

Angry citizen in Victoria, given five minutes by the Commission to vent spleen regarding Thomson merger of two Victoria dailies: "Amalgamated newspaper's coverage is absolutely the pits."

Corporate ownership of the press, does Kent Commission have the answer?

by M.L. Hendry

On August 27, 1980, a day remembered by the newspaper industry as "Black Thursday", two longstanding, respected Canadian newspapers died simultaneously.

The Ottawa Journal and the Winnipeg Tribune, both over 90 years old, were closed by Thomson Newspapers Limited and Southam Inc., their respective owners.

This move left both Thomson and Southam, whose combined control of Canadian English language dailies approaches 60 per cent, with a profitable new monopoly situation -- Thomson in Winnipeg with the Free Press, and Southam in Ottawa with the Citizen.

In response to the shock and outrage of Canadians at what seemed the last straw in corporate manoeuvring, the federal government launched a commission which was instructed to "inquire generally into the newspaper industry in Canada, study specific aspects of the situation and suggest possible remedies."

Thus was born the Royal Commission on Newspapers.

This was not the first time the federal government had focussed its attention on Canadian newspapers. In 1969 the Canadian Senate constituted a Special Committee on Mass Media to "consider and report upon the ownership and control of the major means of mass public communication in Canada."

That Committee, chaired by Senator Keith Davey, culminated in December 1970 with a detailed report on Canadian mass media which suggested how the media's structure and performance could be improved.

One of the Davey Committee's major recommendations was that the government should establish a Press Ownership Review Board, with powers to approve or disapprove mergers between, or acquisitions of, newspapers and periodicals.

The guideline for such a Board, to be enacted in legislation, was that all transactions which increase concentration of ownership in the mass media are undesirable and contrary to the public interest, unless shown to be otherwise.

When the Davey report was made, Thomson-owned papers accounted for 10.4 per cent of English-language daily newspaper circulation. By 1980, when the Royal Commission was struck, Thomson had increased their holdings to 25.9 per cent and owned 40 newspapers, including the Globe and Mail. Southam-owned papers

appointed chairman of the Royal Commission. Borden Spears, former managing editor of the Toronto Star (and executive consultant to the Davey Committee) and Laurent Picard, former president of CBC, were the other commissioners chosen.

Between September 1980, when the Kent Commission was established, and July 1981, when a report on its findings was published, 246 briefs and 270 letters were received by the Commission and 353 people were heard at public hearings held

unfavourable, however, and, as expressed by Tom Kent at Dalhousie University last week, the Commission stands firmly behind its recommendations and believes the federal government should act upon them poste haste.

The recommendations, Kent said, are designed to reinforce the operation of journalistic conscience and to strengthen the hands of journalists. The government will have no control over the editorial content of any newspaper.



Tom Kent, chairman of the Royal Commission on Newspapers

Kent: the problem is serious

Thomas Kent, appointed chairman of the Royal Commission, is currently dean of the faculty of administrative studies at Dalhousie University. Formerly editor of the Winnipeg Free Press, and assistant editor of the London Economist, Kent was also policy secretary to Prime Minister Lester Pearson and the first deputy minister of Manpower and Immigration.

The following is a summary of what Commissioner Kent said in an address at Dalhousie University last week.

"If the recommendations of the commission are implemented, it would result in more resources being put into editorial content of the newspapers. This could lead to more investigative news and better-informed comment.

The reality we face is that the newspaper industry is being absorbed by con-

glomerates and may disappear entirely if the laws aren't changed.

The Commission was convened from the perspective of a newspaper's responsibility to the public, as defined in the Canadian Daily Newspaper Publishers Statement of Principles, as follows:

"The operation of a newspaper is in effect a public trust...and its overriding responsibility is to the society which protects and provides its freedoms.

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

These are the fine words of the publishers themselves. How close the papers come to meeting their responsibility depends on the sincerity of the people on the job and on the resources the proprie-

A Globe and Mail editorial called the report a "veritable idiot's delight of interference".

tors are willing to devote to news.

