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MASS MEDIA

Volume I

THE UNCERTAIN MIRROR

Report of the Special Senate
Committee on Mass Media

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The Special Senate Committee on Mass Media

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The Honourable L. P. Beaubien, *Deputy Chairman*

The Honourable Romuald Bourque
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The Honourable Harry W. Hays, P.C.
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The Honourable Frank C. Welch
The Honourable Paul Yuzyk

Terms of Reference

On Tuesday, March 18, 1969, the Senate of Canada constituted the Special Senate Committee on Mass Media by approving the following resolution:

> That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, and in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public;
>
> That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry; and
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> That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee.

The Committee was reconstituted by the Senate during the second and third sessions of the 28th Parliament on October 29, 1969 and October 8, 1970.

Preface

Since I first gave notice of motion in November, 1968, to establish a Special Senate Committee on mass media, the question I have been asked most frequently is what prompted me to propose such a Committee in the first place. I have, of course, had a lifelong interest in the media; and then too, anyone who has been active in public life soon becomes aware of the all-pervasive influence of the mass media. It occurred to me that there had never been a national accounting for the media. Most people agreed that freedom of the press presumes responsibility, but few had really stopped to assess that responsibility. It also occurred to me that Parliament might be the ideal instrument through which the people of Canada could determine whether they have the press they need or simply the press they deserve.

At first we considered a study dealing exclusively with print, but the inter-relation and inter-action between print and the electronic media is so extensive that to be meaningful it was necessary to broaden our study to include all forms of mass media. We have tried, however, to focus on the electronic media as they relate to the whole media spectrum.

Newspaper publishers, in particular, repeatedly told the Committee that they sought no special favours from government. We believe them. Certainly none are required. And yet in the United States, with an equally flourishing press, even while our Committee was meeting, Congress passed a Newspaper Preservation Act which to all intents and purposes legitimizes and extends press concentration. Its easy passage through both Houses of Congress has been popularly attributed, at least in part, to the fact that politicians looking to re-election must depend substantially upon the mass media in the very real world of practical politics.

The Canadian Senate, on the other hand, is structured in a way which allows it to take that detached view which I believe is apparent in this report. None of us doubt that the Senate can be improved. Indeed the press of Canada has been offering us advice in this regard for more than 100 years. We have been grateful for their counsel. But our first concern in approaching this report has not been the welfare of either the press or the Senate, but rather the public interest.

It should be noted for the record that from the moment the Committee was announced until these words were written, we have received the full co-operation of the mass media. Our relationship with the media has been cordial and upon occasion frank and confidential. That confidentiality has been respected.

In all modesty but in simple justice to my colleagues, I must say that it was a hard-working Committee. My gracious deputy chairman, Senator Louis Beaubien; our diligent whip, Senator William Petten; and the other members of our steering committee, Senators Charles McElman, Harry Hays, and John Macdonald, were always available. Every member of the Committee made a useful and effective contribution and I shall always be grateful to each of them: Senators Romuald Bourque, Douglas D. Everett, Mary Kinnear, J. Harper Prowse, Josie Quart, Donald Smith, H. O. Sparrow, Frank C. Welch, and Paul Yuzyk.

Our study began with an intensive research programme under the able direction of Nicola Kendall. Much of this research is appended to this report; that which is not has been made available to the libraries of the University of Western Ontario and Carleton University, which have departments of journalism.

We regret that it was not possible in the time at our disposal to include the situation of the Canadian book-publishing industry in the Committee's study. It deserves attention, because this industry is encountering serious financial difficulties and appears to be coming increasingly under foreign control. We believe it is urgently necessary to consider whether this industry—like banking, uranium, broadcasting, and newspaper and periodical publishing—should not be declared off-limits to foreign takeovers.

Throughout our hearings, which began on December 9, 1969 and concluded on April 24, 1970, we received briefs from some 500 companies, organizations, and individuals. One hundred and twenty-five witnesses appeared personally before our Committee. The value of our hearings was greatly enhanced by the effective performance of our counsel, L. Yves Fortier.

Two staff people deserve special recognition. One of these, Borden Spears, is a newspaperman's newspaperman. As our indefatigable executive consultant, he helped to bridge any credibility gap that may have existed between fifteen Senators and those who collectively comprise the mass media. Marianne Barrie, our administrative director, routinely performed the impossible.

In the deliberative and report-writing phase of our operation we were greatly assisted by Alexander Ross, Gilles Constantineau, and Peter Smith. Our research assistant, Cecile Suchal, was invaluable throughout. We are deeply indebted to the efficiency and devotion of our hard-pressed secretarial staff, Peggy Pownall and Judy Walenstein. It was an effective team, in whose assembly I take great pride. And we owe much to the unfailing assistance of my secretary, Elizabeth Nesbitt, and of Mr. Walter Dean and the staff of the Senate.

The press we need, or the press we deserve? No thoughtful analysis could offer a definitive answer. I present *The Uncertain Mirror*.

K. Davey

December 1970 (KEITH DAVEY), *Chairman*

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I

SPECTRUM

Though it will be apparent to those who read its pages that this is a pre-eminently Canadian document, we make no apology for beginning with a statement by a distinguished American jurist. Justice Hugo Black, in a case involving the right of newspapers to news, wrote that "the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public ... a free press is a condition of a free society."[1]

This notion is basic to our idea of a free society. The more separate voices we have telling us what's going on, telling us how we're doing, telling us how we *should* be doing, the more effectively we can govern ourselves. In this sense, the mass media are society's suggestion box. The more suggestions there are from below, the better will be the decisions made at the top. This assumption is not limited to parliamentary democracies. The desire to have a voice in ordering the institutions that govern our lives is a universal human constant, from classroom to corporation, from neighbourhood to empire. And in a technological society, the media are one of the chief instruments by which this need is met.

