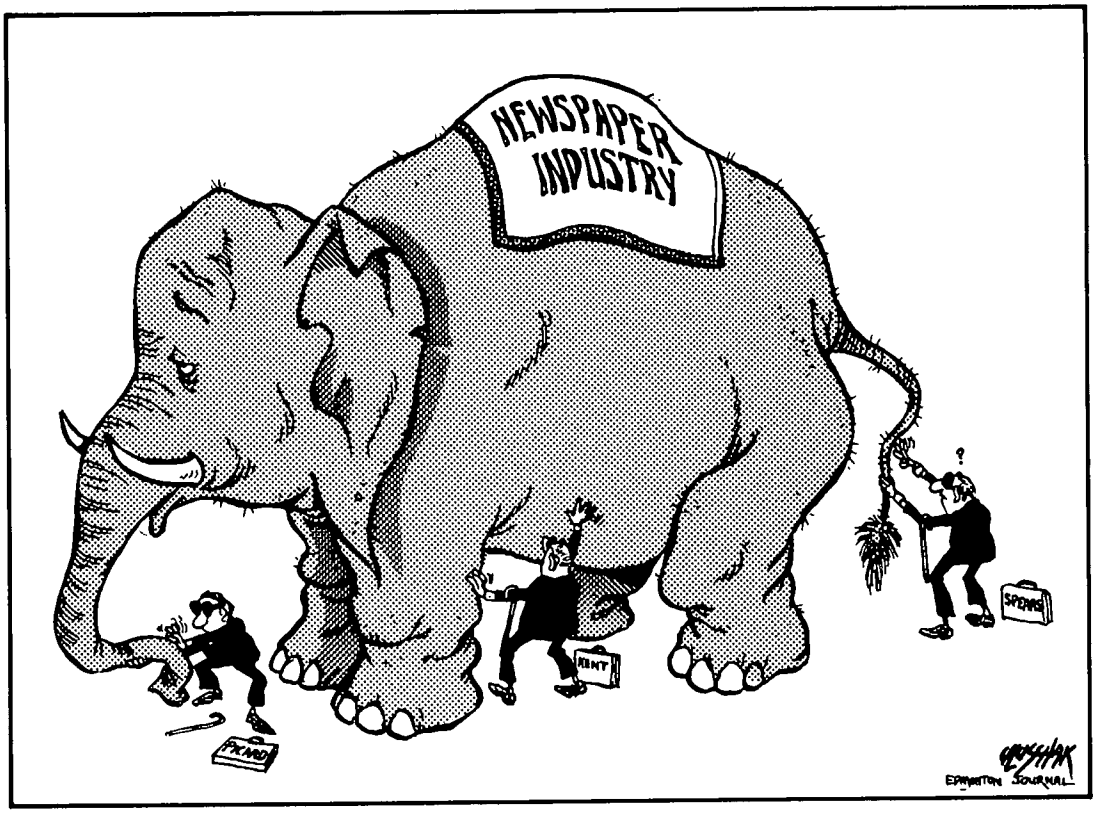

Edd Uluschak,
Edmonton

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Performance

OUR examination of the business and editorial performance of the newspaper industry confirms that the newspaper has two roles, two functions, two imperatives, which are somewhat awkwardly yoked together in the operation of one enterprise. The first and pre-eminent of these is a public-service mission; a free and vigorous press is universally recognized as being vital to the proper functioning of an open, democratic society. This lays a clear duty on the owners of the newspapers, a duty to ensure that their readers are fully and fairly informed about the condition of the society in which they live. The publishers of Canada have formally accepted this obligation. It is enshrined in a Statement of Principles, unanimously adopted in 1977 by the Canadian Daily Newspaper Publishers Association, which we wholeheartedly endorse.[1] We accept it as a gauge by which to assess their performance.

Walter Lippmann, the dean of American newspaper columnists, gave eloquent expression to the sense of mission:

> The news of the day as it reaches the newspaper office is an incredible medley of fact, propaganda, rumor, suspicion, clues, hopes, and fears, and the task of selecting and ordering that news is one of the truly sacred and priestly offices in a democracy. . . .The power to determine each day what shall seem important and what shall be neglected is a power unlike any that has been exercised since the Pope lost his hold on the secular mind.[2]

Despite television, despite radio, despite magazines and all the myriad forms of periodical print, newspapers remain the primary instrument for the immediate collection, organization, and dissemination of news and opinion to the public at large. Taken together, the CDNPA and Lippmann statements define the social purpose of the industry.

The newspaper's second imperative, uneasily but inextricably linked to the first, is more mundane and less inspiring: it is commercial. If the newspaper does not succeed as a business in the capitalist system, providing some reasonable return to its shareholders, it will not have the resources to carry out the primary role society assigns to it. This is what Kenneth Thomson, the chairman of Thomson Newspapers

Limited, was saying when he told the Commission: "It has often been said that the first responsibility is to survive. To survive, you must make a profit. If a newspaper does not survive, its other responsibilities become irrelevant."[3] The heads of other chains spoke in the same vein, as reported in Chapter 2.

No profits, no newspaper; that harsh truth was driven home with dramatic finality by the events of August, 1980.

Survival is not a lofty goal, an aspiration to lift the spirit of the journalist; but most of those who spoke to us recognized a genuine dichotomy of purposes. It poses the central dilemma with which the Commission had to concern itself. In the jargon of business, some trade-offs must be made. The operative question is what compromises can be tolerated between the ideal and the possible: how well can the newspapers afford, from their operation as a business, to fulfill their stated purpose of service to the public?

The short answer is that, as has been documented earlier in this Report, they can afford to do quite a lot. The newspaper industry is, by a considerable margin, more profitable than the steel industry, or the manufacturing sector as a whole, or the retailing and service industries. Despite some recent setbacks, which are common throughout the economy, it is more profitable than it was a decade ago — when the Special Senate Committee on Mass Media (the Davey Committee) suggested that the word "rip-off" might be appropriate.

The Davey Committee calculated after-tax profits as a percentage of total equity. In this Report we have chosen to use the measure of return on net assets employed. For purposes of comparison, however, our accountants have converted the Davey figures by a method which, while not exact, gives a reliable approximation. The result indicates that in the 10 years from 1958 to 1967, the industry's return on net assets employed ranged from 22.9 per cent to 30.5 per cent. The average over the period was 26 per cent.

Our own compilation, made from the detailed records of 103 newspapers, covers the years from 1974 to 1980. In that period, return on net assets employed ranged from 27.4 per cent to 39.7 per cent. The average was 33.4 per cent — a healthy gain from the earlier period.

Aggregate statistics may be illuminated by example. While individual newspaper records were obtained on a basis of confidentiality, some results are a matter of public record. When Thomson Newspapers Limited held its annual meeting on May 21, 1981, the directors announced a quarterly dividend of 20 cents per share. The Thomson-owned *Globe and Mail* reported that Kenneth Thomson himself controls about 35 million shares, which translates as a three-month benefit of $7 million.

It may be noted in passing that Thomson Newspapers is the most conspicuously profitable newspaper enterprise in Canada, but in 1980 its rate of spending on the news and editorial content of its Canadian newspapers, as a proportion of total revenue, was 24 per cent below the average for the industry. This says something about the cost-efficiency for which the company is noted. It also suggests that the profit motive, as opposed to the editorial service motive, ranks higher in the priority scale of the Thomson organization than among its newspaper colleagues. (They cannot be called its competitors, as Thomson scrupulously avoids competition.)

Whether this choice of emphasis is an automatic result of concentrated ownership or conglomerate ownership, or could equally occur in a single newspaper owned

by one proprietor, is irrelevant to this discussion. The significance in the Thomson case is that a corporate policy decision determines the conduct of 40 Canadian newspapers, not just of one.

The fact does, however, appear to confirm the analysis given to the Commission by Professor Henry Mintzberg of McGill University, an internationally recognized authority on corporate structures and corporate management. Mintzberg holds that a divisional organization, of which Thomson is the prime but not the only example in the Canadian newspaper field, has inherent pressures that make it difficult for the organization to behave in a socially responsible way.

And social responsibility is our subject here. In this chapter we seek to appraise the social performance of an industry that is, as Gordon Fisher of Southam told us, "not just a business" but "part of the democratic process".[4] Every business enterprise has a social responsibility, but in most the obligation is to individuals as customers. A business that deals in information and opinion, with fundamental effects on the way society regards itself, is a business like no other.

We are of course dealing with imponderables and our appraisal is necessarily to some extent subjective, but wherever possible we attempt to test the subjective assessments against objective standards. The test cannot be perfect; journalism is more art than science, not subject to empirical analysis. Budget figures are not a gauge of journalistic quality. They are, however, a measurable index of dedication to the social purpose.

We take due account also of the collective wisdom of others. In four months of public hearings, ranging the country from Victoria to Halifax, the Commission heard informed views of the present state of the newspaper industry and what might be done to improve it. We have studied the experience of other countries, and an extensive research program has provided facts from which to draw conclusions. This chapter attempts to appraise what has been learned. It is not a report card on individual newspapers; our sample, while wide-ranging, was not sufficient for a report in detail on the more than 100 newspapers, in two languages, that comprise the industry today. Rather, it contains some broad conclusions about the strengths and weaknesses of newspaper journalism as practised within the present institutional framework.

In almost every technical aspect, by which we mean in the tricks of technique applied to marketing the news as a commodity, today's newspapers are better than those of a decade ago. They are better produced, more attractively packaged, better organized as to content, more skilfully written, easier to read, more efficient at doing what they set out to do.

Concurrently with the technical improvements, however, some less welcome developments appear. The untidy, paper-strewn newsroom has been replaced by a computerized electronic workshop which does away with the old-style composing room and stereotype shop. This brings enormous savings in manpower and operating cost; but the new "efficiency" is accompanied by a loss of timeliness which the newspaper can ill afford. If the paper is to reach the street on time, news deadlines must be advanced; today's newspaper contains mainly yesterday's news. And there are fewer editions to update the news through the day. An editor who has left the business remarked to us sadly: "Newspapers, as far as I know, are the only form of communications that have actually gone backward, in defiance of the advances of tech-

nology."[5] The effect is felt particularly in afternoon publications, which no longer bring the closing stock-market reports or Question Period in the House of Commons. This is one, though only one, reason for the fact that throughout North America, afternoon papers are losing ground to the "mornings".

One paper that has chosen to fight the trend is *Le Soleil* of Québec, which does put out a late edition and tries to emphasize its "today" advantage. But as its publisher told us, "Maybe we made a mistake, maybe we're going against the stream."[6]

Mechanical processes aside, the honing of skills in the tricks of the trade leads to a result of another kind: homogenization of the product. In writing style, presentation, and display, newspapers become more alike, less individual, less distinctive. This is true within newspapers, where writing and treatment are pressed into a common mold; and it is true in the chains, where successful formulas are repeated through the units. A Thomson newspaper is distinguishable from a member of the Southam group. If there is genuine improvement in craftsmanship, it may be captious to complain; but perhaps a sigh can be permitted for the sacrifice of personality.