For the proprietor, there is no profit in being generous. Beyond the minimum editorial content necessary to fill the 'news hole', the space between the revenue-producing ads, extra money spent on content will do little for circulation.

It's entirely a matter of journalistic pride in conflict with the criteria of profit.

If ownership by profit-oriented conglomerates increases, the declared principles of trust and fidelity to the public will cease to be honoured and will become meaningless.

That's the problem we face, and the essence of our findings.

Our recommendations aren't perfect, but primarily critics are merely defensive and offer no alternative solutions.

A free and active press is essential. The problem can't be ignored, so the best available solutions must be acted upon."



ers increased from 21.5 per cent of English-speaking circulation to 32.8 per cent. Similar consolidations took place in Quebec, with chain ownership of the French-speaking press increasing from 49 per cent of circulation in 1970 to 90 per cent in 1980.

Tom Kent, dean of administrative studies at Dalhousie University, was

in seven provinces.

With the publication of the Commission's report, all hell broke loose.

The contents of the report, and particularly some of its recommendations to the federal government, aroused sharp criticism and angry opposition from across the country.

Reaction to the report was not totally

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Halifax, January 18

"I have very mixed feelings about the Kent report. Parts of it are rubbish. The worst sin of the Commission is that they started with an idea (that most faults in Canadian newspapers are attributable to chain ownership) and haven't deflected from that. They made the facts fit a pre-conceived notion, and that's damn bad journalism.

on editorial contracts for non-independent newspapers

I can't for the life of me understand why they would propose editorial contracts for chain papers only. If there is some wish to separate editors from intellectual contagion by publishers, why not the editor of the Toronto Star and the Chronicle-

Herald, as well as the Globe? It's ridiculous. The publisher of the Star is as strong as any, and no criticism implied. It's a bureaucrat's dream, this great apparatus, that reflects their preoccupation with chains.

On top of which, the idea of an editorial contract is nonsense. The contract will run out, and, in any case, the publisher could easily fire an editor. Suppose you're editor of the Victoria Times-Colonist, a Thomson paper. If you're ambitious, you wouldn't be any less susceptible (to pressure from the publisher) than you'd be without a contract.

on chain ownership, and forced divestment

I agreed in 1971 (with the Davey committee) that more and more papers disappearing into chains is a bad thing.

To be brutally materialistic, more concentration means fewer places for journalists to go. We need more choice.

The government was faced with this question in 1971. Davey was not unknown to the government of the day. They had a report from him and they did nothing.

If in the meantime Ken Thomson or Southam Inc. followed ordinary business instincts and bought more newspapers, it seems a little unfair for the government to make good its own dilatoriness by now decreeing that what the chains did is illegal.

But I must admit to a selfish interest here, I have an association with the Globe and Mail. I like it, I think it's a good newspaper. Anything that harms the Globe, as this would, I think, is regrettable, and for Canadian journalism on the whole.

Making the Globe and Mail a national newspaper is an exciting project. I have

per cent of New Brunswick circulation, sell one paper.

4. Establish government tax credits and surtaxes.

Papers with editorial expenditure above the industry average in a given year would receive a tax credit. Papers with editorial expenditures below the industry average would pay a surtax.

This would encourage newspaper owners to devote more financial resources to the editorial content of the papers.

5. Establish a Press Rights Panel.

The functions of such a panel would be, generally:
- to observe the performance of papers in Canada in light of the Newspaper Act and to publish annually a review of that performance with any appropriate comment and advice to newspapers or government.

Bain: report contains some rubbish



George Bain, director of King's College School of Journalism

nothing good to say about endless chains, but I like the project.

on corporations with other interests owning newspapers

I have a problem here. Who buys newspapers? There's a hell of a concentration in all Canadian industry, by a small number of immensely rich conglomerates. You don't find a purchaser on every

corner. If Thomson were forced to sell the Globe, who'd buy it?

on prohibiting further concentration

Hell, no, I have no problem with that. The government should definitely prevent further concentration of newspaper chains. They should have done it ten years ago.

on tax credits for more editorial content

A damn good idea. It would be great if you could encourage papers to spend more money on news coverage. Anything to result in more news is good.

on government press panels

I don't think newspapers can be free from all scrutiny. They're good at doing the scrutiny, but not at receiving it. Newspapers don't come in for any regular, reasoned criticism like they give.

