

# 12

## Outlook and issues

**N**OT surprisingly, the growing concentration of newspaper ownership in Canada has been reflected in electronic publishing from the outset. Canada's largest newspaper concerns have invested heavily in the new technology. Southam Inc. and Thomson Newspapers Limited are deeply involved in various forms of electronic publishing, as is the largest independently owned newspaper, the *Toronto Star*.

Thomson is the owner of Info Globe, a division of the *Globe and Mail*, the only Canadian newspaper that has transformed its archives into a computer database. The *Toronto Star*, through its parent company, Torstar Corporation, is a partner with Southam in Infomart, a joint venture involved in virtually every aspect of electronic publishing. Infomart today is the giant of this infant industry, far more predominant in its own field than is any single enterprise in the publishing of daily newspapers.

In no other country has a single commercial electronic publisher, specializing in preparing and marketing computer-stored data for videotex systems, achieved such a position. Through the assistance of government, and its own willingness to invest heavily in a speculative venture, Infomart has created a near-monopoly for itself in the provision of services for the early development of videotex. Rivals may appear in future, but its competitors at the moment are almost insignificant.

Info Globe is a less ambitious venture. Created in 1979 as a division of the *Globe and Mail*, it markets a database that now contains 250,000 items from the newspaper dating back to November 15, 1977, and is updated every day. In January, 1981, a staff of seven was servicing 370 clients, an increase of 100 from a year earlier. The service has operated so far at a loss.<sup>1</sup>

Infomart has expanded dramatically since the autumn of 1979. Torstar and Southam have shared equally in a total investment of \$12 million. The number of employees has increased from 12 to more than 100. Its divisions reflect Infomart's range of activities: technical services, marketing, operations, videotex services, and database publishing.

About three-quarters of Infomart's budget is devoted to videotex development. Revenue from videotex in 1980 was less than \$400,000. Infomart's projections of revenue for 1981 range up to almost \$7 million, largely due to contracts for Telidon systems. Among the most important are:

- Canada: A \$1.1 million contract for a turnkey or ready-to-use system for Teleglobe Canada, a Crown corporation, to transmit a Canadian business information database internationally. Teleglobe initially will employ about 50 user terminals.
- United States: A \$1 million contract with the Times-Mirror Company of Los Angeles for a turnkey Telidon system for a trial in southern California.
- Venezuela: A \$1 million contract, shared with a Venezuelan subsidiary, for a Telidon turnkey system to display government information in public places in Caracas.

Infomart also is prominent in providing computer, page preparation, and information services to Bell Canada's Vista trial of Telidon in Ontario and Québec, to the three Telidon trials using facilities of the Manitoba Telephone System, and to Rogers Cablesystems for its U.S. franchises. Although telephone and cable TV companies are competitors for future videotex markets, Infomart at the moment supplies both.

Despite its success in obtaining foreign contracts for Telidon against competition from British and French systems, Infomart remains a highly speculative undertaking. In mid-1980, Torstar reported six-month profits almost 15 per cent lower than in the previous year. The decline was attributed to investment in Infomart as well as other factors. The chairman of Torstar, Beland Honderich, has said that Infomart profits in the short term will depend on contracts from business and government. In the long run, he stated, the "consumer home mass market holds by far the greatest profit potential, but it will probably be five to 10 years before it makes a significant profit contribution."<sup>2</sup>

If videotex fails to develop as an important mass communication medium, newspaper groups involved in Infomart and, to a much lesser extent, Info Globe, will have weakened their basic industry to no purpose by shifting investment away from newspapers. If videotex succeeds, they may be in a position to establish a degree of dominance at the outset that it took newspaper chains more than a century to achieve in print.

The existence of Infomart has given a distinctive character to the debate in Canada about freedom of the electronic press. In the United States, concern has centred on the role of American Telephone and Telegraph (AT&T) in electronic publishing. Technical advances and regulatory decisions in recent years have opened new avenues of activity to AT&T. Many of them are beyond the company's original mandate to carry telephone messages; some infringe on the role of the printed press as a conveyor of news, information, and advertising. The American Newspaper Publishers Association has stated that AT&T should not be allowed to provide information over its own communications system in competition with other providers using the same system.

In Texas, an attempt by Southwestern Bell Telephone Company, an AT&T subsidiary, to launch a computerized news and information service on a trial basis has been opposed, in what may be a significant test case, by the Texas Daily Newspaper Association. "They not only want to transmit the information," said John

Murphy, executive director of the association, "they want to be the gatherer and the provider."<sup>3</sup>

Canadian newspapers, by contrast, have been slow to respond to the same situation in this country, perhaps because of the involvement of some of the largest newspaper groups in videotex trials by Bell Canada and other telephone systems. This involvement was a source of concern to many who appeared before the Commission.

According to the brief submitted by the Canadian Labor Congress, the men who own and direct the newspaper conglomerates are on their way to controlling the new electronic information systems. Referring to newspaper involvement in videotex trials in North America, the CLC brief stated that this issue was being raised "not to sound a conspiratorial tone, or to forecast the ultimate demise of the traditional newspaper, but rather to raise before this Royal Commission the spectre of the newspaper industry reaching out into new technological territory".

"Who will own these new systems?" asked MP and former journalist Pat Carney at the Commission's hearings in Vancouver. "Are we all going to end up working for Southam News Service or Ted Rogers of Canadian Cablesystems?"<sup>4</sup>

Also in Vancouver, the Commission was warned by David Godfrey, chairman of the department of creative writing at the University of Victoria and co-author of *Gutenberg Two*, that "if there is not to be a similar Commission 30 years down the road, struck into being by the merger of Imperial-Torstar-Maclean-CP with Thomson-Brascan-Irving-Dominion. . . then it might be instructive to look now at theoretical remedies, however fantastic, because those theoretical remedies can be applied in advance to the new media.

"And the way I look at those remedies," Godfrey continued, "is by asking the simple question: how in the boardrooms of the nation will they, are they planning now, to manipulate the new media? How can one manipulate the new technologies so that concentration is possible, profitable gateways are seized, entry thresholds to new competitors are raised, and profits are insured, all without incurring government intervention?"<sup>5</sup>

On the other side of this question, Infomart, with the support of the Department of Communications, has drawn attention to the risk involved in videotex investment and its potential to provide a competitive marketplace for various types of information providers. "We don't see any huge central databases, as I believe you heard about in Vancouver," the Commission was told in Toronto by David M. Carlisle, president and chief executive officer of Infomart. "We see a proliferation of many small and very inexpensive databases."<sup>6</sup>

After informing the Commission in Ottawa of details of the relationship between Infomart and DOC, the department's assistant deputy minister, Douglas Parkhill, asked: "Does it give their owners (the owners of Infomart) some sort of privileged position? In the sense that they are gaining early experience through their subsidiary in the operation of a Telidon system, the answer is yes," he went on. "But I would also ask, what is wrong with that? The same could be true of any other information providers in this country. It just so happens that before anybody else, those particular newspapers, newspaper chains, recognized the importance of this and invested very heavily in it. . . . So I don't really think," concluded Parkhill, "that

the fact that these two newspapers have been receiving — at least, that a subsidiary of theirs which is performing an extremely valuable national service — I don't really detect any menace here, although obviously it is important that when it comes to fostering the generation of information, that the government spread its money around. And we certainly intend to do this."<sup>7</sup>

At issue here, and in the debate over the role of telephone companies in videotex, is the question of accessibility to the new medium. Who will be able to publish on it? Whose voices will be heard? Two principles are cited: freedom of the press and the separation of carrier and content. The first originated in the age of print; the second belongs to the electronic era.

In our own time, the number and variety of newspapers have been affected by competition from electronic media and other factors. They may be further reduced if videotex systems become important carriers of news, information, and advertising. If the carrier systems operate news services themselves, in competition with other information providers, the result could be monopoly news services provided by telephone and cable TV systems that are licensed and regulated by the state. In such a system, freedom of the press, as defined for centuries, would be extinguished almost by accident — not by design but through the unifying effects of modern technology and corporate management.

Anthony Smith, the author of *Goodbye Gutenberg*, believes that the ideals and traditions of the printed press will help society, as it passes through the age of electronics, "to find ways to re-establish and re-guarantee the basic individual freedoms of expression and of information".<sup>8</sup> Among the first of the new principles to become firmly established is the separation of carrier and content. No such distinction was required in the old world of competitive newspapers where as many "channels" of print communication existed as there were publishers with enough time, money, and talent to realize their ambitions. It becomes necessary in a world of vast systems of communication enjoying monopolies in their own territories.

This separation is easily stated and achieved in the telephone system. Bell Canada is expressly prohibited by law from controlling or influencing the messages that are the content of its carrier system. As the systems proliferate in number, type, and purpose, the distinction becomes harder to define and maintain.

Except in the case of telephone companies, the federal government has an attitude rather than a policy on content/carrier separation. It was described to the Commission by Parkhill as "a new fundamental dichotomy: a total separation of carrier and content, of the distribution systems and of the services that they distribute."<sup>9</sup>

Recent experience indicates that maintaining this separation in videotex may be difficult. In Britain, the informal screening of information providers, allotment of computer space, and control of Prestel indexes by the British Post Office reveals a substantial degree of content control by the carrier.

In Canada, the publication of "yellow pages" directory advertising on videotex by telephone companies may be regarded as provision of content by a carrier, in competition with other providers. Indeed, describing this type of videotex advertising as "yellow pages" is misleading. Directory services now published by telephone companies are limited in their usefulness because of space restrictions and publishing

schedules. Videotex advertising will provide almost unlimited space and can be updated continually. Because of their inherent limitations, printed telephone directories do not compete with newspapers in a substantial way. "Yellow pages" on videotex, however, could be a new and highly competitive advertising medium.

Since the motivation for videotex publishing of this type by telephone companies is commercial, the relevant questions are: is the best use of new revenues from videotex advertising to subsidize other services of the telephone companies? Or should the telephone companies confine themselves primarily to their original business of providing carrier services to all private and commercial clients on an equitable basis? Proponents of carrier/content separation argue that, because of the inherent conflict of interest, telephone companies should produce videotex directories containing only the names, addresses, and numbers of telephone or videotex subscribers, grouped, in the case of companies, according to services or goods offered. Newspapers and other information providers should be free to compete for videotex advertising.

Any discussion of the regulation of videotex in Canada occurs against a background of federal-provincial dispute over jurisdiction. With this in mind, guidelines for the development of various videotex systems can be discussed on the assumption that freedom of the press is the main objective and that separation of carrier and content contributes to this.

## **New issues for new media**

### **A. Broadcast teletext**

Teletext, a form of videotex transmitted in the vertical blanking intervals of conventional television channels, can complement and enhance television programming with additional print information. Revenue from this type of service would seem to belong properly to the broadcaster rather than to an information provider licensed in competition with the broadcaster.

Allocating this new medium to the broadcaster, rather than to print media, would back up the Canadian Radio-television and Telecommunications Commission's policy of encouraging diversified media ownership.

In both Canada and the United States, regulations have discouraged cross-ownership of print and electronic media, although each country has adopted a different approach. In the U.S., the Federal Communications Commission (FCC) limits by regulation the number of radio, television, and daily newspaper enterprises held by a single owner, but there are numerous exceptions to the rule. In Canada, the CRTC has rejected an approach based on numbers of enterprises owned in favor of case-by-case determinations.

The principle guiding CRTC decisions that involve ownership concentration was stated in a 1978 ruling: "To the extent that concentration of ownership and control in the Canadian broadcasting system increases. . . diversity of opinion and information available to Canadians is potentially reduced."<sup>10</sup>

In regard to broadcasting-newspaper cross-ownership, the CRTC stated in 1979 that "the ownership and control of broadcasting undertakings should be separate

from the ownership and control of newspapers except in special circumstances. The Commission has been particularly concerned with the level of cross-ownership of broadcasting and daily newspapers in view of the potential reduction in independent and separate editorial judgments that this could involve. This would be of greater concern if there was joint ownership of broadcasting and newspapers in the same market."<sup>11</sup>

The trend toward homogenized information would be even more pronounced in a community where broadcast teletext further integrated television and newspaper news operations under the same owner. This possibility should strengthen the arguments used by the CRTC in its effort to see that Canadian communities have media that accurately express their diversity.

## **B. Cable teletext**

Cable TV was originally no more than a carrier of television programs aired by broadcasters and received on a community antenna. Cable companies were assigned exclusive territories and have been regulated, since 1968, by the CRTC. The industry has become a hybrid, involved not only in the distribution of broadcasts but also in the transmission of programs and services not produced by broadcasters. Videotex presents new opportunities for both aspects of these operations.

Cross-ownership between telephone companies and cable systems has been prohibited. Cross-ownership between television stations and cable systems has existed for many years, though not as an arrangement favored by public policy. Again, diversity of ownership has been the objective. In numerous decisions over the past two decades, the CRTC has expressed its opinion that, "except in special circumstances, television undertakings should be independent of cable television undertakings. . . ." <sup>12</sup>

Until 1978, cable systems in Canada were not permitted to offer other services, apart from community programming. In that year, the CRTC announced that it did not intend to "inhibit . . . the development of innovative services by the Canadian cable television industry". It stated 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".<sup>13</sup> Videotex and teletext are services that cable TV companies now want to offer in response to this invitation.

The largest such company, Rogers Cablesystems, told the Commission that in the United States "not only are all new cable television plants built completely two-way, but the regulatory environment is such that cable operators are encouraged to provide a proliferation of services." (In fact, they are required only to have two-way capacity through later adaptation of equipment.) In Canada, according to Rogers, "neither telephone companies nor the cable companies are encouraged to seek roles as deliverers of in-home information services."

Again, according to Rogers, separation of carrier and content, which it described as an "old telecommunications-based notion", no longer serves as a framework for guiding the development of new information technologies. Rogers has stated that it "no more believes that cable operators should be denied access to their

own system than should broadcasters, newspapers or any other information providers be denied access to the cable system."<sup>14</sup>

This position, in effect, claims for cable TV as a hybrid system all the advantages that belong to both broadcasters and communications carriers without any of the restrictions. The cable TV industry asserts that this dual role, as both carrier and provider of information, would be compatible with a policy assuring other information providers equal access to cable systems.

If this were granted, there would be no reason to restrict the activities of telephone companies as information providers. Conversely, if telephone companies are permitted to provide content through arm's-length subsidiaries, it is hard to argue that cable systems should not have the same right.

Removing the wall of separation between content and carrier in this fashion would favor the development of monopoly information services on videotex with no significant benefit except to cable systems and telephone companies which already are large, monopolistic by nature, and profitable. It would seem more in line with current public policy to encourage cable systems to market their carrier services among new information providers, at least until there is evidence that competitive videotex and teletext services cannot be developed without the direct participation of cable systems.

### **C. Videotex by cable**

The reasons for treating cable systems as carriers of teletext, even if the teletext is a new service using the vertical blanking interval of a channel already used by a cable operator for community or other programming, apply even more forcibly when videotex services are transmitted by cable.

In the interests of competition with as little state regulation as possible, providers of these new services should be able to compete within the "marketplace" of a cable system whose primary concern is transmitting the services as efficiently and as profitably as possible. The main regulatory function, in this case, would be to ensure equality of access to all potential information providers and the allocation of channels to non-profit community activities.

### **D. Videotex by telephone**

The introduction of videotex holds out the promise of greater utilization of telephone systems and increased revenues for telephone companies operating in their traditional role as carriers of information. Unless it is shown that the competitive free enterprise system cannot provide the new services made possible by videotex technology, telephone companies should concentrate on their role as carriers only, leaving provision of content to others.

## **Shaping Canada's information society**

The test of new information systems is their contribution to freedom and diversity of the press as it has come to be understood in our society. There should be the widest possible access, with only the minimum of supervision by the state necessary to secure such access.

As communications and information systems develop, this accessibility may be easier to achieve when consumers are provided with multi-channel home information systems. Up to now, the state has acted as allocator of a limited number of electronic channels. All the regulatory apparatus of radio, television, and telecommunications has originated from that function. This foundation will crumble as communications and computer technology create an almost infinite number of channels, bringing within our reach a freedom to publish undreamed of even in the golden age of competitive print journalism. In principle, the new technology should make access to electronic publishing cheaper, easier, and less restricted than is newspaper publishing today, perhaps unencumbered by the regulatory apparatus that radio and television have had to bear.

The development of computers and communications has raised many new legal questions. Protection of privacy in an age of computerized personal records has been the subject of numerous studies over the past decade in Canada and elsewhere. Copyright of works stored in computers is of more concern to this Commission. Journalists in the United States already have raised this issue in labor negotiations with several newspapers. As newspapers have contracted to transmit editorial material electronically to home computer services, journalists have asked to be paid for these "replays" of their work.

A way will have to be found, as videotex develops and perhaps threatens the existence of newspapers, to invigorate the journalistic base, where news is first perceived and formulated, with revenues from the new means of processing and distributing news. This is in the long-term interest of newspaper proprietors and journalists. If negotiation fails to achieve this, copyright laws may have to be reviewed to ensure that journalists share in the benefits gained from new uses of their intellectual property.

In the information society, the flow of information may become as vital as the supply of food. National information systems must be potentially self-sufficient and secure if a country values its independence. Some day this consideration may be irrelevant. If the information society creates a new order of interdependent nations, the free flow of information will bind together the human community. Even in that new order, however, individuals and communities may want to build fences to shelter their native cultures. For now, past experience dictates the principles that are applied to the flow of information across national borders. It is a question that has concerned many countries.

The flow of computer data across the Canadian-American border has been measured, up to now, primarily in terms of dollars and jobs. The cultural threat has been more difficult to define. In 1978, the Science Council of Canada stated that "a new technology has begun to affect the lives of Canadians. It seems inevitable that we will, at some point, have some form of public interactive communications/information service. We must ensure that we adopt the system that is optimal for our needs and not one that has evolved without planning and been put together in a patchwork fashion."<sup>15</sup>

The optimal system seems remote. Discovering it will seem more urgent as videotex takes computer data out of the office and into the home. If videotex



becomes a news and information medium akin to broadcasting in its reach and influence, undoubtedly there will be demands to bring videotex under broadcasting legislation to ensure that it is effectively owned and controlled by Canadians so as to "safeguard, enrich, and strengthen the cultural, political, social and economic fabric of Canada".<sup>16</sup>

At the moment, Canadians who own computer terminals enjoy unrestricted access to databanks in the United States. Telidon videotex terminals now being manufactured are not able to access U.S. databanks, because of Telidon's distinctive computer language. This technical barrier will not long remain if Telidon becomes an American standard or if computer programs are devised to make different systems compatible.

Left to itself, computer technology eliminates borders between countries. There is every reason to believe that videotex technology will tend to increase the international flow of news and information, particularly between countries with the same language and similar cultures. This is, indeed, one of the objectives of Teleglobe Canada, the Crown corporation which is in the process of organizing a Telidon service specifically to supply Canadian information to clients in other countries.

Canadians believe in the freest possible flow of information. It would be difficult for any Canadian government to restrict Canadians' access to databases anywhere in the world, even if it were feasible to do so. At the same time, the principle of unrestricted access to databases in other countries must not be applied at the expense of Canadian capacity to gather, assess, and distribute information about ourselves to ourselves. These systems form, in a sense, a representation of national memory and national consciousness. The arguments that have protected Canadian newspapers, periodicals, and radio and TV stations from foreign ownership apply with even more force to videotex systems.

Because of market conditions and, more recently, government policy, foreign ownership of newspapers has not been an issue in Canada, as it has in the United Kingdom. Even the recent newspaper closings have prompted only a few hesitant suggestions that this field should be opened to foreign investors, as a desperate measure to restore competitive conditions. Because of the vulnerability of Canada to U.S. influence, Canadians have seen no contradiction in restricting ownership of newspapers and other communications industries in Canada, while applauding Canadian entrepreneurs who expand into newspaper and other communications ventures in the United States and other countries. The same rationale justifies ensuring that videotex databases serving the public in Canada should be majority-owned and controlled by Canadians. This could be accomplished by regulatory restrictions on ownership or by tax regulations affecting Canadian dollars spent on advertising and other commercial videotex services.

The free flow of information across our borders would continue to give all Canadians access to information anywhere in the world. Canadian databases also would be able to import and market data from other countries. It may remain more economical and convenient for Canadians to access databases in Canada, when the information is available here, rather than going to more distant sources outside the

country. Revenue from imported databases would help to pay for the creation of Canadian databases.

The initial experience of Infomart and Info Globe has shown that the creation of commercial Canadian databases is almost prohibitively expensive, even for our largest media conglomerates. It should be government policy to encourage the creation of commercial databases as an essential research and development activity.

The role of videotex as a national medium of news and information, delivered primarily by telephone line and coaxial cable, and perhaps later by optical fibre, may be critical if satellite communications make a bureaucratic shambles of attempts to protect national radio and television systems from international competition. Even as the CRTC attempts to assess the economic and social implications of direct-to-home satellite transmission of radio and TV programs, rooftop receivers are becoming almost as popular in some parts of Canada as were backyard stills during periods when sales of liquor were prohibited.

Ensuring that videotex systems form an integral part of our national media system, and accurately express our national identity, means helping to provide French-speaking Canadians with the ability to use the new technology. Fears have been expressed in France about the effects of a technology that uses English not only as the primary international language for the storage of information but as the language most often used by programmers who design systems to employ computer hardware for specific tasks. The French have perceived telematics as a threat to the culture and languages of countries where the new technology is received passively, relying on imported equipment and ideas. This fear has motivated France's attempt to force the development of videotex systems constructed by and for its own people.

This concern applies even more forcibly to the smaller French-speaking society in Canada. It should be taken for granted, in any discussion of videotex development in Canada, that governments in Ottawa and Québec will make the special efforts required to create French-language databases and to develop the expertise of Québecers in other aspects of the videotex industry.

The Commission's research has shown the dangers of a simplistic approach to this question. As one of our studies suggested, "one doesn't have to believe that culture is threatened because the large cultural institutions are tottering on their foundations." The study distinguishes between various groups within society, each of which uses and affects information media in its own way: "When one claims that national cultures and linguistic communities are threatened by the standardizing influence of videotex, one confuses communities of interest and culture communities; one reduces the role of language which is both a vehicle for communication and a receptacle of cultural values."<sup>17</sup> Support for videotex research and development in Québec and among French-speaking communities outside Québec should encourage the development of new approaches to information technology within these groups without imposing criteria from the English-speaking community.

## **A new landscape**

Newspapers have been attracted to videotex because it seems, at first, to be an electronic extension of their current publishing activities. They soon discover, in practice,

that it is a medium that has relatively little to do with news, that news is only one of many services provided by videotex and probably not the most marketable.

For newspaper publishers, news is the product they sell to the consumer, and a large consumer market is what they sell to the advertiser. This symbiotic relationship between news and advertising no longer exists on videotex. In some of the early systems, news is seen as an incidental product of the system, or as a free premium for users who access a database containing primarily advertising and other commercial services.

It seems more and more doubtful that news, in the newspaper definition, will be the main economic engine or most valuable product of the industry. One recent estimate in the U.S. suggests that potential videotex users might be willing to spend about \$5 per month for news services that they now receive "free" on radio and television. This is not a large pool of revenue to divide among many providers of specialized and therefore costly news services.

Publishers who have entered the new medium soon discover that their videotex activities bear less and less resemblance to their newspapers. This has occurred in Canada, where Infomart already thinks of itself as an "information utility" — a description that most newspapermen would find alien, if not threatening. Executives of Infomart have been taken from computer service companies, not from the ranks of the *Toronto Star* or *Southam* newspapers. Writers working for Infomart have come from advertising agencies, not from the newsrooms of newspapers. In the United Kingdom, where videotex experience is longer and more extensive, Rex Winsbury of Fintel, the electronic publishing subsidiary of the *Financial Times*, confessed that "we've almost totally forgotten our origins as a newspaper house."<sup>18</sup>

Newspapers in Germany, the Netherlands, and some other European countries still tend to see videotex as print publishing with a new means of delivery. Such British newspapers as the *Financial Times*, with more videotex experience, regard this as an experimental attitude that soon disappears within an operating system. In Prestel, Fintel has found itself competing not against other publishers, in the main, but against banks, mail order houses, travel agencies, and airlines, as well as new companies created specifically to serve videotex users. "It's quite a new landscape," according to Winsbury. "Our belief is that the applications of viewdata (British videotex) are not to be seen purely in terms of promoting the traditional newspaper. If it's going to be a success, it's going to be a success in quite different ways from that."

As Torstar and Southam have demonstrated in Canada, large newspaper groups often have the capital and instincts to create videotex subsidiaries or divisions. In the early stages of videotex development, with many print publishers exploring the new medium, newspapers may feel more at home in videotex than do other industries. Infomart, for example, has perhaps found it easier to sell Telidon systems to publishing enterprises in the U.S. because of its relationship with the *Toronto Star* and *Southam*. This advantage may become less significant as videotex creates many new and distinctive "publishing" enterprises attuned directly to the needs of the new medium and its users. By then, the videotex activities of newspapers will be in a world of their own, far removed from the parent newspapers. Torstar's recent purchase of a mail-order house in the United States indicates the direction that videotex

concerns may take as they exploit the advertising or "service information" aspect of videotex rather than news.

News and editorial comment stand apart from service information on videotex. They have distinctive functions. They require different policy approaches. Designers of the first videotex systems imagined that every newspaper with current news and archives stored in its computer would be in a position to publish on videotex. With distribution problems solved, newspapers would be launched electronically into a new world of competitive journalism.

Limited practical experience has demolished this Utopian vision. It tends to show that one videotex system can serve a nation, as in Britain, and that one "electronic newspaper" or videotex news service of a general nature may be all that is needed, perhaps supplemented by a few specialized or regional news services. Because of its limited format, more suitable for reproducing headlines on the screen than in-depth news analysis, videotex probably will tend to centralize the "processing" of news for the mass audience. It may be more inimical to competitive journalism than are the mass media today.

In Britain, where the *Birmingham Post* has established Viewtel and called it "the world's first electronic newspaper", no national rivals have appeared to compete with this initial venture. After little more than a year in operation, Viewtel is convinced that it has already established an effective monopoly on Prestel, partly because of the limited nature of the news it provides and the limited videotex news requirements of the ordinary Prestel user. It is difficult to imagine another national "electronic newspaper" offering anything except the same headlines and the same brief reports of international, national, and local events taken from the same news services.