Editorial concentration

There is another and more worrisome form of homogenization — more worrisome because it occurs precisely in the area of our principal concern: the reporting and interpretation of public affairs at every level beyond the purely local. It can be traced in large measure to the concentration of newspaper ownership; in fact, it might be described as editorial concentration.

Let it be said that Canada is fortunate in having a corps of reporters and commentators on public affairs who serve their readers well. Christopher Young, Richard Gwyn, Lysiane Gagnon, Geoffrey Stevens, Douglas Fisher, Dominique Clift, Don Braid, and Norman Webster are a few who come to mind — though even of this group, two have recently moved into administrative positions. But there are not enough of them, and the number grows smaller. There are almost no nationally syndicated columnists offering a diversity of comment to readers across the country. Half a dozen of the nation's ablest reporters were abruptly removed from the arena when the FP News Service was eliminated after Thomson Newspapers took over the FP group. Most of these fine journalists were lost to the newspapers entirely; as Southam columnist Allan Fotheringham pointed out, they moved into broadcasting, magazines, and other fields of endeavor.

The spectrum of news and commentary, both regionally and nationally, is diminished. As one of our research reports put it, "Concentration of ownership has reduced the diversity of perspectives coming out of federal and provincial press galleries. . . .Monopoly newspapers in Canada have taken few steps to counter the loss of diversity created by the death of their competitors."[7]

The composition of the press galleries has changed in important ways. There is a decline in the number of individual newspapers using their own writers, and increased reliance on group news services. In Ottawa, the absence of reporters from outside Central Canada is marked. But as the representation of newspapers drops, that of the broadcasters grows; since 1975, the largest contingent has been that of the CBC, and it contains more specially qualified reporters.

All this makes the newspapers increasingly dependent on the coverage provided by The Canadian Press, whose Ottawa bureau has expanded correspondingly. But

good as the CP service is, it is necessarily produced from a central perspective and cannot be expected fully to reflect regional interests and concerns. It still has only three French-language writers in a total Ottawa staff of 30. To quote again from the report cited above:

> Concentration of ownership is clearly the major factor underlying the long-term trend to group services and away from single correspondents assigned to interpret federal politics to local and regional audiences. While this trend may result in a greater similarity in Ottawa coverage across Canada, it may not contribute to national cohesion. Coverage that seems remote from local concerns is likely to have little impact.

This is bad news.

A deteriorating situation also exists with respect to coverage of public affairs in the international setting. If a prime function of the press is to describe the nation to itself, that function is not confined to looking inward. Canada is not only an American nation but a Pacific nation, an Atlantic nation, an Arctic nation. It is part of a shrinking world and can only understand itself fully, can only appreciate its identity, in the world context. Yet our newspapers remain parochial.

In the same way that the parts of Canada lose something of value by the absence of regional perspectives in Ottawa, Canada suffers from a lack of Canadian perspectives on international affairs. We have already noted, and criticized, the steady reduction in Canadian Press coverage from abroad; we believe there is an urgent need for informed reporting by Canadians for Canadians. But CP's failure in this respect is the failure of the newspaper owners; CP is their creature.

The owners have demonstrated their lack of interest more directly. Canada's corps of foreign correspondents representing individual newspapers has never been large — tiny by comparison with those from any comparable country — and it is growing smaller. In recent years, bureaus have been closed in Asia, South America, and Africa; in Moscow, Rome, and Paris. These have not been balanced by one or two new postings. Southam maintains its group service, but no newspaper in Québec, and almost none in the rest of Canada, has a staff writer working in Europe. During decades in which the Middle East has been a continuing source of world tensions, there has not been one resident staff correspondent for Canadian newspapers in that part of the world. The deficiencies are partly made up by a few freelancers abroad; but they are working on their own initiative, not that of the newspaper proprietors.

The public has a right to be concerned about this negligent attitude; adequate information on world affairs is neither a luxury nor a frill. Professor John Sigler of Carleton University told us in all seriousness that "we are falling far short of our ability to adequately scan our environments for the kind of responses that will be necessary if we are to adapt for human survival in this century."[8]

Those responses, if they are to be intelligent, must be based on knowledge and understanding. On this point, Sigler conceded what many research studies have shown: that for coverage of international affairs, most people rely primarily on television and only secondarily on newspapers. But he added that this finding says nothing about the quality of information gained and how well it is retained. A series of nation-wide studies in the United States shed some interesting light on this.[9] "When the results were done," Sigler said, "those who score well are those who are high consumers of the press, not of television and of radio. So it appears that on the level of acquisition of knowledge, the print media bear a particular responsibility."[10]

The standard response of the publishers, expressed by Margaret Hamilton, president of Thomson Newspapers, and by Martin Goodman as president of both Canadian Press and the Toronto *Star*, is that readers are content with what they get. "Show us the outcry," said Goodman.[11] The publishers may not hear it, but others do. Opinion polls are used to make both sides of the case. Sigler cited a study made for the Department of External Affairs in which 87 per cent of respondents said they wanted more information on world affairs. The subjects they named most often were protection of oceans and fisheries, trade and tariff negotiations, United Nations peacekeeping, armaments reduction, collective security, foreign aid, and human rights in other countries.

"These are particularly Canadian items on the agenda, reflecting the Canadian public's interest," Sigler added; "and they are not necessarily going to be well reflected in a total reliance on the non-Canadian international wire services and others."[12]

The need for competence

If we rely principally on the press to "scan our environments", the need for special competence in journalism is felt in almost every aspect of daily life. And as the processes of science, technology, economics, government, and social development become more complex, the need to make them widely intelligible becomes more pressing. We do not depend on the press to keep us abreast in our personal fields of expertise, but it is our primary source of information about the specialties with which we are less familiar. If the press is to succeed in this job, it must employ people with special knowledge and the ability to communicate it to the layman. In no other way do we get a society capable of making informed choices.

We see little evidence that the newspapers have recognized their developing responsibility here; certainly they show scant success in dealing with it. In all areas of public policy, the strength of popular journalism is its ability to seize on issues that can be dramatized in emotional "human interest" terms, as for example the plight of an immigrant mother facing deportation. Its weakness lies in grappling with the intricate balance of considerations involved in immigration policy. Dramatic events and the clash of conflict are simple to report. To sort out complexities in a way that compels the attention of ordinary readers takes time, study, thought, understanding, a special kind of skill — and money.

Relatively few specialists — individuals with academic or professional qualifications in law, the physical sciences, sociology, and so on — are employed by Canadian newspapers. One reason is simply that the newspapers are unwilling to pay for this kind of competence. It is notorious, and widely acknowledged within the trade itself, that one of the weakest areas of journalistic coverage is that of business, finance, and economics. Yet a trained economist can command a much better salary in industry or government than in journalism. And when such a paragon is developed by a newspaper, he is likely to be lured away. A senior public official told the Commission he is embarrassed by the ease with which established journalists with national reputations can be attracted into government by higher pay; he considered it almost a scandal. We heard story after story of individual cases.

Specialization is discouraged, as well, by a lingering romantic tradition of journalism, more persistent in their bosses than among journalists themselves. This is

that the ideal reporter is a generalist, a universal man, equipped to deal competently with any subject under the sun. Assigned to write about some complex issue on which he has no background, he can brief himself by some quick research in the library files, interview half a dozen experts by telephone, strip away the tedious non-essentials, introduce some human color, and get to the heart of the matter in a terse report containing no sentence longer than 12 words.

A somewhat similar notion operates against the development of a specialty by reporters with no initial qualifications. There are one or two exceptions. A good police reporter is apt to retain the post, earning and keeping the trust of his police contacts. The medical reporter also has some prospect of permanence. He — or, for some reason, more often she — is allowed time and freedom to acquire some basic familiarity with the subject and to gain the confidence of a wary profession by careful, accurate reporting.

But more often, even where the beat system exists, beats are shifted regularly and a reporter who has become familiar with one field of coverage is transferred to another. The theory is that he goes stale after too long on one beat, or even that he may be seduced into becoming a spokesman for a special interest rather than a tough, impartial observer. As one managing editor rather curiously put it: "You can get too close to a subject." If that thinking had been applied 25 years ago to Wilfred List of the *Globe and Mail*, Canada would have lost a superlative reporter on one of the most difficult of all beats: that of labor relations.

What is lost by the rotation system is a degree of authoritativeness in the total news report; if its parts are produced by writers who are less than fully informed, the whole is not as credible as it might be.

There is another role for the specialist-journalist. The Davey Committee adopted one simple criterion for assessing the performance of a newspaper: how well does it succeed in preparing its readers for social change? This was not to suggest an activist stance in the promotion of radical approaches; it was recognition of the truism that we live in a period of unprecedented transformations, that sudden change affecting individual lives brings social dislocation, and that the press can serve to cushion the bumps by acting as an early warning system.

Trend-spotting has long been recognized as a function of the press. It becomes steadily more crucial, but newspapers have not been conspicuously successful at it. They were slow, for example, to detect the approaching cloud of environmental degradation. More than 20 years ago, *Maclean's* magazine published a prescient series of articles on the threatened pollution of earth, air, and water; it was greeted with incredulity and the newspapers did not take up the subject until the process was even further advanced. They have been equally slow to recognize the implications, both social and economic, of an aging population. Even in an area that vitally touches their own interests — the marriage of computers and telecommunications — the news reporting has a faint air of science fiction. It has been left to governments and some far-sighted entrepreneurs to appreciate that a new information revolution is under way.

This is where the specialists might come in. Given time and facilities to pursue their particular interests, they could help in alerting the public to the shape of things to come.

Only time and resources seem to be lacking; the desire is there among journalists. We were given an example of the problem by a reporter in the Ottawa bureau of

Canadian Press, which gives its writers particular areas of responsibility among government departments. He said:

> Those of us who are beat reporters double, triple, quadruple, or more on our beats. And so, in my case, I do housing, I do health, I do medicine, I do pensions, I do welfare, I do some federal-provincial financial transfer arrangements, I get involved in the mortgage field. And I think almost any one of those areas could be a single beat. But as it happens, I am doing them all. And so I look around me, and I could give you a long list of stories that have gone unreported because we just don't have the time.[13]

The situation is, of course, the same in most newspaper offices, and it clearly falls short of the ideal. The ideal is not often achieved, and we arrive back at the original question of the compromises to be made between cost and quality. On this we make some recommendations later in the Report.

After the shakeout

If quality depended solely on the journalists, it might be higher. Not inevitably so; it would be naive to regard the journalists as a race of paragons who can do no wrong, make no mistakes of judgment. They are as humanly fallible as their employers and have not the same overall responsibility for the success of the enterprise as a commercial operation. But as a group they are eager to raise their own standard of performance and, rightly or wrongly, they perceive themselves as being stifled by the unwillingness of proprietors to pay the cost. The feeling is natural enough and is far from new; but it reached a peak (or, perhaps more properly, a depth) of intensity after the dramatic shakeout that occurred in August of 1980, a shakeout that was justified on purely economic grounds.

