owes to various lenders, plus the corporation's equity – that is, the money it has received from the people who paid cash into the treasury in return for shares.)

The first table (Table 9) corresponds to the "assets" side of our composite balance sheet. Instead of showing actual amounts, it shows proportionally how various kind of assets are distributed.

You'll notice that, over the period studied, there was a sharp increase in the proportion of assets invested in affiliated companies – from 10.6 per cent in 1958 to 17.8 per cent in 1967. That increase constitutes an accountant's-eye view of where daily newspapers were putting their extra cash. They weren't spending much of it on new buildings and new equipment – that proportion drops slightly over the ten-year period. What they *were* doing was investing it in other companies.

The second table (Table 10) corresponds to the liabilities side of the balance sheet. Again, it's a proportional description.

This table, too, indicates what the daily newspapers have been doing with their extra money. The biggest reduction in the ten-year period is in the "long-term debt" column, which means the dailies were borrowing less and less to finance their long-term growth. So where *did* they get their growth money? By now you should know the answer – from retained earnings, the profits they didn't pass on to their shareholders. Their proportion increased from 37 to 44.4 per cent during the ten-year period.

Now comes the nitty-gritty. The next six tables (11 to 16) document the profitability of daily newspapers in considerable detail. The tables are based on D.B.S. figures which aggregate the financial statements of corporations publishing nearly every daily newspaper in the country. The sixth table (Table 16) provides a comparison between the newspaper business and various other industries.

One of Roy Thomson's most memorable observations was that a television broadcasting permit is "like having a licence to print your own money." These tables demonstrate that ownership of a daily newspaper often amounts to the same thing, except you don't need a licence. There are groups of medium-sized newspapers, the tables show, which in at least one year earned after-tax profits (on equity) of 27.4 per cent! The overall after-tax average, for all newspapers over the ten-year period, as a percentage of total equity, is between 12.3 and 17.5 per cent. In 1965, which was a great year for the industry, after-tax profits of daily newspapers as a percentage of the amount put up by shareholders was 17.5 per cent. The comparable percentage for all manufacturing industries was 10.4 per cent; for retailing industries it was 9.2 per cent. Owning a newspaper, in other words, can be almost twice as profitable as owning a paper-box factory or a department store. The tables follow normal accounting practice by expressing profits in several different ways – (a) as a percentage of total assets, before interest and income taxes are paid; (b) as a percentage of equity, after interest is paid; (c) as a percentage of equity, after interest and income-tax payments; and (d) as a percentage of total revenues, before interest and income tax.