This state of affairs seems to be taken for granted within Prestel, where it is regarded as being extremely unlikely that anybody could set up in serious competition with Viewtel. If competition did emerge, it probably would be from another established newspaper group rather than from a new source. Within Prestel, it is believed that Viewtel will "corner the market" even more effectively as time goes on because it charges users nothing for its news pages on Prestel, employing them to attract attention to its advertising pages.

Videotex trials in Canada now involve a small number of newspapers and newspaper groups. There is some danger that these pioneers may quickly establish an effective monopoly in the provision of a news service that could become one of our most important. If there is to be a single national "electronic newspaper", at least at the outset, it should be developed either by a public agency or by a newspaper co-operative.

Many people who appeared before the Commission to urge the creation of a state-owned newspaper or "print CBC" were not aware that the CBC was close to producing an "electronic newspaper" on teletext. Once the CBC teletext service is in operation, it will be a potential supplier of news on videotex.

Canadian Press already supplies a primitive form of teletext for cable TV systems which provide a print summary of news to their subscribers. Extending this service to make it an interactive videotex information system would be logical, efficient,

and perhaps helpful to newspapers. Using CP might be one method of ensuring that part of the new revenues from videotex, earned by telephone or cable companies, could be used to sustain the journalistic base where news originates.

Some newspaper publishers predict that newspapers will become better in response to the challenge from videotex. If videotex supplies headlines and summaries of news, they say, newspapers of the future will become more like magazines, with more special features and editorial commentary. These forecasts do not confront the problem of producing this journalism of a higher order, by far the most expensive type, if advertising revenues of newspapers are threatened by videotex.

As videotex systems develop, the continuing viability of CP could be vital not only to newspapers but to the new medium. If videotex is going to be a market for the journalism produced by CP and its member newspapers, it is important that it does its share to maintain the quality of that journalism. Using either CP or a public agency as the primary "electronic newspaper" would reflect Canadian traditions and institutions.

Videotex systems in their entirety should also express a characteristic Canadian concern that communications systems be accessible to as many citizens as possible and that they serve national objectives. Even more than radio or television broadcasting, videotex will enable Canadians to communicate with one another, to share experience and knowledge with one another and, it is to be hoped, to understand one another better and to collaborate more closely in national endeavors. The creation of radio and television networks in Canada, and railroads in an earlier time, was inspired by a sense of national purpose. If videotex networks are to be the "railroads" of the information society, their financing structure will be as important and probably as contentious for Canadian policymakers as were the railroads in the 19<sup>th</sup> century.

In its relationship with the federal government, Infomart has been perceived as the "Canadian Pacific" of Canada's emerging information society. It would be in the Canadian tradition now to explore the "Canadian National" parallel. Commercial development of electronic publishing may not ensure accessibility and the development of an adequate national service. Governments in Canada could study, as the Saskatchewan government has, the parallel or perhaps prior development of a state-run "electronic railroad" or, as it is more commonly called, "electronic highway", with connections or gateways to both public and private databases.

News commentary and other types of personal journalism will benefit from the theoretical accessibility of videotex only if the new systems are structured to accommodate them. The role of government will be to ensure that videotex systems are as open as possible and that the "marketplace of ideas" that videotex could create is allowed to develop with a minimum of interference by government or corporate bureaucracies.

Canada is in a favored position to understand this new technology, to develop it, exploit it, and benefit from it. We have a solid foundation of theoretical studies in modern communications, largely because of the work of the economic historian Harold Innis, who died in 1952, and Marshall McLuhan, the media philosopher, who died in 1980. McLuhan, strongly influenced by Innis, altered mankind's appreciation of the influence of media.

Canada was one of the first countries to develop telegraph and telephone communications technology on a large scale and has consistently pioneered new applications. Technical progress has been accompanied by thoughtful attempts to develop appropriate communications policy at federal and provincial levels. In communications, as in transportation in an earlier era, theoretical work and practical experience have helped us to define the public interest and to develop a system of state enterprise and private initiative to serve our best interests. The history of telegraph, telephone, radio, and television systems in Canada demonstrates this concern and achievement perhaps more clearly than does the record of any of our other national endeavors. This strong tradition has been evident in our first approaches to videotex and the emerging problems of the information society.

The decision to develop videotex in Canada was seen from the start, in the words of Jeanne Sauvé when she was minister of communications, as "an opportunity to introduce a system designed and manufactured by Canadians, and developed according to Canadian social and cultural needs." It may be our last opportunity, she said, "to innovate and refine a Canadian technology that will ensure a strong domestic electronics industry and contribute to the strengthening and enrichment of our cultural sovereignty."<sup>19</sup>

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*Phil Mallette,  
Winnipeg*

First selection in the Royal Commission's call for cartoons. (An explanation of the cartoon selection process is included in Appendix III.)



# 13

## Conclusions and suggestions

**N**EWSPAPER competition, of the kind that used to be, is virtually dead in Canada. The only market where there is anything like the old head-on competition, between two papers published at the same time of day and competing across the community, is French-speaking Montréal. It and Toronto are the only cities where there are three dailies; and in both, one of the three is aimed to be a "national" paper, in English or in French, for a more affluent or more intellectual readership over a wider area. In Toronto the competition otherwise is between a morning tabloid and one "afternoon", broad-appeal newspaper.

This pattern is repeated in the very few cities where there are two papers under separate ownership. One is wholly or primarily an "afternoon" (in practice, mid-day or earlier) paper and the other a "morning" (printed in the early hours or, for some editions, the previous evening). Only the afternoon paper continues to be primarily geared for delivery to all households in the urban area; the morning paper is aimed (especially if it is a tabloid) at segments of the market, such as transit riders. While there is a degree of competition, it is certainly not the at-the-same-time, across-the-board battle of newspapers that used to be typical of large cities. In most communities, either only one paper of any kind is published or the two are morning and afternoon papers of the same proprietor.

The death of head-on newspaper competition is one culmination of a long process. This Commission was established because of the events that, in the summer of 1980, followed the purchase of the FP chain by the Thomson chain. The shape of the newspaper industry in English Canada was then dramatically changed by an agreement — we express no opinion whether or not it was a legal agreement — between the two largest of the remaining newspaper corporations, Thomson and Southam. Two papers, in Ottawa and in Winnipeg, were closed on the same day; and where there had been mingled Southam and FP interests, in Vancouver and in Montréal, Southam bought out its new partner.

The concentration of ownership was thereby underlined and concentration is accordingly blamed by many people as the killer of competition. In fact, the evidence before the Commission suggests that the head-on competition of two newspapers in Winnipeg might have ended sooner if the *Tribune* had not been owned by the Southam chain. The concentration of ownership in chains is, in the Commission's

view, bad. It should not have been permitted. But the objection to chains is not the elimination of old-style competition. That has died for different reasons: the death reflects the basic economics of newspapers dependent on advertising for 80 per cent of their revenues and competing, for advertising and for public attention, with broadcast and other media.

The economies of scale, leading to larger quantities of fewer products, are often thought of primarily in terms of production and distribution. Obviously, 200,000 copies of one paper cost less than 100,000 copies of each of two papers. The determinant, however, is cost in relation to the demands of the market, and the market from which the newspaper publisher draws most of his revenue is advertising. The advertiser wants to reach his potential customers at the lowest possible cost per customer. He is not interested in the readership, or viewing or listening, of people who are unlikely to buy his product. For many of the advertisers to whom newspapers are especially useful — particularly the big retailers — the potential customers are a whole urban community. One newspaper covering the general household readership gives them better value for their dollar than two competing newspapers possibly can.

For other advertisers, potential customers are more differentiated; they are, for example, younger people, or business people. In very large communities, there may be enough of this targeted advertising to support, as well as a broad-appeal newspaper, a tabloid of the *Sun* type, or a *Devoir*, or a *Globe and Mail*. To this extent, newspaper competition of a kind can continue because it is compatible with cost-effective media for enough advertisers. But in most communities, the advertising economies of newspaper monopoly are overwhelming. In all communities, undifferentiated competition between newspapers is as uneconomic for their advertisers as two telephone companies would be for their subscribers.

It is the reader who is thereby deprived of choice. Spokesmen for newspapers argued to us that this is no cause for alarm, because competing voices are provided through other media. The argument is unduly modest. While people now get much of their news and views from the broadcasting media, there are two significant ways in which print retains its primacy.

First, it is the medium of record, which generally gives more detail than the others, which explores issues in more depth, and which stands as the source to which people refer back. Second, the daily newspapers are still the main originators, gatherers and summarizers of news. Michael Sifton, who owns both of the principal newspapers in Saskatchewan, made this point very clearly to the Commission. He drew attention to the number of radio and TV stations competing with his papers, but his brief also pointed out that the journalistic staff of his two papers almost equalled the total staff, concerned with news and public affairs, of all the broadcast outlets. Further, it is the newspapers which through Canadian Press supply much of the news to the radio and television stations.

These two factors combine with tradition to maintain the newspapers as the principal external influence on the agenda of public affairs. There are, of course, many other forces acting on politicians and officials. But in the complex interplay of decision-making in a democratic society, the way the newspapers handle the news is, as it has been and in the Commission's opinion will continue to be, one of the main determinants of the society's affairs.

This is not said to downgrade other existing media, or the potential of screen-print (Telidon, etc.) as an impending new medium. The point is simply that newspa-

pers, to which the Commission's mandate relates, are still of primary importance; further, the principles of our recommendations are, we suggest, applicable in some important ways to the other media.

In radio and television, however, there is a good deal of competition; and while magazines are quite segmented in their readership, they are numerous enough, and come and go easily enough, to provide at least some marginal choices for the reader.

The special responsibilities of the monopoly newspaper are awesome. In history, and still in current mythology, "freedom of the press" has been supposed to ensure the fulfilment of the newspaper's public responsibility. John Stuart Mill, and others before and since, in effect applied to information and opinion the same concepts that Adam Smith articulated for the production of physical goods: the competition of free markets creates an invisible hand to ensure that what is produced is what people will pay for, priced at the lowest possible cost. Freedom of the press would likewise ensure diverse expression and, by the discipline of competition, completeness and accuracy of public information.

In many sectors, the economic theory has been made unreal by the technologies and institutions that have created rigidities and power positions which Adam Smith could not envisage. It retains, nevertheless, vestigial elements of validity in some economic processes.

As much cannot be said for the concept of press freedom as the guarantee of responsibility. In a one-newspaper town it means nothing except the right of a proprietor to do what he will with his own. In a country that has allowed so many newspapers to be owned by a few conglomerates, freedom of the press means, in itself, only that enormous influence without responsibility is conferred on a handful of people. For the heads of such organizations to justify their position by appealing to the principle of the freedom of the press is offensive to intellectual honesty.

To say this is in no way to suggest that the press should not be free, any more than, when we recognize that Adam Smith is dead, we mean that we do not want enterprise and the good it does; we mean that the good is now achievable only within a very different institutional framework than sufficed at the beginning of the industrial revolution.

It is as important as ever that the press should be free from the interference of the state. But it should be free from other pressures too. The purposes of freedom can be achieved only if freedom is undivided, if it withstands all the forces that tend to restrict information and opinion. This was fully recognized in the excellent Statement of Principles adopted in 1977 by the CDNPA: the "overriding responsibility" of the newspaper "is to the society which protects and provides its freedom."

The same statement also said: "Freedom of the press is an exercise of the common right to freedom of speech. . . . The Press claims no freedom that is not the right of every person. Truth emerges from free discussion and free reporting and both are essential to foster and preserve a democratic society." In other words, freedom is not a right of the press. Rights belong to people generally. The relevant rights in a free society are, above all, the right of people to information about the things that affect them, and the right to participate in deciding what should be done, and not be done, by the common action of the society — that is, the right (again borrowing the words of the CDNPA) "to discuss, to advocate, to dissent".

Until quite recently, information on the things that affected most people was relatively simple. Today we are bombarded by information that is far greater in

quantity, and more complex in nature, than we can digest. To be even moderately informed, therefore, we depend increasingly on the services of intermediaries who select and interpret for us.

The most generally important of these intermediaries are the newspapers. Their old and difficult obligations, to be accurate and fair and balanced in their reporting, remain. The increasingly difficult task is to make reports of complex matters both accurate and interesting, with the necessary brevity. To go below the facts to their significance, to give the truth by interpreting without distorting, is even more demanding of the journalist's knowledge and understanding, perseverance and patience. To be well done, journalism requires both penetration and breadth of mind at least equal to those of any other occupation.

The Commission emphasizes what it regards as the essentially professional nature of the journalist's work. The professional — the doctor or the lawyer, for example — places his special skills at the service of the patient or client, to deal with problems which the layman does not himself know what to do about. The professional is in honor bound to use his judgment to do what is best for the health or welfare of his client. The layman has a closely analogous need for the journalist's services: to select from the mass of available facts the information which is significant to most of the newspaper's readers and to present that information in a way that is accurate, understanding, comprehensible, interesting, and balanced.

In the days of head-on newspaper competition, and in a less complex society, it was natural that most journalists should think of themselves, and should be seen, as practising a craft rather than a profession. It is equally natural that the adjustment of attitudes to a changed society and the role of the monopoly newspaper should take time. What is sad is that the organization of the newspaper industry is making the transition so very long. Many journalists are under-educated for their responsibilities. More are underpaid. Almost all lack the editorial leadership that would give them the understanding and the opportunity to perform the service that a free society now requires of them.

The Davey Committee said 11 years ago that the newsrooms of most Canadian newspapers were boneyards of broken dreams. Our investigations lead us to think that there are now fewer dreams to break. Some of the cynicism is the deeper one of not having had dreams. Journalists' confidence in their publishers is thin or worse. They are frustrated but, even more, confused. This malaise is, in the Commission's view, part of the price we pay for conglomerate ownership.

This ought not to have been allowed to happen. To say so is not to criticize the few companies which have gained ownership of most newspapers, which do not compete with each other, and most of which have extensive business interests besides newspapers. The law has not said that newspapers are different from other businesses, and these companies have simply used and extended financial power in ways that are entirely permissible under our business system. Whether that is a good system is not being debated in this Report, but to see it accurately, as it is, is important. It does not subject ownership to the market criteria of a maximum of individual investors making their own decisions. Instead, it encourages ownership to beget ownership directly. Corporate empire-building utilizes the cash flow from one business to buy another, by a process which is prime business for the financial institutions, even if much of that cash flow technically belongs to many shareholders.

In short, we live with strong forces toward the concentration of ownership in business conglomerates. The Commission is not commenting on that in general, but a threat made by Lord Thomson makes necessary one comment on his particular conglomerate. At our hearings he said that, while he would like to make his next major investment in Canada, he would not do so if people with other business interests were restricted in their right to buy newspapers; he indicated that such an unfriendly act would lead him to do his next takeover in the United States.

Since Thomson already owns more newspapers in the United States than in Canada, and has extensive interests in North Sea oil and in other businesses in Britain and elsewhere, for which the initial financing was based on the earnings of the early Thomson papers in Canada, a further decision to go outside the country would hardly be a novel response to new legislation. In any event, the investment that Canada needs is in the building of new industries, the venturing of capital and new technology, the creativity that makes our economy more productive. On the record, that is not what Thomson means by investment. It means simply acquiring the ownership of existing businesses to expand the grasp of a corporate empire.

In itself that does nothing for Canada. Whether the change of ownership leads eventually to net economic gains or losses, for the country, depends on many circumstances and corporate policies. What is certain is that, when the initial "investment" is simply acquisition, the direction of its eventual economic effects is unknown; the probability is that they will not be major, either way. They matter far less to the country than the raising of the quality of Canadian journalism above the level hitherto provided by the Thomson organization.

Whether the country should change its general policy toward economic conglomeration is not the subject of this Report. We are concerned only about the special case of newspapers, the particular consequences of conglomeration on the way newspapers discharge their responsibility to the public. The effect is to undermine their legitimacy; it is to create a power structure of which the best defence, on the evidence of the principal corporate proprietors themselves, is that they do not exercise their power. In their evidence to the Commission they uniformly argued that the reason why there is nothing wrong is that they give free rein to the employees who are defined as publishers of particular papers. Many absolute monarchs in history might have made the same defence, but did not survive by it. Delegation does not change the ultimate locus of power.

It is in any event, a power that is wanted. The process of concentration has, if existing law and policy are unchanged, momentum. The major next extension is apparent. Southam spends millions of dollars a year employing more journalists and providing better newspapers than any hard-nosed business calculation requires. Clearly it is ripe for takeover by a conglomerate such as Thomson which will pay what the shares would be worth with the unnecessary costs eliminated and the bottom line improved accordingly. There are also surviving independent newspapers, some of them with owners who take the responsibility seriously, to be picked off.

With lower birth rates, all family businesses are exposed to increasing risk that in the next generation there will be no heir willing and able to carry on. Independent proprietors made to us very forcefully the point that this generational decline is powerfully reinforced by the tax system, specifically by the capital gains tax on deemed dispositions at death. Since it was argued to us that Canada is unique in this imposition, it should in fairness be said that most countries have succession or death duties;

among the developed economies, certainly, Canada is notable for the relatively low level of taxes imposed at death. This Commission recognizes the difficulty of the transfer problem for individual proprietors, but we cannot see adequate reason to treat newspapers as a special case. If the impact of taxation at death were to be lightened, it would have to be, in our opinion, by a general policy change applicable to all business.

In any event, no such change would do more than delay the tendencies at work in the daily newspaper industry. Under existing law and policy, the process of concentration will continue to a bitterer end: company will take over company, agglomeration will proceed, until all Canadian newspapers are divisions of one or two great conglomerates.

We are still some way from that monopolistic extreme. But where we are is, in the Commission's opinion, entirely unacceptable for a democratic society. Too much power is put in too few hands; and it is power without accountability. Whether the power is in practice well used or ill used or not used at all is beside the point. The point is that how it is used is subject to the indifference or to the whim of a few individuals, whether hidden or not in a faceless corporation. In a one-newspaper town there is little business motive to provide high quality in the monopolized product. On the contrary, the business motive is in most cases to make the product as low-cost as possible. The dissatisfied reader has no other local paper to turn to. The countervailing power of public opinion is therefore slight. It may be enough to make arrant abuse of corporate power rare. It cannot have much positive force to induce the corporation to provide the resources necessary to taking trouble to produce a newspaper that is informative and accurate and comprehensive and fair.

Within a chain, and even more a conglomerate, the personal attention given to a particular newspaper by the corporation's chief executive officer is necessarily limited. From the evidence of Lord Thomson to the Commission, it appears that he gives relatively more time to his newspapers in Canada than to most of the atoms in the molecule of his conglomerate. Even so, the average attention span per newspaper can be only a few hours a year. These are papers that mostly draw from their communities, where they are the only show of their kind in town, rates of return on capital that would make most risk-taking entrepreneurs feel that they had been elevated to a capitalist nirvana.

It must be emphasized again that, where newspapers are in anything near head-on competition, profits come hard if at all. The losses of the *Ottawa Journal* and the *Winnipeg Tribune* were real. But, once a newspaper is alone in town, the competition of other media does not, generally speaking, prevent it from earning handsome profits. In their monopoly position, newspapers do not have to incur heavy editorial costs in order to compete for readers. Thus the main route to profit maximization is to minimize costs, and notably editorial costs. That is to say, they can take, as profit, resources that are needed to do a good job for the public. Whether the profits are distributed as dividends, or retained in the company for purposes that enhance the capital value of the proprietor's businesses, is irrelevant: in neither case should profits be elevated too far above the costs of discharging the newspaper's public responsibility.

The financial information provided to the Commission has permitted us to calculate the amount spent by each newspaper on its editorial content, as a proportion of the newspaper's revenue from advertising and circulation. It might be expected

that the ratio would vary in a fairly consistent way according to the circulation of the newspaper and other economic factors. In fact, there is little correlation.

An accompanying table provides a "box score" for newspapers, based on the ratio of editorial expense to revenues averaged over the three financial years ending in 1978, 1979, and 1980. In making this calculation, the revenues and expenses of "two-in-one" papers, published from the same office, are necessarily counted as one. For the industry as a whole, editorial expense was 15 per cent of revenues. For individual papers the ratio varied from over 20 to under 10 per cent.

Some small newspapers spend relatively large amounts on their editorial content, but many others are near the bottom of the table. Papers of medium size, measured by circulation, are to be found at various levels. Many, but by no means all, of the largest papers are in the high middle of the range of editorial expense. Québec papers tend to spend more editorially than English-language papers. The larger "independents", such as the London *Free Press* and the Toronto *Star*, tend to be above the industry average. Of the Southam papers, 11 are above average and three below. Of the Thomson papers, eight are above average and 29 are below; of the eight above, three were at the time FP papers. (One paper now owned by Thomson did not report for the full three years.)

It is clear that the ratio of output to input — what is spent editorially for what is acquired in revenue — varies mainly according to the policy of the proprietor. It should be said that, except in the case of *Le Devoir*, the higher level of editorial expenditure in Québec, compared with the rest of Canada, may reflect the more competitive nature of the newspaper market. But in English-speaking Canada, at least, it is fair to say that a principal factor is the different value scales of newspaper owners when they weigh social responsibility against profit. Some are more inclined than others to maximize their profits through the poverty of the content they provide to their readers. It seems, indeed, all too true that while conglomerates do not bother with the editorial content of their papers, their main motive is not their concern for freedom; indifference is rewarded in dollars.

Profitability, however, is the small beer of the newspaper problem. The champagne is power over the minds of Canadian men and women.

A conglomerate controlling many newspapers may never use them politically to serve the other interests or prejudices of its principal officers. But it can. Who knows when and how it may? A corporation owning many newspapers may not discourage or downgrade editors and reporters who critically investigate, say, the oil industry in which the corporation has interests. But again, it can. Certainly it does not knowingly choose editors who will be critical of corporation policies.

The basic issue here is legitimacy. The most fundamental characteristic of a successfully free, democratic society is that the people and institutions exercising power in its various forms are generally felt to do so legitimately. They earn some consensus of public confidence; their motives are trusted.

That sense of legitimacy in their role cannot be generally attached to Canadian newspapers in the present extent and form of concentration of their control. The large proprietors themselves do not claim that it can. They say only that they do not use their power. But those who work for them, who gather the news and select and edit it, know that the power is there, setting the parameters of policy. That knowledge shapes the cynicism of the press. It is the journalists' sense of the lack of

*Ranking of newspapers by editorial expense as a percentage of revenues, 1978-1980*

Newspapers included are those with total weekly circulations over 25,000 and reporting for three financial years which ended during 1978, 1979, and 1980. The industry average of editorial expense to revenues over this period was 15.0 per cent.

Rank	Paper	Owner
<b>Above average:</b>		
1	Chicoutimi	UniMédia
2	Kamloops	Thomson
3	<i>Le Devoir</i>	independent
4	Winnipeg <i>Tribune</i>	Southam
5	Granby	Gesca
6	Sherbrooke <i>Record</i>	independent
7	Medicine Hat	Southam
8	Brampton	Thomson
9	Ottawa <i>Le Droit</i>	independent
10	Woodstock	Thomson
11	Windsor	Southam
12	Lethbridge	Thomson
13	Owen Sound	Southam
14	Brandon	independent
15	London	independent
16	Kingston	independent
17	Kirkland Lake	Thomson
18	North Bay	Southam
19	Sault Ste. Marie	Southam
20	Montréal <i>Gazette</i>	Southam
21	<i>Le Journal de Québec</i>	Quebecor
22	Saint John	Irving
23	Trois-Rivières	Gesca
24	Brantford	Southam
25	Québec <i>Le Soleil</i>	UniMédia
26	Ottawa <i>Citizen</i>	Southam
27	Vancouver <i>Sun/Province</i>	Southam
28	Toronto <i>Star</i>	independent
29	Hamilton	Southam
30	Fredericton	Irving
31	Penticton	Thomson
32	Toronto <i>Globe and Mail</i>	Thomson
33	Stratford	independent
34	Victoria	Thomson
<b>Below average:</b>		
35	Kitchener-Waterloo	independent
36	Montréal <i>La Presse</i>	Gesca
37	Brockville	independent



Rank	Paper	Owner
38	St. John's <i>Daily News</i>	independent
39	Sherbrooke <i>La Tribune</i>	Gesca
40	Red Deer	independent
41	St. Catharines	independent
42	Prince George	Southam
43	Halifax	independent
44	Saskatoon	Armada
45	Corner Brook	Thomson
46	Nanaimo	Thomson
47	Peterborough	Thomson
48	Vernon	Thomson
49	Fort McMurray	Bowes
50	Moncton	Irving
51	Regina	Armada
52	Calgary <i>Herald</i>	Southam
53	New Glasgow	Thomson
54	Moose Jaw	Thomson
55	Winnipeg <i>Free Press</i>	Thomson
56	Sydney	Thomson
57	<i>Le Journal de Montréal</i>	Quebecor
58	St. Thomas	Thomson
59	Toronto <i>Sun</i>	Sun
60	Thunder Bay	Thomson
61	Chatham	Thomson
62	Truro	Thomson
63	Cambridge	Thomson
64	Timmins	Thomson
65	Prince Albert	Thomson
66	Edmonton <i>Journal</i>	Southam
67	Welland	Thomson
68	Belleville	Thomson
69	Barrie	Thomson
70	Niagara Falls	Thomson
71	St. John's <i>Telegram</i>	Thomson
72	Orillia	Thomson
73	Charlottetown	Thomson
74	Grande Prairie	Bowes
75	Sudbury	Thomson
76	Oshawa	Thomson
77	Lindsay	independent
78	Cornwall	Thomson
79	Pembroke	Thomson
80	Kelowna	Thomson
81	Guelph	Thomson
82	Sarnia	Thomson

legitimacy that saps away the contribution that newspapers could and should make to the vitality of the country.

No one who has been close to newspapers can doubt that in fact the power exercised by a chain, shaping the editorial content of its newspapers, is pervasive. Head office appoints the publishers, who appoint everyone else. They control budgets and, in some cases, control expenditures in fine detail. They operate with a string of interchangeable publishers and understood administrative norms. To suggest that they foster editorial independence is, as is said in French, to dream in color.