Researchers for the Commission criss-crossed the country, recording the views of journalists on dozens of newspapers and checking their statements against those of editors and employers. They found that the sudden death of the Montréal *Star*, the subsequent simultaneous executions of the Ottawa *Journal* and the Winnipeg *Tribune*, the concurrent deals between the major chains in Vancouver and Montréal, and the merger of the two papers in Victoria, had plunged many newspaper staffs into a state of disillusionment bordering on despair. The heart had gone out of them. The sense that they were engaged in a mission of fundamental social importance, as members of a team supported by their proprietors, was gone.

The immediate impact, predictably, was felt among those who were suddenly thrown out of work; but the malaise went much beyond that. Here are some individual comments, representative of many, taken from one research report.[14]

A senior reporter: "I went to lunch, then to an interview, came back around 3:30 and said, 'What's up?'. . .So help me God, there was a note on the board and I was out of a job. I'll never forget the shock of the brutal way they did it."

A reporter on a surviving paper: "I feel threatened. I am standing on a very narrow ledge, and you can bet I'm not going to thresh around very much. . . .It may be that my nervousness is my own invention, that I'm perfectly secure. I can only tell you that I'm not doing as good work as I used to do, and that I have lost my edge."

A reporter who found work in another city: "I came here with the feeling that I was a failure. It doesn't make any sense, but when a paper goes out from under you,

you have this feeling that you are somehow to blame. So if you want to know what the impact of a decline in competition is on the journalist, for the guy who loses his job, it's pretty straightforward. You are shattered. You lose your self-esteem. That undermines your confidence and you begin to pull back."

A reporter who moved into public relations: "I'm a hack. The death of my paper made journalists into hacks. Period." Similarly another: "I am doing a job I hate. . . .I'm making good money, but I sure don't feel good about myself."

A reporter now in a government office: "That's all there is left for me. There are no new jobs in journalism and I've been through most of the old ones. This is the future. Finis. I've held key jobs on some of the best newspapers in the country. I know my trade and I thought I was pretty good at it. Now I'm writing letters for a minister that will never even leave his office and I'm grateful — grateful, goddammit — for the job."

Finally, a respected writer who also moved into government: "The collapse. . .opened my eyes. I had had this idealistic view of what journalism was all about, and I certainly thought it superior to the sort of thing I'm doing now. But just about everyone I know who was affected by the closing says, 'I will never feel the same about journalism again.' Suddenly you realize it is run just like any other business. You are just another cog in a soap factory. You are diminished."

Diminished. It was a common theme and, most significantly, it was not confined to the cities in which newspapers died. It ran through the newsrooms of the nation and pervaded the comments volunteered by workers in magazines and broadcasting. The Davey Report, in a memorable phrase, described most newspaper city rooms as "boneyards of broken dreams". Suddenly, the boneyard had expanded to the proportions of Ezekiel's valley of dry bones.

The disenchantment is more notable because the trend in journalism has been in the direction of accepting the business imperative. New recruits in the 1960s were infected by the rebellious, anti-establishment ferment of the time. They were members of the Committed Generation, impatient reformists inclined to advocacy journalism and scornful of the profit motive. They were succeeded in the 1970s by a group of relative conformists, no less dedicated to quality but more interested in fairness and balance and more ready to pursue quality within the confines of the system. Their faith in the system has now been impaired, with a consequent weakening of their motivation.

This is to some extent less true of journalism in Québec than in the rest of Canada. Québec's own socio-political transformation is both more recent and more continuous; the journalists have been and are deeply engaged in it, and the practice of French-language journalism differs in a number of respects from the norms of English-speaking Canada. These differences have been discussed in Chapter 6.

Market-survey journalism

In any field of endeavor there are inevitable tensions, not necessarily unhealthy, between an employer and those employed. They see the role of the enterprise from quite different perspectives. The tensions exist in the newspaper industry in a special way because, as we believe has been made sufficiently evident, the newspaper is a business unlike others. Its two central purposes, to earn a profit and to perform a public service, tug it in opposite directions.

The tensions in a newspaper are not only between proprietors and journalists but between editors and writers. The writer, particularly the writer with a beat or a specialty, has a bias toward more space and prominence for the subjects that absorb his time and effort. The editor, seeking to balance all the special interests, succeeds in satisfying none. But in general it can be said that there is a journalistic consensus that does not always coincide with the proprietorial view of priorities.

One of the areas in which we found a recurring thread of disagreement, or at least of difference in emphasis, was what some journalists disparagingly called "market-survey journalism" — the practice of testing the market by polling readers. The journalists, especially younger journalists, had a dyspeptic view of it. This came up, among other places, in a Montréal hearing when two reporters discussed frustrations in the newsroom. Their statement on behalf of the Montréal Newspaper Guild said in part: "Journalists have little faith that managers and owners have any deep and long-term commitment to developing talent. Thus, they have little faith that managers and owners have any real interest in serving the public with new and interesting ways of writing and presenting news."[15]

Under questioning, one of the reporters went on to spell out some frustrations: "It's the depth that is asked of a reporter. . . .I think this is true of a great deal of the kind of reporting that mass newspapers do: simply that they don't want to, or they don't have, or they say they don't have, the money to create the kind of resources to give the public the depth of discussion it deserves. I think, too often, newspapers use the excuse that the public doesn't want it, or isn't interested in it, and that our marketing surveys show this and this and this. And it's very frustrating for a journalist to find out that his career is run partially by marketing surveys. . . .I have been told to think in terms of consumerism, think of consumer stories. And the implication you get constantly is that you are always reacting to a perceived idea of what the public wants to read. And it's a perceived idea done, I understand, through market surveys."[16]

The suspicion that newspapers follow rather than lead public taste, thus neglecting their undoubted power to influence the intellectual tone of the community, runs deep. Eric Wells, a former editor of the Winnipeg *Tribune*, referred to the product as "Pablum Canada".[17] How much justice resides in the charge is difficult to determine, but there is some. Sophisticated editors use readership surveys warily, realizing that while the method indicates reactions to what has already been done, it offers few leads toward innovation and fresh thinking.

Readers look to newspapers to tell them what is important. They are met by newspapers conducting market research so that readers will tell *them* what is important. Editing-by-survey creates a closed feedback loop in which editors, reporters, readers, and advertisers all hold hands in an inward-looking circle. The search is for readers' psyches, not for the news.

And indeed, the surveys are influential. A large-scale study of 12 U.S. and Canadian newspaper markets, done in 1979 for the American Society of Newspaper Editors as part of the Newspaper Readership Project, had a powerful impact on the press of the continent. It warned the editors that while "hard" news is still a mainstay of the newspaper, the papers were losing touch with their readers by being too impersonal and too concerned with complex issues. It described a new "focus on self" among readers of all ages: "The emphasis is subtly shifting from the earlier goal of self-improvement to self-fulfilment, to getting ahead, to gratifying one's immediate

desires and needs. In newspaper terms, the demand is for more help in handling emotional problems, understanding others, feeling good and eating well, having fun, and generally fulfilling oneself."[18] The study defined, in market-survey terms, what Tom Wolfe had earlier identified as "the Me Generation". It advised the newspapers to enter into "a new social contract" with their readers. The effect was a general acceleration of a journalistic trend already evident: a trend toward more "lifestyle" reporting, trivialization of news, and in extreme cases to what has been dubbed disco-journalism.

Market surveys help to determine what kinds of new newspapers will be launched. The establishment of the Toronto *Sun*, and of similar tabloid newspapers in Montréal and Québec, was preceded by studies to find out what might be attractive to both readers and advertisers. As this Report was written, Southam Inc. had apparently decided, after a task-force study of the market, not to start a third paper in Vancouver. It also would have been a tabloid.

This is not to suggest any elitist bias against tabloid-style journalism, which is usually characterized by brisk and breezy news treatment, emphasis on sports and entertainment, a diversity of colorful opinion columns, and a generally irreverent tone. The highly successful tabloids that have appeared in the past decade occupy a legitimate place in the journalistic spectrum. They have brought competition to some cities where none existed, and they have attracted a host of new readers for whom the traditional newspapers had lost their appeal. They do not, however, nor do they pretend to, provide a truly comprehensive news report accompanied by authoritative analysis and comment. We would not do much to encourage the development of pop tabloids nor, in fact, do they seem to require assistance. We believe there is a need, in the public interest, to preserve the more serious kind of journalism in good health.

Two roads to quality

Two principal ways of achieving this end lie very largely in the hands of the industry itself. They are to improve the level of pay and the level of training of the journalist.

Salaries are not quite as badly out of line as they were a dozen years ago, when the Davey Committee found them shockingly inadequate; but they still suffer by comparison. We have seen already that senior journalists with established reputations can move easily into business or government at higher pay. It is the same at the beginner stage: young people must make sacrifices to enter a career in journalism. The bright university graduate can do better financially by going into a bank, into almost any branch of industry, or into teaching. The disparities continue through the middle ranks. Newspapers profit by their workers' personal dedication to journalism.

The proprietors behave also as if they had no direct stake in the training of their staffs. There is a certain amount of in-house, nuts-and-bolts attention to technical development: effective news writing, copy editing, composition of headlines, photo handling, layout. It is sporadic and far from general in any formal, organized way. This is particularly true in Québec. The two dominant English-language chains follow different courses. Southam leaves the matter largely to its individual newspapers. Thomson has a kit of training materials, not evidently much used, and one or two head-office consultants who give assistance to the member papers. This assistance, according to Thomson and despite some indications to the contrary, is not imposed but is available on request. Whichever is the case, the process tends to result in uni-

formity of news treatment throughout the chain. (Even Canadian Press is a contributor to this homogenizing process: a staffer in the Toronto office told us that one man's shift each evening is devoted to condensing a comprehensive news file into the capsulized news-in-brief columns that are a Thomson staple.)

The Canadian Daily Newspaper Publishers Association, after being chided by the Davey Committee for concerning itself solely with advertising and production, established an editorial division whose purpose is to raise editorial quality. It has worked energetically, and with considerable success, to organize seminars and workshops across the country, not merely on the practical skills but also on broader professional and ethical aspects of the craft.

It must be said, however, that all this adds up to little more than tokenism. The newspapers have shown little general commitment to the low-cost CDNPA programs. The seminars are almost never attended by Thomson journalists. Newspapers in Québec do even less about on-the-job training than those in English-speaking Canada. There is nothing in Canada remotely resembling the British system of concentrated training — financed and managed by the industry — which produces a body of highly proficient craftsmen. The operative rule in Canada is still embodied in the old saw: what makes a good reporter is a good city editor.

Nor has the industry shown much interest in the development of journalism schools on the U.S. model, as integrated centres of both research and training. We have little criticism of the journalism schools that exist. They are increasing in number and effectiveness; they are at last being established in all the regions of Canada; and they are developing on lines we can only approve. That is, they are tending toward an emphasis on full academic disciplines in the undergraduate years, and strong postgraduate programs directed to basic precepts of journalism as a profession.

