

and programming content in the media fulfils precisely the same economic function as the hootchy-kootch girl at a medicine show – she pulls in the rubes so that the pitchman will have somebody to flog his snake-oil to. This notion may collide with the piety with which most media owners view their social responsibilities, but the more you think about the analogy, the apter it seems. Yes, advertisers are concerned with content, but only insofar as it serves to attract an audience. As the Association of Canadian Advertisers delicately expressed it in their brief: “Essentially, the national advertiser views any medium simply as a vehicle for conveying his advertising message . . . (He is) very definitely interested in the editorial information or program content of any medium, because, of course, the nature of the content determines the particular segment of the public likely to be reached by the medium, or any part of it.” In other words, the pitchman would naturally prefer a slender, 17-year-old hootchy-kootch girl to a flabby, 45-year-old hooper.

Perhaps at this point it would be best to jettison the hootchy-kootch analogy, before she shimmies out of control. Let us do so with the parting observation that, in Canada, she is a very well-paid young lady. The mass media in this country now collect more than a billion dollars a year from advertisers, a total that has more than tripled in the past twenty years. The greatest growth has been in broadcasting, where advertising accounts for 93 per cent of gross revenues in the private sector. But print has also shared in the boom; net advertising revenue for newspapers and periodicals has more than tripled since 1950, and accounts for 65 per cent of the gross income of newspapers and 70 per cent for periodicals. You can see that it is very big business indeed; every time you spend a dollar on consumer goods or services, it means that an advertiser has invested about 2½ cents to persuade you to spend it.

## NEWSPAPER COSTS

And so, in strict economic terms, the media exist as message-bearers for people who want to sell us something. The remainder of our economic argument is concerned with what it costs them to deliver that message – in terms of production and content costs – and how much is left over as profit. We’ll also see what happens to these factors as the size of the audience increases. To do so, we’ll consider print and broadcasting separately.

On the cost side, Table 8 more or less says it all. The D.B.S. statistics we use apply only to publications which both publish and print their own product; thus, they apply most specifically to daily newspapers and, to a lesser extent, to weekly newspapers and magazines. (We should note that while we use D.B.S. aggregates in this discussion, they were supplemented and substantially confirmed by the confidential data supplied to our researchers by representative publishing firms.)