One of our witnesses who urged that we should recommend nothing, that the status quo is satisfactory, summarized his sentiment in the remark that the state has no place in the newsrooms of the nation. We agree. No one, no interest, has any place in the newsrooms of the nation except editors and reporters doing their professional job, to the best of their ability. The problem is that there is another presence: not the state, but outside business interest. It is visible and brutal when — to take an incident that occurred during the Commission's work — a senior officer of Torstar Corporation killed the informative story written by the staff of the *Toronto Star* about Torstar's acquisition of most of the larger weekly newspapers in metropolitan Toronto which it did not already own. The jettisoned news story was replaced by the brief statement, uninformative to the point of being misleading, issued by the corporation.

That particular incident is remarkable chiefly because it happened at a newspaper which, in general, was less sensitive to business interests than most. But it illustrates clearly how, if the owners of newspapers have other business interests, the wells of truth are suspect. The presence in the newsroom is not normally visible. But it is there, the ghost at the party, and it sets an important part of the rules. It is by no means insignificant among the factors that contribute to the pervasive sense, in contemporary society, of the individual's alienation from the remote forces that control his or her fate.

The fundamental judgment stands whatever view is taken of the actual performance of Canadian newspapers. It in no way implies that chain-owned newspapers are always worse newspapers than papers that are independently owned. On the contrary, past complacency about chain ownership reflected the fact that, for a considerable period, the first and only conspicuous chain was the Southam organization, most of whose papers did and do now compare well with most others. While there never was any such regard for Thomson papers, few people saw them as a great problem as long as they were confined to relatively small communities where monopoly was unavoidable. It was only as the FP chain acquired leading newspapers in several major cities that the dangers of concentration became apparent. And even then neither public nor government can be blamed for failing to foresee that the ambitions of the FP management would so exceed their business grasp that the chain would quickly become vulnerable to takeover, and the taker would be the conglomerate Thomson organization.

It is easy, in short, to understand how we have drifted into the situation we are in. This Commission does not write in any spirit of indictment either of the newspaper industrialists who have created the situation or of the governments who have permitted it. Biological analogies are not always applicable. It was possible to stay a bit pregnant for a considerable time. But if we are understanding about that, we must be equally clear that what was nurtured, and in 1980 came suddenly to birth, is mon-

strous. The structure of the newspaper industry that has now been created, that existing law and public policy have permitted, is clearly and directly contrary to the public interest.

The dilemma facing the Commission, working after the birth, arises from this recognition at once of the monstrosity of the outcome and of the naturalness of the process that has led to it. We must propose how public policy and newspaper practice can be altered so that the service of newspapers to the Canadian community is greatly improved. But we must also so design those alterations that they do not unreasonably disrupt structures that have evolved naturally and legitimately under the law as it has been.

### **Suggestions to the industry**

The Commission received many suggestions as to what should be done. Some have been referred to specifically in earlier chapters of our Report. In this section we will discuss those which are for the industry's own action, rather than proposals to government. There are three main areas of concern which emerged strongly in our hearings, and which lead to suggestions that we wish to pass on to the newspapers.

We have emphasized the professionalism that should be the spirit of journalism. We do not mean that journalists should be members of associations backed by statutory powers to control admission to membership. We do mean that they should feel themselves to be bound by a professional spirit — and that both they and their employers should be deeply concerned about the standards of education and training of those who practise journalism.

At present, not much is done in most newspapers about training on the job, and most give little support to outside training. We are not enthusiastic about schools of journalism at the bachelor or first-degree level. We hope that journalism will be the career of more and more people with degrees in a variety of subjects — in political science and in the physical sciences, in economics and in languages, in business and in history, to name only some. For those who, before or after gaining practical experience, can broaden their relevant education, schools of journalism at the master's level should be conducted in close association with disciplines such as public administration and business administration. While they must be concerned with the functions of the press itself, and particularly with the arts and science of communication, it is equally important that they help to broaden the journalist's understanding of the society he or she serves.

We believe that it is greatly in the newspapers' own interests to give more support to education of that kind, through the universities, through the kind of travel and experience they can offer directly to their staffs, and through institutions designed specifically to achieve these objectives. It is absolutely fundamental in today's world that, given the responsibility that society imposes on our journalists, they must be equipped for the task. The "general reporter" of legend is needed, but our society has become too complex for the interpreters of the daily information we rely on not to be adequately trained.

We suggest therefore that a national training foundation, or institute, be established to provide a broad variety of long-term courses, seminars and workshops. This foundation could be a vital element in providing journalists with the range, the expertise, the professionalism they need. So that no taint attaches to it, such an institute should be funded by those people who have the keenest self-interest in the better

journalists it could produce — the CDNPA, with the support of, for example, the Canadian Managing Editors' Conference and the Centre for Investigative Journalism. Chains and individual newspapers might contribute directly, as well as through CDNPA. Whether the financing of the institute is handled through a fund, supplied by pro rata assessments on newspapers and organizations in the industry, similar to CP membership fees, or some other mechanism, should be for the industry to decide.

If such a fund were created — and we consider that to be an excellent approach — one of its uses should be to enable reporters and editors to take special leaves or sabbaticals to work with, and within, business, labor, government or whatever field their journalistic interests have led them to. This would enable reporters and editors to specialize, to become genuinely knowledgeable in specific areas, and help to do away with some of the worst aspects of the "beat shifting" practice which reporters complained to us about.

The institute could be well used to help the country's smaller papers to train and upgrade the qualifications of their staffs. If the central resources were provided by the industry at large, use of the resources could be brought within the financial reach of many smaller papers.

The industry has been very slow in these matters. We do not propose government intervention but we would urge that the journalism schools together take the initiative to approach the industry and press for the creation of a strong institute.

We would also urge newspapers to become actively involved in in-house training programs, not merely to deal with specific reporting problems but to serve as a vehicle for better understanding between, say, management and unions and between management and editorial people. Useful in this connection would be an extension of the present short-term courses, seminars and workshops conducted by the CDNPA, adapted for in-house use by individual papers. We have also been made aware that more Canadian newspapers are considering the appointment of staff training or professional development officers, an advance that should be embraced with enthusiasm. Generally, any measures taken by newspapers, individually and collectively, which help to improve the quality of journalism in Canada should be welcomed both by the journalists and the newspapers they write for.

A good deal was said to us about press councils. We think that newspapers which do not become enthusiastically involved in the establishment and operation of press councils are exceedingly short-sighted. We wish that more newspapers had heeded the Davey Committee in 1970 when it *pleaded* for press councils. They have been established in only three provinces, and of those only Québec has a press council with something of the vigor and authority envisaged by the Senate Committee. The Ontario council's effectiveness is weakened by its limited membership, and the Alberta council is, at most, a pale imitation of the model.

Yet the entreaty of the Davey Committee rings as clearly and compellingly as it did 11 years ago. There is today, even more than in 1970, a "communications vacuum" between people and press, a vacuum that lively and dedicated press councils could do much to fill. We differ somewhat from the Senate Committee's view in that we do not urge the formation of a national press council. Regional dissimilarities are illustrated by the different ways in which the Québec and Ontario councils have developed. But we strongly favor provincial or regional councils.

We have said much in this report about legitimacy and credibility. It seems to us that there is no better way in which newspapers, in a free and voluntary fashion, can achieve the credibility they so much need than this: press councils, standing

voluntarily between press and public, honestly trying to interpret each to each, to demonstrate uniquely that newspapers are accountable, are actively striving to do right by the reading public.

Sincerity in a newspaper needs to be seen plainly, for the truth is that, in the business of gathering and disseminating the news, human frailty plays a predictable part. Reporters and editors can be, without meaning to be, very arrogant. The news is what they choose to report and print. That which they choose to ignore is not news; it does not see the light of day. And from this sort of arbitrary judgment there must be redress, if redress is wanted. The newspaper which is confident in its honor, in its desire to deal honestly, openly, and straightforwardly, will welcome its faults being pointed out to it by a press council.

There is another way in which newspapers can strengthen immensely the regard for fairness and accuracy that people can see in them. That is by the appointment, from within their own staffs, of ombudsmen to be their own most severe critics and, at the same time, actively to involve public opinion in their conduct.

There are excellent precedents. In the U.S., there is the example of the *Washington Post* which, to vouchsafe its sincerity, inducted someone from the rival newspaper to be its ombudsman. In Canada as well there are fine examples of aggressive, conscientious newspaper ombudsmen who assumed their role with great zeal. First in the field was the *Toronto Star*. It gave to the journalist it appointed to the role free rein — to take up issues hitherto not made public, to interpret and arbitrate points of view, to fight with the operating editors if need be. The late *Winnipeg Tribune* had a respected ombudsman. The *Edmonton Journal* has one who testified before this Commission that his activities had made management at the paper more sensitive to the public's wants and needs. In Québec, at this writing, the *Gazette* has appointed an ombudsman and *Le Soleil* is planning to do so.

As with press councils, it is not appropriate to legislate on this subject. It is the very essence of this self-policing mechanism which a newspaper may put into place that it must be voluntary. If it is not voluntary it will not work. But, if a newspaper genuinely embraces and endorses the ombudsman role, if it assigns to that position someone already respected in the community, if it stands behind that person in all respects — with money, resources, space — then that paper gains something extraordinary.

In the last analysis, it is chiefly the newspapers that can help the newspapers. The law can provide a better environment for those within the industry who wish and are able to give leadership in the discharge of the newspapers' public trust. But the action must lie with the newspapers themselves. That is the meaning of their cherished freedom.

### **Remedial action by government**

The suggestions made to the Commission for remedial action by government can be grouped into seven categories:

- (1) Strengthen competition or anti-combines legislation.
- (2) Break up the chains, so that we revert eventually to one newspaper, one owner.
- (3) Prevent cross-media ownership.
- (4) Subsidize newspapers that would otherwise go out of business and new newspapers.

- (5) Create a publicly owned newspaper or chain of newspapers, somewhat on the model of the CBC.
- (6) Create a regulatory agency (the CRTC being the most-quoted model), whose powers might run all the way from ownership review, allowing or disallowing the growth of chains, to compulsory press councils, licensing, the regulation of content and even censorship.
- (7) Require private printing plants, or create government plants, to print papers on contract for a variety of newspaper publishers.

There have been many variations on these themes and some proposals which do not fit exactly into the above summary descriptions. Our concern, however, is to discuss the main ideas involved.

It is not the Commission's business to make recommendations about competition legislation in general. We do not see how it could now be more than marginally relevant to newspapers. The sad fact is that direct competition has virtually disappeared. The economic pressures that have produced this result are strong and continuing. It may be that these pressures could have been resisted if there had been stronger competition legislation in the past, though we very much doubt that it could have been effective in more than a few situations, if any. It is, in any event, now too late. Legislation to prevent firms from lessening competition among them cannot, however thorough the legislation, recreate competition among businesses that no longer exist.

Breaking up the chains is a very different proposal. Certainly it is possible. Certainly it would have benefits. Equally certainly, it should not be undertaken lightly: it would mean the disruption of structures that have developed entirely legally and in accordance with widespread business practice, as the law and practice have been and are. Moreover, it would not in itself deal with the problem that is, in the Commission's view, the central obstacle to the discharge of the newspaper's responsibility to the community. That obstacle is the ownership of newspapers, whether individually or in chains, by companies or individuals who have extensive other interests. They may regard their newspapers as no more, or little more, than one of their businesses. Their legitimacy as newspaper owners is always open to doubt because the conduct of their newspapers may be influenced by their other interests.

The CDNPA's Statement of Principles, referred to earlier, again puts the point clearly: "Conflicts of interest, and the appearance of conflicts of interest, must be avoided. Outside interests that could affect, or appear to affect, the newspaper's freedom to report the news impartially should be avoided."

That this principle is ignored more than observed does not affect its validity. But we would be no nearer to its observance if the chains were broken up but the purchasers of their properties were companies that themselves had extensive other business interests. Indeed, given that one major chain (Southam) has kept itself relatively free of other interests, the situation could on balance be worsened.

It may be said that the main part of this problem is avoidable. Legislation requiring the chains to sell their newspapers could provide that the purchasers must be companies or persons without substantial other interests. But if we recommended such massive divestment, there would be a serious question as to how many purchasers would be available for the some 80 newspapers that would be up for sale at the same time. The consequence could be of the nature of a fire sale. One does not have to have great respect for the owners of the chains to say that, having accepted them

previously, Canadian public policy should not force them to that extreme. We would, however, require that the Thomson organization choose between divesting itself either of the *Globe and Mail* or of the rest of its Canadian papers. There are far too many of them for it to be acceptable that their proprietorship be combined with that of a professed "national" paper.

The other approach recommended by the Commission is to deal directly with the basic issue of legitimacy arising from outside interests. In our recommendations we will propose that, for any newspaper whose proprietor has substantial other interests (other newspapers or other business of any kind), there must be a mechanism that establishes editorial independence in the newspaper's content. We do not mean that the editor will become indifferent to the finances of the newspaper itself. Care for a reasonable return from the particular business of his newspaper will continue to provide the parameters within which the editor must operate. But beyond that, his is a public trust. He should be free from the influence of other proprietorial interests. We propose, in the next chapter, processes that will serve this purpose.

This does not, admittedly, deal with by any means all of the ill features of chains. We would prevent their further growth; we propose continuing review; and we recommend some divestments which would remove the most restrictive cases of ownership dominance. We have recognized that, unavoidably, newspapers now are for the most part local monopolies. But localities exist within provinces and regions and the nation. There may be only one newspaper in Regina and one in Saskatoon, but there would be a better flow of information for the people of Saskatchewan as a whole, and a greater diversity of expressed opinion, if those two papers were in healthy competition for the premier position as spokesmen in Saskatchewan. They are not effectively so if, as now, they are in common ownership, and the only other papers in the province are small, low-quality papers in Moose Jaw and Prince Albert, both owned by Thomson, and an even smaller Sterling paper on the Alberta border at Lloydminster.

The situation is paralleled, or worse, in some other provinces: conspicuously in New Brunswick, by the Irving interests. The situation in Newfoundland is not much better. And there are areas within provinces where one chain dominates: in the interior British Columbia area of the Okanagan, by Thomson; and in southeastern British Columbia, by the Sterling group. In several other regions, the role of either Southam or Thomson is larger than it should be, particularly given that Thomson now combines its strong regional positions with a national paper.

In Québec, there is not, in this respect, the same problem as in English-speaking Canada. The French-language press of the province is dominated by three chains but, as has been pointed out earlier in the Report, readership is less bound to locality. The Montréal and Québec City papers circulate extensively, and *Le Devoir* is a "national" paper in the French language in a fuller sense than the *Globe and Mail* yet occupies that role for English-speaking Canada. In consequence, there is no strong regional dominance by any one of the three chains operating the French-language press.

The third group of recommendations made to us can be discussed more briefly: daily newspapers should not be allowed to own other media — television, radio, cable, weekly newspapers. We can see no strong reason for this recommendation when the different media are quite distinct geographically. There is an infinity of more worrisome things than an Ontario daily's ownership of a weekly in Alberta.

But common ownership of different media in one community is clearly a restriction of competition, a lessening of the diversity of voices providing information and expressing opinion. Our recommendations call for divestment in such situations.

Various kinds of subsidies in support of newspapers were suggested to us. In a few European countries, subsidies have sustained a competitive and lively press when unprofitable papers would have closed without them; and there are adequate safeguards against government using the subsidies to manipulate the press. We might be better served in Canada today if such a policy had been adopted a good many years ago, when there was still a considerable number of communities with second and third newspapers that might have been sustained. Today such a policy would be relevant to, at most, a few very exceptional situations — in St. John's, in Moncton (for the French-language paper), perhaps in Montréal, possibly in Calgary. Because it would be so selective, an unavoidable suspicion of partisanship would attach to it. We heard no convincing argument that the great difficulties in administering such specific subsidies, including adequate safeguards against abuse, would be worth grappling with, that the means would be justified by the ends.

Some case was made to us for another kind of subsidy: to launch new newspapers, and particularly to re-establish second dailies in at least the largest of the cities that have lost them. Subsidies for those who need them are, superficially, a tempting idea. The objection seems to the Commission clear and overwhelming. We do not see how partisanship or favoritism of one kind or another could be kept out of the decisions as to whom to subsidize and whom not. Whatever was done, manipulation would be suspected. The price to be paid for competition would be too high.

This does not mean that the Commission rejects all ideas of financial assistance. We recommend tax measures that would encourage quality and provide some help to sustain struggling marginal newspapers and some encouragement to starting new newspapers. We also recommend grants, on a matching basis with the industry, for some specific improvements in newspaper services. The common characteristic of our proposals, however, is that they would avoid the arbitrariness, and potential abuse, of decisions to grant or to withhold subsidies. Our proposals would operate automatically, on a statutory basis ensured against early amendment. They would respond to a newspaper's own decisions. There would be no element of choice, and therefore opportunity for manipulation, by government.

Several witnesses suggested that we advise the establishment of a government-owned newspaper or chain of regional editions. "Print CBC", the label most commonly applied to such proposals, is a deserved tribute to the electronic CBC. Its English-language radio service, in particular, provides news, analysis and commentary of a standard that all journalists must respect. The CBC's independence from government interference is a matter for pride by the CBC itself, by the politicians of successive governments, and by the public generally which has supported independence and paid the bills for the CBC's quality.

The Commission's consideration of this proposal has not reflected any lack of regard for the CBC. Nevertheless, we do not recommend the establishment of government-owned newspapers.

The CBC was created when radio was at a relatively early stage. It participated with private stations in an expanding industry. In the case of television, it was in on the ground floor; private stations came after.

The newspaper industry, in contrast, is mature. Indeed, in its present form it could soon be a declining industry. The introduction of a government service in these



circumstances would involve issues very different from those that applied in the electronic media. It would compete with existing private enterprises; if it gained significant readership, it could well put some out of business.

Moreover, there has never been any question that the broadcasting media, however owned, must be subject to government licensing. It must be recognized, too, that the realities of federal-provincial power and resources have changed since the time when the CBC was established as a federal organization. If there were going to be any government newspapers in Canada, it would be easier today to conceive of, say, the Alberta (government) *Guardian* than the Canada *Maple Leaf*.

We have, also, a more fundamental concern. The electronic media are the means by which the politician reaches directly to the people; they get him into the home. However much he may feel that television and radio coverage are unfair to him, that the CBC's coverage is biased or subversive or whatever, he has the counter-vail of himself speaking directly through the same media. That does not make the CBC's independence of the government which finances it altogether easy; but it helps.

Print is different. Reporting as such would be more significant in the proposed publicly owned newspaper than it is, for the politician, on radio and television. The temptation for the government to interfere would be correspondingly stronger. It would be heightened by there being less competition in print than there is for the CBC on the air. Moreover, it must be remembered that radio and television stations developed in this century without any tradition of partisan identification, whereas people expect newspapers to have political views. They would not easily believe that a government paper did not.

Even so, we would not despair of Canadian politicians keeping their hands off newspapers for which they voted the funds. But it would be difficult. And therefore there would be continual public suspicion, kept alive — however objective the newspaper in fact was — by frequent allegations of bias by politicians of all parties and interests of all kinds. The journalists operating the paper would have a hard time establishing its reputation for objectivity so firmly that the complaints and criticism could be contained to a manageable volume. It seems to us that they would succeed only at the expense of depth and liveliness in their work.

In other words, a government newspaper that could establish and retain its independence would be bland, and very dull. It would avoid being manipulative, or at least constantly open to charges of so being, only by being an expensive nullity. Either way, we do not see it as a solution to the newspaper problem.

The Commission received suggestions for many kinds of regulation of newspapers. They included compulsory press councils and content regulation of various kinds. Some people, incensed by the more objectionable features of certain newspapers, even proposed censorship in different forms. One may sympathize with the motives but the Commission cannot recommend any such measures.

Careful definitions are important here. We do not consider that government is interfering with the freedom of the press by creating a statutory framework within which newspapers must be structured. But it is quite a different matter to regulate what a newspaper actually does, within the given framework. An analogy was sometimes drawn with the CRTC, conferring broadcasting licences and prescribing types of content. We do not consider the analogy valid. In broadcasting there are specific reasons for licensing the use of channels and, some believe, for maintaining

Canadian content. There are no parallel reasons for regulating newspapers. The Commission does not see any justification for the prohibitions that might be imposed. We do not see that any requirements which might practicably be laid down would have positive value in improving the quality of newspapers. Our recommendations therefore stand on the broad principle that the state should stay out of detailed regulations unless there are clear and specific reasons for them. There are such reasons for influencing newspaper structures by statute. There are not adequate reasons for regulating the content of newspapers.

Interesting proposals were made to us by the Canadian Labor Congress (CLC). They are similar to proposals made in Britain by the Trades Union Congress (TUC) and rejected by the last Royal Commission which investigated the British press. The suggestion is that existing companies should be limited to owning their printing presses. Use of the presses would be rented out to new publishers of newspapers. The theory is that, freed from the necessity to make large investments in physical plants, more people would publish newspapers.

We doubt that the response would be significant. It is true that a printing plant is more efficient if it is used for more hours of the day: for example, to produce both morning and afternoon papers. Plant costs are not, however, a major part of the total of newspaper costs, which include distribution and advertising departments and promotion, as well as direct production costs (notably newsprint) and editorial costs. The arrangement would be effective, resulting in two permanent papers where now there is one, only if there were good grounds to believe that the community would buy in total considerably more copies than it now does, so that the new paper would gain a lot more circulation than the first would lose to it.

That this would be so, in many cities, is in our opinion unlikely. Consequently, we think that the CLC proposal for existing plant, together with similar proposals for government-owned new plant, would fail to increase the number of economically viable, self-supporting newspapers. It would result in more newspapers — more, that is, than an odd few — only if the statutory separation of plants from publishing were combined with extensive government subsidies both to encourage additional papers and to keep the present papers going. That, rather than the separation as such, would be the real change; and we have previously said why we think that the risks of manipulation of the press through subsidies make them, at this stage in Canada, too high a price to pay for more newspaper competition.

Nevertheless, there is an element in the proposal that seems to us valid. It is the idea of separating content and carrier. It is an idea borrowed from the newer media, and one of the reasons for considering its application to newspapers is that it could help to provide the most effective way of moving into the future when a technology like the so-called electronic newspaper may make more competing voices possible.

The danger is that the existing companies may own all the new hardware and the additional voices will therefore in practice be merely further versions of the present voices, rather than new and competitive. One of the essentials for preventing that monopolization, it seems to be generally agreed, is the separation of carrier and content. In the Commission's opinion, this is critical to making the new technology an instrument for diversifying and democratizing the sources of information and opinion. If, however, we are to apply that new idea to an older instrument, to newspapers, we must be clear that the critical separation is not a physical one, between plant and product. It is a separation of financial interests.

The "carrier" of daily printed news and views is not the printing plant; it is the printed advertising which provides most of the newspaper's revenue. The "content" is what goes into the rest of the paper; in the jargon of the business it is the news hole, all of the space devoted to non-advertising material, to news and features and sports and editorials and all the rest.

The public interest in the editorial content, in the fulfilment of the newspaper's professional responsibility to the community, is that editorial judgment should be free from outside financial interests.

This is the basic conclusion of our inquiry. The conglomerates should be kept out of the newsrooms. They claim that they are not there now; they have the power but they abstain. The reason for the claim is clear: they recognize that, to the extent that they are believed to be there, the newspapers do not enjoy public trust, they do not have legitimacy as the servants of a free society. The newspapers do not stand high in public esteem because, while the claim to abstention is made and only rarely identified as a lie, every reasonable person knows that it is far from the whole truth. The corporate proprietors or their agents determine the resources to be used for the newspaper's content, they choose the people, they set the tone, they establish the implicit guidelines for the what and how of news and the why of acceptable comment. They make their disclaimers in the morning but they go to bed knowing that their trusted agents keep their papers on their lines.

The purpose of the Commission's recommendations is to implement the public words of the corporations. It is to enable the people of Canada to be assured that the responsibilities of newspapers to the people are in fact discharged according to the principles that most of the proprietors themselves, through the CDNPA, have identified as a public trust.

## **Jurisdiction**

The Commission has concluded that the public's right to open and untainted information cannot be ensured without structural changes in the newspaper business of Canada. The first question to be asked is whether an attempt to secure this public interest is legally possible. Is the required legislation within the constitutional jurisdiction of the Parliament of Canada?

We consider that it is.

Clearly the Government of Canada, in commissioning us to inquire generally into the newspaper industry and make recommendations, considers that federal jurisdiction applies. There is no need here to repeat the jurisprudence which has established that legislation affecting the freedom of the press is *ultra vires* of the provinces. Critics of our proposals will protest that they are government interference with the freedom of the press. They are not. But it should be clear that, if they were, there would be no need even to consider the question of jurisdiction. In that case, the statute we propose could not possibly be legislated by a province in respect of its newspapers. It unquestionably would come within the matters that are not assigned to the provinces; it would be dealing with matters that can be legislated about only by Parliament for Canada as a whole.

In fact, the legislation we propose does not touch on freedom of the press as it is usually understood; that is to say, freedom from government interference. But it is directly concerned with freedom of the press from restraint by influences outside government. Its concern is not to diminish freedom, but to enhance it.

The rights of a society belong to people, not to any organization or institution. The basic right is the right of all citizens to the opportunity to know about the things that matter to them, to discuss those things freely, to express their opinions about them. This double right — neither half of which is significant without the other — is to information and to expression. The press, as the CDNPA well said in its 1977 Statement of Principles, has no freedom that is not the right of every person. The freedom is not *of* the press as an institution, as a collection of business enterprises hiring journalists. It is the freedom of people, of which one essential instrument is an unshackled press.

Shackles can come in various forms. They can come from government, by edict or by more subtle means. Equally, however, in our pluralistic society they can come from non-governmental institutions and bureaucracies, from the play of commercial interests; they can come from within the corporate structure of the press if that press is organized not merely as a business in itself but as an element in, and therefore potentially a servant of, broader business interests of many kinds.