The big trouble with this assumption, the notion that media diversity equals a higher polity, is that it happens to be in flat defiance of economics. More voices may be healthier, but fewer voices are cheaper.

There is an apparently irresistible tendency, which the economists describe as the process of "natural monopoly," for the print and electronic media to merge into larger and larger economic units. The tendency is encouraged by the Canadian tax system, in particular the application of death duties, to the point that the president of Southam Press Ltd. predicted to the Committee: "... it seems apparent that small and medium-sized newspapers will in the long run pass from individual ownership ... all existing

[1] *Associated Press v. United States,* 326 U.S. 1, 20 [1944].

independently owned newspapers will come on the market in due course because of the tax implications now facing Canadian business owners."

This tendency could – but not necessarily – have the effect of reducing the number of "diverse and antagonistic sources" from which we derive our view of the public world. It could also – but not necessarily – lead to a situation whereby the news (which we must start thinking of as a public resource, like electricity) is controlled and manipulated by a small group of individuals and corporations whose view of What's Fit to Print may closely coincide with What's Good for General Motors, or What's Good for Business, or What's Good for my Friends Down at The Club. There is some evidence, in fact, which suggests that we are in that boat already.

We have, then, this natural conflict – which isn't terribly unique in any democracy – between what the society needs and what the society can afford. The purpose of this Committee was not to ascertain whether concentration of media ownership is a Good Thing or a Bad Thing. *Of course* it is a bad thing; in a land of bubblegum forests and lollipop trees, every man would have his own newspaper or broadcasting station, devoted exclusively to programming that man's opinions and perceptions.

In the real world, we must try to strike balances. How do you reconcile the media's tendency towards monopoly with society's need for diversity? And if it turns out that there really is no way we can fight this monopolistic trend, is there any way we can still ensure "diverse and antagonistic sources" of information within a diminishing number of media? Which leads us to all kinds of related questions, such as whether we are getting the kind of information service we can afford, or merely the kind we deserve.

These are tricky questions, and the Committee does not presume to have come up with definitive answers for all of them, or even most of them. We would stress, in fact, that this isn't exactly what governments are supposed to be *for*. Further on in this report we suggest some measures which governments could take to encourage the development of a freer, healthier, more vigorous, more Canadian and – yes – a more *diverse* press. But in the same breath, we must recognize that all the medicare legislation in the world, by itself, won't cure a single case of dandruff. To a very limited extent, government can be useful in amending some of the ground-rules under which the mass-media game is played. But it is only the players themselves – the public, the owners of the media, and most crucially of all the journalists – who can improve the quality and relevance of the product.

The extent to which the concentration of media ownership affects this quality is one of the chief concerns of this report. Accordingly, let's state the situation in the baldest possible terms by looking at the 103 Canadian communities where a daily newspaper is published or a primary TV station is located.

Within these 103 communities there are 485 "units of mass communication" – daily newspapers or radio or TV stations – and slightly over half of them are controlled or partially owned by groups. Of Canada's 116 daily newspapers, 77 (or 66.4 per cent) are controlled or partially owned by groups. Of the 97 TV stations (including some relay stations), 47 (or 48.5 per cent) are controlled by groups. Of 272 radio stations, groups control or own a substantial interest in 129 (or 47.4 per cent).

The patterns of concentration take several forms. There are publishing and/or broadcasting chains which control media outlets in several communities. There are local groups which control some or all of the competing media in a given community. There are some groups which fall into both categories – they own newspapers or broadcasting stations in several different places, *and* own print and electronic outlets within a single community. There are also groups – the loose word for them is conglomerates – which have interests in various media outlets that are subordinate to their other investments. With the expansion of cable TV, the growth of suburban weekly newspapers, and the development of new media technologies, these patterns of group ownership could very easily become more intricate and pervasive in the future than they are right now.

But the trend towards fewer and fewer owners of our sources of news and information is already well entrenched. There are only five cities in the country where genuine competition between newspapers exists; and in all five cities, some or all of these competing dailies are owned by chains. Seventy years ago there were thirty-five Canadian communities with two or more daily newspapers; today there are only fifteen – and in five of these cities, the two dailies are published by the same owner.

Of Canada's eleven largest cities, chains enjoy monopolies in seven. The three biggest newspaper chains – Thomson, Southam, and F.P. – today control 44.7 per cent of the circulation of all Canadian daily newspapers; a dozen years ago, the total was only 25 per cent. The conventional wisdom still cherishes the image of the "independent" owner-editor, a tough but kindly old curmudgeon who somehow represented the collective conscience of his community. If this image ever had validity, it hasn't now. Your average daily newspaper editor is the hired branch-manager for a group of shareholders who typically live somewhere else. Fully 77 per cent of the circulation of all Canadian newspapers is now controlled by these chains, a situation which a frontier journalist like Bob Edwards, editor of the *Calgary Eye Opener,* would have found incredible.

In broadcasting, ownership is far more diversified. But the trend towards concentration is present, and it is accelerating. Nearly a dozen TV stations that once enjoyed local control or substantial local participation have come under the control of major broadcasting groups.