Not that they are uniform in character, nor should they be. Some junior colleges offer essential basic training for careers in small-town or community journalism. Some institutions give special attention to broadcast news. Some are more alert than others to the new technologies. The Carleton University school takes advantage of its Ottawa situation to concentrate on public affairs; and so on. In all, they offer a mix of choices to the aspiring journalist.

Our criticism is rather of the industry that fails to support them. Many newspapers canvass the schools regularly each spring in search of new staff; in too many cases it is their only contact. Many editors and writers give lectures or short courses, or take part in seminars with students; but they do this in their own time as a personal contribution. With a few exceptions, the companies stay aloof. Richard Lunn, director of the Ryerson Polytechnical Institute journalism program, contrasted this attitude sharply with that of other industries that make direct contributions of money and other resources to the institutions that provide their future workers.

Lunn also made an unflattering comparison of Canadian to U.S. attitudes. He said the largest American newspaper chain, Gannett, had recently acquired a billboard company in Canada, as a result of which Ryerson was able to apply to it for scholarship money. "This week," he said, "they gave us $8,500 for a particular project. . . .I find it very ironic. We'll take the money from Gannett if we can get it. I'd rather that it came from Thomson or Southam but the likelihood is so remote, it's not — you know, I don't bother."[19]

The faith of the people

Sheer self-interest would appear to dictate more attention by the proprietors to professional development of their journalistic staffs. Nothing could be better calculated to improve the authoritativeness of reporting and the credibility of the press. The industry is fond of citing opinion polls which indicate general satisfaction with newspapers as they are. Reliance on the polls may be illusory; there are contrary indications as well. The Commission, for example, compiled a list of the suggestions it received for raising the standards of performance. The list of recommendations, summarized in a few lines each, runs to 104 typewritten pages. That is not the response of a wholly contented readership.

And if one thing became apparent from the studies made by the Commission, it was that the newspapers must somehow become more accountable to their readers if they are to stem the acknowledged erosion of credibility and public esteem. Their very freedom may depend on it, as Alexander Hamilton wrote in the *Federalist* in 1788:

> What is the liberty of the press? Who can give it any definition which does not leave the utmost latitude for evasion? I hold it to be impracticable and from this I infer that its security — whatever fine declarations may be inserted in any constitution respecting it — must altogether depend on public opinion and the general spirit of the people and of the government.

It was a warning that if faith in the integrity of the press is lost, no words on paper will preserve it.

It is notorious that the press, which assumes a licence to criticize every other institution, is the least open of any to criticism of its own performance. It controls the principal channel through which criticism can be expressed and heard. It is singularly reluctant not only to accept criticism and acknowledge error, but even to justify its own conduct when it believes itself to be in the right.

Some halting steps have been taken in response to public dissatisfaction. Most newspapers now make some formal correction when demonstrable errors of fact occur. They do it somewhat grudgingly. Corrections may be published inconspicuously or, as in the case of Canadian Press "correctives", buried in the body of a news item that appears as an updating of the original story, under the guise of a "fresh development".

In the more debatable grey areas where basic facts are not in dispute but questions of fairness, impartiality, completeness, and balance are involved, the debate is invariably won by the newspaper. The editor is his own judge and jury in the case; the verdict is that no reparation is required; the result is silence on the matter, and the reader who believes himself injured is left with no recourse.

One promising development in this respect is the formation of press councils as an unofficial court of appeal, with no power to impose penalties except that of publicity for their adjudications. Three province-wide councils exist, in Québec, Ontario, and Alberta. Each operates by a different set of rules; they are described earlier in this Report, and we will have more to say about them later. But essentially they involve a high degree of public participation, to ensure that decisions about press conduct are arrived at by a disinterested outside court of honor.

The necessity for some such impartial monitor was brought home to the Commission, in part, by a flood of letters from some provinces in which no press council exists. The Commission was seen as an agency which might give a hearing to complaints about individual newspapers of the kind that press councils consider. We could not undertake — indeed, had no mandate to undertake — the kind of careful examination and hearing of the parties that is typically undertaken by a press council. But in this and in other ways, we became aware of specific abuses charged against newspapers during the life of the Commission, with which we were unable to deal and for which no system of possible redress exists. Secure in a sense of professional rectitude, the press too often dismisses any outside scrutiny as unwarranted interference with its freedom. The self-confidence is misplaced; the press is in some peril.

At a quite different level of accountability, one thing the industry has done, under CDNPA leadership, deserves some mention. This is the newspaper-in-education (NIE) program, which encourages the classroom use of newspapers in almost all grades and subject areas, and instructs teachers in how to employ them as course material.

The program is not wholly altruistic; its aim is not only to help children read the newspaper critically and reflectively but also to prepare a future reading public for the daily press. In addition, it helps to implant an understanding of the role of the press in society.

School boards and education ministries have recognized its value, and the program has made gains in the past decade. Six provinces now mention the newspapers in their curriculum guides. In 1972, the CDNPA oversaw 23 workshops for teachers in Canada; this year there will be more than 300. The number of newspapers with full-time co-ordinators grew in six years from two to 17. The service deserves to be expanded still more widely.

Everywhere in chains

Given our terms of reference, we had to address the question whether there is a difference in quality — by which we mean principally the discharge of their public-service role — between newspapers that are members of groups or chains and those under independent ownership. It is inconceivable that group ownership should have no effect at all. But what are the effects? Do chains apply more or less of their resources to the job? What influence do they exert on editorial direction? Are there more, or different, external pressures on the way news and opinion are treated? Is the "marketplace of ideas", on which a free society relies, diminished when a large majority of newspapers and a large preponderance of circulation are controlled in a small number of corporate boardrooms? What happens when concentration increases and competition is reduced?

To get answers, we questioned owners, publishers, editors, journalists, and readers; we examined the extensive literature and studied the experience of other countries; and we commissioned expert research into the economics, management styles, and editorial product of the newspapers, and the relationships among the three. The substance of these is reported elsewhere in this document; here, very briefly, are some patterns that emerged.

All newspaper operators proclaim their acceptance of a public responsibility. Most of them mean it, within their lights and with differing degrees of emphasis on

other motives. Lord Beaverbrook once said that his purpose in owning newspapers was "to make propaganda". Few press lords of that kind remain. The first Lord Thomson said that his newspapers were structures for carrying advertising; he would spend no more on editorial content than was required to support the structure. That view of responsibility also is in decline.

Chain operations produce good newspapers and bad ones. So do independent owners. The effective difference, from the standpoint of the public interest, is that the deficiencies of a single newspaper are confined to one community; when they are spread throughout members of a chain, the effects may be felt across the country. Both situations depend on an accident of ownership, for better or worse; but one is more serious than the other.

A corporation whose holdings are confined to newspapers, or even more widely to communications, is likely to put more emphasis on its public-service function than a business conglomerate with a minor interest in newspapers. Some arguments, chiefly with respect to financial stability, can be made for chain newspapers — though the so-called rationalizations of August, 1980 damaged that argument considerably. For conglomeracy, almost nothing can be said. Industrial conglomerates produce poor newspapers; it is a law of general application.

Thomson Newspapers Limited, though very big in Canada, is a minute part of an international conglomerate and exhibits the characteristics of the breed. Its small-town monopoly papers are, almost without exception, a lacklustre aggregation of cash-boxes. It is too soon to judge whether the larger, and better, papers acquired from FP will catch the infection. The Sterling chain, an offshoot of the Hollinger-Argus complex, is a smaller version of Thomson. The Irving papers of New Brunswick, stepchildren of another conglomerate, are chiefly noteworthy for their obeisance to every industrial interest.

Southam Inc. is the Canadian exemplar of a media conglomerate with interests in communications only. It is not only our view, but the consensus of informed critics, that it takes its service responsibility more seriously than the mixed industrial conglomerates, being motivated in part by a family tradition that imparts a sense of something like *noblesse oblige*. Southam is above the industry average, for example, in its investment for editorial product. One could wish that the benefits of this enlightened policy were more evident throughout the chain, and specifically in Southam's Ottawa *Citizen*, which is now the only English-language newspaper in the national capital.

Chains are chains in any language, but the character of Québec newspapers, as noted in earlier sections of this Report, is shaped by a different culture and a different kind of market than those of English-speaking Canada. Paradoxically, there is at once more concentration and more competition. The weekly press is stronger; smaller cities do not support daily papers as in the other provinces, and the penetration of the dailies is lower. The mass-circulation papers are clustered in the two principal cities, where the chains compete vigorously with one another. (Competition between English-language chains is at the vanishing point.) Perceptions of role also vary, as is demonstrated by two tabloid chains which are superficially alike. The Péladeau press believes the news should be published straight, with no intrusion of opinion; it carries no editorials. The *Sun* papers are supercharged with opinion.

A pivotal question about chain ownership is whether it is practised for any reason at all beyond making profits. The proprietors, from Southam to Thomson to Péladeau to Irving, strenuously assert that they leave complete discretion over news

and editorial judgments to their individual publishers and editors. To the extent that this is true, and even if it is a virtue, it leaves no role for the owners except that of running a business and cultivating the bottom line. What, then, of the claim that the newspaper is more than a business? Robert Fulford noted in a *Saturday Night* article that "the big newspaper corporations take pride in a studied aloofness from editorial policy." He asked: "But in that case, why have an editorial page at all? If the corporate owners aren't expressing their own views on public policy — if they insist, in fact, that they don't want to influence public policy, as the first Lord Thomson insisted — then whose views are being uttered, and why?" [20]

Relinquishing policy control to the managers of the local paper, it is argued, ensures the paper's position as the authentic voice of the community. But can that be true in any real sense when those local managers are, as typically happens, parachuted into the community from somewhere else in the chain? Management exerts control in two effective ways: by appointing executives and by setting or approving budgets. Both these decisive functions are performed in the head offices of the chains. Beyond any question, they thus determine the character and orientation of the branch plants.

We return to the question with which we began: whether the newspapers of Canada are in a position to provide a better service than they now do for their readers, for their communities, for the political, economic, social, and intellectual vitality and cohesion of the nation as a whole. The Davey Committee rendered one verdict in 1970:

> In a few cases, the corporations concerned are making genuine efforts to deliver quality editorial content. . .in return for their privileged economic position. But the general pattern, we regret to say, is of newspapers. . .that are pulling the maximum out of their communities, and giving back the minimum in return. This is what, in contemporary parlance, is called a rip-off.[21]

Could that judgment be sustained today? We believe so. On the evidence before the Commission, the conclusion is inescapable. The privileged economic position of the newspapers, and particularly of the ever-expanding chains and conglomerates that place control of the press in fewer and fewer hands, becomes steadily more pronounced. There is an inexorable march to expansion, achieved in almost all cases not by starting new ventures but by acquisition. Individual newspapers are absorbed into chains, which then become mixed-media conglomerates with a dwindling emphasis on the newspaper components (Southam), or mere units in huge multi-industry conglomerates (Thomson, Power, Hollinger-Argus, Irving). Some independent newspapers (London *Free Press*, Toronto *Star*) take the diversification route and become conglomerates themselves. A dozen years ago, chains controlled 58 per cent of all daily newspaper circulation in Canada. They now have 77 per cent.