This Commission was occasioned by an arrant display of corporate power, when newspaper interests were traded from Vancouver to Montréal and, in between, newspapers were closed in Winnipeg and Ottawa. But its roots also go back to the Bryce Commission which a few years ago studied corporate concentration and, while it found on economic grounds little fault with concentration as such, remarked:

It is the trend of one medium expanding into other media areas and of ownership of media interests by industrial or commercial interests that seem to us the most significant to the public interest at this time and the areas where the greatest concern should be focused.

That report was made before the FP newspaper chain, which had had the largest circulation of newspapers in Canada, was taken over by the Thomson conglomerate interest, which already embraced the largest daily newspaper ownership, by numbers of papers, within a massive range of Canadian and international business interests.

We have tried in this Report to define the responsibility of the press: the responsibility above all to be the medium of record providing, by disinterested selection, investigation and interpretation, the information that is significant to the lives of Canadians in as comprehensive, balanced, fair, and understandable a way as is humanly possible. The adequate performance of that task is essential to the free democratic system of government which is the basis of the constitution of Canada. We cannot allow it to be tainted or subverted by commercial, any more than by political, interests and ambitions.

Words more eloquent than ours have been written on these fundamental principles in many countries and many languages. We will limit ourselves, for illustration, to Justice Hugo Black, on behalf of the Supreme Court of the United States, in the case of *Associated Press et al v. United States* ( 1945 ), referred to earlier:

Surely a command that the government itself shall not impede the free flow of ideas does not afford non-governmental combinations a refuge if they impose restraints upon that constitutionally guaranteed freedom. Freedom to publish means freedom for all and not for some. . . . Freedom of the press from governmental interference under the First Amendment does not sanction repression of that freedom by private interests.

For Canada, we cannot do better than refer back to the words of an earlier Royal Commission, the O'Leary Commission on Publications (1961):

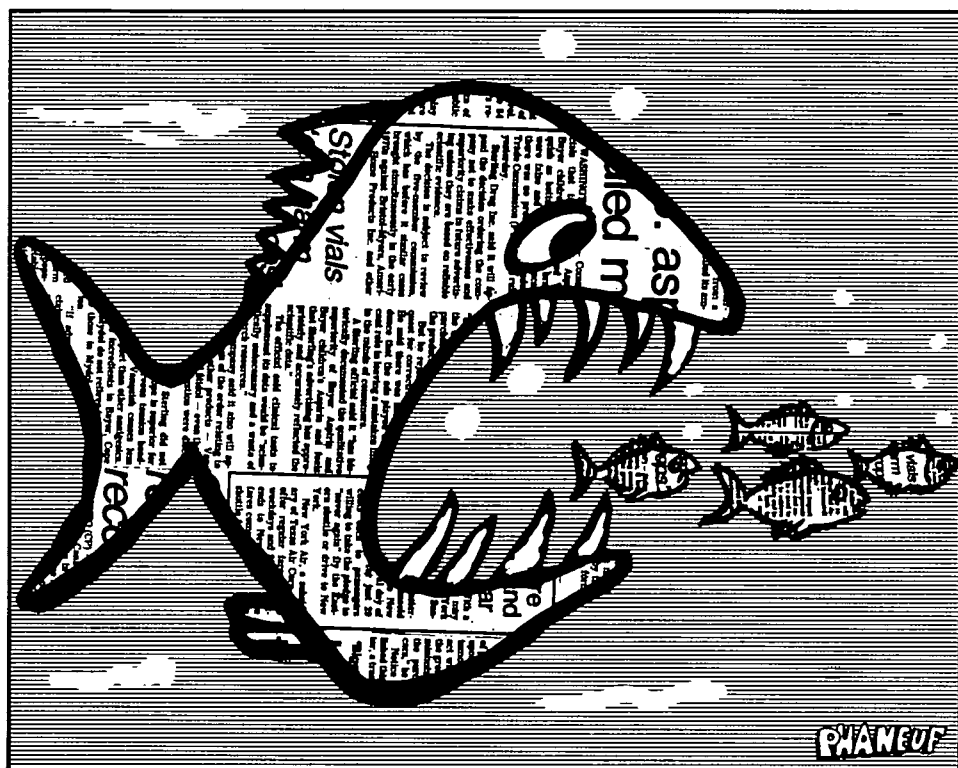
There is need to remember that freedom of the press is not an end in itself, but only a function of general intellectual freedom; to remember that no right includes a privilege to injure the society granting it; to understand that a great constitutional doctrine cannot be reduced to a mere business convenience. . . . There must be few left to deny the right — indeed the duty — of the government to act again if faced with demonstrable community necessity.

We believe that our inquiry demonstrates the community necessity. It is a necessity for the Canadian community. The legal advice to the Commission, and the Commission's view, is that the legislation proposed is clearly in federal jurisdiction. Its objective is to enhance the freedom of the press. Its method is to enhance the legitimacy of the press within the structure of our society. That is to say, it is addressed to enabling the citizens of a free society to feel as confident as possible that the newspapers they read are motivated to discharge their responsibility to that free society.

The conjoined requirements of the press, for freedom and for legitimacy, derive from the same basic right: the right of citizens to information about their affairs. In order that people be informed, the press has a critical responsibility. In order to fulfill that responsibility it is essential that the press be free, in the traditional sense, free to report and free to publish comment as it thinks; it is equally essential that the press's discharge of its responsibility to inform should be untainted by other interests, that it should not be dominated by the powerful or be subverted by people with concerns other than those proper to a newspaper serving a democracy. "Comment is free," as C.P. Scott, one of the greatest of English-speaking editors, wrote, "but facts are sacred." The right to information in a free society requires, in short, not only freedom of comment generally but, for its *news* media, the freedom of a legitimate press, doing its utmost to inform, open to all opinions and dominated by none.

The common roots of the press's two requirements, its freedom and its legitimacy, are the basic rights of the citizen in a free democratic society. They are expressed for all of Canada, not for constituent parts; they are the rights of all Canadians, of all groups and regardless of location. As subject matters of legislation, therefore, they fall clearly within the jurisdiction of the Parliament of Canada. They are fundamental to our kind of society and government. Legislation to secure the public's right to information through the press is therefore a matter within federal jurisdiction for exactly the same reasons that the jurisprudence has established beyond question for the freedom of the press in the narrower sense.

The fact that federal jurisdiction is clear does not necessarily mean that it is exclusive. There are subjects on which both Canada and the provinces may legislate. In this respect, there is not a precise parallel between the freedom of the press in its traditional sense and the affirmative legislation necessary to secure its freedom from non-governmental interests. The conventional requirement for freedom is, in a legislative sense, negative: it requires that government not have power to interfere. Legitimacy, however, requires positive government legislation in face of private interests. Some of this may relate to matters which, while undoubtedly in federal jurisdiction, may be capable also of legislation by a province. Accordingly, we propose a Canada Newspaper Act but we would see no objection — on the contrary, we would think it desirable — if provincial legislatures passed parallel legislation in relation to matters within their competence. The enactment of our proposals is not, however, dependent on such concurrence.



Jean-Marc Phaneuf,  
Belœil, Qué.

# 14

## Recommendations

**I**N THIS final chapter we set out our recommendations to the Government of Canada. We propose a Canada Newspaper Act designed to secure for the press of Canada the freedom that is essential to a democratic society from coast to coast. We consider that this is necessary for the press's fulfilment of its responsibilities to the public, contributing to what our terms of reference summarized as "the political, economic, social and intellectual vitality and cohesion of the nation as a whole".

To that end the press must fully retain its traditional freedom from interference by government. But, in all matters, freedom requires not only the absence of government shackles but also the affirmative action of law to protect society against the chains that its powerful minorities may impose on others.

The ownership and control of most newspapers is today highly concentrated under interests whose business concerns extend far beyond the particular newspaper. Much of our press, consequently, is not itself dedicated exclusively to the purposes of the press, to the discharge of its public responsibility. Extraneous interests, operating internally, are the chains that today limit the freedom of the press.

Because we are the kind of society we are, the bonds are not drawn tight. Because we are the kind of society we are, the Commission feels no need to recommend a dramatic striking off of those bonds. We do find it essential that there be legislation to enable the press to grow out of the weaknesses fostered by extraneous commercial interests.

The legislation we propose has the following main features:

(1) It would prohibit significant further concentration of the ownership and control of daily newspapers and of the common ownership of these newspapers and other media.

(2) It would correct the very worst cases of concentration that now exist.

(3) It would provide an incentive to the wider ownership of newspapers that change hands, and of new newspapers and magazines.

(4) It would raise the status and enhance the freedom of journalists by protecting their rights, if a newspaper is under an ownership that has major interests outside

the newspaper, and provide an opportunity for the voice of the community, whose citizens have a particular stake in the quality of the local newspaper, to be heard.

(5) It would establish, in conjunction with the Canadian Human Rights Commission, a Press Rights Panel which would monitor the implementation and effectiveness of the legislation.

(6) It would provide for a tax credit and a surtax to encourage newspapers to devote more of their resources to the provision of information.

(7) It would provide matching grants to help to improve news services within Canada and for Canadians about the world.

In the pages that follow we set out these recommendations in considerable detail, in order that they may be given the full consideration which we think they should have. We recognize that they are, in relation to the magnitude and importance of the problem, modest proposals. We think they are what is practicable. We hope and believe that they are proposals which would, as surely as possible, improve the service of a free press to a free Canada.

### **The rules of ownership**

The Canada Newspaper Act must contain provisions to prevent any further increase in concentration and to reduce the worst features of the concentration that has hitherto been allowed.

The prohibitions we propose would not inhibit any corporation or any person from starting a truly new newspaper in any community, or an additional newspaper or edition produced from an existing operation. The proposed provisions of the statute relate only to the acquisition of existing papers. In order to prevent evasion, it would be necessary to define an "existing" paper to include one which, though with a new name and publisher, replaces an existing paper.

While the local monopoly of a newspaper is a problem in itself, often reflected in profit maximization by impoverishment of editorial content, the worst feature of concentration is not the ownership of several newspapers by one company; it is their ownership by a "conglomerate", a company having, or associated with, extensive other interests. Therefore the Newspaper Act should prohibit the purchase of a newspaper business by a company or person, or any association of persons or companies not at arm's length, if the total net value of the assets employed in non-newspaper business by the company, person, and any associated companies or persons, exceeds the net asset value of the newspaper which is to be purchased.

This should be the general provision of the Act. However, there are special situations, to be discussed later, in which some flexibility may be necessary. The Press Rights Panel would have authority to permit a degree of relaxation of the rule in specific cases.

While the Commission thinks that large chains, and chains which are geographically concentrated, should never have been allowed to develop, it feels that the scale of divestment which can now be fairly and reasonably required is limited. Accordingly, while we would regret further concentration, we do not think that the statute should entirely prohibit the acquisition of additional newspapers by those who now own one or two. The provision we propose for the Newspaper Act is that a company or person, or associates of a company or person, owning a daily newspaper may acquire an additional newspaper or newspapers only if:



- (1) The total number of daily papers owned thereby does not exceed five.
- (2) The circulation of daily newspapers thereby owned does not exceed five per cent of the circulation (measured on a weekly total basis) of all daily newspapers in Canada. At present, this is equivalent to an average daily circulation, for papers published six times a week, of 270,000. A paper could not acquire others beyond that total circulation level for the chain.
- (3) The point of publication of any acquired newspaper is not less than 500 kilometers distant from any other paper in the same ownership (500 kilometers is roughly the length of Nova Scotia from southeast to northeast, and the breadth of Manitoba from east to west).

Again, however, while legislation should establish the general rules precisely, there should be enough flexibility to permit consideration of exceptional circumstances. The Press Rights Panel would have authority to consider cases on their merits and, for good reasons within the spirit of the statute, permit modest exceptions to the rules. It might, for example, permit a chain of five or fewer moderately to exceed the circulation limit; or (perhaps the likeliest case) allow the 500 kilometer rule to be set aside if the closer locations are in quite distinct regions without much inter-communication.

These guidelines prohibit, of course, any further acquisitions by the big chains. In the case of Southam, this means that the company would not be able to extend, either to complete ownership or to a controlling role, the interest that it now has in two "independent" newspapers, the *Brandon Sun* and the *Kitchener-Waterloo Record*.

We turn now to the minimum measure of divestment that we consider to be required in order that the degree of concentration should be more tolerable than it is. While the economic reality of daily newspaper monopoly in most communities has to be accepted, there is no economic necessity for the same ownership of other media in the same community. Such a reduction in the diversity of sources of information is without justification.

A precise definition is, of course, necessary, since there are fringe cases where a newspaper owns a broadcasting outlet at some little distance from its point of publication, so that several other newspapers may circulate in various parts of the area within the reach of the electronic medium. A reasonable guideline to provide in the legislation would be that the proprietor of a newspaper may not own or control a television or radio station or a cable system if 50 per cent or more of the population within good reception reach of the electronic medium live in the areas where the newspaper is generally available by home delivery or by box or newsstand sales. In most cases of cross-media ownership there would be no question whether or not divestment is called for by this guideline. If there are doubtful cases, requiring more detailed investigation than the time available to this Commission has permitted, they should be examined by the Press Rights Panel. If it is satisfied that there are, within the spirit of the legislation's intent, good reasons to make exceptions to the 50 per cent guideline in particular cases, the Panel would have authority to do so.

One case requires special mention. Southam owns 30 per cent of the voting shares of Selkirk Communications Limited, a major television and radio company in

Western Canada. In addition to television and cable interests in Ontario and in Winnipeg, it owns 11 radio stations and two television stations in British Columbia and Alberta and has large interests in three other B.C. television stations. Southam owns six daily papers in British Columbia and Alberta. Its president claimed to us that it did not "control" Selkirk, and it is no doubt true that it does not actively interfere in the management. The fact nonetheless is that Southam is the largest shareholder and could, if it chose to exercise the power, impose its will in the operation of Selkirk. The proposed legislation's definition of control would make it plain that Southam is required to sell its interest in Selkirk.

In all cases initially required under the Act, a period of five years, from the date of proclamation of the Act, should be allowed for divestment. For any divestments subsequently ordered by the Press Rights Panel, the normal maximum period would be five years from the date of the Panel's decision. For both initial and subsequent divestments, however, the Panel would have authority to hear representations from any proprietor with good reasons for requiring an extended period. The Panel might grant extensions up to five years (making a total of 10) for initial divestments and up to two years (for a total of seven) for subsequent divestments — which, while they might eventually be as numerous as the initial ones, would be less bunched in time. If the proprietor indicates that it is the newspaper which he prefers to sell, the renewal of his licence by the CRTC would not be affected. Otherwise, any licence renewal in the meantime presumably would be made for not more than the balance of the five-year period.

The ownership of weekly papers by dailies presents more difficult issues of concentration. There may be some genuine economies in the joint operation. Nevertheless, there is no doubt that power is undesirably and unnecessarily concentrated when, for example, the *Toronto Star* is in the same ownership as most of the major weeklies in metropolitan Toronto — a situation created while this Commission was working. We propose that the Newspaper Act provide that the proprietor of a daily paper may not own or control a newspaper published less frequently (a weekly or a twice-weekly) which is, in all or in any significant part of the area in which the daily circulates, either the sole weekly or a dominant weekly facing only minor competition. In cases where the application of this principle is in doubt, or comes into doubt because a competitive weekly closes, the Press Rights Panel should be empowered to adjudicate each case on its merits. It would take into account the extent of any competition between both weeklies and dailies in the area.

The Commission has had difficulty in deciding whether it should recommend that divestment be required in existing situations which clearly breach the principle we propose for the future. Weekly newspapers are, however, very different from broadcasting stations. In some cases their relationship to the daily is much closer and long-established. They are more local; they require less capital; in metropolitan areas, at least, they come and go much more easily. We do not think that there is the same overwhelming case, either in principle or on practical grounds, for ordering divestment of weeklies as there is in cases of cross-ownership with broadcasting media. It is better to rely on the reasonable hope, in situations such as that of the *Toronto Star*, that competitive weeklies will soon arise to disturb it. The principles we have proposed should be applicable to changes in ownership made after the date of publication of this Report.

There would be no point in ending existing cross-media concentration but permitting its extension to new media. While we cannot yet be sure of the significance of the new screenprint medium (usually referred to generically as videotex) it may well be important. There is still the opportunity in this field to head off concentration before it occurs. The Act should prohibit a newspaper proprietor from being the carrier systems operator of any screenprint or similar service. This would not prevent the newspaper from being, in the jargon of the new technology, an information provider. That is to say, it could sell to the carrier systems operator a contribution from the newspaper to the databank to which the service provides access. It would thereby be involved in the new medium, however, only as a contractor, not as a principal.

## **Divestments of dailies**

On divestment by existing chains within the daily newspaper business, the Commission proposes, for reasons indicated earlier, a moderate course. We do not propose legislation that would necessarily produce a massive upheaval of ownership. There are, however, extreme situations which, in the public interest, cannot be tolerated.

In New Brunswick, the newspapers of Saint John, Moncton, and Fredericton are bound to be monopolies in their particular markets. All, however, are contributing, and are the only newspapers contributing in the English language, to information and opinion about the affairs of the province and about national and other matters. They could be and should be diverse voices, correcting and balancing one another, competing for influence. There is no shred of economic reason for this diversity to be suppressed.

The principle to be embodied in the Canada Newspaper Act is that no company or person or associated companies or group of companies or persons not at arm's length should continue to own or control two or more papers (other than "two-in-one" papers, that is, morning and afternoon papers published from the same plant under the same editorial control) which are the sole or predominant (that is, having 75 per cent or more of the circulation) newspapers in one language published in a province or in a distinct region clearly separated in communications generally, and in newspaper circulation, from other regions.

It may be noted that, in their evidence to us, both of the largest chains accepted the force of this principle. Thomson explained its preference for selling its 50 per cent interest in Pacific Press to Southam in Vancouver, rather than clearing up their unsatisfactory joint arrangement by buying out Southam, on the ground that it recognized that it already had a large number of papers in British Columbia and the addition of the Vancouver papers might be an unacceptable measure of predominance. Southam, which went further than Thomson by recognizing that its chain is about as big as it should be in total, also argued that any further marginal acquisitions should be judged by an ownership review board according to whether or not they created an additional predominance of the chain in a particular region. Thomson admitted that the point could come at which limits to ownership would have to be accepted.

In New Brunswick, the principle to be expressed in our proposed Newspaper Act requires that the Irving interests divest themselves of either their two-in-one papers in Saint John or their similar Moncton papers. They would also have to

decide, under the rules against cross-media ownership, whether to keep the Saint John papers or their television and radio stations.

In Saskatchewan, for reasons given by way of example in Chapter 13, the principle requires that Armadale divest itself of either its Saskatoon or its Regina paper.

The province of Newfoundland is almost dominated by its two Thomson papers, but it does have bravely struggling competition in St. John's itself. We therefore would not propose that divestment of one of the Thomson papers be required now, even though their combined circulation exceeds the 75 per cent ratio, but this is a prime example of the situations that should be under regular review by the Press Rights Panel.

Southam's ownership of both Vancouver papers and of one at Prince George puts it in a leading position in British Columbia, but the size of the province and number of smaller dailies qualify the dominance to the extent that we do not recommend a requirement for divestment now. There are, however, in British Columbia two distinct regions where one proprietor dominates. In the interior, in the Okanagan area, Thomson owns all three papers, plus the nearest to the north, at Kamloops. In southeastern British Columbia, again, all four daily papers are owned by Sterling. Two, for Cranbrook and Kimberley, are printed at the same plant and can hardly be separated, but there is no reason why diversity of voices should be limited by common ownership of the Trail and Nelson papers.

These area cases are prime candidates for review by the Press Rights Panel. We do not recommend a firm decision on divestment now only because the options offered to Thomson by our major recommendation, related to the *Globe and Mail*, could (at that organization's choice) result in a great many changes of newspaper ownership over the next five years.

There are other regional situations — in both northeastern and southwestern Ontario — where the Thomson chain is close to being predominant. If it continues, the regional situations will require review. However, we are proposing substantial changes in the role of editors and, while their effects will take time to mature, we have considerable hope that this will lead to improved performance of their public responsibilities by Thomson, as well as other, newspapers. Time will tell.

We propose that the Press Rights Panel should under the legislation be instructed fully to review the effects of concentration, particularly on a regional basis, at intervals of not more than five years. It would take account of events meantime, and be empowered to order further divestments if it considered them to be required in accordance with the spirit and guidelines of the Act. Decisions would depend in part on any changes in competitive situations meanwhile. For example, while there are at present in Alberta six dailies in addition to the three owned by Southam, the roles of the big Edmonton and Calgary papers are such that it might not take the disappearance of more than two of the others to create a dominance comparable to that now existing in Saskatchewan.

The most important divestment we propose is not, however, regional but national; it arises from the special position of the *Globe and Mail*, with its national character recently achieved by printing in Calgary and Ottawa, as well as Toronto; at the time of writing this Report, the intention to add two other printing locations, in Vancouver and in the Maritimes, has been announced. This national daily medium for English-speaking Canada is an implementation of plans developed under

the former FP ownership. It is, in the Commission's view, a most welcome development, though in saying so we do not wish to imply that we accept the self-evaluation of its quality that the *Globe and Mail* offered to us. It is, however, at present a uniquely powerful agent of information and opinion. While it is possible that eventually there will be other national dailies, the *Globe and Mail* is likely to be a monopoly, as a national, for years to come.

It is in our judgment an entirely unacceptable concentration of power that this paper should be owned by the Thomson organization which also owns a third of the other daily newspapers in Canada. There are no economic advantages to the union. The *Globe and Mail* is profitable. It is managed, we were told, quite separately from the other Thomson papers. Indeed, its publisher claimed to us that he did not know to whom in the Thomson organization he reported; and while the Thomson officers did not give quite the same impression, it is clear that the *Globe and Mail* (along with, to some extent, the recently acquired *Winnipeg Free Press*) is not structured into the organization. It should not be, since the management style used by the Thomson organization for its other papers would destroy the character of the *Globe and Mail*.

The point, however, is that there is neither economic nor journalistic reason for the union and the unnecessary concentration of power that it creates. We therefore propose that the Canada Newspaper Act should stipulate that a company owning or controlling a daily newspaper which is printed in two or more distinct locations in separate provinces of Canada shall not, either directly or through associated companies, own or control any other daily newspaper in Canada. Thomson would thus be required to divest itself, within five years, either of the *Globe and Mail* or of its other papers.

It will be obvious that Thomson could evade this result by, in the interval between the publication of this Report and the proclamation of the Act, abandoning the national edition and retreating to printing of the *Globe and Mail* in Toronto only. That would be, of course, regrettable and entirely contrary to the intent of the proposed legislation. We do not suggest that Thomson would attempt the evasion. For certainty, however, it should be clear that this provision of the legislation would be applicable to any newspaper which was being printed in two or more locations at the time of publication of this Report.

It should be recognized that sale of the *Globe and Mail* might be difficult because of the rule, stated earlier, that a purchaser of an existing newspaper may not have extensive other interests. Our proposals include a tax inducement, to be described shortly, for one company or person to buy up to five per cent of the shares of a company acquiring or starting a newspaper. That is to encourage diversity of ownership. But even with that inducement, it might not be easy to put together an adequate offer, for a property of the value of the *Globe and Mail*, unless one or more substantial investors (with other interests) were able to take the lead.

From the series of newspaper transactions in 1980 it is possible to deduce fairly closely what Thomson in effect paid for the *Globe and Mail*. The Act should permit any company which is required to divest to make representations to the Press Rights Panel that a fair sales value, in relation to its purchase price and other considerations, cannot be obtained consistently with the Act's general rule against any new involvement of conglomerates in existing newspapers. The Panel would have an obli-

gation to investigate any such representation closely. If persuaded that the claim is correct, it would have authority to examine proposals involving purchasers who would not normally be eligible. In doing so, it would give as much weight as is practicable to securing diversity of ownership and particularly to avoiding a controlling role for a major "conglomerate" interest. However, if and to the extent that it is satisfied of the practical necessity, it might permit a purchase that involves some compromise of the aim of securing ownership unaffected by other interests.

The result of our recommendations would vary greatly according to the choices made by Thomson and by the newspaper proprietors with television and radio stations. If Thomson decided to keep its papers other than the *Globe and Mail*, and if other conglomerates sold their broadcasting interests and kept their newspapers, only a few divestments would necessarily follow from our proposals. However, if Thomson decided to keep the national paper, some 40 newspapers would change hands.

### **Investment incentive**

The Commission is deeply concerned that those who divest get a fair price for businesses which they have held in good faith under the law as it has been. Monopoly newspapers are for the most part highly profitable, and the risk of unfairness is not great. However, markets are never certain and would be particularly uncertain if there were many divestments. Further, it is highly desirable that ownership of the new companies be widely distributed, especially among people local to the communities where newspapers change hands, rather than that the papers be bought only by large investors.

Accordingly, we propose that the Newspaper Act provide a special inducement for the purchase of shares in companies which acquire newspapers in consequence of the Act, and provided that the shares are bought within one year after the date of commitment to buy the paper. We have in mind tax haven provisions roughly comparable to those used to encourage film production in Canada.

In order to encourage diversity of ownership, we would limit the benefit to purchases, by any one purchaser, of not more than five per cent of the equity shares of the divested company or shares issued by a company in acquiring a divested newspaper property. Up to this limit, the investment in shares would be eligible for capital cost allowances taken at such rate as suited the investor for tax purposes, though not over a longer period than that for which the shares are retained or a maximum of, say, five years.

Such a provision should in most cases ensure a satisfactory market for divested newspapers and also lead to a wider ownership, including more local ownership, of small interests in newspapers. We have discussed above the element of flexibility, regarding other investors, that the Press Rights Panel would be able to permit if necessary.

We cannot exclude the possibility that, particularly if new electronic media take more of the advertising market, there will be further closings of newspapers at some future time. A comprehensive Act should contain safeguards regarding the conduct of any future closings. We recommend a provision that a daily newspaper may not cease publication until 60 days after giving public notice of the intent to close. This would ensure that potential buyers know of the opportunity and can evaluate the paper's finances in time to make an offer for it as a going concern.

The legislation should also provide that, if such a purchaser is not found, the proprietor may not conclude a transaction to sell off the physical assets until he has satisfied the Press Rights Panel that this course is at least as remunerative to him as any refused offer for the newspaper as a going concern. This, of course, is the practicable protection of the public interest against a chain closing one of its papers in order to enhance the profitability of another.