But suppose there *are* fewer and fewer owners: is this necessarily a bad thing? There is a lot of evidence to suggest exactly the opposite. Chain ownership has rescued more than one newspaper from extinction. Chain ownership has turned a number of weeklies into dailies. Chain ownership has financially strengthened some newspapers, so they're better able to serve their employees and communities. Chain ownership may in some cases have resulted in a decline in editorial quality; but there are also instances where chain ownership has upgraded it. In other words, there is simply no correlation between chain ownership and editorial performance. There are some great newspapers in Canada and there are a number of distressingly bad ones. But in no case does their quality or lack of it seem to have much to do with where their shareholders live.

In terms of public policy, though, this isn't too relevant. What matters is the fact that control of the media is passing into fewer and fewer hands, and that the experts agree this trend is likely to continue and perhaps accelerate. The logical (but wholly improbable) outcome of this process is that one man or one corporation could own every media outlet in the country except the CBC. The Committee believes that at *some* point before this hypothetical extreme is reached, a line must be drawn. We're not suggesting that the present degree of concentration of media ownership has produced uniformly undesirable effects; indeed, it may be that the country would now have *fewer* "diverse and antagonistic" voices if all these media mergers of the 1950s and 1960s had not occurred. But the prudent state must recognize that at some point, enough becomes enough. If the trend towards ownership concentration is allowed to continue unabated, sooner or later it must reach the point where it collides with the public interest. The Committee believes it to be in the national interest to ensure that that point is not reached.

Would such intervention operate in defiance of economics? The short answer is that it would and it wouldn't. Much of the trend towards media monopoly stems from the stunningly persuasive fact that big newspapers and big broadcasting stations are more profitable than smaller ones. But there are other mergers, lots of them, which appear to confer no benefits of scale. They occur simply because a man gets richer by owning five or ten or fifteen profitable newspapers than he does by owning one.

So there's no reason why a government which acted to stem the tide of media monopoly would find itself, like King Canute, with the waves lapping disobediently at its feet. Anyhow, doesn't the whole Canadian proposition operate in defiance of "economics"? We believe the thing can and should be done, and done quickly. In a later chapter we will suggest how.

But checking the media's monopolistic tendencies is only a small step towards promoting the kind of media the country needs and deserves. Suppose, for instance, that the government decreed tomorrow that control of every newspaper, TV station, and radio station in the country must return to "independent" operators: would it make any difference to the kind of newspapers we read, the kind of programmes we hear and see?

Not likely. No matter who owns the shares, a lousy newspaper is still a lousy newspaper. As Osgoode Hall Law Professor Desmond Morton recently observed: "It doesn't matter whether the North Bay *Nugget* belongs to Roy Thomson, Max Bell, or a local drygoods merchant. They are all, without a single exception, in the same kind of hands. They all belong to the Canadian business community and they all do what that community wants. And if Canadian businessmen assume an automatic, infallible identity between their views and those of every right-thinking Canadian, they are hardly unique among the oligarchs of history."

This gets us closer to the second question into which this Committee was established to enquire. As well as being commissioned to study ownership patterns of the media, we were also asked to consider "their influence and impact on the Canadian public." And this leads us inexorably to a consideration of content – the kind of newspapers we read, the kind of programmes we hear and see. It also leads us into a discussion – and here we tread with extreme diffidence – into the endlessly entertaining subject of What's Wrong With The Press.

Plainly, *something* is wrong. Judgements like this are risky, but it seems to us that there has never been a period in the nation's history when the press has been so distrusted, so disrespected, so disbelieved. "Our profession has moved far from the days of the yellow press and the alcoholic city room," Lee Hills, editor of the Detroit *Free Press,* recently told an audience of American journalists. "And yet, despite this great progress and new knowledge and greater dedication, I believe we are in danger of losing our most important asset: the friendship of our readers." His remarks apply with at least equal force in Canada.

There is something about the media that is turning people off. What is it? It's certainly not "sensationalism," because most newspapers abandoned that shrill technique a generation ago, for the excellent reason that it failed to sell newspapers. It's certainly not "bias." Most consequential news outlets in this country are objective to the point of tedium in their political coverage. And it's certainly not "superficiality," since the news coverage we receive today is more complete, more sophisticated, more exhaustive, than ever before.

No, it's something more basic than the failings which all these archaic weapon-words describe. It's got something to do with society itself, and the way it's changing, and the way people react to it. If the media turn people off, it's because society at large turns them off. If newspapers are losing friends, it's part of the same process by which Parliament is losing friends, and the courts, and the corporations, and the schools, and the churches.

We hesitate to wade too deeply into the swamps of sociology and McLuhanism, but it does seem clear that all the conflict, the hassle, the demonstrations, the social anguish which currently surround us have at least one common characteristic: they're all concerned with people versus institutions. From China's cultural revolution to Czechoslovakia's counterrevolution, from the high-school sit-in to the Red Power movement, this theme is a constant.

The media, precisely because they *are* institutions, are involved in this conflict – and they are involved as participants. One of the truly depressing aspects of our enquiry was the ingenuous view of so many media owners that they are mere spectators. They're *not* spectators. They control the presentation of the news, and therefore have a vast and perhaps disproportionate say in how our society defines itself. It is true, as we were repeatedly reminded by the people who appeared before us, that newspapers can't swing elections any more, that the media's ability to control and manipulate events is vastly overrated. That's like saying an air-traffic controller can't prevent airplanes from landing. Of course he can't; but he can dictate the order in which they land, or send them to another airport. The power of the press, in other words, is the power of selection. Newspapers and broadcasting stations can't dictate how we think and vote on specific issues; but their influence in *selecting* those issues can be enormous. *Of course* the people won't always vote the way the editorial-writers tell them on next week's sewer bylaw; but who decides when they'll start thinking and talking about sewers – or whether they'll worry about pollution at all?