At each stage of expansion, concentration, and conglomeration, the figures on the bottom line become more influential as determinants of corporate strategy. The two sources of newspaper revenue are advertisers and readers. In 1970, advertising brought in 73 per cent of gross income, to 27 per cent from circulation.[22] By 1980, the ratio was 78 to 22.[23] The pressure to consider the needs of advertisers ahead of the needs of readers may be resisted, but it has become even more powerful.

The process of corporate growth, by concentration into larger groups within the industry, has been accompanied by a reduction in the diversity of news and comment

that is the vital element of a free society. The quality of what remains has not improved, and in some respects has declined. The decline can be traced, at least in some measure, to the normative influence of corporatism, applied to an exercise that is essentially individualistic and intuitive. Innovation, creativity, even a desirable degree of eccentricity give way to the pressures for uniformity.

Can the newspapers afford to do better in their professed pursuit of excellence? They can. This implies no aspersion on the journalists now practising their craft, but only on the system in which they practise it. If they are freed of some restraints that now confine them, something more can be demanded from them. At the close of this Report we propose some measures to that end.

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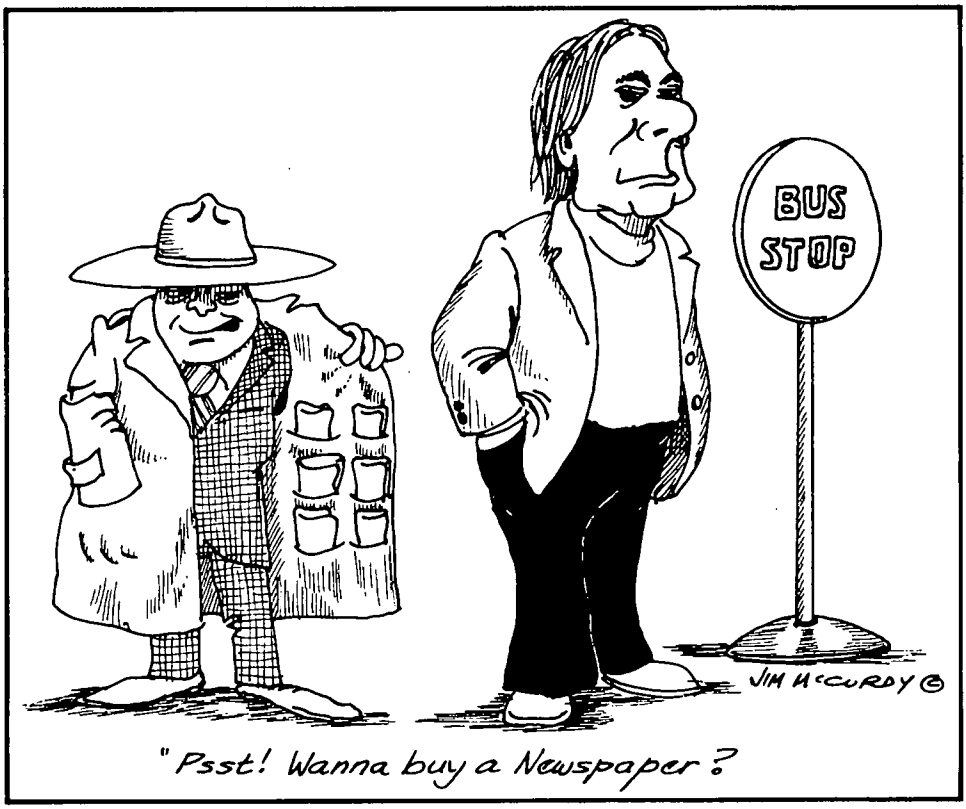

Jim McCurdy,
Calgary

11

An industry in transition

JOURNALISTS always have recognized the ephemeral quality of their work, even gloried in the hectic business of trying to illuminate the human condition by a rapid sequence of news flashes. And even if their brilliant capsules of yesterday's existence were soon used to package today's garbage, the institution of the newspaper endured.

The precarious lives of individual newspapers have testified, until recently, to the durability of the institution. In the halcyon years of the industry, journals flourished and died like fireflies on a warm night. This wasteful, erratic profusion was a sign of vitality. Only for this generation of journalists has the disappearance of newspapers had a terrible finality.

The shock of the 1980 closings and mergers prompted the Commission and everyone who assisted it to take a close look at an industry in transition, if not in the throes of some basic metamorphosis. There was more to be studied than the fate of individual newspapers. Three and a half centuries of existence for newspapers seemed no longer infinite but startlingly short in the history of human communications.

Within this relatively brief span, the newspaper has changed rapidly. In a few sentences, as compressed as time-lapse photography, the British media historian Anthony Smith has described the evolution of the modern newspaper:

> It began by addressing itself to citizens wealthy enough to pay a rather large price for a printed newssheet, which brought news of political, financial, and cultural affairs. Then with the invention of newsprint, the amazingly cheap wood pulp paper especially developed for the ephemeral newspaper, it was perceived that great fortunes could be made by publishers who could appeal to the almost universal audience that could now afford the price of a paper. Certain newspapers then became vehicles of mass entertainment, as well as other forms of information, so successfully that their publishers could guarantee advertisers access to nearly every home.[1]

At its best, the modern competitive newspaper embodied the partisan political fervor and impudence of the original newssheets, the responsbility of a well-funded

professional organization, and sufficient circulation to make it essential to advertisers. Under the guidance of enlightened publishers and forceful editors, newspapers were among the most important community institutions. They shaped as well as reflected their communities. Newspapers that correspond to this ideal now are exceptional. In recent decades, the strength of newspapers has been sapped by changes in the economics of newspaper publishing, the relationship between newspapers and readers, changes of ownership, and alterations in the ways people work and spend their spare time.

Television has had the most drastic effect on the economics of publishing. As the costs of newsprint, ink, and manpower increased, publishers encountered new competition in the mass market that they originally had discovered and exploited. In 1953, only one out of 10 Canadian households had a television set. Now, 98 per cent of households have at least one television set, more than half are connected to cable TV, and more than one out of 10 possess converters to provide a wide variety of channels. The average Canadian views about 191 minutes of TV every day. Next to sleeping, and perhaps at times indistinguishable from it, television is by far our favorite in-home leisure activity.[2]

Radio, after a confused period in the late 1950s, discovered new roles as an information medium and as a local medium aimed at specific audiences. Many individual stations prospered in competition with television. Even magazines, after a sharp decline in the early years of television, multiplied as publishers found readers with special interests.

Newspapers found it more difficult to adapt. In 1948, enough daily newspapers were published in Canada to provide every household with a copy, and some to spare (1.06 copies to be exact). Now there are enough daily newspapers for little more than 60 per cent of our households. Daily newspapers still account for approximately as much advertising revenue as television and radio combined, but their share of total advertising dollars has declined from 34.5 per cent in 1950 to 26.2 per cent in 1980.[3]

As more Canadians became accustomed to using electronic media for news and advertising, newspapers explored new services for readers. After their marketing experts divided readers by age, occupation, and region, newspapers tried to reach these specialized audiences with regional editions, and sections and supplements of various kinds. Except in the case of tabloid newspapers in a few large cities, segmenting the market in this fashion failed to sustain many competitive newspapers. In some cases, the bland "disco" journalism of newspapers struggling for relevancy seemed to alienate rather than attract readers. (Disco journalism has been defined by Ottawa journalist Charles Gordon as journalism "for people whose hips move when they read".) The Commission received many letters from people who complained that their local papers no longer published information that was of interest. Some saw themselves as continuing to read newspapers from habit more than interest.

It is hard to foresee any great change in these patterns. A study completed in 1981 by Data Laboratories of Montréal for the Institute for Research on Public Policy forecast a small recovery of market share of advertising for daily newspapers in the next few years, but a flat or downward trend in the long term.[4]

Large daily newspapers have become the dinosaurs of the media, monstrous and vulnerable. The largest often are the least secure, requiring continual increases in

advertising revenue to satisfy their voracious appetites for newsprint and to subsidize their expensive distribution systems. Even relatively small changes in the economic context in which they exist, or interruptions of normal publishing schedules because of internal problems, can be enough to topple these giants. Heirs to a great fighting tradition, they now have been domesticated by even larger corporate giants who employ them as beasts both of burden and of conflict — carriers of huge and profitable cargoes of advertising, and mercenaries to demonstrate the power of the system that sustains them. Newspapers may survive in this role for a long time, but it is difficult to imagine a return of their old vitality.

Changes in proprietors and their concept of the newspaper's mission have given journalists a keen sense of their own vulnerability. Paradoxically, as journalism schools flourished, newspapers were able to become more selective in recruiting, but their criteria were changing. No longer in demand were the abrasive mavericks prized by competitive newspapers. Many journalists inevitably were coming to resemble the technicians of other monopolistic state and corporate bureaucracies and to identify with them, despite the conscious efforts of a minority to maintain the traditions of the radical press in an altered and uncongenial setting.

As the character of journalists has changed, so has the atmosphere of the newsroom. Reporters no longer sit at battered Remingtons, whisky on their breath, cigarettes dangling from their lips, intoxicated with their own significance. Copy boys no longer attend them to carry sheets of the latest news from typewriter rollers to screaming editors across the room.

It's all done quietly and electronically now. In air-conditioned newsrooms, the journalists discreetly play *legato* on the keys of computer terminals. They look like airline reservation clerks, perhaps a little less harried.

The internal revolution

Canadian newspapers have undergone a technological revolution during the past decade. The introduction of computers, barely under way when the Davey Committee published its report on mass media in 1970, has changed the appearance and function of the editorial departments, and many other departments, of most newspapers.

This revolutionary change has come perhaps not as dramatically as forecast in the late 1960s but with dazzling speed compared with the previous 60 years. There had been little innovation in the production of newspapers since the introduction of the linotype at the end of the 19th century. The arrival of computers in the 1960s heralded changes even more important than the mechanical improvements of the previous century. This event now is often described as part of an information revolution as significant as the one created by the invention of movable type in the 15th century and the consequent spread of the printed word as a means of mass communication.

The first computers arrived in the composing rooms and business offices of Canadian newspapers in the late 1960s.[5] In the composing rooms, they were simply added to existing "hot metal" typesetting systems. Capable of hyphenation and creating symmetrical columns of type, they allowed linotype operators to keypunch text onto paper tape about twice as fast as their former speed on linotype machines. Widespread use of computers awaited the development and adoption of photo-com-

position units able to produce "cold type" on film to replace the metal type of the linotype machines. This equipment was developed in the 1960s and widely used in the 1970s. Eventually, the two technologies merged with the design of computerized photo-composition units, making it possible for reporters and editors, in effect, to set type on their computer terminals, with most composing room operations performed by the computer.