We have considered whether a tax inducement for the purchase of newspaper shares, which we recommend for divested newspapers, should be extended more generally. We are doubtful whether it would have much significance in closure cases, which we in any event expect now to be rare, and we do not wish to recommend any unnecessary spread of special tax arrangements. On the other hand, the incentive could be valuable in inducing the establishment of new newspapers, especially with local rather than chain ownership. We therefore recommend that the tax provision proposed in connection with divestments should also be legislated for new newspapers. In consistency, it should also be available for purchases of shares of companies taking over papers that would otherwise be closed; but, as a safeguard against abuse, only if all of the shareholders seeking the benefits of the tax provisions can establish that they are entirely at arm's length from the proprietors of the company which closed the paper.

This provision to encourage new daily newspapers could be of more importance for weekly newspapers and consumer (not "trade") magazines that cannot expect to reach an advertising ratio of more than, say, 50 per cent of their total space. We do not recommend such an extension of the scope of the tax inducement now, before experience of the operation of the provision for daily newspapers. We do, however, recommend that there be a section in the Act empowering the Press Rights Panel to review experience with the provision and consider whether to recommend the extension not sooner than three years after the proclamation of the Act; if so recommended, government would have power to make the section operative by Order in Council.

## **The freedom of the editor**

In our predominantly private-ownership economy, a newspaper is a business. To survive, it must meet the test of profitability. There is nothing to apologize for in that. For every business, however, the bottom line — the other name by which businessmen like to identify profit — is qualified in some degree by social responsibility. The obligation not to endanger the health and safety of customers and workers, and more generally not to cheat them, is supported by legal enforcements, even if not always very effectively.

The reader of the newspaper is buying a product for the mind, and little can properly be done by regulation to ensure that he gets the quality of product to which a citizen of a democracy is entitled. The social responsibility of the newspaper in any case extends far beyond its own customers. There is a responsibility to the people and institutions the paper writes about, a responsibility to be accurate and fair. There is a responsibility to the community generally, which will be influenced indirectly by what the readers get directly from the paper; good newspapers are essential to the

democratic process in a free society. That is the root of the special kind of social responsibility which makes the newspaper more than a business.

A business, however, it is; if it is just *that* business, not mingled with others, the Commission proposes no special legislation to protect the public interest in the press's fulfilment of its special social responsibility. We think that the freedom of the press should continue to mean the freedom of the proprietor to do what he likes with his newspaper, *provided that newspaper is his principal property*. The resulting products may in some cases fall short of their social responsibility, but it is better to live with those deficiencies than to take the risks involved in any practicable regulation of content standards.

But it is one thing for society to accept the power, including the power to be deficient in social responsibility, that belongs to the proprietor of a particular newspaper as such. It is quite another matter to accept unconditionally the power of a proprietor for whom a newspaper is only part of his interests, whether the other interests are other newspapers or other media or stores or oil wells or pulp mills or whatever. Obviously the personal attention then given to a particular newspaper by the proprietor himself (whether an individual owner or the chief executive officer of a company) is limited. Delegation is necessary. None of the officers of chains and conglomerates who gave evidence to us claimed for himself or herself any right to influence the editorial content of his or her newspapers. Their defence of their power rested four-square on the assertion that they do not interfere. They admitted, however, that there is no guarantee that this self-restraint will be universal or consistent at all times.

In fact, the delegation they all practise is not to an editor. It is to a publisher, who is the principal officer of the individual newspaper. He is the proprietor's trusted agent responsible for that part of the chain or conglomerate business. His appointment, his status and his future rest on that role. He is the proprietor's man; and, while his particular function is to run a part of the total business, his outlook is necessarily one that is comfortable with the outlook of the chain or conglomerate as a whole. In other words, however complete his autonomy (in practice it is in some cases virtually complete, in others less so), it in no way means that the newspaper is separated from the general interests, opinions and prejudices of the chain or conglomerate.

How far there is editorial independence of other business interests therefore depends on the next link in the chain: the relation between the publisher and the editor or editors who report to him. These relations vary: a few publishers are interested in little except business operations and give their editors, within financial controls and general policy guidelines, possibly almost unspoken, a very free hand. Other publishers edit by exception: that is, they interfere on matters that particularly concern them. Others again take a very active role in the general editing of the paper. In any event, the editors are the publishers' people almost to the same extent that the publishers in turn are the proprietors' men. Overall, the structure is most certainly not one that can give any confidence that newspapers in Canadian communities are edited independently of the other business interests of their chain or conglomerate proprietors. The structure is, in other words, incompatible with the Canadian Daily Newspaper Publishers Association's own declaration, in its 1977 Statement of Principles, on this point:



The newspaper must hold itself free of any obligation save that of fidelity to the public good. . . . Conflicts of interest, and the appearance of conflicts of interest, must be avoided. Outside interests that could affect, or appear to affect, the newspaper's freedom to report the news impartially should be avoided.

If that statement is to be more than a pious declaration which no one takes seriously, the present structure of newspapers must be modified. When proprietors have multiple interests, freedom of the press cannot be their freedom. It has to be the freedom of editors.

We do not believe that this can be brought about suddenly. That would involve wrenching change and detailed government interference. The Commission has sought to propose modest changes which would gradually increase editorial independence of outside interests without bringing government interference into play in its place.

In order to do this, our proposed Canada Newspaper Act should incorporate a precise definition of an "individual" newspaper. "Two-in-one" morning and afternoon newspapers published from the same plant would count as one. An "individual" newspaper would be defined as one which represents at least 50 per cent of the total business assets (including other newspapers, if any) of its ultimate proprietor. An appropriate measure could be by value of net assets employed, and the newspaper business should be defined to include printing operations on the presses used for the newspaper. For this and other purposes in the legislation, "proprietor" would be defined so as to include any person or company that, without owning a majority of shares, has effective control of a business. The interests of the ultimate proprietor would include those of associated companies and of any other companies and individuals not at arm's length. To avoid what would otherwise be an anomaly, it should be provided that if a proprietor owns more than one newspaper and the largest of them (in value) qualifies as an "individual" paper, then the other or others would also so qualify.

An "individual" newspaper in this sense would also include any paper published by a political party or by an organization recognized as a non-profit society.

Our proposals for editorial independence would *not* apply to an "individual" newspaper. If the newspaper is his principal commitment, representing a half or more of his total interests, the proprietor would be under no obligation to follow the contractual and reporting process we propose. Such proprietors could opt in — we hope they would and believe they should — but the choice would be theirs. It is when the ultimate proprietor has other interests greater than the particular newspaper that the public interest in the fulfilment of the newspaper's responsibility to its community should be given some assurance by statute.

The proposed method of providing this assurance does not involve any government interference in the conduct of the newspaper. It is merely to elevate the status of the people responsible for editorial conduct. Those people have various titles in different papers. For simplicity, we propose that the statute be concerned only with the most senior, whom we label for convenience "editor-in-chief". That is not to limit the language a paper chooses. It is the office, not the title, we are concerned about. It should be emphasized also that the proposals do not involve any separation of the editorial function from the business concerns of the newspaper being edited. The editor should share in those concerns with the rest of the management. The distance we

want to create is between the editorial department and proprietorial interests other than those of the newspaper.

For this purpose, the role and responsibilities of the editor-in-chief must be clearly defined. The fact that contracts for editors are not common in the Canadian newspaper industry is symptomatic of the lack of status commonly accorded to the editorial function. To correct this, the Canada Newspaper Act would require that, if the proprietor of a newspaper has other interests of greater value (that is, it is not an "individual" paper), the editor-in-chief must be appointed under a written contract. The nature of the contract should be detailed in the statute.

The contract should set out a comprehensive statement of principles for the conduct of the newspaper, adhered to by both the proprietor and the editor-in-chief. The Statement of Principles adopted in 1977 by the CDNPA would be a satisfactory model. The contract might provide, further, any more specific description of the paper's objectives which the proprietor thought appropriate. Most important, it must express the editor-in-chief's full responsibility for policy in accordance with the statement of principles and objectives.

The contract would make the editor-in-chief responsible for all editorial expenditures within a budget determined annually by the proprietor, and express the proprietor's intent that the budget be adequate for the discharge of the newspaper's responsibility to inform its readers accurately and comprehensively. It would commit the editor-in-chief to co-operate fully, compatibly with the other terms of the contract, in operating the newspaper to achieve a satisfactory profit.

The contract would establish the editor-in-chief's complete responsibility for determining all of the content of the paper's "news hole" (that is, space other than advertising), and — subject of course to any provisions of collective agreements — for hiring, firing, assigning, and establishing the salaries of all editorial employees of the newspaper. The editor-in-chief would be responsible for appointing, from among the editorial staff, an acting editor who would have all of his responsibility and authority in his absence or in the event of his incapacity.

The contract would specify the right of the editor-in-chief and his staff to comment adversely on the views or the particular actions of any person, company or other organization associated with the proprietor. It would express the proprietor's undertaking not to attempt to override the judgment of the editor-in-chief as to what to publish or not to publish.

The editor-in-chief would be required to make, not later than January 31 each year, a report on the paper during the previous 12 months. The report would review performance against the standards set out in the editor's contract. It would state the amount and structure of the editorial budget; the amount of any tax credit or surtax arising from the newspaper's operations in the last financial year; and the size of the news hole and its relation to advertising space. It would enable the editor to discuss such matters as the numbers and qualifications of editorial staffing; the utilization of news services; the topics of in-depth reporting; the coverage of major trends and developments in international, national, provincial and local news; and so on. This report would be delivered to an advisory committee and be published in the newspaper as soon as made.

The contract would specify a term, of not less than three years and not more than seven years, for the editor-in-chief's appointment. It would be renewable for a

further term or terms (no one longer than the original term), provided that the advisory committee was given reasonable prior notice of the intention. Similarly, the contract could be prematurely terminated only after notice to the committee, and subject to payment of a minimum of 12 months' salary.

Since the contract would be a public document, it would not deal with the editor-in-chief's salary and other remuneration.

The Commission recommends that such guidelines for the form of a contract between the proprietor and the editor-in-chief be specified in the legislation, not only because the contract is crucial for the editor's independence from interested interference, but also because it is the foundation on which the professionalism and integrity of the journalistic staff as a whole can be built.

The statute would require the creation, by each newspaper other than an "individual" paper, of an advisory committee. The proprietor would appoint two members of the committee. The journalistic staff of the newspaper would elect, by secret ballot, two of their number. The "constituency" would be all persons, except the editor-in-chief or his nearest equivalent, employed full-time in writing and/or editing the paper, provided they have been so employed for at least 12 months before the date of the ballot. The first election would be required within three months of the date of proclamation of the Act, and the Chief Justice of the province would be responsible for nominating a judge or officer of a court to make sure that it happened. Subsequent elections might be held either to fill a vacancy or at the expiry of three-year terms.

These four people, representing the proprietor and the journalists, would be the "in-house" committee members. There would be three other members resident in, and representative of, the community for which the newspaper is published. They must have no financial interest in, or — apart from ordinary advertising — any business or professional relation with, the newspaper or any other business or businesses in which the newspaper proprietor has an interest.

Within these limitations, the "in-house" members would nominate two representative members for the committee. If the nominations were unanimous, no further action would be required. If the "in-house" members could not agree on their first choices, they could individually submit up to two nominations, which would be considered by a reviewer. He or she would be the chairman of the press council of the province, if there is such a council of which 75 per cent or more by number of the daily newspapers published in the province are members. In the absence of such a council, the Chief Justice of the province would name an appropriate reviewer who might be the ombudsman of the province, or a judge, or the head of the Human Rights Commission of the province in which the newspaper is published. The reviewer would decide which two of the nominations to accept.

The two committee members appointed by this process would themselves choose a third representative, who would take the chair. The three appointments of representative members would be for varying terms of seven, five and three years, as arranged initially among them, so that there would rarely be a changeover of more than one member. An appointment would be renewable, and a vacancy could be filled, on the nomination of a majority of the other committee members and the approval of the reviewer.

When the committee is fully constituted, within six months of the proclamation of the Act, it would discuss the objectives of the paper and the role of the editor-in-chief as defined in his contract. Subsequently, the committee would receive the editor's annual reports and discuss them with him. Any comments that they wished to make, collectively or individually, would be published by the newspaper. They could hold special meetings at the request of either the proprietor's representatives or the editor-in-chief, as well as at the call of the chair or of any two of their number. They would promptly provide the Press Rights Panel with full minutes and conclusions of all their meetings, as well as the editor's report and any comments they made on it.

It may be noted that these provisions about editorial freedom are an extremely mild version of the arrangements to assure the independence of the editor of the *Times* of London, which were a condition of Lord Thomson's recent sale of that paper. The *Times* is subject to competition from other "quality" newspapers in Britain, such as the *Guardian*, *Financial Times*, and *Daily Telegraph*. Protection of its traditions and its integrity is important to an élite readership in Britain, but it is no less important to the people of, say, Sudbury that they can be assured of the editorial integrity of the only daily paper in their community.

We fully recognize, and intend, that what we are proposing is a gradualistic approach to improving the spirit and style in which the press of Canada discharges its responsibility to the people. No doubt most of the editors-in-chief first appointed under contract would be people who are editors now. Though their status would be improved, many might be slow to change existing attitudes and habits. But an evolutionary trend would be set in motion. The papers which now take their responsibility less seriously, that devote fewer resources and less care to its discharge, should gradually move up the scale to attitudes which now exist in the better papers and among some journalists.

The enhanced position of the editor-in-chief; the requirements and responsibilities placed on him; the objectives to which he is publicly committed; the clear setting of a distance between him and the other interests of the proprietor; the annual report on the discharge of his trust that he would make to the public; all of this should gradually be reflected in the approach of all of the journalistic staff to their tasks. More papers would operate by the principles that most Canadian publishers have said, through CDNPA, they should operate by. The public would have more assurance that they do so. The press as a whole would gain legitimacy; it would earn more of the credibility it now lacks.

### **The Press Rights Panel**

The Canada Newspaper Act would establish a set of guidelines within which newspapers could fulfill their responsibility with legitimacy and credibility. It would in no way interfere with the freedom of newspapers to publish what they think best, to have whatever content they wish. It is not legislation which would require detailed administration.

Nevertheless, there are some continuing monitoring functions which would have to be performed. Concentration of ownership must be kept under review. In order to minimize administrative overhead and to avoid any impression of a closely regulatory agency, we propose that the Newspaper Act should create a Press Rights Panel within the Canadian Human Rights Commission. It would consist of a chairman and

two other members. Its association with the Human Rights Commission would make it an independent agency reporting to Parliament through the Minister of Justice. While it would be housed in the Commission and share its services, the Panel would not be subordinate to it. Its membership would be appointed by the Governor-in-Council for fixed terms, of seven years for the chairman, five years for one member and three years for the other; this would minimize the possibility of loss of continuity by simultaneous change of personnel in a small body.

Many of the functions of the Panel have been referred to, but, for convenience, these are restated here along with the more general functions:

- (1) It would provide, if requested, guidance to the advisory committees of newspapers. In the remote but never completely impossible chance of an impasse in the proceedings of such a committee, the Press Rights Panel would have power to intervene to appoint one or more members to the committee. In that event it would be required to make a public statement of its actions and the reasons for them.
- (2) The Panel would receive, from all newspapers, reports of the proceedings of advisory committees, including a full copy of the editor-in-chief's contract.
- (3) It would receive the annual reports of editors-in-chief, and the committees' comments on them.
- (4) It would certify to Revenue Canada whether a newspaper proprietor is in full compliance with all of the terms of the Canada Newspaper Act.
- (5) It would receive confirmations of intent regarding divestments.
- (6) In cases of doubt it would make a final determination whether, under the terms of the Act, divestment is required in situations of cross-media ownership of daily papers with other media; for this purpose it would have authority to make reasonable exceptions, within the spirit of the Act, from the exact application of the arithmetical guidelines.
- (7) At intervals of not more than five years it would review the concentration of newspaper ownership, particularly on a regional basis, and have power to order further divestments if it found that they were required, in the spirit and intent of the Act.
- (8) It would have authority to extend, for good reason and within the limits specified earlier, the maximum time allowed for divestment.
- (9) It could qualify application of the rule against "conglomerate" acquisitions of divested papers, if there were good reason to do so.
- (10) It would receive notice of intended closings and, in the event of a proprietor failing to arrange the satisfactory sale as a going concern of a newspaper which it wished to cease publishing, the Panel would determine whether a sale of physical assets was at least as remunerative to the proprietor as any offer available for the business and, if it found otherwise, would prohibit the sale of assets.
- (11) It would review and rule on acquisitions of newspapers that involve small chains, with modest flexibility in the application of the statutory guidelines.

- (12) It would recommend to government whether a special tax inducement to the purchase of shares in companies acquiring or starting daily papers should be extended to the starting of weeklies and magazines.
- (13) In relevant matters, the Panel would, like a Human Rights Tribunal established by the Canadian Human Rights Commission, have the powers of a superior court of record.
- (14) The Panel would be empowered to require from all newspapers such information as is strictly necessary to its functions. This would include identification of the ultimate proprietor of each newspaper and complete, up-to-date identification of all business interests with which the ultimate proprietor is in any way associated.
- (15) More generally, the Panel would be charged to observe the performance of newspapers in Canada in light of the intent and terms of the Canada Newspaper Act and to publish annually a review of that performance with any comment and advice to newspapers or government that it deems appropriate. In this function, the Panel would in effect act as a kind of ombudsman for the press generally, in something of the same way that the Official Languages Commissioner does in his field. Whether it has much to do in this respect will depend, essentially, on the newspapers themselves.

### **Tax credit and surtax**

The proposed Canada Newspaper Act is affirmative legislation designed to separate the editorial conduct of a newspaper from business interests outside that newspaper. At the same time, it must fully respect the freedom of the press from government interference. There must be no possibility that inducements through the tax system can be used either to discriminate between newspapers or to exert negotiating pressure in relations between government and the press as a whole. Accordingly, the tax provisions we propose should not be incorporated in annual fiscal legislation. They should be contained in a financial part of the Newspaper Act, providing that the tax régime will not be amended for a minimum of three tax years after proclamation of the Act and that, if it is subsequently amended, no such amendment shall have adverse effect until the beginning of a newspaper's fourth tax year after the date the amendment is legislated.

Of course, a future Parliament can theoretically alter such provisions. They are not legally "entrenched". But in practice it would be extremely difficult for a government to change the rules of the game in any but most extraordinary circumstances. There would be the fullest practicable protection against manipulation of the press by tax changes or threat of changes.

The Commission's major tax proposal is designed to make it easier for newspapers to serve their readers well and at the same time make a satisfactory after-tax profit, but, on the other hand, to penalize them if they exploit their monopoly position by taking, as profit, resources that are needed to do a good job for the public.

We have found that most newspapers are earning rates of return on their equity which would be greatly envied in other sectors of business. The Commission has considered with some care whether there is any practicable way to define a level of prof-

its which a newspaper could regard as a reasonable minimum, which it properly should not subordinate to the obligation to spend money on the quality of its product for the public. We have had to decide that this is not now possible.

We have therefore looked for other ways to encourage newspapers to strike a good balance of reasonable profitability with public service. A precise measure, of a kind that is reasonably fair between papers, fortunately can be made. From the Commission's research, we know the resources available to each newspaper — that is, the total revenues which it could use either to meet expenses or to provide profit; and we know how its use of those resources was divided between the main categories of cost and the residual, that is, profit before tax.

As was pointed out in Chapter 13, the ratio of editorial expense to revenues varies greatly, according to the policy of the proprietor. We propose that the tendency of some newspapers to skimp on their editorial service to their communities should be counteracted by a system of tax credits and surtax. The legislation should provide that every company publishing a daily newspaper or newspapers must report, as part of its tax returns, a statement of the ratio of editorial costs to its total newspaper revenues. For financial years ended on or before March 31 each year, Revenue Canada, in conjunction with the Press Rights Panel, would calculate the percentage of editorial expense to the total of gross revenues from newspaper circulation and advertising for the industry as a whole. This calculation would simply record the average performance of the newspapers.

Our proposed tax measure is that the tax liability of a newspaper-owning company would be reduced by 25 per cent of any amount by which its paper's editorial expenses have exceeded the sum resulting from multiplying the paper's revenues by the ratio of editorial expense to revenues which was the average for all daily newspapers during the previous year. Symmetrically, if a paper's editorial expense falls short of the average industry level, in relation to revenues, the proprietor company would be subject to a surtax equal to 25 per cent of the deficiency. If the company owns more than one newspaper, the calculations would of course be made for each paper and the sum would become the net tax credit or surtax of the company.

For example, suppose that the industry average, for the ratio of editorial expense to revenue, is 15 per cent for the financial year immediately preceding the year for which a tax return is being made. Suppose that a particular newspaper's revenue, for the current year, is \$10 million. Then it will be in line with the latest known industry average (that for the previous year) if its editorial expenditures are \$1.5 million.

Suppose that the paper's actual editorial expenses are \$2 million. The excess, compared with the average industry level of editorial expense, is \$500,000. We propose that the company owning the newspaper should receive a credit against its taxes, of 25 per cent of this amount — that is, \$125,000. If, for simplicity, we take the tax rate as 50 per cent, the company that spends an extra \$500,000 is in any event paying \$250,000 less in taxes than it would if it had taken the \$500,000 as profit. With the proposed credit of \$125,000, the total saving in taxes becomes \$375,000. In other words, the extra outlay on the newspaper's editorial content has a net cost to the company of only \$125,000, or 25 cents on the dollar.

Suppose, on the other hand, that the paper has chosen to spend only \$1 million editorially — that is, \$500,000 less than the industry average relative to its revenues.

We propose that the company owning the newspaper should be subject to a 25 per cent surtax on any such shortfall. That is to say, by taking the \$500,000 as profit instead of spending it editorially, the company incurs not only the normal \$250,000 tax but an additional \$125,000. It has restricted editorial expense in favor of profit but it has thereby gained only 25 cents on each dollar of restriction.

This tax credit and surtax provision would, of course, operate in conjunction with other tax law in such matters as the five-year carry forward of losses.

The surtax would be payable in respect of any daily newspaper. The tax rebate would be available to all "individual" newspapers, as defined earlier, and to all other newspaper-owning companies provided they are in full compliance with the provisions of the Canada Newspaper Act. This means, in particular, that they must have adopted, before the end of their first tax year after proclamation of the Act, contracts for editors-in-chief on the model of the Act and have made an appointment on those terms. In the cases where the Act requires divestment, it would not be necessary that divestment should have taken place. It would, however, be a condition of the tax concession that, by the end of its first full financial year after proclamation, the company has formally confirmed in writing to the Press Rights Panel that its best efforts are being directed to arranging divestment within the five years or such extended period as the Panel agrees to.

The present variances among newspapers, in the share of revenues that they devote to editorial expenses, are great enough to mean that initially there would be considerable payments of surtax, on one side, and receipt of tax credits, on the other side. We propose that each editor be required to make public, in his annual report, the amount of any credit or surtax for his paper. We would hope and expect that the effect of the combined incentive and disincentive would be that the discrepancies would lessen, that papers generally would spend more editorially before taking their profit. Monopoly exploitation would be lessened.

This benefit would be obtained at little cost to the Treasury. There would be no cost — tax credits and surtaxes would balance each other — if the industry's total editorial expenses in one year, as a ratio of gross revenues, were the same as in the previous year. If, as we hope, there is in fact a rising trend in editorial expenditures, there would be some net cost to the Treasury but it would be a very small price for the public gain.

## **News services**

Our proposed tax measure could be a considerable stimulus to newspapers to put more resources into better discharging their responsibility to the public. There is, however, reason to fear that the present attitudes of publishers and editors would result in the resources being heavily concentrated on local news and on the purchase of services largely from outside Canada. The greatest deficiencies of many papers are the slight and haphazard reporting of general Canadian news and of international news. Very little indeed of the latter is reporting through Canadian eyes and reflecting Canadian interests. In that respect, the Southam organization shines brightly in what is otherwise now the Canadian darkness. It is to be genuinely praised for the news service it has; it could get away with less. But by international comparisons, the candlepower of its service is low.



We have concluded about CP — the co-operative service used by most papers — that it does a good job within its resources but that its resources, provided by the papers, are painfully thin for the task that ought to be done. Also, as was powerfully argued to us by others and indeed illustrated by CP's own brief, it is not free from some of the faults of near-monopoly. More serious competition would be good for it.

The Commission, therefore, recommends that the Newspaper Act should include an incentive for both types of service, the CP co-operative and a competitive commercial operation. The incentive would be to expand and improve their provision of Canadian material — that is, of Canadian news and of international news written by Canadians stationed or travelling abroad. The incentive must take such a form that its size is in no way dependent on government decisions; it therefore cannot be used to influence the what and how of reporting, as distinct from the resources devoted to reporting. The device proposed is a matching grant to help to cover increased expenditures. It is not intended as a further assistance to individual newspapers or chains. Therefore, a news service would qualify only if it was available to all newspapers and if no more than a third of its gross revenue from Canadian newspapers was derived from one proprietor or associated proprietors.