This quaint notion of media-as-spectator appears to be shared by most of the people who control the corporations that control the news. But then, too many publishers and broadcasters seem to harbour a positive affection for the nineteenth century. One eminent publisher, for instance, told us his definition of press freedom included "the right of the public to buy a newspaper each day if they wish, to write letters to the editor, or to start a paper of their own if they don't like it." We are reminded by this of the inalienable right of every Englishman to occupy the royal suite at the Savoy Hotel – *if* he can afford it.

Unfortunately, this flair for sheer, crashing irrelevancy seems to be part of the media's conventional wisdom. Time and again we were presented with similar pious declarations, the sort of thing publishers have been telling service-club luncheons since at least the 1940s. Somehow they always seemed to miss the point.

Item: "Freedom of the press is essential to a healthy democracy." Of course it is; who would disagree? But the question is, is this freedom enhanced or diminished by corporate control of the news?

Item: "We strive to be objective on our news pages, and leave our opinions to the editorial-writers." Great. But what do you mean by "objectivity"? Suppose there's a pulp mill or a nickel refinery dumping millions of gallons of effluent into the nearest river, and the local newspaper says nothing about it unless it's reporting a speech by some local conservationist. Is *that* objectivity? In trying to assess fairness and objectivity, aren't the stories a paper *doesn't* print, the facts it doesn't bother to collect, just as important as the ones it does?

Item: "We're not influenced by advertisers." We believe this. There are very few publishers who will keep a local advertiser's name out of the paper if he's nailed on an impaired-driving charge. But isn't the very *fact* of advertising an influence in itself? Doesn't the very fact that the media live on advertising revenue imply a built-in bias in favour of a consumption-oriented society?

This institutional bias, we suggest, may be one of the chief reasons for the current public disenchantment with the media. But there is an even more compelling reason, and it has to do with the nature of the news itself.

At the annual meeting of a troubled financial corporation in Toronto recently, a woman shareholder stood up and berated the reporters present for printing "all that bad news" about her company. (The bad news consisted of disclosures that the company was earning much less money than previously, that the company's senior executives had borrowed heavily from company-controlled banks, and that the company's founder had got the firm to guarantee loans so he could buy *three* airplanes.)

The applause she received from her fellow-shareholders was literally thunderous. How come? Why this visceral hostility?

Part of it was the well-known tendency of people, when they hear bad news, to blame the messenger. But not all. The sheer prevalence of this shoot-the-messenger syndrome indicates that much of our journalism is failing to prepare its readers for conditions of constant change.

In a static, pre-industrial society, the news must concern itself with isolated events which somehow fracture prevailing patterns: COLUMBUS DISCOVERS AMERICA! The trouble seems to be that today, in a society where hardly anybody will die in the town where he was born, where many of our children's lifetimes will embrace not one but several careers, where exploration into our minds and outward to the stars is a constant process, in a society where *everything* is changing, we're still defining news in the same old pre-columbian way.

If it is to be news, there must be a "story." And if there is to be a "story," there must be conflict, surprise, drama. There must be a "dramatic, disruptive, exceptional event" before traditional journalism can acknowledge that a situation exists. Thus the news consumer finds himself being constantly ambushed by events. Poor people on the march all of a sudden? But nobody told us they were discontented! Demonstrations at the bacteriological warfare research station? But nobody told us such an outfit existed in Canada! People protesting pollution? What pollution? The paper never told us . . . .

We exaggerate, of course. But we think our central point stands up: journalism's definition of what constitutes "news" is still far too narrow. It still concentrates overmuch on the dramatic, exceptional event – the voting, the shooting, the rioting – and not enough on the quiescent but visible situations which could spell trouble later on.

Trouble: that's something else that's wrong with journalism's current definition of the news. There is much more to life than hassle and strife, but the media's entrapment in drama, conflict, and disruption prevents them from reporting it. There are terrible divisions in any technological society, but there are also many places, many ways, in which people are coming together. We should hear more about these scenes than we do.

Part of the trouble is the media's understandable tendency to look for news only in the old, familiar places: city hall, the courts, the police stations, the union halls – places where there's always a man whose institutional credentials ("spokesman," "president," "mayor") allow the news to fit easily into prevailing journalistic pigeonholes. The result often resembles a shadow-play: plastic figures saying plastic things which are transmitted in a plastic way – but we all know that the *real* story, the real news, is happening in some other dimension. It is happening in the streets, in laboratories, within families, beneath the sea, behind the closed doors of foreign boardrooms and, most crucially of all, inside people's heads. But because these exciting developments don't immediately generate "events," they tend to be ignored or – what is worse – distorted by the archaic perceptions of cop-shop journalism.

Let us now, in the words of one authoritative source, make One Thing Perfectly Clear: these are not blanket criticisms. Our best newspapers, our best radio and television reporters, are fully aware of these limitations of the conventional journalism, and have been striving for years to expand its perceptions. In many cases they have succeeded magnificently. In deploring the media's weaknesses, we wish to avoid the old journalistic trap of failing to acknowledge their strengths.

Among these strengths, unfortunately, a penchant for self-criticism is not conspicuous. In the course of our hearings we became astonished that an industry so important, so prosperous, so intelligent as the communications business has developed so little formal machinery for upgrading its personnel and its product.

