

mutually exclusive, but some publishers are unable, and some are unwilling, to give excellence an equal priority with profit. It is not that the companies are charging too much, but that they are spending too little. One of the most thoughtful analyses I have seen of those sections of our report dealing with profitability of the media is contained in the December 19, 1970, issue of the *Financial Post* and I would like to quote from it briefly:

Many media men prefer to measure profitability by expressing profits as a percentage of revenue. The Davey Committee report calculated this too—

As most certainly we did.

—but emphasized return on equity in concluding that newspaper publishing and broadcasting were highly profitable industries.

Then here is the crunch paragraph:

As the accompanying charts and table show, newspapers and large broadcasters fare rather well no matter which yardsticks are used.

There is one footnote to our discussion of profitability that I would like to deal with in the course of my remarks, and perhaps this is the time. I would like to quote an editorial written by the publisher of the *Winnipeg Tribune*, which appeared in his paper on December 11, 1970. I would like to read the key excerpt. Referring to our profitability comments he said:

I don't question DBS figures. But I do fault the Davey committee for using them to make a generalized statement which is misleading, to say the least, as far as *The Tribune* is concerned. This newspaper has never made that kind of money.

During the period 1958-65, *The Tribune's* profit as a percentage of equity was less than four per cent. You could do better in a true savings account.

Since 1967, *The Tribune's* profitability has decreased. Last year we lost money and we will this year too. For the first time in many years, *The Tribune* is not able to give its staff a bonus of a week's pay for Christmas.

If Senator Davey had been unaware of our position, his generalization might have been excused. But the committee had the information at least for last year. For reasons of omission or commission—the sins they accuse us of—these facts are not made clear.

I have two comments to make about that charge, and I would like to put them on our record. First of all, we said in the introduction to the report:

Our relationship with the media has been cordial and upon occasion frank and confidential. That confidentiality has been respected.

Indeed, we did receive from the various newspapers, radio stations and television stations a great deal of confidential information, much of it financial. That information, however, was kept under lock and key at all times. It was coded so that my colleagues on the commit-

tee were not aware in detail of its specific contents, or which information related to which newspaper. The material has since been destroyed, and the confidentiality we speak of has been totally protected. Indeed, the figure I was quoting was released by the *Tribune* itself in that article. It seems to me that had we released any of this information, particularly about confidential financial data, we would have failed to keep faith with the people who supplied it to us in confidence that it would not be so released.

Again at page 63 of the report we say:

There are a number of individual newspapers and broadcasting stations that are having trouble meeting their payrolls. But—

Then the next three words are in italics.

—on the average, media corporations are onto a very good thing indeed.

So, with great respect to Mr. Williams, I honestly do not think the complaint voiced in that editorial holds water.

There was just one other aspect of our posture: First of all, ways of achieving multiplication of media voices; secondly, ways and means of achieving an escalation of quality of the message, the quality of the media voices; and thirdly, a very real concern, not for economic nationalism—which Senator Manning was discussing earlier this afternoon but rather economic nationalism's twin brother, cultural survival.

As I have done so often—indeed, in almost every major city in Canada since Christmas—I would like to put before you the Canadian-American relationship, at least as we conceived it. Certainly in many ways it does not do a great injustice to the remarks we heard earlier this afternoon. I quote from page 11 of the report:

We all know the obstacles involved in this task. Geography, language, and perhaps a failure of confidence and imagination have made us into a cultural as well as economic satellite of the United States. And nowhere is this trend more pronounced than in the media. Marquis Childs on the editorial page. Little Orphan Annie back near the classified ads. Nixon and Tiny Tim and Jerry Rubin and Johnny Carson and Lawrence Welk and Timothy Leary on the tube. The Beach Boys and Blind Faith and Simon and Garfunkel on the radio. The latest VC bodycounts courtesy of AP and UPI. The self-image of an entire generation shaped by Peter Fonda riding a stars-and-stripes motorcycle. Need we continue?

We are not suggesting that these influences are undesirable, not that they can or should be restricted. The United States happens to be the most important, most *interesting* country on earth. The vigor and diversity of its popular culture—which is close to becoming a world culture—obsesses, alarms, and amuses not just Canadians, but half the people of the world.

What we *are* suggesting is that the Canadian media—especially broadcasting—have an interest in and an obligation to promote our *apartness* from the American reality. For all our similarities, for all our