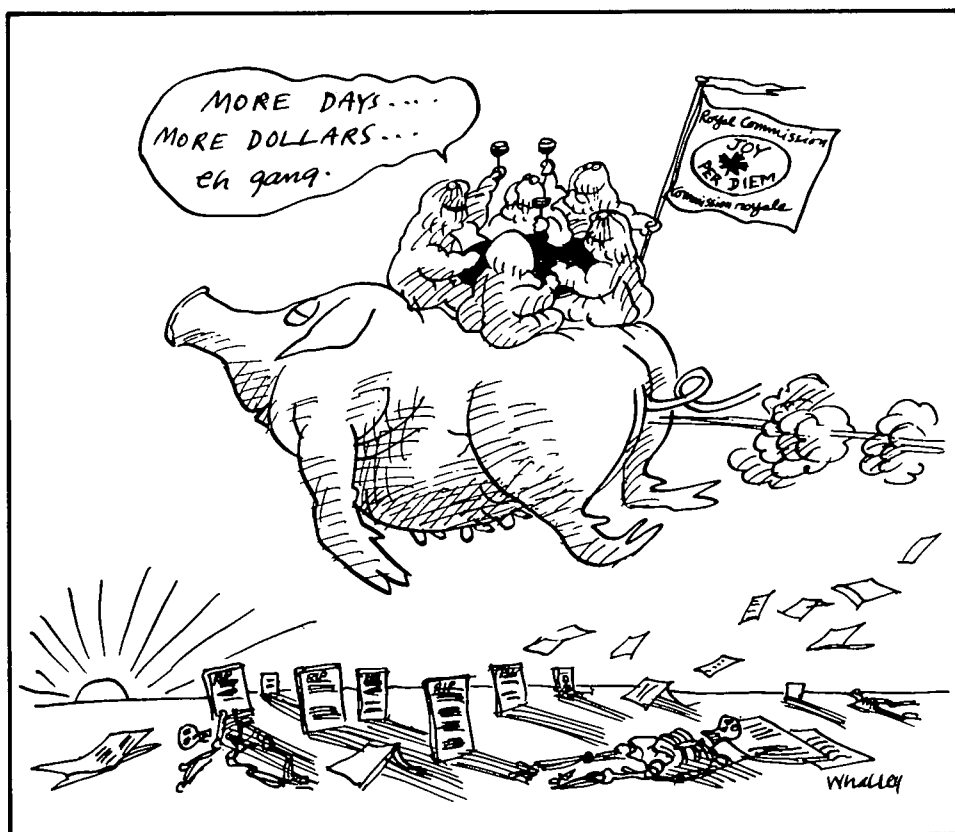
It would be necessary for the news service to segregate its services undertaken for newspapers from those for broadcasting clients. The latter would still gain an indirect benefit from improved service, but that does not seem to us a disadvantage of the scheme. A base year would be set up qualifying expenditures on Canadian material for newspapers. For CP this would be 1980. It is doubtful whether any other service would initially meet the diversity-of-clients requirement. If, as may be hoped, one subsequently did, its base year would be the first full year after qualifying.

Expenditures in the base year would be adjusted by the consumer price index to provide a rough measure of increases which are simply the changed cost of the same service. If, in 1983, for example, actual expenditures by CP (or other news service) in the defined category exceeded the adjusted base by, say, \$100,000, then in 1984 the Treasury would pay a grant to the news service of \$50,000. That is to say, it would in effect match, with a time-lag, the money that the news service had to collect from its members or clients in order to improve its service. The point of the time-lag is to ensure that the government is simply responding to what the news service has done in total, not influencing any particular thing it is going to do. The payments would be made, by statute, on the joint certificate of government and private auditors as to the amount due.

In order that the legislation provide a firm base for planning improved news service, great importance attaches to the feature of the financial part of the Act mentioned earlier in our recommendation: the system would be assured of at least six years' life and could not be later removed or changed without three years' notice having been given.

## **In conclusion**

The Commission makes its recommendations in the belief that they would free Canadian newspapers from the ill effects of concentration and excessive dependence on corporate interests. If acted on by Parliament, they would give newspapers the opportunity to be, and to be seen to be, what they have themselves so often said they should be but have, in large part, failed to be.



Peter Whalley,  
Morin Heights, Qué.

# Appendices

# APPENDIX I

## Acknowledgements

Production of a Royal Commission report on a firm date, fixed at the start of the inquiry, is a novel undertaking. It places unusual demands on the Commission's staff. Newspapers, of course, live to deadlines; but to marry the journalistic spirit to the processes of government was not easy. At the mundane level, our work was able to proceed with dispatch only because several people were prepared to work for appreciable periods before receiving (without interest) any pay or even reimbursement of expenses. That, however, was a small sacrifice compared with the intensity of effort — in number of hours a day, and number of days a week — that some of the staff expended.

We have achieved the deadline thanks only to our staff and consultants, and the Commissioners have reason to express the conventional thanks with exceptional warmth. All did well, and it is invidious to select some for special mention. Nevertheless, we think it necessary to name those of the research and writing staff who should be particularly identified with the Report.

The chief counsel is a key person for any commission. Don Affleck, however, played with skill and wisdom a role extending far beyond the normal bounds of legal counsel. Tim Creery was the most creative, as well as dedicated, director of research with whom any commission is likely to be blessed. Peter Desbarats, besides taking responsibility for research into new technology and its implications, made a major contribution, as associate director, in many other areas of research and writing.

In the later stages of our work Mr. Affleck and Mr. Creery were joined, in working often to late hours and seven days a week, by some of the senior staff, notably Tim Corbin, Jean-Claude Labrecque, Dick MacDonald, Ellen Gallagher, and Mario Pelletier. To this group, individually and also because they became so effectively a team in testing circumstances, our gratitude is enormous. If we do not mention the names of others it is not because their performance was other than excellent, by normal measure, but because the core group was so very special.

A Royal Commission, however, does not only inquire and think and write. It opens itself to the flows of opinion from the public. It was particularly in order to benefit fully from that opinion, as well as to conduct our work expeditiously, that specially careful organization was required. We are grateful to our secretary, Nicholas Gwyn, not only for his administration of the work of the Commission generally but also for the complex organization of our public hearings across the country. Mr. Gwyn was ably assisted by Kathleen Hunt, Nicole Viau, Judith Deegan and others, among whom the Commissioners would make special mention of Ric Charles because of the unfailing good temper and good sense with which he handled so many matters of detail. Most important, Louise Plummer and Christine Roush were endlessly dedicated to the word processing of our second to tenth thoughts.

To all of the staff and consultants, we are deeply indebted. Above all, however, we thank the many hundreds of people, in the newspaper and related industries and outside, who patiently answered our enquiries and who offered us information and opinion. If our Report proves to contribute usefully to public policy, the credit will be with all of them.

## **APPENDIX II**

### **Terms of Reference of the Royal Commission on Newspapers**

Order-in-Council P.C. 1980-2343 approved by His Excellency the Governor General on September 3, 1980

The Committee of the Privy Council, having had before it a report from the Right Honourable Pierre Elliott Trudeau, the Prime Minister, submitting:

that there has been a decline in the number of daily newspapers serving major cities and a decline in the number of cities in which competition between daily newspapers exists;

that there has been increased concentration of ownership and control of daily newspapers in Canada; and

that it is desirable that a study be undertaken, without delay, into the extent and causes of the aforesaid situation, and into the implications for the country of that situation.

The Committee, therefore, on the recommendation of the Prime Minister, advises that Mr. Thomas Worrall Kent, of Mabou, in the Province of Nova Scotia, be appointed a Commissioner under Part I of the Inquiries Act to inquire generally into the daily newspaper industry in Canada, specifically into the concentration of the ownership and control of the industry and into the recent closing of newspapers, and, without limiting the general scope of this inquiry, to examine and report on:

- (a) the degree to which the present situation in the newspaper industry has affected or might affect fulfilment of the newspaper industry's responsibilities to the public;
- (b) the consequences of the elimination of daily newspapers for individual citizens and community life in those cities where a newspaper has been eliminated in recent years;
- (c) the consequence of the present situation in the newspaper industry for the political, economic, social and intellectual vitality and cohesion of the nation as a whole;
- (d) such measures as might be warranted to remedy any matter that the Commission considers should be remedied as a result of the concentration of the ownership and control of the industry and the recent closing of newspapers.

The Committee further advises that

- 1. the Commission be authorized to exercise all the powers conferred upon Commissioners by section 11 of the Inquiries Act;
- 2. the Commission be authorized to adopt such procedures and methods as it may from time to time deem expedient for the proper conduct of the inquiry and sit at such times and in such places in Canada as it may decide from time to time;

3. the Commission be authorized to engage the services of such counsel, staff, clerks and technical advisers as it considers necessary or advisable at such rates of remuneration and reimbursement as may be approved by the Treasury Board;
4. the Commission be required to report to the Governor in Council not later than July 1st, 1981;
5. the Commission be required to file with the Dominion Archivist the papers and records of the Commission as soon as reasonably may be after the conclusion of the inquiry;
6. the officers and employees of the departments and agencies of the Government of Canada be required to render such assistance to the Commission as it may require for the inquiry; and
7. the said Mr. Thomas Worrall Kent be designated as the Chairman of the Commission.

Order-in-Council P.C. 1980-2483 approved by His Excellency the Governor General on September 15, 1980

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise that Mr. Laurent A. Picard, Outremont, P.Q., be appointed a Commissioner, under Part I of the Inquiries Act, of the Commission to inquire generally into the daily newspaper industry in Canada, authorized to be established by Order in Council P.C. 1980-2343 of 3rd September, 1980.

Order-in-Council P.C. 1980-2484 approved by His Excellency the Governor General on September 15, 1980

The Committee of the Privy Council, on the recommendation of the Prime Minister, advise that Mr. Borden Spears, of Toronto, Ontario, be appointed a Commissioner, under Part I of the Inquiries Act, of the Commission to inquire generally into the daily newspaper industry in Canada, authorized to be established by Order in Council P.C. 1980-2343 of 3rd September, 1980.

## APPENDIX III

### Proceedings of the Commission

The Commission was established by Order-in-Council on September 3, 1980, within a week of the announcement of the closing of the *Ottawa Journal* and the *Winnipeg Tribune*. It was instructed to report its findings by July 1, 1981. The text of the Order-in-Council appears as Appendix II.

Within two weeks, senior staff members were appointed and an organizational meeting arranged. During October, November, and December an extensive research program was designed and contracted for. Public hearings began in December in Winnipeg and Ottawa, and continued across the country from Victoria to Halifax, ending with a series of national hearings in Ottawa in March and April. The Report was written in May and June.

In response to its advertisements in daily newspapers, and in some weeklies in areas where dailies were not published, the Commission received 246 briefs and 270 letters from representatives of the industry and the public. More than 40 per cent (213) came from Ontario. There were 120 from British Columbia and 76 from Manitoba. Briefs were received from all provinces; submissions are being placed in the Public Archives. A list of individuals and organizations who submitted briefs appears within Appendix V.

Public hearings were held over a period of 19 weeks in 12 cities in seven provinces. Four were in western Canada, four in Ontario, and four in Québec and the Maritimes. Witnesses were heard from every province except Newfoundland.

The largest group among the 353 people who appeared before the Commission at these hearings were representatives of daily and weekly newspapers and magazines (34 per cent). Sixteen per cent came from newspaper and news agency unions and employee associations, and 4 per cent from other unions; 7 per cent were former newspaper people or staff or students of journalism schools. Other members of the public made up 22 per cent; another 11 per cent represented community organizations, including business associations. The remaining 6 per cent consisted of elected representatives at the federal, provincial, and municipal levels of government. A list of those who appeared at each hearing, and the organizations they represented, appears as Appendix V.

In nearly every case, witnesses appeared voluntarily. At their own request, the publisher and editor of the *Globe and Mail* were subpoenaed to appear. The Commission paid the expenses of witnesses in some cases.

Two of the major newspaper companies, Southam Inc. and Thomson Newspapers Limited, requested and were granted, pursuant to Section 12 of the Inquiries Act, the right to be represented by counsel at the Commission's hearings.

Contracts for research studies were entered into with 38 individuals, partnerships, or companies. They are described in Appendix IV. The studies will be placed in the Public Archives.

Because of the special nature of the inquiry, cartoonists across the country were invited to send us samples of their work dealing with the Commission's mandate. Of the 75 cartoons submitted by 34 individuals, 14 are reproduced in this volume. The 15th was donated by the artist, who acted as technical adviser to the Commissioners when they assessed the submissions. Entries were selected on the basis of wit, insight, and relevance to the Commission's task.

In the 10 months of the Commission's life leading to the submission of its Report, 45 persons were employed for varying periods in staff positions or on contract. They are listed in Appendix VI.

Press accounts of the Commission's work, together with other news articles and commentaries dealing with the inquiry, also are being deposited in the Public Archives.

The cost of the Commission can only be estimated at this time since it will take several months to complete the publication of some research studies and wind down its work. The final total, which will include research, hearings, contract and staff payments, and other services, is expected to reach approximately \$3.1 million.



# APPENDIX IV

## Research Studies

### I. OWNERS, JOURNALISTS, AND READERS

#### 1. The Journalistic Tradition

*A Sort of Reckless Courage*  
Robert Fulford

Contrasts the journalist's "moral philosophy" of openness, fairness, and commitment with his working environment of corporate profits and strict budgets.

*Philosophical Evolution of the Press*  
Lysiane Gagnon

Traces the evolution of newspapers, development of social responsibility concepts and of the "libertarian" theory of the press in Québec.

#### 2. The Publishers' Views

Eugene Hallman

Views of Canadian newspaper owners and publishers on freedom and responsibility of the press, competition, the future of the daily newspaper, and government intervention.

#### 3. The Journalists' Views

✓ *Journalists on Journalism in English-speaking Canada*  
George Bain

The concerns of English-speaking reporters and copy editors about the quality of their newspapers, the effect of lack of competition, and the future of the newspaper and of journalism.

*Journalists on Journalism in French-speaking Canada*  
Florian Sauvageau

Opinions of francophone reporters on journalism and on the impact of recent changes in the social and economic climate of Québec on the practice of journalism. Based on a poll of Québec journalists conducted in collaboration with Simon Langlois.

#### 4. The Public's Views

Communications Research Center (CRC)

##### a) *Pilot Readership Study*

Findings of a telephone survey in early October, 1980. Perceptions of the closing of the *Winnipeg Tribune*; initial insights into the role of mass media in general and daily newspapers in particular.

b) *National Readership Survey*

National survey, with a sample of 3,511 adults, examining how people perceive and use newspapers. Opinions on the social responsibilities of the three information media, and attitudes toward concentration of ownership.

c) *Analysis of Newspaper Circulation: 1970 and 1980*

Analysis based on aggregate weekly circulation data from Audit Bureau of Circulations (ABC) publishers' statements, *Canadian Advertising Rates and Data*, and directly from publishers.

5. Monopoly and Competition

*Living with Concentration: Sidelights—Montréal-Matin, Le Soleil and Le journal du Nord-Ouest*

Gérald LeBlanc

Three case studies of corporate change with three very different results; from the accounts of more than 50 newspaper employees.

*The Only Side of the Street*

Walter Stewart

The impact of newspaper closings or mergers on journalists in seven Canadian centres; based on interviews.

6. Two Content Analysis Studies

Arthur Siegel

Two case studies of Thomson-owned daily newspapers; characteristics of content of newspapers before and after change in ownership.

7. Press Councils

Dominique Clift

Assessment of the performance of Canada's press councils and newspaper ombudsmen as mechanisms for making newspapers accountable to readers. Links the emergence of councils and ombudsmen to the consumer society.

8. Journalism Education

Jean Cloutier - Tom Sloan - Pierre-Yvan Laroche

Description of programs in journalism education now offered in Canada. Compares the programs of 35 English-language and French-language educational institutions in terms of degrees granted, amount of research, resource facilities, and the employment market. Explores the connection between journalism and general communications studies.

9. Professional Development

*Professional Development of Anglophone Journalists*

Murray Goldblatt

Survey of training programs sponsored by individual newspapers and industry organizations for English-language newspapers.

*Professional Development of Francophone Journalists*

Pierre Sormany

Survey of training programs sponsored by individual newspapers and industry organizations for French-language newspapers.

## II. NEWS SERVICES

Carman Cumming - Mario Cardinal - Peter Johansen

The structure and function of news services, particularly in the light of concentration of ownership. Extended study of The Canadian Press, briefer description of United Press Canada and other news services and syndicates.

## III. NEWSPAPERS AND PUBLIC AFFAIRS

Frederick J. Fletcher, with contributions from David V.J. Bell and William O. Gilsdorf

The relationships between newspapers and the conduct of public affairs, with separate studies of election campaigns and press galleries. Influences on the press including ownership concentration and the electronic media. Case studies of Sherbrooke and Trois-Rivières (André Blais and Jean Crête); Victoria (Daphne F. Gottlieb).

*Appendix I: La presse et les affaires publiques au Québec*  
André Blais - Jean Crête

*Appendix II: Newspapers and Public Affairs Reporting: Literature Review and Propositional Inventory*  
Daphne F. Gottlieb - Frederick J. Fletcher

*Appendix III: Correlates of Newspaper Coverage of the 1979 Canadian Election: Chain Ownership, Competitiveness of Market and Circulation*  
W.I. Romanow - W.C. Soderlund - R.H. Wagenberg - E.D. Briggs

## IV. THE NEWSPAPER AS A BUSINESS

1. Financial and Economic Analysis  
P.F. Oliphant - R. C. White

The extent of common ownership and control; financial and economic pressures; industry structure and dynamics; intermedia and interconglomerate relationships; extent of concentration and monopoly.

(This study contains confidential material and will be available only in abridged form.)

2. The Advertiser's Role  
Communications Research Center (CRC)

Survey of advertisers' perceptions of the present and future marketing function of daily newspapers in a changing media environment.

3. Organization and Management  
David Jackson

Differences in management practices related to types of ownership, language of the newspaper, position in the market, as perceived in cross-sectional studies of Canadian newspaper managers and their employees.

4. Labor Relations  
Co-ordinated by Gérard Hébert

Basic labor issues and management structures of the Canadian newspaper industry; followed by a series of reports on the labor situation in Montréal (Pierre-Paul Proulx, Secor Inc.); Ottawa (Donald Swartz and Eugene Swimmer); Québec (James Thwaites); Toronto (John B. Kervin); Vancouver (C.R.P. Fraser and Sharon Angel); and Winnipeg (Allan R. Patterson).

5. Ownership of the Daily Press in Other Countries  
Economist Intelligence Unit

An overview of the trends to concentration of ownership and control in Australia, Belgium, France, Japan, the Netherlands, Norway, Sweden, Switzerland, United Kingdom, United States of America, and West Germany. Part II outlines legislative measures implemented or strongly advocated in relation to concentration.

V. THE PRESS AND THE LAW

1. Freedom of the Press  
Walter Tarnopolsky

History of "freedom of the press" in the United Kingdom and Canada. Study of the limits on free expression, such as blasphemy, obscenity, libel, defamation, sedition, and the Official Secrets Act.

2. Division of Powers  
Gérald A. Beaudoin

Sketches the division of powers between the federal and provincial governments as it relates to daily newspapers. Deals with property and private law, the reporting of trials and parliamentary debates, copyright, fundamental freedoms, emergency powers, competition, and tax law.

3. Government Policy  
Colin Wright

Policies embodied in federal and provincial laws as they affect newspapers, including libel and contempt, and freedom of information.

4. The Treatment of the Term "to the detriment or against the interest of the public" in the Combines Investigation Act  
Edith Cody-Rice

Discusses the elements of the definition, relevant parameters, the standard of proof, and the defences raised. Reviews authorities to show how judicial interpretation has affected the definition. Considers the adequacy of the present legislation when applied to the newspaper industry.

5. Regulatory Aspects of the New Technology  
Charles Dalfen

A short history of regulation in newspapers, telephone, broadcasting, cable, and computer services. Possible regulatory approaches to the new technology.

VI. NEWSPAPERS IN TRANSITION

Peter Desbarats

The technological revolution in Canadian newspapers during the past decade, the introduction of videotex systems, and the emerging information society.

Contributory Studies

1. Regulatory Aspects of the New Technology  
Charles Dalfen

see: V. THE PRESS AND THE LAW

2. Newspapers and Computers  
Morrison W. Hewitt (Woods Gordon)

History and current status of computerization in daily and weekly newspapers. Forecast of additional computer installations. Based on questionnaires.

3. New Technology and Ownership Concentration in Québec

Jean-Paul Lafrance in collaboration with Pierre Dumas and Guy Bertrand

Study of the impact of new technology on the concentration of ownership and on francophone culture.

4. Newspapers and Videotex

Ian Brown - Robert Collison

Corporate structure and future plans of Info Globe and Infomart, their status in the developing Canadian electronic information service industry. Collaboration between Infomart and the Department of Communications. Potential impact of videotex technology on newspapers.

5. Videotex Field Trials in Canada

Tom Paskal

Checklist progress report on 12 field trials as at April 1, 1981.

# **APPENDIX V**

## **Hearings & Submissions**

Here listed are the names of all those who appeared during the Commission's hearings, in order of appearance. Those who presented written briefs are indicated with an asterisk.

### **December 8, 1980, Winnipeg**

The Council of the City of Winnipeg\*  
Represented by:  
Mayor William Norrie

Manitoba New Democratic Party\*  
Represented by:  
Howard R. Pawley

Manitoba Federation of Labor\*  
Represented by:  
Dick Martin

The Royal Winnipeg Ballet  
Represented by:  
Max Tapper\*  
Bill Riske

H. Merlin Lewis\*

Daly de Gagné\*

Consumers' Association of Canada,  
Manitoba\*  
Represented by:  
Wendy L. Barker

Eric Wells\*

William F. Neville\*

Winnipeg Newspaper Guild,  
Free Press Unit\*  
Represented by:  
Cecil Rosner  
Glen MacKenzie

Winnipeg Newspaper Guild, Tribune Unit\*  
Represented by:  
John Drabble

### **December 9, 1980, Winnipeg**

Winnipeg Presbytery,  
United Church of Canada\*  
Represented by:  
Rev. Carl Ridd

Bill Blaikie, M.P. (Winnipeg-Birds Hill)\*

Manitoba Action Committee  
on the Status of Women\*  
Represented by:  
Leslie Campbell  
Joan Holmes

Advertising Agency Association  
of Manitoba Inc.\*  
Represented by:  
Hugh Goldie

La Société franco-manitobaine\*  
Represented by:  
Lucille Roch  
Ron Bisson

Liberal Party in Manitoba\*  
Represented by:  
Doug Lauchlan

Ruben C. Bellan\*

Murray Smith\*  
Craig Johnson

*Winnipeg Free Press*  
Represented by:  
Donald Nichol  
Murray Burt\*

*Winnipeg Tribune*  
Represented by:  
E.H. Wheatley  
Dona Harvey

Steve Jones\*

Mike Taczynski

Assiniboine Park-Fort Garry  
Resident Advisory Group  
Represented by:  
Merle Guberman

Charles P. Bennett\*

Lionel Ditz\*

Howard R. Harmatz\*

Don Scott

Winnipeg Chamber of Commerce\*  
Represented by:  
Gerald F. Reimer

**December 11, 1980, Ottawa**

The Council of the City of Ottawa  
Represented by:  
Mayor Marion Dewar\*

City of Nepean  
Represented by:  
Mayor Ben Franklin

Ottawa Newspaper Guild\*  
Represented by:  
Bridget Petersen

City of Kanata  
Represented by:  
Mayor Marianne Wilkinson\*

I. Norman Smith\*

Henry E. Collie\*

James Rennie

*Ottawa Citizen*  
Represented by:  
William Newbigging

*Ottawa Journal*  
Represented by:  
Arthur E. Wood

**December 12, 1980, Ottawa**

*Ottawa Citizen*  
Represented by:  
Russell A. Mills

Lloyd Francis, M.P. (Ottawa West)

Beryl Gaffney\*

Canadian Press Employees,  
Canadian Wire Service Guild.\*  
Represented by:  
Alex Binkley  
Jennifer Lewington

G. Stuart Adam\*

National Capital Region  
Amateur Sports Council\*  
Represented by:  
Merwyn Leafloor

Ontario New Democratic Party\*  
Represented by:  
Evelyn Gigantes, M.P.P. (Carleton East)

Wayne Wilson  
John Smart\*

Roy Bushfield\*

T. John Samuel\*

E.S. Leigh\*

**January 16, 1981, Victoria**

Richard S. Bower

Victoria Labor Council\*  
Represented by:  
Jack W. Groves  
Peter James

Corporation of the District of Oak Bay\*  
Represented by:  
Peter G. Bunn

Robin Blencoe\*

*Victoria Times-Colonist*

Represented by:

Gordon Bell\*

Colin McCullough

Victoria Newspaper Guild\*

Represented by:

Hubert Beyer

Norman Gidney

*Monday Magazine*\*

Represented by:

Derry McDonell

Gerald L. Kristianson\*

Paul Nicholson\*

Greater Victoria School Board

Represented by:

Martin Levin

Walter Young\*

British Columbia

Legislative Press Gallery\*

Represented by:

Ron Thompson

Victoria Waterfront

Enhancement Society\*

Represented by:

Betty E. Gibbons

Michael Young\*

Bruce Young\*

Judith Alldritt\*

Sid Tafler\*

Victoria International Development

Education Association\*

Represented by:

John Brewin

Bernice Levitz Packford\*

Ian M. Sherwin\*

H.T. Bitterman

Albert W. Reid

Maggie Lynn

Socialist Party of Canada\*

Represented by:

Larry Tickner

Larry Mann

Larry Ryan\*

**January 19, 1981, Vancouver**

The Fisherman Publishing Society\*

Represented by:

Geoff Meggs

Lorne W. Rac\*

Stan Persky\*

*The Ubyyssey*\*

Represented by:

Julie Wheelwright

Steve McClure

Vancouver-New Westminster

Newspaper Guild\*

Represented by:

Jan O'Brien

Candy Sherriff

British Columbia Federation of Labor\*

Represented by:

Dave MacIntyre

Jim Kinnaird

Sid Godber\*

Allan Fotheringham\*

Vancouver *Sun*

Represented by:

Bruce Larsen

Vancouver *Province*

Represented by:

Paddy Sherman

Nanaimo *Times* and Saanich *Tribune*\*

Represented by:

Stanley Burke

City of Vancouver\*

Represented by:

Harry Rankin

Vancouver *Sun*

Represented by:

Clark W. Davey



*The Columbian*

Represented by:  
R.D. Taylor\*

Pat Carney, M.P. (Vancouver Centre)\*

David Godfrey\*

J.C. Madden

Peter Anderson  
Jean McNulty\*  
Doug Seeley

**February 3, 1981, London**

Andrew MacFarlane\*

George Hutchinson\*  
Rory Leishman\*  
John McHugh\*

*Stratford Beacon Herald\**  
Represented by:  
Charles W. Dingman

*London Free Press\**  
Represented by:  
Walter J. Blackburn  
Peter G. White  
Kenneth W. Lemon  
W.C. Heine  
A.J. Briglia

D.E. Berry\*  
Rev. Robert N. Giuliano\*

Manny Vexler\*

*Windsor Star*  
Represented by:  
Gordon Bullock

Marc Emery\*

Robert Metz\*

*Ontario Reporters Association\**  
Represented by:  
Kevin Cox  
David Judd

*Simcoe Reformer\**  
Represented by:  
John C. Cowlard

*St. Thomas Times-Journal*

Represented by:  
L.J. Beavis

**February 6, 1981, Toronto**

*Ontario Press Council\**  
Represented by:  
Davidson Dunton  
Fraser MacDougall

*Labor Council of Metropolitan Toronto\**  
Represented by:  
Ken Signoretti  
Linda Torney

*Southern Ontario Newspaper Guild\**  
Represented by:  
John T. Bryant  
Dan Westell

*Ryerson Polytechnical Institute.  
Journalism Department\**  
Represented by:  
Richard Lunn

George Plumley\*

*Canadian Tribune\**  
Represented by:  
James Leech

*Ontario Educational Communications  
Authority\**  
Represented by:  
David Walker  
Maria Cioni  
Beverley Roberts

*Infomart\**  
Represented by:  
David M. Carlisle

*Rogers Cablesystems Inc.\**  
Represented by:  
Colin D. Watson

*Videotex Information Services  
Providers Association of Canada*  
Represented by:  
Gerald Haslam\*

Alan Heisey\*

*Maclean-Hunter Limited*  
Represented by:  
Donald G. Campbell

*Content\**

Represented by:  
Barrie Zwicker

Keith F. Bull\*

*Toronto Sun*

Represented by:  
Douglas Creighton  
Peter Worthington

*Toronto Globe and Mail*

Represented by:  
A. Roy Megarry  
Richard Doyle

*Torstar Corporation and Toronto Star\**

Represented by:  
Beland Honderich  
Martin Goodman

**February 12, 1981, Thunder Bay**

Rita Ubriaco\*

Paul McRae, M.P.