Apart from the Canadian Managing Editors Conference (an *ad hoc* body which tries to meet once a year) and a couple of excellent local groups, there is no organization worrying about how news is presented and how that presentation can be improved. The American Newspaper Guild worries about salaries. The Canadian Association of Broadcasters, the Canadian Daily Newspaper Publishers Association and its weekly counterpart worry – oh, how they worry! – about revenues.

But nobody seems to worry, outside the office at least, about the quality and relevance of their performance. Nor did anyone from newsrooms or boardrooms appear to be much concerned with the industry's astoundingly offhand approach to recruitment and personnel development. The news business is above all a "people" business. But if IBM had been as unconcerned about the kind of people it attracts and the conditions under which they work, it would still be making adding machines.

This is doubly unfortunate, because government cannot and should not attempt to remedy some of the weaknesses we've been discussing. Only the industry can do that – the people who own the media and the people who work for them. As Victoria *Times* publisher Arthur Irwin told the Committee: "Only journalists can make journalism work."

The job is crucially important, for what is at stake is not only the vigor of our democracy. It also involves the survival of our nationhood. A nation is a collection of people who share common images of themselves. Our love of the land and our instinctive yearning for community implant that image in the first place. But it is the media – together with education and the arts – that can make it grow. Poets and teachers and artists, yes, but journalists too. It is their perceptions which help us to define who and what we are.

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 A.P. and U.P.I. 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, nor 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 sharing, for all our friendships, we *are* somebody else. Our national purpose, as enunciated in the B.N.A. Act, is "peace, order and good government," a becomingly modest ideal that is beginning to look more and more attractive. *Their* purpose is "the pursuit of happiness," a psychic steeplechase which has been known to lead to insanity.

One of the witnesses who appeared before us, Professor Thomas L. McPhail of Loyola University's Department of Communication Arts, warned that "Canada has one decade remaining in which its members have to make up their minds whether they want to remain a distinct political, cultural and geographical national entity." The C.R.T.C.'s Pierre Juneau, in his testimony, concurred in this assessment. So do we.

The question is, how successful have the media been in helping us to make up our minds? Here again, we must award less than perfect marks. There are too few Canadian stars, although there is plenty of talent. There are too few national news personalities in the manner of Walter Cronkite or Walter Lippmann. There is no *truly* national newspaper, no Canadian newsmagazine, no Canadian hit parade (although Quebec has one), not enough things like the NHL and the CBC that we can all talk about and react to and love and hate and know as our own.

This is hardly the media's fault. In fact, we have cause to be grateful for what the media have already accomplished, against considerable odds, in defining ourselves in non-American terms. But there is vast room for improvement. Later in this report, we will recommend means by which the government and the media can make such improvement possible.

II

OWNERSHIP

1. How Much is Enough?

Communications in Canada is a big business – a billion-dollar business, as a matter of fact, in terms of advertising revenue alone. Does this mean that the news is controlled by Big Business? And if so, how is that affecting the public interest? Finding answers to these questions has been the Committee's main job.

Before we could begin to answer it, though, we had to analyse *to what extent* the media are controlled by various kinds of groups. Strangely enough, no exhaustive comprehensive study of this subject had ever been made in Canada – perhaps because businessmen in the communications field tend to move faster than statisticians.

Accordingly, the Committee commissioned Hopkins, Hedlin Limited, a Toronto-based consultancy firm, to take a long and detailed look at the economics of the communications business in Canada. Their report, which we are publishing as a companion volume to this one, was a massive undertaking. This chapter and the next are a summary of the findings.

We have a few words of caution regarding the data contained in these two chapters: they have nothing to do with people. In the interests of statistical consistency, Hopkins, Hedlin had to make some extremely rigid distinctions between what constitutes a "group" and what constitutes an "independent" owner of a media outlet. But these distinctions bear no direct relation to editorial performance. Some of Canada's best newspapers are owned by groups; some of the worst are owned by independents. The obvious point we're trying to make is this: in the following pages, which analyse the extent of group versus independent ownership, we're not talking about Good Guys and Bad Guys. We're simply describing the ownership situation as it exists, in statistical terms that are wholly consistent but sometimes rather unreal.

To determine the extent of concentration of ownership in the mass media, we limited our study to the 103 Canadian communities where a daily newspaper is published, or where a primary (as opposed to a satellite) TV station is located, or where one of the major groups owns a media outlet. These 103 communities have a total population of about twelve million, but the media involved have a much larger total audience than that. In other words, we're talking here about the most important media outlets in the country, the ones from which the vast majority of the population gets its news, information and entertainment. Weekly newspapers and cable TV ownership aren't included in this chapter, but we'll be dealing with them later on.

On this basis, then, there were a total of 485 units of mass communication in the country in July, 1970. Of this total, 234 are owned by "independents" – that is, by corporations operating in a single community, although they may own more than one media outlet in that community. The rest are owned by "groups" – corporations which own a significant or controlling interest in media outlets in more than one community, or which own media outlets along with other business interests. The short answer to the question, then, is that groups now control 51.8 per cent – more than half – of all the important communications media in the country.

Of the 116 daily newspapers included in the survey, 77 (66.4 per cent) are owned by groups. Of the 97 private TV stations (including satellite stations located in some of the 103 surveyed communities, 47 (48.5 per cent) are group-owned, or groups have a substantial minority interest in them. Among the 272 private radio stations, groups hold controlling or substantial minority interests in 129 (47.4 per cent).