Computer terminals began to appear in Canadian newsrooms in the early 1970s. According to a survey undertaken for the Commission, there now are more than 1,200 video display terminals (VDTs) used for inputting and editing text in Canadian daily newspapers. Editors on the copy desks of virtually all Canadian newspapers with daily circulations of more than 40,000 are using VDTs for editing; on all but a few of these newspapers, reporters are typing their stories on VDTs. The use of computers is not limited to large metropolitan dailies. Almost half of Canada's small newspapers, with daily circulations of fewer than 10,000 copies, use VDTs for writing and editing. Only 25 per cent of medium-size newspapers, with circulations from 10,000 to 40,000, have computer terminals in their newsrooms, mainly because most of the computer systems on the market in the past decade were inappropriate for papers of this size. These newspapers are expected to catch up with the others in the next five years as the cost of computer equipment continues to decline.

This rapid adoption of computer hardware by newspapers isn't common to all developed countries. It has been resisted strenuously in Europe, where the concept of workers' "property rights" to their jobs has been elaborated and defended. Technological changes were achieved more easily by Canadian newspaper proprietors, but only after years of resistance by the International Typographical Union which included strikes serious enough to jeopardize the existence of some newspapers.

From the outset of this change, in the late 1960s, computers were designed for many newspaper activities other than the writing, editing, and setting of news stories. The "newspaper of the future", originally expected to arrive in Canada by 1980, was seen as extending the use of computers to display and classified advertising, press control, mailroom stacking, and business systems. It was forecast that VDTs with large screens capable of displaying a full page would be used to make up news and advertising pages. Computers then would be able to produce film images of complete pages to be transferred onto printing plates by photo-composition.

Some of these developments have been slower than expected. Virtually all large newspapers in Canada now use computers for classified advertising, but only four report that they are capable of advertising-page "pagination" — the making up of all or part of a page on the terminal screen. Within the next five years, according to our survey, pagination of classified ads and the use of large-screen VDTs for display ads are expected to have been implemented in most large dailies. No Canadian newspaper now has the ability to display and edit an entire news page on the terminal screen, although some can accommodate part of a page. Of the large dailies, all except one expect to have some type of news pagination within the next decade.

Although the introduction of computers into all phases of newspaper production is taking longer than expected, the trend is unmistakable. A report for the British Commission on the Press in 1975 stated that "the revolution has now gone so far, and built up such a momentum, that there is now no alternative path".[6] Canadian newspapers have accepted this in practice.

Full pagination necessarily will precede laser platemaking under the direct guidance of the computer, eliminating photographic or chemical processing in the production of the printing plate. When that is achieved, perhaps in the late 1980s or early 1990s, according to the current expectations of large Canadian newspapers, it will be possible for the journalist to place a report directly and instantly on a printing plate. The computer will be able to alter the plate as quickly as it now can change words or images on a television screen.

Daily newspaper publishers believe that the introduction of computers during the decade of their internal revolution has helped to control costs and improve their appearance, and enabled them to compete more effectively with electronic media.

The same technological developments have strengthened the weekly press in competition with dailies and other media. Although statistics on the weekly press are less comprehensive than for daily newspapers, it is clear that weeklies have grown substantially in numbers, circulation, and prosperity in the past 10 years. From 1968 to 1978, total circulation of community weeklies more than doubled. At the beginning of those 10 years, enough copies of community weeklies were produced to provide a copy to 82 per cent of Canadian households. By 1978, there were enough to provide 1.38 copies to every household.[7] This increase in economic and, in some instances, editorial vigor contrasted sharply with the performance of the daily press during the same period.

Computers have contributed to this, although they have not been the primary factor. More important was the initial switch from letterpress production using hot metal to cold-type offset printing. In fact, weeklies made this change more rapidly than dailies. Almost one-third of the weeklies had converted to cold type by 1970; five years later, more than eight out of 10 weeklies had the new technology. At that time, only six out of 10 Canadian dailies had discontinued hot metal operations.

About 40 per cent of the weeklies have computer equipment with all the basic characteristics of even the largest systems used by daily newspapers. One out of five weeklies plans to upgrade this equipment within the next two years, and half the weeklies anticipate doing so within three to five years, an indication of the flourishing state of this sector of the industry.

Offset printing and computers have made it easier to start and operate weekly newspapers. Although a few weeklies have become small dailies in the past decade, the prosperous independent weekly press cannot be considered a seedbed of new daily newspapers. There is even a contrary indication. Computer-based typesetting systems have encouraged a consolidation of production facilities for weeklies and a tendency to group ownership. About a third of the weeklies surveyed for the Commission are published through joint facilities producing up to 10 weekly newspapers, occasionally even more. In some cases, these facilities are owned by daily newspapers to take advantage of the growth in community newspapers, and sometimes to protect themselves from competition from the weeklies.

Reporters and editors on Canadian newspapers have adapted quickly and relatively smoothly to working with computers, despite some fears about the hazards of low-level radiation from VDTs. In theory, computers could increase the journalists' control over the final product. Ultimately, nothing except electronic circuits and machinery will stand between journalists and the printed page or between journalists and their readers. For the first time in the history of mass circulation newspapers,

journalists will be in a position to control the entire apparatus of production. Technical control, however, will be meaningless unless the authority of the editor or journalist matches this new capability. Otherwise, technology will make journalists even more of an appendage of the machine than they are now.

Although the full effect of computers on the internal structure of newspapers awaits the completion of the technical revolution in the next decade, their major economic impact on the competitive position of newspapers, as carriers of both news and advertising, has already been felt. It is unlikely that later generations of computer equipment will produce the same dramatic reductions in cost as did the elimination of such functions as linotype operation, proofreading, and the manual composition of pages in metal.

More efficient distribution, on the smallest scale and the largest, can be achieved with computers. For the individual subscriber, computer-controlled circulation lists, presses, and mailroom operations can provide a custom-designed newspaper. Only those sections ordered by the subscriber would be delivered. In return for this service, the newspaper would obtain computerized profiles of its readership that would be valuable in helping to market its own product and perhaps the products of others.

On the largest scale, the linking of computers and satellite communications already has enabled Thomson's *Globe and Mail* to become, in reality as well as in ambition, Canada's first truly national newspaper, printing simultaneously in three locations across the country, and soon in five. Pride in this achievement has, for the moment, obscured the effect it may have on local dailies, particularly if they also are part of the Thomson chain. There may be a tendency for the local dailies to become regional supplements of the national paper, losing something of their ability to select and interpret national and international news for their own readers.

An essential aspect of the newspaper of the future, as it was envisaged in the late 1960s, was the use of computers to automate newspaper "morgues" or libraries. It was anticipated that the content of newspapers would be culled every day for items of lasting value that would be stored electronically in a computerized system. This information bank, or "database", was expected to be not only a resource for the newspaper itself, in the traditional way, but a basic provider of information to the community in a society where many people would be able to access newspaper archives directly on their own computer terminals.

The *Globe and Mail* launched its library into the computer age in 1979, and today markets its database through a division called Info Globe. Several other large Canadian newspapers have begun the costly process of computerizing their archives but change, in this branch of editorial activity, apparently will be sporadic and slow. The Commission's survey uncovered little interest among other newspapers in extending the use of computers to their libraries in the foreseeable future.

Newspapers, computers, and the information society

The newspapers' internal revolution of the 1970s is only one expression of a more fundamental technological revolution involving the introduction of computers and the creation of global systems of telecommunication. In combination, these technologies promise the most potent extension of man's intellectual capacity since the invention of printing. Some scholars believe that the economic impact of the marriage of computers and telecommunications will be as significant as the changes that fol-

lowed the introduction of machinery at the beginning of the industrial revolution. They foresee mankind, led by the developed industrial countries, progressing from an industrial society to an "information society" where the production and transmission of information becomes the primary wealth-generating activity.

Newspapers are on the breaking crest of this technological wave because their business is, in part, storage and transmission of information. This part, as we have seen, already has been changed almost beyond recognition in the past decade. It will continue to evolve, in somewhat predictable fashion, for the next few decades as newspapers confront, compete against, and perhaps become part of a new information medium.

As yet, there is no universally accepted term for the new medium. Those that have been suggested in recent years contain clues to its nature: informatics, tele-computerization, *télématique*, tele-information systems, and "compunications", among others. At the moment, telematics appears to be used most widely to describe "the convergence of the telecommunications sector, the computer sector and broadcasting. . .into one massive industry".[8]

There is at least a commonly accepted term for the display of print on the television screen — videotex. This is the generic term used most often to describe print on the television screen when the television set is equipped to function as a computer terminal.

Used alone, the term usually describes videotex transmitted to the screen by telephone line or coaxial cable. Most of the videotex systems now being tested in Canada use ordinary telephone lines to bring print to television sets in homes or offices. Like telephone networks, these videotex systems are two-way or interactive. Using typewriter-size keyboards with letters and numbers, or smaller keypads with numbers only and a few other symbols, videotex users can call up "pages" or "frames" of information stored in computers linked to the telephone network. They also can put information into the computers and use the system to send messages to other users. Cable TV systems, if eventually they acquire the switching capacity that telephone networks now have, could be linked to computers and used as videotex networks. There is a hybrid version of videotex that uses telephone lines to deliver requests for information to computers and coaxial cables to transmit information from computers to users.

Conventional television channels can also be used to send videotex. The impulses or "bits" of information for the print display are transmitted in the "vertical blanking interval" of an ordinary television signal — the relatively small number of "lines" in the multi-lined signal that to now have been unused for picture or sound transmission. This "broadcast videotex" has come to be called teletext. The pages or frames of print are transmitted in a rapid cycle, over and over again. Television viewers with sets equipped to receive teletext can select and freeze pages from this cycle by pushing numbered buttons on small keypads.

Teletext is not interactive, as videotex is, and the number of pages is severely limited, for technical reasons, compared with the almost infinite number that can be stored in a videotex computer. Teletext, however, can vastly expand its number of pages if a full television channel is used for teletext alone and if users' sets have additional equipment for storing and selecting pages.

Imaginary videotex systems were basic elements of all the "wired societies" that proliferated in the minds of visionaries in recent decades. Only now are we beginning

to receive reports of experiences in creating and operating these systems. Establishing systems that link large numbers of people to information-distributing computers and, through the computers, to one another, will be more time-consuming and expensive than anyone imagined a few years ago. It also is clear that difficulties have not discouraged attempts to create such systems.

The amount of money being spent on videotex in a growing number of countries is rising in a curve that sweeps upward more steeply every year. It will be astonishing if nothing emerges from all this activity, but it is still impossible to tell what will emerge, and when, from the welter of competitive experiments.

Trials and errors

The United Kingdom is far ahead of other countries in operating both videotex and teletext systems.[9] In 1978, after nearly a decade of research, the British Post Office (BPO) announced a videotex service, Prestel, that would use its telephone system as the carrier. By the end of 1979, BPO was offering a full public service from computer centres in London and Birmingham. The system had about 2,000 users and more than 130 "information providers" who had assembled 160,000 pages of information on a wide range of subjects.

But the growth of Prestel has been far below original forecasts. By the end of 1980, there were only 7,310 users, primarily in the business world. Only 917 terminals were in homes.