(Thunder Bay-Atikokan)\*

Represented by:  
Lois Karam

*Thunder Bay and District Labor Council\**

Represented by:  
Norman E. Richards

G.F. Engholm\*

Angus Corey

*Northwestern Ontario Regional Committee  
Communist Party of Canada\**

Represented by:  
Walter E. Rogers

Donald R. Colborne\*

Kenneth R. Sitter\*

*Thunder Bay Times-News and  
Chronicle-Journal*

Represented by:  
J. Peter Kohl  
Michael Grieve

**February 16, 1981, Montréal**

Michel Lord

*Association of Canadian University  
Information Bureaus\**

Represented by:  
David Allnutt  
Elizabeth J. Hirst

*Montréal Newspaper Guild*

Represented by:  
William Marsden  
Frederica Wilson

*Canadian Wire Service Guild, Montréal\**

Represented by:  
Daniel Asselin  
James Brown  
Pierre Roberge

*Syndicat du Journal de Montréal*

Represented by:  
Raymond Bouchard  
Diane Bourgeois

*Le Journal de Montréal*

Represented by:  
Maurice T. Custeau  
Pierre Dussault  
Gérard Cellier

*Mediaplex\**

Represented by:  
Aimé Lacombe

William A. Sullivan\*

Dorothy Rosenberg\*

*Le Devoir (Montréal)*

Represented by:  
Michel Roy  
Michel Nadeau  
Bernard Larocque

*Concordia University  
Journalism Program*

Represented by:  
Lindsay Crysler  
Enn Raudsepp  
Guy Lecavalier

*La Presse (Montréal)*

Represented by:  
Roger Lemelin

*Institut canadien d'éducation des adultes\**

Represented by:  
Paul Bélanger  
Lina Trudel  
Claude Martin

Bell Canada (VISTA)\*  
Represented by:  
Charles Terreault  
Nicole Leduc

Vidéotron  
Represented by:  
Michel Dufresne

Montréal *Gazette*  
Represented by:  
Robert McConnell  
Mark Harrison

#### **February 18, 1981, Montréal**

Confederation of National Trade Unions  
and the Fédération nationale  
des communications  
Represented by:  
Norbert Rodrique  
Laval Leborgne  
Georges Angers  
Yves Leclerc

Gérald Robitaille

Mark Farrell\*

#### **February 23, 1981, Edmonton**

Western Producer Publications\*  
Represented by:  
R.H.D. Phillips  
Allan W. Laughland

Alberta Weekly Newspapers Association\*  
Represented by:  
Oliver Hodge

Cleo W. Mowers\*

Stuart B. Smith\*

Alberta Press Council\*  
Represented by:  
Delores Elder

Edmonton *Journal*  
Represented by:  
J. Patrick O'Callaghan  
Andrew Snaddon  
John Brown

Edmonton *Sun*  
Represented by:  
Elio Agostini  
David Bailey

Edmonton Journal Newsroom Association\*  
Represented by:  
Helen Melnyk  
Dan Smith

Canadian Press, Edmonton\*  
Represented by:  
Graham Trotter

Jim McCurdy\*

#### **February 25, 1981, Saint John**

Robert Lockhart\*

*L'Evangéline* (Moncton)  
Represented by:  
Martin Boudreau

Ralph Landers

Saint John Board of Trade\*  
Represented by:  
Lino J. Celeste  
M. Eileen Travis

Media Club of Canada, New Brunswick\*  
Represented by:  
Frank W. Withers

Media and Communications Subsection,  
New Brunswick Branch,  
Canadian Bar Association\*  
Represented by:  
Peter E.L. Teed

S. Bruce Benton\*

Jon Everett\*

Fredericton *Daily Gleaner*\*  
Represented by:  
Tom Crowther

St. Croix *Courier*\*  
Represented by:  
Julian Walker

Saint John *Telegraph-Journal* and  
*Evening Times-Globe*\*  
Represented by:  
Ralph Costello  
Fred Hazel

**February 27, 1981, Halifax**

Students of the School of Journalism,  
University of King's College\*

Represented by:  
Norbert Cunningham  
John Wishart

Nova Scotia Federation of Labor\*

Represented by:  
J.K. Bell  
Leo F. McKay

International Typographical Union, Halifax\*

Represented by:  
Fred Brodie  
Lawrence Williams  
Gerald P. Tobin

*Atlantic Insight*\*

Represented by:  
W.E. Belliveau

James Lorimer

E. Kathy Stuart\*

Canadian Press Employees, Canadian Wire  
Service Guild, Atlantic Unit\*

Represented by:  
Daniel Léger

William MacEachern, M.L.A. (Inverness)\*

Halifax Herald Limited\*

Represented by:  
Graham W. Dennis  
Frederick G. Mounce  
Arthur R. Moreira  
Donald H. McDougall  
Harold T. Shea  
Ken Foran  
Max Keddy

Cape Breton Post

Represented by:  
Wallace McKay  
Ian MacNeil

**March 9, 1981, Ottawa**

Anthony Westell\*

New Democratic Party\*

Represented by:  
Raymond J. Skelly, M.P. (Comox-Powell River)  
Angus Ricker  
Alain Piché

Canadian Community Newspapers

Association\*

Represented by:  
J.C.R. McKnight  
Jim Schatz  
Bill Kennedy

W.A. Wilson

**March 12, 1981, Québec**

*Le Quotidien du Saguenay Lac St-Jean*

Represented by:  
Bertrand Tremblay

*Le Journal de Québec*

Represented by:  
Serge Côté

Jacques Guay

Québec Press Council\*

Represented by:  
Aimé Gagné  
André Villeneuve  
Jean Baillargeon  
Léon Dion  
James Stewart

La Fédération professionnelle des journalistes  
du Québec\*

Represented by:  
Jean-François Lépine  
Louis Falardeau  
Michel C. Auger  
Guy Crevier

*La Tribune* (Sherbrooke)

Represented by:  
Lionel Dalpé

Association des éditeurs de la presse  
hebdomadaire régionale francophone

Represented by:  
Jean-Paul Cloutier  
Jean-Paul Légaré  
Jean Longval

*Le Soleil* (Québec)

Represented by:  
Paul-A. Audet  
Claude Masson  
Jean Beauvais  
André Boulet

**March 17, 1981, Ottawa**

Canadian Daily Newspaper Publishers  
Association\*  
Represented by:  
Preston W. Balmer  
E. Paul Wilson  
John E. Foy

Newspaper Marketing Bureau, Inc.\*  
Represented by:  
Donald C. Gibson

Retail Council of Canada\*  
Represented by:  
Alasdair J. McKichan  
James Farrell  
Douglas Utter

Association of Canadian Advertisers  
Incorporated\*  
Represented by:  
John Foss

Armada Company Limited\*  
Represented by:  
Michael C. Sifton  
Preston W. Balmer  
David A. Ward

**March 18, 1981, Ottawa**

Canadian Broadcasting Corporation  
Represented by:  
A.W. Johnson  
Donald Ferguson  
Pierre O'Neill  
Robert O'Reilly

Henry Mintzberg

Telegram Corporation Limited  
Represented by:  
Douglas G. Bassett  
Joseph Garwood

Consumers' Association of Canada\*  
Represented by:  
Robert R. Kerton  
Stephen Jelly

John H. Sigler  
Peyton V. Lyon\*

**March 19, 1981, Ottawa**

The Newspaper Guild (Canadian Region)\*  
Represented by:

William McLeman  
Fred W.S. Jones

Jim Young

Richard S. Malone

**March 24, 1981, Ottawa**

Senator Keith Davey

George N.M. Currie\*

Stuart Keate\*

Canadian Press Employees,  
Canadian Wire Service Guild\*  
Represented by:  
Alex Binkley\*  
David Isaac  
Steven A. Kerstetter  
Gordon McIntosh\*

La Fédération des francophones hors Québec  
Inc.\*

Represented by:  
Florent Bilodeau  
Donald R. Cyr  
Jean-Bernard Lafontaine  
Richard Chevrier

Canadian Association of Broadcasters  
Represented by:  
G.G. Ernest Steele  
Wayne A. Stacey

**March 25, 1981, Ottawa**

Mitchell Press Limited\*  
Represented by:  
Howard T. Mitchell

Torstar Corporation\*  
Represented by:  
Beland Honderich

Sterling Newspapers Limited\*  
Represented by:  
F. David Radler  
Arthur Weeks

Institute of Canadian Advertising  
Represented by:  
Keith B. McKerracher  
Robert Troutbeck

**April 7, 1981, Ottawa**

Gesca Ltée  
Represented by:  
Paul Desmarais  
John Rae

UniMédia Inc.  
Represented by:  
Jacques G. Francoeur  
Jean-Guy Faucher

Colin McConechy\*

Edwin Bolwell

Canadian Pulp and Paper Association\*

Represented by:  
Howard Hart

David A. Wilson

Douglas F. Parkhill\*

**April 8, 1981, Ottawa**

Southam Inc.\*  
Represented by:  
St. Clair Balfour  
Gordon N. Fisher

**April 13, 1981, Ottawa**

Southam Inc.\*  
Represented by:  
St. Clair Balfour  
Gordon N. Fisher

Thomson Newspapers Limited\*

Represented by:  
Kenneth Thomson  
John A. Tory

**April 14, 1981, Ottawa**

Thomson Newspapers Limited\*

Represented by:  
Kenneth Thomson  
John A. Tory  
Margaret L. Hamilton  
Brian Slaight

**April 15, 1981, Ottawa**

Canadian Labor Congress and the  
International Typographical Union\*

Canadian Labor Congress  
Represented by:  
Donald Montgomery  
Murray Randall

International Typographical Union

Represented by:  
Alan J. Heritage  
Robert F. Earles

New Brunswick Publishing Company  
Limited\*

Represented by:  
Arthur L. Irving  
James K. Irving  
Donald M. Gillis

Moncton Publishing Company Limited and  
University Press of New Brunswick Limited\*

Represented by:  
John E. Irving  
J. Edgar Sexton

**April 16, 1981, Ottawa**

Quebecor Inc.  
Represented by:  
Pierre Péladeau  
Gaston L'Italien

United Press Canada Ltd.\*

Represented by:  
Patrick Harden

The Canadian Press\*

Represented by:  
Martin Goodman  
Keith Kincaid  
Guy Rondeau  
Charles D'Amour

Here listed are the names of those who sent briefs or letters with comments to the Commission but who did not appear at any of the hearings.

A

Ackerman, Frank, Victoria, B.C.  
Aggerholm, Barbara, London, Ont.  
Air Canada, Montréal, Qué.

*Alberta Farm Life*, Edmonton, Alta.  
 Alix, Jim, Victoria, B.C.  
 Allison, Sam, St. Lambert, Qué.  
 Anderson, Wayne, Winnipeg, Man.  
 Arnold, R.M., Winnipeg, Man.  
 Art Gallery of Greater Victoria, Victoria, B.C.  
 Ashwell, William H.J., Victoria, B.C.  
 The Association of Women Electors of Greater Victoria, Victoria, B.C.  
 Atlantic Gay Association, Fredericton, N.B.  
 Attenborrow, Gary, Winnipeg, Man.

## B

Barber, Charles, M.L.A. (Victoria), Victoria, B.C.  
 Bartell, Fred, Kelowna, B.C.  
 Bédard, Eva, Woodlawn, Ont.  
 Bell, O., Vernon, B.C.  
 Bellefeuille, Paul, Ottawa, Ont.  
 Bhattacharya, S. Kean, Willowdale, Ont.  
 Bibby, Lloyd G., Kitchener, Ont.  
 Biesick, Charles, Winnipeg, Man.  
 Black, Errol, Brandon, Man.  
 Boehm, Arnold H., Ottawa, Ont.  
 Boesveld, Bernard, Burritts Rapids, Ont.  
 Boucher, Emile, Témiscamingue, Qué.  
 Bourque, J.R., Victoria, B.C.  
 Bower, Peter, Winnipeg, Man.  
 Brewster, Eva, Coutts, Alta.  
 Broadcasters Association of Manitoba, Winnipeg, Man.  
 Brown, Jean, Vernon, B.C.  
 Brown, Robert N., Rexdale, Ont.  
 Brown-John, C. Lloyd, Windsor, Ont.  
 Brunet, Jeanne, Morris, Man.  
 Bucens, V., Ottawa, Ont.  
 Buckingham, R., Penticton, B.C.  
 Burns, Ken R., Victoria, B.C.  
 Butler, D.O., Ottawa, Ont.  
 Butts, Charles, Glace Bay, N.S.

## C

Caddy, Bryan J.V., M.D., Red Deer, Alta.  
 Cairns, James P., Kingston, Ont.  
 Campbell, Douglas K., Mississauga, Ont.  
 Campbell, W.A., Port Coquitlam, B.C.  
 Canadian Association of Labor Media, Ottawa, Ont.  
 Canadian Conference of Catholic Bishops, Ottawa, Ont.  
 Canadian Federation of Printing Trades Unions, Toronto, Ont.  
 Canadian Managing Editors' Conference, Ottawa, Ont.  
 Canadian Press, Halifax, N.S.  
 Canadian University Press, Ottawa, Ont.  
 Carolan, Trevor J., New Westminster, B.C.  
 Carrière, Alex (Mr. and Mrs.), St. Boniface, Man.  
 Carter, B., Victoria, B.C.  
 Carver, Richard, Ottawa, Ont.  
 Centrale de l'enseignement du Québec, Ste-Foy, Qué.  
 Chadwick, David, Thunder Bay, Ont.  
 Chahley, William, Rothesay, N.B.  
 Charron, Edgar B., Windsor, Ont.  
 Chase, Homer B., Canning, N.S.  
 CHC Visuals Limited, Devon, Alta.  
 Children's Apparel Manufacturers' Association, Montréal, Qué.  
 Choikosky, Anthony, St. Catharines, Ont.

City of Port Alberni, B.C.  
 Coll, Philip, Guelph, Ont.  
 Collingwood *Times*, Collingwood, Ont.  
 Comité Canada-Israel Committee, Toronto, Ont.  
 Committee for Public Awareness, Rexton, N.B.  
 Condon, Raymond J., Labrador City, Nfld.  
 Conrad, Richard, Montréal, Qué.  
 Conseil d'administration du regroupement populaire des usagers des moyens de communication de  
 l'Abitibi-Témiscamingue, Qué.  
 Consumers' Association of Canada, (British Columbia), Vancouver  
 Conway, J.J., Windsor, Ont.  
 Cook, Jeff, London, Ont.  
 Cooper, Ken W.F., Montréal, Qué.  
 Cooper, Otta A., Barrie, Ont.  
 Corbett, E., Vernon, B.C.  
 Cordes, Brock V., Winnipeg, Man.  
 Corporation of the District of Saanich, Victoria, B.C.  
 Corporation of the Township of Gloucester, Ont.  
 Corporation of the Township of West Carleton, Carp, Ont.  
 Cox, Renee, Winnipeg, Man.  
 Currie, Joan, Victoria, B.C.  
 Curry, Kenneth D., Sherwood Park, Alta.  
 Cutler, Ida, Prince George, B.C.

## D

Davidson, F.G., Winnipeg, Man.  
 Davies, A. Freda, Victoria, B.C.  
 Day, Michael E., Victoria, B.C.  
 de Lancey, V.W., Selkirk, Man.  
 Delport, Phyllis, Cobden, Ont.  
 Desjardins, Sylvie, Montréal, Qué.  
 Diotte, Harvey, Ottawa, Ont.  
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 Downs, William J., Victoria, B.C.  
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East, R.J. (Mrs.), Amherstburg, Ont.  
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Gallagher, Eleanor, Schomberg, Ont.  
 Gannon, Eva E.J., Shawnigan Lake, B.C.  
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 Geller, Vincent, Toronto, Ont.  
 Getgood, J. (Mr. and Mrs.), Victoria, B.C.  
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 Groarke, John, Calgary, Alta.  
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Interchurch Communication, Toronto, Ont.

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## K

Kanter, Ben, Brantford, Ont.  
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Kramer, Theron, Kitchener, Ont.  
Kurosky, Alice, Windsor, Ont.

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LaBossiere, John, Rexton, N.B.  
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Lyon, Vaughan, Peterborough, Ont.

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MacDonald, Dan R., Westville, N.S.  
MacDonald, Leonard A., Vernon, B.C.  
MacDonald, R.A., Kettleby, Ont.  
MacGillivray, Royce, Waterloo, Ont.  
MacIntosh, Margaret C., Vancouver, B.C.  
MacIntyre, Floyd J.E.W., Forest, Ont.  
MacIsaac, Ronald F., Victoria, B.C.  
MacKay, Alexander, Vanier, Ont.  
MacKenzie, P.F., Winnipeg, Man.  
MacKinnon, M. Edna, Winnipeg, Man.  
Madaras, Mary C., Brampton, Ont.  
Maged, Brian L., St. Laurent, Qué.  
Maining, Atholl M., Cornwall, Ont.  
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Manor Park Home and School Association, Ottawa, Ont.  
Marlin, Randal, Ottawa, Ont.  
Martin, Nell E., Vancouver, B.C.  
Martyn, F., Winnipeg, Man.  
Mason, Henry W., Aylmer East, Qué.  
Masters, Jack, M.P. (Thunder Bay - Nipigon), Thunder Bay, Ont.  
Mather, Barry, La Pêche, Qué.  
Mauchan, David, London, Ont.  
McAllister, Kenneth, Vancouver, B.C.  
McAuley, Daniel L., Winnipeg, Man.  
McCrea, J.D., Halifax, N.S.  
McDonald, P., Victoria, B.C.  
McDougall, Bruce, Kingston, Ont.  
McKee, Gordon, Vancouver, B.C.  
McKenzie, Mary C., Winnipeg, Man.  
McLarty, R.A., Ottawa, Ont.  
McMurtry, John, Guelph, Ont.  
Meiklejohn, Barbara, Victoria, B.C.  
Meyers, Edmond, Mississauga, Ont.  
Mississauga City Board of Trade, Mississauga, Ont.  
Moir, Rita, Winlaw, B.C.

Monday Publications Ltd., Victoria, B.C.  
Montreal Project Ploughshares, Montréal, Qué.  
Moosehead Breweries Limited, Saint John, N.B.  
Morrison, Elizabeth A., Victoria, B.C.  
Morshead, J., Toronto, Ont.  
Morton, Ralph, Cowichan Bay, B.C.  
Murray, Joyce I., Brandon, Man.

## N

New Brunswick Association for the Advancement of Colored People, Saint John, N.B.  
Newfoundland Broadcasting Company Limited, St. John's, Nfld.  
Nikiforuk, Andrew, London, Ont.  
Niosi, Jorge, Montréal, Qué.  
Nixon, Thomas A., London, Ont.  
North Shore Free Press Ltd., Vancouver, B.C.  
Nys, Gail, Winnipeg, Man.

## O

O'Brien, Ed, Toronto, Ont.  
O'Donnell, H.C. (Mrs.), Victoria, B.C.  
Olive, David M., Scarborough, Ont.  
Ottawa Senior Citizens Council, Ottawa, Ont.  
Ottley, William W., London, Ont.

## P

Pacific Rim Publications Ltd., Vancouver, B.C.  
Palfrey, Thomas R., Victoria, B.C.  
Parfitt, Joan, Saint John, N.B.  
Park, Kip, Winnipeg, Man.  
Patterson, J.I., White Rock, B.C.  
Paulley, R.M., Transcona, Man.  
Peacock, Don, Calgary, Alta.  
Pellettier, Robert A., Scarborough, Ont.  
Pelot, B., Ottawa, Ont.  
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Perli, Steve, Burnaby, B.C.  
Peters, Tarmo, Toronto, Ont.  
Plawucki, Frank, Moose Jaw, Sask.  
Pokrant, L., Winnipeg, Man.  
Pope, John H., Prince George, B.C.  
Popovich, Olga, Sudbury, Ont.  
Potvin, Joseph R., Montréal, Qué.  
Prentice, George R., Saint John, N.B.  
Protti, Sheila, Victoria, B.C.

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Rabey, Maureen, Victoria, B.C.  
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Rakowski, Mary J., Thunder Bay, Ont.  
Rannie, Ruth, Winnipeg, Man.  
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Roberts, Duncan, Ottawa, Ont.  
Roberts, James L., Pembroke, Ont.  
Roch, Gilles and Lynn, Lorette, Man.  
Rorai, Albert, Ottawa, Ont.  
Rowley, Barbara, St. Lambert, Qué.

## S

Saint John District Labor Council, N.B.  
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 Sarrazin, Joe, Prince Albert, Sask.  
 Schneider, Larry, Regina, Sask.  
 Schuldes, Wulf K.F., Victoria, B.C.  
 Scott, Sarah, Westmount, Qué.  
 Seads, Edward P., Dieppe, N.B.  
 Sellgren, Tom, Victoria, B.C.  
 Serré, Mijanou, Ottawa, Ont.  
 Sharp, Clifford C., North Bay, Ont.  
 Sim, H. Theresa, Niagara-on-the-Lake, Ont.  
 Sinclair, Jim, Trail, B.C.  
 Slater, J.P., Cobble Hill, B.C.  
 Sleeman, Iline, Winnipeg, Man.  
 Smith, Elizabeth P., Waterloo, Ont.  
 Snow, Arthur, Montréal, Qué.  
 Sparkes, Stanley, Winnipeg, Man.  
 Speight, Helen, Victoria, B.C.  
 Stroud, Evylin, Bowmanville, Ont.  
 Stuart, Robert, Victoria, B.C.  
 Surette, Ralph, Dartmouth, N.S.  
 Sweetnam, W.R., Nain, Labrador, Nfld.

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Teape, Roland C., Edmonton, Alta.  
 Thompson, Donald N., Downsview, Ont.  
 Thompson, M.B., Ottawa, Ont.  
 Tillema, Ken, Chatham, Ont.  
 Timmins-Porcupine Chamber of Commerce, Timmins, Ont.  
 Timourian, J.G., Edmonton, Alta.  
 Tremblay, Don E., Timmins, Ont.  
 Tremblay, Fernand, Timmins, Ont.  
 Tremblay, Mike, Ottawa, Ont.  
 Tudorache, Petre, Windsor, Ont.  
 Turmel, John C., Ottawa, Ont.  
 Turner, Brian, Victoria, B.C.

## U

Underwood, Jay, Truro, N.S.  
 United Steel Workers of America, Schefferville, Qué.

## V

Van Den Berg, E.C., Victoria, B.C.  
 Van Dine, Richard S., Victoria, B.C.  
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 Vradenburg, Tom, Ottawa, Ont.

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 Wallace, G.L., Victoria, B.C.  
 Wallace, George A., Cobden, Ont.  
 Wallis, Margaret, Oshawa, Ont.  
 Walsh, M., Vernon, B.C.  
 Warren, W.H., Victoria, B.C.  
 Webb, Dave, Ottawa, Ont.  
 Weir, Rooney, Winnipeg, Man.

Western Speedway, Victoria, B.C.  
Westmacott, Robert O., Winnipeg, Man.  
Wheeler, D.H., Winnipeg, Man.  
White, Ron, Stroud, Ont.  
Wiens, Les, Winnipeg, Man.  
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Wild, J.L., London, Ont.  
Williams, David, Winnipeg, Man.  
Williams, Sydney A., Ottawa, Ont.  
Willis, I. David, Alliston, Ont.  
Wilson, William G., Ottawa, Ont.  
Winchester, Dawson, London, Ont.  
Winter, Jim, Syracuse, N.Y.  
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Wood, Alvin W., Hamilton, Ont.  
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Wyatt, Stanley, Weston, Ont.

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# APPENDIX VI

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Andrée Simard, Executive Secretary  
  
Laurent Picard  
Lise Sicotte, Secretary  
  
Borden Spears  
Janice Davison, Secretary

### *Secretary*

Nicholas Gwyn  
Judith Deegan, Executive Assistant  
Kathleen Hunt, Assistant Secretary

### *Legal Counsel*

Donald S. Affleck, Q.C., Chief Counsel  
Anne Hooper, Executive Secretary  
Jean Crépeau, Q.C., Counsel  
Laurie Klee, Assistant

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Tim Creery  
Louise Plummer, Administrative Assistant

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Timothy J. Corbin, Economic Adviser  
Jean-Claude Labrecque, Research Co-ordinator  
Dick MacDonald, Research Editor

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### *Information Centre*

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Helen Charney  
Pamela Cullum  
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Sheila Zimmerman

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Joan Forsey

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Mary O'Keefe, Administrative Assistant  
  
Hélène Bertrand  
Hélène Butler  
Ric Charles  
Céline Proulx  
Christine Roush  
Chantal St-Denis  
Bernard Sullivan

### *Indexers*

Bibiane Poirier  
Margit Avis  
Brian Baker

### *Report Design*

Miriam Bloom

## **APPENDIX VII**

### **A Statement of Principles for Canadian daily newspapers**

**(Adopted by the Canadian Daily Newspaper Publishers  
Association, April, 1977)**

#### **I. ETHICS**

Newspapers have individual codes of ethics and this declaration of principles is intended to complement them in their healthy diversity. As individual believers in free speech they have a duty to maintain standards of conduct in conformance with their own goals.