On the basis of this simple nose-count, Quebec's media show the highest degree of concentration of ownership; of 72 media outlets in that province, 47 (65.3 per cent) are group-owned. British Columbia comes next, where 44 (64.7 per cent) of 68 media outlets have group interests. The degree of concentration is least in Nova Scotia, Prince Edward Island, and Manitoba, where the proportion of media outlets in which groups have an interest is below 35 per cent.

Table 1 gives the province-by-province breakdowns.

There's another way of measuring concentration of ownership, and it's probably more meaningful in terms of the way people actually experience the media. That is, *in how many of these 103 communities do the same people own more than one media outlet?* Since so much of our news, information, and entertainment come to us through local outlets, this approach to concentration takes us closer to the realities of the situation. There are probably more potential dangers involved if the same people own all the media outlets in a single community than when a single chain owns several outlets in several towns.

Doing our nose-count on this basis, then, we get a pattern that is hardly reassuring. Of the 103 surveyed communities, there are 61 where groups or independents own two or more of the community's media outlets. There are 34 communities where groups own two or more radio stations, and 26 communities where independents own two or more. There are 31 communities

TABLE 1. GROUP OWNERSHIP BY MEDIA UNITS* IN SELECTED COMMUNITIES

Province	Media Units			Newspapers			Radio			Television		
	Total	Group	Per Cent	Total	Group	Per Cent	Total	Group	Per Cent	Total	Group	Per Cent
British Columbia	68	44	64.7	18	15	83.3	36	21	58.3	14	8	57.1
Alberta	40	19	47.5	7	6	85.7	23	9	39.1	10	4	40.0
Saskatchewan	28	12	42.9	4	4	100.0	15	5	33.3	9	3	33.3
Manitoba	30	10	33.3	7	2	28.6	16	7	43.8	7	1	14.3
Ontario	183	93	50.8	48	30	62.5	109	50	45.9	26	13	50.0
Quebec	72	47	65.3	14	9	64.3	41	29	70.7	17	11	64.7
New Brunswick	20	11	55.0	6	5	83.3	9	2	22.2	5	4	80.8
Nova Scotia	23	7	30.4	6	2	33.3	13	4	30.8	4	1	25.0
Prince Edward Island	7	2	28.6	3	2	66.7	3	0	0.0	1	0	0.0
Newfoundland	14	6	42.9	3	2	66.7	7	2	28.6	4	2	50.0
CANADA	485	251	51.8	116	77	66.4	272	129	47.4	97	47	48.5

*Total Media Units does not include cable television systems or shortwave radio.

TABLE 2. MULTIPLE GROUP AND INDEPENDENT INTERESTS BY LISTED COMMUNITIES

Province	Multiple Interests				Radio		Radio and Television		Mixed Media	
	Number of Communities	Total*	Group	Independent	Group	Independent	Group	Independent	Group	Independent
British Columbia	15	11	11	4	6	3	7	2	2	0
Alberta	6	5	4	5	1	4	3	3	2	0
Saskatchewan	7	4	2	2	0	0	2	2	1	0
Manitoba	6	3	3	2	3	1	1	2	0	0
Ontario	45	23	20	18	15	16	8	4	2	3
Quebec	12	9	13	0	8	0	8	0	1	0
New Brunswick	3	2	2	0	0	0	1	0	2	0
Nova Scotia	5	3	1	2	1	2	0	1	0	0
Prince Edward Island	2	0	0	0	0	0	0	0	0	0
Newfoundland	2	1	1	0	0	0	1	0	0	0
CANADA	103	61	57	33	34	26	31	14	10	3

*Total number of communities in which multiple interests exist. This may not correspond to the total of multiple group and independent interests because more than one multiple interest may exist in one community.

where groups have common interests in both radio and TV stations, and another 14 communities where "independents" enjoy the same multiple interest.

There are also 11 communities where groups or independents have a common interest in the local newspaper *and* one or more of the broadcasting stations. In eight of these places, the people who own a newspaper also have a financial interest in the TV station. In four of these communities, the newspaper owners have an interest not only in the TV station, but in one or more of the local radio stations as well.

Table 2 gives a province-by-province breakdown of the situation.

NEWSPAPER NOSE-COUNT

When we consider ownership concentration as it applies to daily newspapers, the problem assumes a finer focus. If you accept the notion that "diverse and antagonistic" sources of information promote a healthy democracy, you would have to regard a city with at least two newspapers under separate ownership as being luckier than a city with only one. Well, how many Canadian cities are there where that situation exists? There are ten – or nine if you don't count Vancouver, where the two main dailies are published by a single corporation that is jointly owned by two newspaper groups. You might also discount Moncton and Sherbrooke as competing newspaper towns, since their two dailies are published in different languages. That leaves seven cities; and in most of them, groups control at least one of the competing newspapers.

In fact, there are only *three* Canadian cities – Montreal, Quebec City, and St. John's – where there is major competition involving at least one independent daily. (Toronto and Montreal don't count for the purposes of this study because we're labelling the Montreal *Star*, the Toronto *Star*, and the Toronto *Telegram* as "groups" because of their interests in weekend supplements and suburban weeklies).

On the face of it, this situation represents a significant decline in the number of "diverse and antagonistic" voices available to newspaper readers. According to Professor Wilfred Kesterton, around 1900 there were 66 dailies published in 18 communities with two or more newspapers. By 1958, there were only four communities in this position; between them, they published only 14 dailies. Today there are 23 dailies being published in five cities with two or more newspapers: six in Montreal, six in Vancouver (if you include the four suburban dailies of the Columbian group), four in Toronto (one published in Italian), four in Quebec, and three in Ottawa-Hull.