Compared with videotex, teletext is easy to start and cheap to operate. Engineers at the British Broadcasting Corporation experimented with teletext in the late 1960s. Regular service, called Ceefax, was announced in 1972. The Independent Broadcasting Authority, which oversees Britain's commercial channels, demonstrated its system, Oracle, in 1973. Expansion of teletext has been slow but steady. By the end of 1980, an estimated 100,000 television sets in Britain were equipped to receive teletext.

The most significant shortcoming of Prestel, the one that has had a major impact on the development of Prestel itself and now is influencing videotex in many other countries, is the absence of a strong and growing residential market. Originally, the home market was seen as the primary target. There already was "electronic publishing" for users in business, government, and various professions who were willing to pay for access to specialized databases. Videotex was to be a simpler and cheaper extension of this — the "Model T" of computer communications. Prestel was intended to become as much a part of everyday British existence as television, the telephone, the daily post, and the daily newspaper. In 1978, the British Post Office believed that there would be several million Prestel users by the end of 1983. It undertook an extensive advertising campaign in all media aimed in large part at the home market.

By the end of 1980, with fewer than one out of every 10 Prestel sets in homes, BPO authorities abandoned the home market in practice, if not officially. Virtually all advertising and promotion is directed now toward potential business users.

By creating the first operational commercial videotex system in the world and, in the process, the largest on-line computer system ever designed, the British have learned more about the difficulties and potential of the new medium than anyone else. They seem determined to press on, by changing their system to meet new

requirements, by selling Prestel International as a world information service on videotex, and by aggressively marketing Prestel technology and hardware to other countries, particularly the United States.

The British experiment with Prestel has been aimed at establishing with state encouragement a viable commercial system. In France, according to current strategy, the new medium will arrive almost overnight, financed by massive state investment. The concept is Napoleonic in scope and ambition.

The great French leap into the information society started in the 1970s with the reform of an antiquated telephone system. At one point, the number of telephones in France was growing by 18 per cent a year, reportedly the highest rate ever recorded anywhere. This meant constant updating and reprinting of telephone directories. The use of computers to maintain and typeset these lists led the French to explore the possibility of transmitting this information directly from the computer to the subscriber. By 1979, the French had committed themselves in principle to the "electronic telephone directory" — a small black-and-white terminal beside every telephone. The French believe that the cost of providing an estimated 30 million terminals over the next 10 to 12 years will be less than the cost of continuing to print telephone books and using operators to staff an inquiry service.

In tandem with a conventional interactive videotex system called Teletel, and a teletext service, the directory project is designed to make France the prototype of the information society and an international supplier of videotex hardware and expertise. All French systems are based on a technology called Antiope, which is similar to British videotex but capable of improved display and graphics.

Within France, newspapers are the main obstacle to this ambitious plan. Many of them fear competition from electronic "yellow pages" and have asked the state to give newspapers a monopoly on all classified advertising on videotex and to restrict its use in other ways. The dispute is evolving quickly into a debate about the role of the press in a democratic society. French newspapers claim that this role is fundamental and cannot be replaced by videotex. In response, French bureaucrats have launched studies which, they suspect, may show that the press overestimates its own influence on public opinion.[10]

A struggle by newspapers for control of the new medium has also shaped the early development of videotex in West Germany. Other European countries that have announced trials of videotex or teletext include Finland, Sweden, the Netherlands, Belgium, Switzerland, Austria, Denmark, Italy, Norway, and Spain. Elsewhere, Australia licensed teletext services in 1980 and will begin videotex in 1981. Hong Kong acquired a small commercial videotex service last year.

Not surprisingly, given the strength of its electronics industry, Japan has pioneered the development of videotex, teletext, and related services. Its early field trials were attracting international attention when European systems were still in the laboratory. Between 1976 and 1978, Japan developed Captain, a videotex system designed to handle the complex written Japanese language.

Captain does this successfully but not without paying a penalty. Because relatively large amounts of information have to be transmitted to create a selection of 3,500 Japanese characters or symbols on the screen, it takes longer to transmit and reproduce a page of information on Captain than on Prestel — at least 10 seconds compared with a few seconds. This language problem may retard development of

videotex in Japan, but not enough to eliminate it as a competitor in the world videotex market.[11]

The United States is the only country that can afford the luxury of true competition in the development of a new communications medium such as videotex. While other nations have had to make early commitments to specific videotex systems, thereby locking themselves into structures that may be difficult to change, the United States, up to a point, can afford duplication of effort among many competitors in the private sector. A few years ago, the number of videotex trials in the United States could be numbered on the fingers of one hand. Now a computer would be needed to list and track them. It is becoming difficult to find a large newspaper, publishing organization, or television network in the U.S. that is not involved in videotex.

This sudden increase in videotex activity in the U.S. is the most important development for the medium since the British commitment in the 1970s. It is responsible for transforming the future of videotex from a matter for speculation to a subject of analysis. Some notion of the size of the potential American market can be gained by contemplating American Telephone and Telegraph, the colossus that accounts for 80 per cent of the $50 billion annual business of U.S. communications carriers. AT&T's largest rival is General Telephone and Electronics. Although GTE's revenues are only about 10 per cent of AT&T's, it is close to the British Post Office in numbers of telephones installed.

AT&T is only one of many U.S. corporations now investing in videotex, but its activities are studied closely, not only because of its size but because decisions by the Federal Communications Commission affecting AT&T will set a pattern for the industry. The announcement by AT&T on May 20, 1981, that it intended to adopt videotex standards that may eventually become compatible with Canada's Telidon system, for instance, immediately raised fears of incompatible North American and European systems.

Developing alongside videotex and teletext in the U.S. but still separate from it, the home computer market has flourished without regulatory guidance. The first home computers were offered for sale in 1975; the number in U.S. homes had grown to an estimated 450,000 by the end of 1980 and was expected to exceed 1,000,000 by 1983 as hardware prices continue to decline.[12] This thriving home-computer market is a distinctive American development which already is influencing videotex in the United States.

In Europe, where the market for small computers or microcomputers has been only 10 to 20 per cent of that in the United States, videotex is being established generally under state communications monopolies.

In the United States, and perhaps in Canada to a lesser extent, the definition of videotex and its future structure is blurred by the approaching convergence of videotex and home computer systems. At present, home computers cannot be used as videotex terminals, but it is estimated that already there are 40,000 home computers in the U.S. that could be equipped to access electronic publishing services with only minor adaptation.[13] This blurring of the distinction between home computers and videotex is peculiar to the development of videotex in the North American market and of special interest to Canada, where the federal government has taken a "European" role in the promotion of videotex within an "American" economy that already

is an important market for home computers and computer services from the United States.

Telidon — Cadillac, Volvo, or Volkswagen?

Videotex development in Canada probably would have followed the pattern of smaller European countries, using British or French technology, had it not been for the invention of Telidon within the federal Department of Communications in 1978. Telidon is a second-generation coding system for videotex which facilitates the production and display of highly refined graphics. At this point in the rapidly evolving history of videotex, it is technically the best system on the market but it may not be the most cost-efficient.

Telidon was devised in 1978 by Herbert G. Bown, a DOC engineer whose original assignment was to create a laboratory replica of Prestel. At that time, there were reports that Canadian telephone, broadcasting, and cable TV companies were copying or purchasing British and French systems for videotex field trials in Canada. To make them aware of the development within DOC, "Canadian Videotex", as it was then called, was demonstrated publicly for the first time at a press conference in Ottawa on August 15, 1978. Canada soon established itself as one of the leading Western nations, along with Britain and France, in the development of videotex technology. Since then, Prestel, Antiope, and Telidon have competed for international acceptance.

The heart of Telidon is its unique Picture Description Instructions, a computer code or "shorthand" to assemble the elements of a graphic image on the television screen quickly. In the earlier alpha-mosaic systems, the operator of a page-creating terminal creates an image on the screen square by square, laboriously picking out the co-ordinates in a mosaic grid to fill in squares with different colors. With Telidon, an alpha-geometric system, an operator, by pushing a few buttons, can instruct the system to build up an image using basic geometric elements — point, line, arc, polygon, and rectangle. To viewers, the difference is apparent immediately. Prestel creates a graphic image line by line, from top to bottom of the screen. Telidon's more detailed images take shape in various areas of the screen, as if they were being sketched quickly by hand.

Officials of the Department of Communications have stated that "the technical superiority of Telidon is not contested",[14] but the system does have its critics. It has been called the "Cadillac" of videotex, too expensive for the mass market, while the first-generation alpha-mosaic systems have been said to provide a good and reliable "Volkswagen" service.

The invention of Telidon in a federal government laboratory radically altered the Canadian approach to videotex. Before Telidon, only a few telephone, television, and cable TV companies were experimenting on a small scale with British and French videotex systems. Official interest was almost non-existent. After Telidon was announced in 1978, the federal government became its chief promoter. In less than three years, Canada became one of the most active participants internationally in the development of videotex.

"If we in Canada work together and act quickly, we can be in the forefront of interactive television technology," Jeanne Sauvé, then Minister of Communications, forecast when Telidon was announced in 1978.[15] Less than a year later, she

announced a federal commitment of $9 million to a four-year program to develop Telidon, stating that it was "the best technology of its kind in the world" and that it had "the potential for creating thousands of jobs for Canadians in the manufacturing and service supply industries".[16] Less than two years later, the federal government announced that it already had invested more than $12.6 million in Telidon and intended to commit an additional $27.5 million to be spent in the following two years.[17]

In late 1980, Telidon was ratified as a world videotex standard, alongside the Prestel and Antiope systems, by the International Telegraph and Telephone Consultative Committee of the International Telecommunications Union, an agency of the United Nations. The first sales of Telidon systems for trial purposes had been made in the United States and Venezuela. Telidon was included in services listed in several cable TV franchises awarded to joint American-Canadian ventures. In Canada, all field trials of videotex by 1981 were committed to using Telidon, although not always exclusively.

Despite this early activity, the large government investment in Telidon remains speculative. There is still uncertainty about the future of videotex itself. If videotex expands as a new medium, Telidon is only one of three systems now available. Even if Telidon becomes the predominant system, the economic impact on Canada's electronics industry is hard to predict, partly because of the nature of Telidon itself.

There is widespread misunderstanding of Telidon among the Canadian public, some of it fostered by the government, abetted by an uncritical press. Much of the official publicity has focused on its importance for the future of Canada's electronics industry. The impression has been created that Telidon resembles the CANDU nuclear reactor, in the sense that it is a machine or apparatus exclusively available in Canada.

Telidon is not at all like this, a point understood clearly at the outset. In 1979, John C. Madden, then Director General of Special Research Programs for the Department of Communications, described Telidon as "first and foremost a communications protocol, a way of storing and transmitting graphical and other information with a high degree of efficiency from one place to another. . . . As such, it is not patentable.