But I do get a little nervous at any indication that government could start imposing on newspapers, because you never know when they'll do it for political reasons. There are some people in Ottawa who think newspapers exist to glorify the government in power, that anything else should be stopped.

on voluntary formation of press councils

Some papers have been a little remiss in not taking up press councils on their own. I don't know if councils do a lot of good, but at least they give a person with a complaint somewhere to go. If newspapers had been more inclined (to form/join press councils) they wouldn't be subject to so many proposals now. They bring trouble on their own heads by being so

sensitive. Even where a press council exists a paper must (still) exercise its own conscience.

Having an ombudsman on a paper is a good idea too, especially on a large paper where people are busy.

on the present operation and desirable future directions of the Ontario Press Council

A press council hears complaints about a member newspaper, and the paper is bound to publish the Council's findings. That puts some pressure on papers.

Newspapers don't take other papers to task, it's usually done by the public. But there's no reason why in Toronto, for example, a paper flagrantly involved in bad practices couldn't be taken to the Council by another newspaper.

I'd like to see a paper taken before a Council for selling news stories to go with ads. In the Chronicle-Herald, for example, you see a page of ads from all the contractors of a new building, and beside the ads there's a nice little story about the building, written under a reporter's by-line. It's a form of enforced prostitution. If newspapers will sell news columns, then "we can't believe anything they say" is a legitimate complaint. I'd like to see somebody take a case of that to a press council.

on what the Canadian Daily Newspaper Publishers Association (CDNPA) should do

(Selling news stories to go with ads) is an appalling practice that cheapens the industry, and I'd like to see it stopped. I suggest the CDNPA should sling those papers out of its membership. They have a Statement of Ethics that Kent suggests as ideal. I assume any newspaper association can regulate its members.

on what CDNPA does do

Papers are pretty self-protective, with a "you protect us, we'll protect you" attitude. The CDNPA is mostly a club that exists to represent the newspaper industry, a lobby group.

on how newspapers could be improved

There are things that are wrong with our papers, they're not as good as they could be. More money should be spent on editorial content, to give journalists more

A SUMMARY OF THE REPORT

The essential recommendations of the Commission, to be legislated in a Canada Newspaper Act, would:

1. stop further growth of newspaper chains. Newspapers would not be permitted purchases which would result in their:

- owning more than five newspapers,
- owning more than five per cent of the circulation of all dailies in Canada,
- acquiring another paper within 500 kilometres of one they already own.

The act would also prohibit the purchase of a newspaper business by a company or person whose non-newspaper assets were greater than the assets of the newspaper to be purchased.

Acquisitions increasing cross-media (newspapers, television, radio) ownership in any given area would not be permitted.

2. Require editorial independence. This recommendation would apply only to newspapers whose proprietor has other assets of greater value than the newspaper.

The editor-in-chief of the paper would be appointed by a written contract, which would be detailed in the Newspaper Act. The contract would set out a statement of principles for the conduct of the paper, and would establish the editor's complete responsibility for editorial content. This would include the right to criticize the actions of any person, company or organization associated with the proprietor.

The editor-in-chief would be required to make an annual report, reviewing the paper's performance against the standards set out in the contract. The report would be delivered to the newspaper

The advisory committee would consist of two members appointed by the proprietor, two members elected by the journalistic staff, and three members of the community.

Annual reports would be forwarded to a Press Rights Council created within the Canadian Human Rights Commission.

3. Divestment of present holdings. Enforced divestment of some present concentration is recommended. Some specifics mentioned would require that:

- Thomson sell either its 39 daily newspapers or the Globe and Mail,
- Armadale Company Limited, whose papers account for 85.7 per cent of circulation in Saskatchewan, sell either its Saskatoon or Regina paper,
- The Irving Group, which controls 90.6