Putting it another way: just before the First World War, there were 138 daily newspapers in Canada – and there were 138 publishers. In 1953, Canada had the fewest newspapers (89) and the fewest publishers (57) since the first presses rolled out the Halifax *Gazette* in 1752. By 1966 there were 110 newspapers and 63 publishers. Today, 12 publishing groups produce more than two thirds of the country's 116 dailies.

So far in this analysis, we've been counting noses – the number of media outlets controlled by groups and independents. A more meaningful way of looking at the newspaper question, however, is in terms of circulation. Using this approach, we find that the 14 newspaper groups in Canada between them own or hold substantial interests in 77 dailies with a combined circulation of 3,614,354 – about 77 per cent of total Canadian daily circulation.

Newspaper groups control about 95 per cent of the daily circulation in British Columbia and Alberta, 100 per cent in Saskatchewan, 88.3 per cent in Manitoba, 75.9 per cent in Ontario, 92.7 per cent in New Brunswick, 72.6 per cent in Prince Edward Island, 81.1 per cent in Newfoundland, and 97.5 per cent (English) and 50.6 per cent (French) in Quebec, and 9 per cent in Nova Scotia.

The starkest finding, however, is that three of these groups – Southam, Thomson, and F.P. – control about 45 per cent of total Canadian daily newspaper circulation. A dozen years ago, the big three controlled only about 25 per cent.

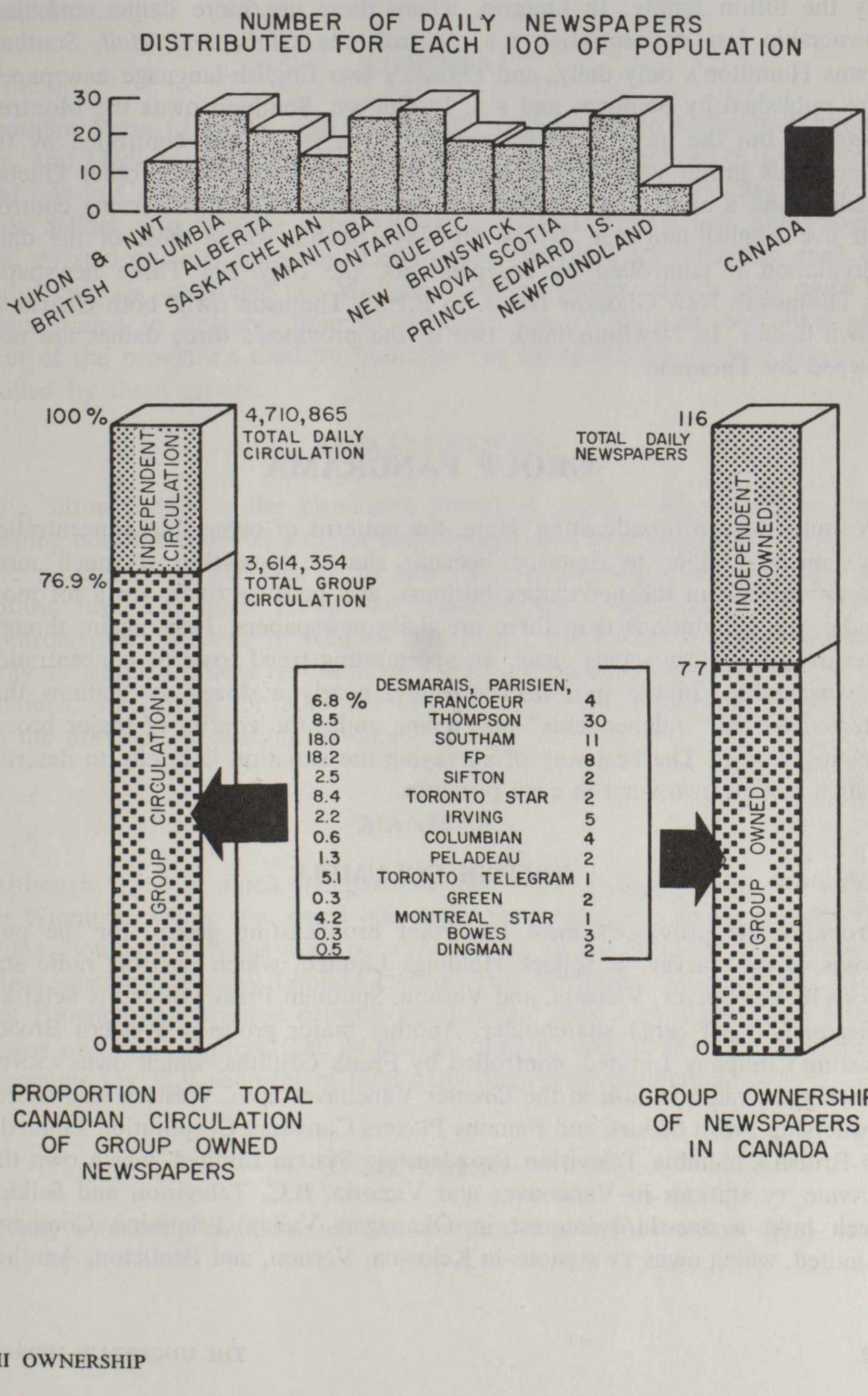
If you're fond of tables and graphs, Table 3 and Chart 1 summarize the situation.