"Anyone can take the published specifications for the Picture Description Instructions (or PDIs) which are at the heart of Telidon and develop a Telidon system," Madden explained. "All it takes is time and money, neither of which is required in very large quantities by modern industrial standards. The necessary expertise exists in many laboratories around the world."[18]

Because Telidon technology is public knowledge, adoption of Telidon by the United States or other countries would not give the Canadian electronics and videotex industries exclusive markets. At best, it would place them in a preferred position because of their know-how and lead in development and manufacturing. Although Telidon may not be CANDU, its backers claim that it could do for the Canadian videotex and electronics industries what Volvo did for the Swedish automobile industry.

When the federal government became the principal supporter of Telidon, it stimulated every aspect of videotex development. Within a few years, videotex field trials in Canada probably were more extensive than those in any other country.

As of May, 1981, there were 12. Three were operational. Six were scheduled to begin before the end of the year and three in 1982. An international trial of Telidon also had been announced. As in other countries, most trials were behind schedule because of difficulty in obtaining equipment and creating databases. Creating videotex pages has been more time-consuming and expensive than expected. Information banks for the early trials have been incomplete and unsophisticated, discouraging some users. Despite the heavy federal investment since 1978, a survey for the Commission in February, 1981, revealed that only 338 Telidon terminals were in operation, 267 being used for videotex trials and 71 for teletext broadcast by television networks.[19]

The most ambitious trial is Vista, Bell Canada's trial in Québec and Ontario involving 490 terminals. It was demonstrated in May, 1981, and scheduled to begin service later in the year. Bell hopes to accumulate a database of 75,000 pages by the end of the year, 15,000 in French. Information providers include TV Ontario, Dominion Stores, Infomart (a joint venture of Torstar Corporation and Southam Inc.), the Ontario government, *Le Soleil*, the Consumers' Association of Canada, and Tele-direct, Bell's own "yellow pages" publishing subsidiary.

Project Ida, Manitoba Telephone System's videotex trial, began to use Telidon in June, 1980. The Ontario Educational Communications Authority (TV Ontario) launched a teletext trial in January, 1980. Sponsors of other trials include the New Brunswick Telephone Company; Télécable Vidéotron, a Montréal cable TV service; Cablecom Corporation, a Saskatchewan telecommunications company; Alberta Government Telephones; and B.C. Telephone Co. The first extensive trial of teletext in English and French, using Telidon, is expected to be launched in Montréal, Toronto, and Calgary next year by the Canadian Broadcasting Corporation. The international trial, scheduled to begin later this year, is being sponsored by Teleglobe Canada, the Crown agency in charge of overseas communications.

Most of these early trials have been described as market trials to explore the commercial potential of videotex. In fact, they have been more in the nature of technical trials to test new hardware. Because of the small number of terminals, the inadequacy of information banks, weakness in statistical data, lack of co-ordination between trials, and the absence of market conditions, they are not expected to produce firm evidence of a consumer market for videotex.

While telephone companies collaborate with the Department of Communications in Telidon field trials, cable TV companies have moved ahead on their own to introduce two-way or interactive commercial service. The pioneer is Rogers Cablesystems Inc., formerly Canadian Cablesystems, one of the largest cable TV companies in the world, with franchises in Canada, the United States, and the United Kingdom. In 1979, Canadian Cablesystems introduced the first interactive cable TV in Canada in London, Ontario.

In 1978, the CRTC encouraged Canadian cable-TV companies to investigate new ways of using their systems by stating that it would give "prompt and favorable consideration to applications by cable television licensees for the use of their systems to provide new communication services of a non-programming nature".[20] Rogers Cablesystems responded in 1981 by proposing a package of interactive services that would include security surveillance systems for homes and businesses, subscriber opinion polling, energy meter reading, automatic measurement of TV viewing habits

with the consent of subscribers, video games, teleshopping, news and information, and shared computer services providing access to national services in the United States. In March, 1981, Rogers Cablesystems asked the CRTC for permission to provide this package to its cable subscribers in Toronto and 11 other urban areas in Ontario.

Competition between cable TV and telephone companies for this new market is occurring as fibre-optics technology promises to free telephone companies from the limitations of conventional copper-wire telephone lines. A single optical fibre, using light rather than electricity as its medium of transmission, can carry up to 4,000 voice conversations, hundreds of millions of "bits" of computer data, and up to six TV channels at the same time. This immense capacity would give telephone companies the ability to provide virtually all communications services to the home.

Bell Canada installed its first optical fibre underground in Montréal in October, 1977. Despite the higher cost — about 10 times the cost of paired copper wire — Bell Canada intends to install 100,000 kilometers of optical fibre telephone lines in this decade.

The most extensive use of optical fibre is planned in Saskatchewan where the publicly owned telephone company, Saskatchewan Telecommunications, has announced a $56 million, four-year project to install a 3,200-kilometer optical fibre trunk network across the province connecting communities of 500 or more households. This "electronic highway", according to SaskTel, is based on the premise that a telecommunications delivery system is a natural monopoly, that carriers of communications cannot interfere with content, and that "the ideal delivery system in a democracy. . .must give every person the equal right to communicate both as a sender and a receiver of messages".[21]

As in the United States, the growing number of home computers will shape the development of videotex in Canada. From 10,000 to 50,000 small computers will be in Canadian homes by 1985, it is estimated. Even at the slowest estimated rate of growth, home computers in Canada in the next few years will vastly outnumber videotex terminals manufactured for use in the Telidon trials.[22]

An initial example of integration of systems occurred this spring when a leading U.S. manufacturer of home computers, Apple Computer Inc., concluded an agreement with Infomart of Toronto to market an attachment for the Apple microcomputer that will enable it to function as a Telidon terminal.

Prospects for print

The difficult but crucial question for the newspaper industry is the form, extent, and timing of competition from these new systems. The wisdom of the moment is that daily newspapers as they now exist — monopoly newspapers, in most cases, with teams of computer experts to keep them abreast of technological change — will be able to maintain circulation and advertising revenue for at least the next five years, probably the next 10, possibly longer.

The durability of newspapers during the gestation of the new electronic media, beset by early problems with the experimental hardware and methods of use, has created a new conservatism about the impact of videotex. Influenced by the rela-

tively slow growth of videotex in England, many experts now are tempering their early enthusiasm. Rex Winsbury, a leading British authority, believes that it will be "a very long time, if ever" before the new systems can compete with the low cost and convenience of newspapers.[23] The same opinion is expressed by A. Roy Megarry, publisher of the *Globe and Mail* and one of the pioneers of new information systems in Canada.

Only a few years ago, as vice-president of corporate development for Torstar, in charge of developing new information systems for the Toronto *Star*, Megarry predicted that paper-print communications of all kinds, including newspapers, would shrink in volume as the new systems came into being. He warned newspapers that "classified advertising, the backbone of the newspaper's advertising base, is one of the most immediately viable databases for the new home information systems".[24]

As publisher of the *Globe and Mail* and an attentive student of the British experience, Megarry has revised his early forecast and now believes that newspapers will survive indefinitely, perhaps by devising new forms to adapt to competition.

Gerald Haslam, a Southam executive who is a director of Infomart, told the Commission that it is "impossible at this point to bring forward evidence" of a threat to newspapers from videotex.[25] Martin Goodman, president of the Toronto *Star*, in collaboration with Southam a leading developer of the so-called "electronic newspaper" in Canada, has predicted that the conventional newspaper "is still going to be cheaper per month than cable or any of the add-ons". Print will survive, said Goodman, because it is "portable and an enduring record. . . .TV is passive and washes over you." [26]

An American communications scholar last year said North American newspapers would retain a technological lead "for the next several years", but that electronic delivery of information will become less and less expensive as newspaper production and distribution costs continue to rise.[27]

"We must admit we are not in the newspaper business," one American newspaper executive has said, "for, if that is what we think, we will go the way of the railroad. Newspapers are in the communications business."[28]

The most recent and comprehensive Canadian study, by Data Laboratories of Montréal for the Institute for Research on Public Policy, concluded that daily newspaper advertising revenue will not be threatened significantly by competition from various new forms of electronic media up to 1985. It warned that this short-term pattern could change "quickly and discontinuously" in the late 1980s.

Competition for the time and attention of newspaper readers and the dollars of newspaper advertisers is emerging in a number of forms: the extension of cable TV services to include pay TV; the growth of television received direct from satellites; increasing numbers of home video players using disc or tape; the spread of small computers into homes; and the development of videotex systems by television, telephone, or cable networks to provide print information on request on home television screens. All these forms of competition now are developing rapidly. Together, they clearly have the potential to affect newspapers, starting in the second half of this decade. The effect could become critical in the 1990s.

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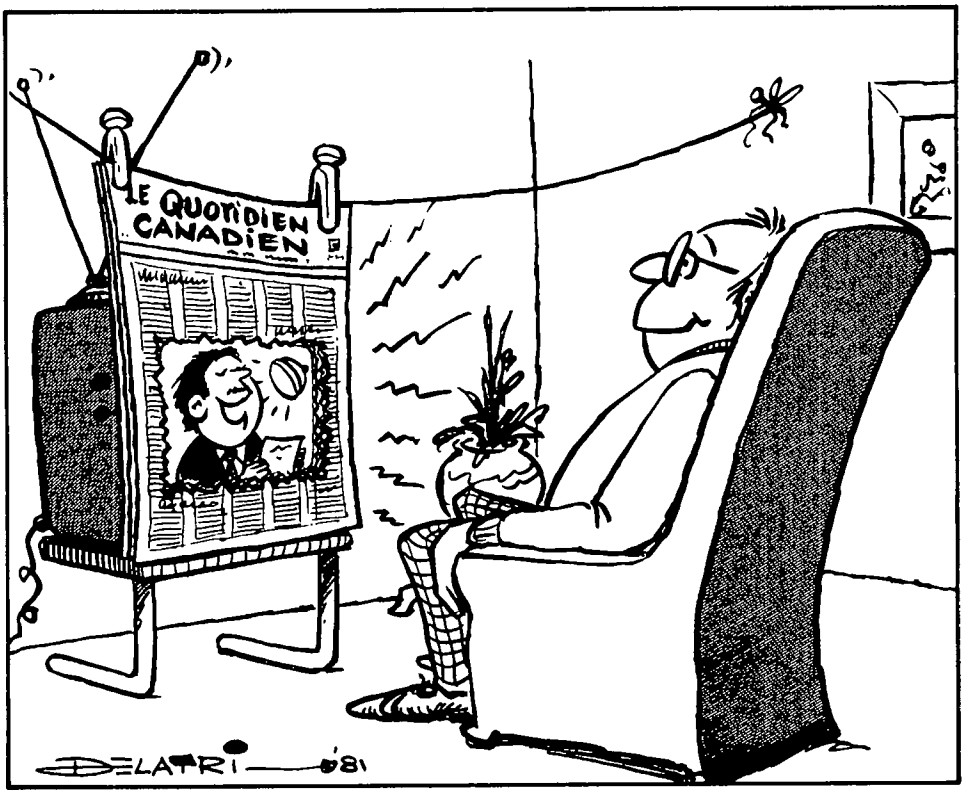

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