#### **II. FREEDOM OF THE PRESS**

Freedom of the press is an exercise of the common right to freedom of speech. It is the right to inform, to discuss, to advocate, to dissent. The Press claims no freedom that is not the right of every person. Truth emerges from free discussion and free reporting and both are essential to foster and preserve a democratic society.

#### **III. RESPONSIBILITY**

The newspaper has responsibilities to its readers, its shareholders, its employees and its advertisers. But the operation of a newspaper is in effect a public trust, no less binding because it is not formally conferred, and its overriding responsibility is to the society which protects and provides its freedom.

#### **IV. ACCURACY AND FAIRNESS**

The newspaper keeps faith with its readers by presenting the news comprehensively, accurately and fairly, and by acknowledging mistakes promptly.

Fairness requires a balanced presentation of the relevant facts in a news report, and of all substantial opinions in a matter of controversy. It precludes distortion of meaning by over- or under-emphasis, by placing facts or quotations out of context, or by headlines not warranted by the text. When statements are made that injure the reputation of an individual or group those affected should be given the earliest opportunity to reply.

Fairness requires that in the reporting of news, the right of every person to a fair trial should be respected.

Fairness also requires that sources of information should be identified except when there is a clear and pressing reason to protect their anonymity. Except in rare circumstances, reporters



should not conceal their own identity. Newspapers and their staffs should not induce people to commit illegal or improper acts. Sound practice makes a clear distinction for the reader between news reports and expressions of opinion.

## **V. INDEPENDENCE**

The newspaper should hold itself free of any obligation save that of fidelity to the public good. It should pay the costs incurred in gathering and publishing news. Conflicts of interest, and the appearance of conflicts of interest, must be avoided. Outside interests that could affect, or appear to affect, the newspaper's freedom to report the news impartially should be avoided.

## **VI. PRIVACY**

Every person has a right to privacy. There are inevitable conflicts between the right to privacy and the public good or the right to know about the conduct of public affairs. Each case should be judged in the light of common sense and humanity.

## **VII. ACCESS**

The newspaper is a forum for the free interchange of information and opinion. It should provide for the expression in its columns of disparate and conflicting views. It should give expression to the interests of minorities as well as majorities, and of the less powerful elements in society.

# Index

**AT&T** 200

**Advertising**

- Consumer spending, relation 69-70, 82-3
- Editorial content, influence 73
- Expenses 67, 76-7
- Growth 68-9, 71
- News hole 69
- Recoveries, per agate line 72
- Retail, classified, national 67, 70, 83
- Revenue 67, 68-74
- Taxation 55-6
- Various media 73-4

**Advisory Committee**

- Kent Commission, recommendation 249-50

**Alberta Press case** 42-3

**Anti-Combines Legislation**

- Irving case 57-9
- Newspaper industry 57-60, 228

**Armada Company Limited**

- Divestment 242
- Public service, profitability objectives 98

**The Beacon Herald of Stratford Limited** 99

**Bill C-42** — Canada Post Corporation Act 54

**Bill C-43** — Act to provide access to government information and protection of personal information 47

**Bill C-57** — Act to amend the Excise Tax Act and to provide for a revenue tax in respect of petroleum and gas 55-6

**Birmingham Post** 210

**Black, Mr. Justice Hugo** 234

**Blackburn, Walter** 127

**Bolwell, Edwin** 131

**Boudreau, Martin** 123

**Bowes Publishers Limited** 6, 139

**Braid, Don** 109

**Britain**

- Departmental Committee on Section 2 of the Official Secrets Act, 1911 45-6
- Monopolies and Mergers Commission 59
- Royal Commission on the Press, 1962, 1977 26, 59-60, 184

**British North America Act** 41, 43

**Brown, George** 136

**Brown, John** 151

**Bryce Commission**

*See*

- Royal Commission on Corporate Concentration

**Burt, Murray** 126, 152

**CDNPA**

*See*

- Canadian Daily Newspaper Publishers Association

**Calgary Herald** 159

- Canada Newspaper Act**
  - Jurisdiction 233-5
  - Kent Commission, recommendation, main features 237-8
- Canadian Charter of Rights and Freedoms** 26, 44
- Canadian Community Newspapers Association** 158
- Canadian Daily Newspaper Publishers Association**
  - Bill C-57 55
  - Journalism education 158, 174, 226
  - Newspapers, subsidization 53, 54
  - Statement of Principles 24, 163, 217, 248, 250, 286-7
- Canadian Human Rights Commission** 250-1
- Canadian Labor Congress** 232
- Canadian Pacific Railway** 119-20
- Canadian Press, The**
  - Assessments to member newspapers (1981) 125
  - Background 119-20
  - Broadcast News Ltd. 127-8
  - Broadcasters, dependence on 127-8
  - Budget revenues 1974-1981 125
  - Chain influence 126-7, 132
  - Competition 128-9
  - Coverage
    - Foreign 120-2, 124-6, 132, 167
    - Political 142, 144
    - Regional 166-7
  - Davey Committee 121
  - French-language services 120, 122-4, 132
  - Membership 120, 125
  - Press News Ltd. 127
  - Quality of service 120-1, 132, 255
  - Quebecor 123-4
  - Staff 121-3
  - Structure, organization 120
  - Videotex 210-1
  - Workshops 159
- Canadian Radio-television and Telecommunications Commission (CRTC)** 203-4
- Cannon, Mr. Justice L.A.D.** 42
- Carleton Journalism Review** 160
- Carlisle, David M.** 201
- Carney, Pat** 201
- Censorship** 42
- Centre for Investigative Journalism** 32, 159, 161
- Cherneskey v. Armadale Publishers Limited et al** 52-3
- Chrétien, Jean** 47
- Circulation**
  - English-language, by ownership 2-3
  - (and) Population trends, 1900-1980 5, 64-5, 82
  - Provincial, chains, independents 9-12
  - Revenue 66-7
  - Total 64-5
- Community newspapers** 72-3, 140-1
- Competition**
  - Advantage 112-3
  - Present situation 9
- Confédération des syndicats nationaux (CSN)** 32
- Consumer magazines** 245
- Content** 159-60
- Costello, Ralph** 57
- Côté, Serge** 150
- Creighton, Douglas** 96

**Criminal Code** 48, 49, 50  
**Crowther, Tom** 96  
**Custeau, Maurice** 152  
**Dauphinee, John** 125-6  
**Davey, Senator Keith** 137-8  
**Davey Committee**  
     *See*  
     Special Senate Committee on Mass Media  
**Davies, Michael** 127  
**Dennis, Graham** 139-40  
**Desmarais, Paul** 95  
**Dingman, Charles** 99  
**Doyle, Kevin** 130  
**Doyle, Richard J.** 106  
**Duff, Sir Lyman** 43  
**EdiMédia** 124  
**Editorial content**  
     Concentration, homogenization 113-4, 115-6, 142, 144, 166-8,  
         173-4  
     Coverage  
         Foreign 110, 120-2, 124-6, 132, 167-8  
         Local, regional 34, 110, 112, 124-6, 166-7  
         National 124-5  
         Political 135-42, 144, 166, 167  
     Expenditures 67, 78, 89, 221-3, 252-4  
     Kent Commission, recommendations  
         Editorial independence 246-8, 250  
         Expenditures 252-4  
     Readers, degree of interest 37  
**Editors-in-chief**  
     Kent Commission, recommendations 245-50  
**Edmonton Journal** 156  
**Edmonton Journal Newsroom Association** 159  
**Electronic media**  
     Advertising 73-4  
     Newspaper industry, competition, comparison 35-8, 105, 167,  
         182, 216, 231  
     Political coverage 137-8, 142-4  
**F.P. Publications Limited (FP)** 224  
**Fairweather, Gordon** 27, 46  
**Falardeau, Louis** 150  
**Fédération nationale des communications (FNC)** 32  
**Fédération professionnelle des journalistes du Québec (FPJQ)** 33,  
     150, 160-1  
**Ferron, René** 123  
**Financial Times of Canada** 209  
**Fisher, Gordon** 66, 92-3, 130  
**Fotheringham, Allan** 130, 166  
**Francoeur, Jacques** 97, 115  
**Franks Committee on the Official Secrets Act**  
     *See*  
     Britain  
**Freedom of information**  
     Legislation 47  
**Freedom of the press** 22, 25-7, 28, 34, 217, 233-5  
**Fulford, Robert** 178  
**Gagnon, Lysiane** 32  
**Gatley on Libel and Slander** 51  
**Gesca Ltée** 94-5  
**Godfrey, David** 201  
**Goldfarb Consultants Ltd., Toronto** 124, 126  
**Goodman, Martin** 120-1, 124, 132, 168, 195  
**Gordon, Charles** 182

**Gordon, Donald R.** 23  
**Grant, Hunter S.** 127  
**Green, Christopher** 57  
**Halifax Chronicle-Herald** 139-40  
**Hamilton, John** 82  
**Hamilton, Margaret** 124, 139, 168  
**Harden, Patrick** 129  
**Haslam, Gerald** 195  
**Harrison, Mark** 29  
**Heine, W.C.** 139  
**Herder, J.W.** 114  
**Honderich, Beland H.** 99, 114, 200  
**Info Globe** 186, 199  
**Infomart** 199-200, 201, 209, 211  
**Inland Publishing Company Ltd.** 114  
**International Commission for the Study of Communications Problems** 26  
**Irving, Arthur** 95, 96  
**Irving, John** 95-6  
**Irving Group**  
     Divestment 241-2  
     Industrial interest 177  
     Public service, profitability objectives 95-6  
     *R.v.K.C. Irving, Ltd., et al* 57-9  
**Journalism**  
     French-language 23, 30-1, 171  
     Market-survey 73, 171-3  
     Pack 143, 144  
**Journalism education**  
     Kent Commission, suggestions  
         In-house training programs 226  
         National training foundation 225-6  
     Professional development 157-61  
     Scholarships 159  
     Schools  
         English-speaking Canada 154-6  
         French-speaking Canada 156-7  
         Locations, map 153  
         Present situation, future outlook 157, 174  
     Training 173-4  
**Journalists**  
     Declining prestige 109-10  
     Disenchantment 170-1  
     Management relations 101-2  
     Qualifications, competence 168-70, 183  
     Salaries 173  
     Role 218  
**Keate, Stuart** 23, 126  
**Kent Commission**  
     *See*  
     Royal Commission on Newspapers  
**Kesterton, W.H.** 136  
**Kincaid, Keith** 121  
**Kitchener-Waterloo Record** 159, 239  
**La Presse** 113, 115, 160  
**Labor relations** 79-80  
**Labor unions** 32-3  
**Lacombe, Aimé** 82  
**Larsen, Bruce** 126  
**Laskin, Chief Justice Bora** 58  
**Le Devoir** 23, 29, 31, 32, 33, 82, 89, 100-1, 115, 138, 160  
**Le Droit Ltée** 100  
**Le Jour** 32

*Le Monde* 107  
*Le Soleil* 113, 115, 151, 166  
*Le "30"* 160-1  
 Leigh, E.S. 76  
 Lewis, Merlin 71-2  
 Libel 47-53  
 Liebling, A.G., *The Press* 136  
 Lippmann, Walter 163  
 List, Wilfred 169  
 Lunn, Richard 174  
 McArthur, Jack 111  
 McConechy, Colin 131  
 McConnell, Robert 29  
 MacEachern, William 140  
 McKerracher, Keith 73  
 McKichan, Alasdair 71  
*Maclean's* 169  
 MacNeil, Ian 139  
 McRuer Commission on Human Rights 148  
 Madden, John C. 192  
 Mallory, J.R. 44  
 Megarry, Roy 128, 195  
 Mintzberg, Henry 30, 114, 165  
*Montréal Gazette* 45, 110, 151  
*Montréal-Matin* 115, 137  
 Mowers, Cleo 27  
**New technology**  
     Accessibility 202, 205, 211  
     Cable TV, telephone companies 193-4  
     Computer hardware 183-6  
     Home computers 190, 194  
     Impact  
         Economic 186  
         Labor force 79  
         Newspaper industry 4, 88, 194-5  
     Satellite communications 186, 208  
     Telematics 187  
     Video display terminal (VDT) 111, 184  
         *See also*  
         Teletext  
         Telidon  
         Videotex  
**News services**  
     Associated Press 119-20, 121-2  
     Broadcasting 127-8, 129, 253  
     Competition 128-9, 255  
     FP News Service 129-30, 166  
     Foreign 131-2  
     Kent Commission, recommendations 254-5  
     Québec, separate service 124  
     Southam News 130, 132, 254  
     Thomson News Service 130, 131, 132  
     United Press Canada 128-9, 132  
     United Press International 128, 129  
     Use of, increase 166-7  
         *See also*  
         Canadian Press, The  
**Newspaper closings**  
     Causes 79  
     Kent Commission, recommendation 244  
**Newspaper finances**  
     Expenses  
         Administration 67, 77-8  
         Advertising and marketing 67, 76-7

- Capital spending 80-1
- Circulation and distribution 67, 76
- Editorial 67, 78, 89, 221-3
  - Kent Commission, recommendation 252-4
- Labor 67, 78-80
- Production 67, 74-6
- Income statement, 1974 to 1980 67
- Market overview 87-8
- Net income and profitability 67, 82-5
- Return on net assets employed 83-4
- Revenue
  - Advertising 67, 68-74
  - Circulation 66-7
- Tabloids 81-2, 83
- Newspaper Guild, The** 32
- Newspaper industry**
  - Content/carrier separation, Kent Commission, suggestion 232-3
  - Employees by department 78-9
  - Federal-provincial jurisdiction 41-4, 233-4
  - Government involvement 230-2, 233-4
  - Importance 216-7
  - Market trends 110-1
  - Performance, criticism 175-6
  - Political
    - Editorial endorsement 139-41
    - Influence 136-9
  - Present situation 4-9
  - Profitability 163-4
  - Public policy 15-7
  - Traditions 23
  - Transition 1-4, 181-3
- Newspaper management** 112-6
- Newsroom**
  - Various tasks, description 105-9
- Nichol, Donald** 89, 107-8
- Northumberland Publishers Limited** 7
- O'Brien, Jan** 33
- O'Callaghan, J.P.** 55-6
- Official Secrets Act** 44, 45-7
- O'Leary Commission**
  - See*
    - Royal Commission on Publications
- Ombudsmen**
  - Kent Commission, suggestion
  - Role 150-1
- Ottawa Citizen** 76, 177
- Ottawa Journal** 76
- Ouellet, André** 57, 59
- Owners**
  - Editorial influence 112, 114, 115, 221, 229, 232-3
  - Kent Commission, recommendations
    - Divestment 228-9, 241-4
    - Editorial influence 246-8
  - Management relations 101-2
  - Political endorsement practices 139-40
  - Public service, profitability objectives 27-30, 33, 89-100, 163-6, 176-9, 220-1
    - Evaluation 101-3
  - See also*
    - Individual chains
- Ownership**
  - Change of 113
  - Cross-media 13-4, 229-30

- Foreign 56, 207-8
- Kent Commission, recommendations 238-41
  - Cross-media ownership 239-41
- Pattern 89-90
- Ownership concentration**
  - CRTC, ruling 203-4
  - Controls 14-5
  - Effects 113-5
  - Inter-conglomerate ventures 14
  - Kent Commission, conclusion 215-25
  - Mixed conglomerates 13
  - Newspaper chains 1, 9-13
  - Public opinion 38
  - Québec, province 114-6
- Padlock Law** 43
- Parkhill, Douglas** 201-2
- Parliamentary privilege** 45
- Péladeau, Pierre** 82, 97-8, 123, 139
- Postal rates** 53-4
- Power Corporation of Canada** 94-5
- Pravda* 24
- Press Councils**
  - Alberta 148
  - Background 147-8, 151-2, 153
  - Kent Commission, suggestion 226-7
  - Ontario 148-9
  - Québec 33, 149-50
  - Thomson chain 149
  - Windsor 148
- Press galleries** 141-2, 166
- Press Ownership Review Board** 17-8
- Press Rights Panel**
  - Kent Commission, recommendation 238, 239, 240, 243, 250-2
- Print CBC** 228-9
- Printing plants** 232
- Publications Development Loan Fund** 18
- Publisher** 27-8, 246
- Quebec-Presse* 32
- Quebecor Inc.**
  - Canadian Press 123-4
  - Journalists 31, 110-1
  - Political endorsements 139
  - Public service, profitability objectives 97-8
  - Tabloids 123
- Radler, F. David** 151-2
- Rand, Mr. Justice Ivan** 43-4, 49
- Rogers Cablesystems Inc.** 193-4, 204-5
- Rondeau, Guy** 123
- Roy, Michel** 100, 160
- Royal Commission on Corporate Concentration** 234
- Royal Commission on Newspapers**
  - Hearings 268-83
  - Personnel 284-5
  - Proceedings 261-2
  - Research studies 263-7
  - Terms of reference 259-60
- Royal Commission on Publications** 234-5
- Saskatoon Star-Phoenix* 52
- Saturday Night* 178
- Sauvé, Jeanne** 191, 212
- Siegel, Arthur** 44, 216
- Sifton, Michael** 28, 98
- Sigler, John** 126, 167-8



**Sisto, Jean** 123  
**Slaight, Brian** 131  
**Small, Douglas** 130  
**Smith, Adam** 217  
**Smith, Anthony** 202  
**Social responsibility**  
     Codes of ethics 24  
     Definiton 234-5  
     Editor 29  
     Evolution, importance 21-7  
     Financial independence 29-30  
     Journalists 23-4, 30-2  
     Labor unions 32-3  
     Owners 27-30, 33, 89-100, 163-6, 176-9, 220-1  
     Publishers 27-8  
     Readers, opinion 33-8  
**Southam Inc.**  
     Canadian Press 127  
     Code of conduct 28  
     Ownership, Kent Commission, recommendations 239-40, 241, 242  
     Political endorsement 139  
     Professional development 159  
     Public service, profitability objectives 92-3, 102, 177  
**Special Senate Committee on Mass Media** 17-8, 22, 34, 54, 69, 121-2, 148, 152, 154, 164, 169, 171, 178, 218, 226  
**Sterling Newspapers Limited**  
     Ownership, Kent Commission, recommendations 242  
     Political endorsements 139  
     Public service, profitability objectives 94  
**Subsidies** 230, 232  
**Tabloids** 65, 81-2, 83, 107, 110-1, 173  
**Task Force on Government Information** 141  
**Taxation**  
     Bill C-57 55-6  
     Capital gains tax 219-20  
     Excise taxes 54-5  
     Income Tax Act 56-7  
     Kent Commission, recommendations  
         Tax credit and surtax 252-4  
         Tax inducement, newspaper shares 243, 244-5  
**Tele globe Canada** 207  
**Teletext**  
     Broadcast 193, 203-4  
     Cable 204-5  
     Description, expansion 187, 188  
**Telidon**  
     Characteristics 191  
     Department of Communications 191-2  
     Development 192-3  
     Field trials 192-3  
**Thomson, Kenneth** 90, 91-4, 98, 129-8, 131, 149, 163-4, 219, 220  
**Thomson Newspapers Limited**  
     Canadian Press 124, 127  
     Concentration 224  
     Cost-cutting 78  
     Divestment, Kent Commission, recommendations 229, 241-2  
     Professional development 158  
     Public service, profitability objectives 90-2, 102, 163-4, 177  
     Toronto *Globe and Mail* 229, 242-4  
**Times of London** 137, 250  
**Toronto Globe and Mail** 82, 106-7, 138, 159, 186, 199, 229, 242-4  
**Toronto Star** 132, 138, 151, 199, 240

**Toronto Sun** 46, 123  
**Toronto Sun Publishing Corporation** 96  
**Torstar—Metrospan** 114  
**Torstar Corporation** 98-9, 209-10, 224  
**Troutbeck, Robert** 73  
**UN International Covenant on Civil and Political Rights** 26  
**Underhill, Frank H.** 136  
**UniMédia Inc.**  
     News services 124  
     Public service, profitability objectives 97  
**Universal Declaration of Human Rights** 26  
**University of King's College, Halifax** 126  
**University of Western Ontario** 34  
**Utter, Douglas** 72  
**Victoria Daily Colonist** 113  
**Victoria Times** 113  
**Victoria Times-Colonist** 140  
**Videotex**  
     Accessibility 202, 205, 211  
     Antiope 189, 191  
     Cable, TV systems 202, 205  
     Content/carrier separation 202-3, 205  
     Description 187-8  
     French-language databases 208  
     Information providers 199-202  
         Kent Commission, recommendation 241  
     Newspaper industry, impact 194-5, 200-1, 208-12  
     Prestel 188-9, 191, 202, 209, 210  
     Telephone systems 202, 205  
     Trans-border flow of information 206-8  
     Trials  
         Canada 192-3  
         Various countries 188-91  
     Viewtel 210  
         *See also*  
         New technology  
         Telidon  
**Waite, P.B., *The Life and Times of Confederation*** 136  
**War Measures Act** 42  
**Weeklies** 72-3, 140-1, 185  
     Kent Commission, recommendations 240-1, 245  
**Wells, Eric** 63, 71, 172  
**Wild, J.L.** 155  
**Winnipeg Tribune** 71-2  
**Winsbury, Rex** 195, 209  
**Wood, Arthur** 76  
**Young, Christopher** 130

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# THIS IS THE

By RON POULTON  
Telegram Staff Reporter

When a newspaper dies it makes its exit with heavy regret in every line; and the real is silence and white space.

"Usually," said yesterday, "we go floor. Finally, we just go home."

After that, the staff and its wives will beater like so much cotton in the wind. But I can't remember that I didn't leave the night. "Right Metro and Final," said the re- tions a day."

Today we just go home.

I was in business, said one. "It set me." It's a real on type stones instead of the re- sponding in the manner of the

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**By RON POULTON**  
Telegram Staff Reporter

When a newspaper die, it makes its exit with heavy regret in every line, and the rest is silence and white space.

"Usually," assistant managing editor Ed Monetti said yesterday, "we go home."

Night. Night. Merro and Final. for our edit-

Monday we just go home.

Night. Night. That the staff and its woe-  
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By PETER WORTER  
Telegram Staff  
d.c. The

**MILITARY**

**Sergeant**

Tuesday Jan-20 AM 8:00  
Sergeant will be replaced by  
Historical Institute, and  
Military Association.

THE UNIVERSITY OF CHICAGO

[illegible]

# Mission accomplie l'Action-Québec se retire

Le numéro de L'Action-Québec qui vous parvient aujourd'hui prendra dans votre dossier la collection dans toute sa place dans la collection. L'Action-Québec a été fondée en 1966 par un groupe d'amateurs d'histoire puisque c'est en 1966 que paraît le premier numéro de la revue. L'Action-Québec a été fondée par un groupe d'amateurs d'histoire puisque c'est en 1966 que paraît le premier numéro de la revue. L'Action-Québec a été fondée par un groupe d'amateurs d'histoire puisque c'est en 1966 que paraît le premier numéro de la revue.

**Québec se**

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See THIS Page :



même si l'Action Québec a dû  
 chanter de nom à trou-  
 prises depuis 1967, les qué-  
 bérois ne peuvent empêcher  
 de se remémorer les ouvriers  
 de la première heure, soit S.E.  
 le cardinal Louis Nazaire Be-  
 gin, ancien archevêque de  
 Québec, S. Exc. Mgr. Paul  
 Eugène Roy, lui aussi an-  
 cien archevêque de Québec, La  
 Stanilas Lortie et l'Ad-  
 miral Rivard. A ces la-  
 teurs se sont joints par la  
 suite une pléiade de collabora-  
 teurs, notamment le Dr Jules  
 Redaucteur, un homme d'ac-  
 tion, le Dr Louis Gauthier,  
 mars 1939, M. Eugène  
 reux, l'un des Dr Le-  
 Roy, les abbés Es-  
 et Pierre Gauthier  
 et non

Le numéro de L'Action-Québec qui  
 nous parvient aujourd'hui prendra  
 dans l'avenir l'histoire puisque c'est  
 le journal après 60 ans de présence  
 dans la communauté québécoise. Le  
 mouvement des adhésions aurait pu être  
 très douloureux, tant pour l'équipe  
 nous avons craint un moment de  
 devoir définitivement interrompre  
 l'entreprise. Mais nous savons qu'il  
 nous faut persévérer, nous devons  
 vouloir propriétaires, Monsieur le  
 Jean Pelletier qui défend nos in-  
 térêts. Ainsi, lancer un nouveau qua-  
 lité. L'Action-Québec n'est renvoyé à  
 qu'un cas de fermeture, plus de 125  
 d'adhésions permises à la population  
 de compter encore sur un deuxième  
 rendons hommage sur un deuxième  
 Pelletier dont un deuxième

L'Action-Québec se retire  
 Lorsque Monsieur Guy Hamel  
 accepta, en 1968, de jouer le rôle de  
 ment le rôle de président de l'entre-  
 prise, on lui se trouvait déjà dans  
 une situation précaire et on craignait  
 de survie étaient minimes. Mais le  
 le défil d'un faire une entreprise  
 rentable, compromettant sans enthou-  
 siasme à toute l'équipe, il a réussi  
 par ses dévouement et son dynamisme  
 à créer une entreprise qui court pas  
 port. À nous, l'entreprise ne court pas  
 1968 à l'actuel, elle a fait assez d'ar-  
 guments pour transformer, plus de 125  
 nous déclarant qu'elle se retire  
 de Monsieur Hamel. C'est l'Action-  
 français d'un plan. C'est l'Action-  
 L'Action-Québec

Mais des sur-  
 ventés nous  
 ont fait à un  
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 L'Action Québec  
 la maison qui se-  
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