TABLE 3. PROPORTION OF DAILY NEWSPAPER CIRCULATION

Group	Circulation	Per Cent of Canadian Total
Desmarais-Parisien-Francoeur	319,770	6.8
Thomson	400,615	8.5
Southam	849,364	18.0
F. P.	855,170	18.2
Sifton	115,785	2.5
Toronto *Star*	395,210	8.4
Irving	104,442	2.2
Columbian	26,525	.6
Peladeau	60,045	1.3
Telegram	242,805	5.2
Green	15,142	.3
Montreal *Star*	195,696	4.2
Bowes	12,487	.3
Dingman Estate	21,298	.5
TOTAL GROUP CIRCULATION	3,614,354	77.0
TOTAL CANADIAN CIRCULATION	4,710,865	

On the nose-count basis, once again, the Thomson group, with 30 newspapers, is the largest. But Thomson is a small-town chain, while F.P. and Southam operate mainly in larger cities. The combined circulation of each of these two groups is more than double Thomson's.

Chart 1. CIRCULATION OF DAILY NEWSPAPERS AS A PROPORTION OF POPULATION



F.P. publishes the two dailies in Victoria. In Vancouver, F.P. owns the *Sun* and Southam the *Province*; both papers are published by Pacific Press Limited, in which Southam and F.P. share ownership on a 50-50 basis. Edmonton's only daily is owned by Southam, and Calgary's two competing dailies are owned by Southam and F.P. Southam and F.P. also own the two dailies in Winnipeg. In Regina and Saskatoon, the only dailies are owned by the Sifton family. In Ontario, where there are more dailies and their ownership less concentrated, F.P. controls the *Globe and Mail,* Southam owns Hamilton's only daily, and Ottawa's two English-language newspapers are published by Southam and F.P. In Quebec, Southam owns the Montreal *Gazette,* but the most powerful concentration is the one controlled by the Desmarais group which owns *La Presse* in Montreal, three other Quebec dailies, and a number of weeklies. In New Brunswick, K. C. Irving controls all five English-language dailies. In Nova Scotia, where most of the daily circulation is controlled by independents, the only Big Three newspaper is Thomson's New Glasgow *News.* In P.E.I., Thomson owns both Charlottetown dailies. In Newfoundland, two of the province's three dailies are now owned by Thomson.

GROUP PANORAMA

We turn now to broadcasting. Here, the patterns of ownership concentration are much trickier to describe because shared ownership is much more common than in the newspaper business, and because there are a lot more radio and TV stations than there are daily newspapers. Here again, though, the overall pattern seems clear: an accelerating trend towards concentration of ownership. In the past decade alone, nearly a dozen TV stations that started out as "'independents" have come under the control of major broadcasting groups. The best way of surveying the situation is briefly to describe which groups own what in each province.

BRITISH COLUMBIA

Probably the province's most important broadcasting group, for the purposes of this survey, is Selkirk Holdings Limited, which controls radio stations in Vancouver, Victoria, and Vernon. Southam Press Limited is Selkirk's biggest (30 per cent) shareholder. Another major group is Western Broadcasting Company Limited, controlled by Frank Griffiths, which owns CKNW, the biggest radio station in the Greater Vancouver area. Western also shares ownership (with Selkirk and Famous Players Canadian Corporation Limited) in British Columbia Television Broadcasting System Limited, which own the private TV stations in Vancouver and Victoria. B.C. Television and Selkirk each hold a one-third interest in Okanagan Valley Television Company Limited, which owns TV stations in Kelowna, Vernon, and Penticton. Another major B.C. group, Skeena Broadcasters Limited, owns a primary TV station in Terrace-Kitimat with relays in Prince Rupert and other smaller communities as well as radio stations in Prince Rupert, Kitimat, and Terrace These groups control seven of B.C.'s 14 TV stations. In November, 1969, according to the Bureau of Broadcast Measurement, the eight group-owned stations accounted for 57.4 per cent of the province's total night-time TV circulation.

ALBERTA

Southam Press Limited which owns daily newspapers in Calgary, Edmonton, and Medicine Hat, also has interests in two radio stations in Edmonton and one in Calgary, either directly or indirectly through its holdings in Selkirk. Selkirk also controls radio stations in Grande Prairie and Lethbridge, and TV stations in Calgary and Lethbridge. The other TV station in each of those cities is controlled by Maclean-Hunter Limited, which also owns a radia station in Calgary. Four of Alberta's ten TV stations, and 40.6 per cent of the province's total TV audience (as measured by B.B.M.) are controlled by these groups.

SASKATCHEWAN

The Sifton family is the province's dominant media owner. Besides controlling both the province's major daily newspapers, they own one of Regina's five radio stations and one of its two TV stations, which has a satellite at Moose Jaw. The other group that counts is the Rawlinson family, which controls radio stations in Regina and Prince Albert, plus Prince Albert's only TV stations. These two families control three of Saskatchewan's nine TV stations, accounting for 30.8 per cent of total daily night-time circulation in the province, according to B.B.M.

MANITOBA

Although there is much independent media ownership, groups are active in Winnipeg, where F.P. owns one daily newspaper and Southam owns the other. Southam also has a 49 per cent interest in the Brandon *Sun*. Western Broadcasting Company Limited controls two Manitoba radio stations, Moffat Broadcasting Limited controls another two plus a TV station and Sifton owns one radio station. The Moffat TV station, one of seven in Manitoba, accounts for 33.9 per cent of total daily night-time circulation.

ONTARIO

Here, ownership patterns are so complex that we'll outline them on a city-by-city basis:

Toronto—Seven of the city's fifteen radio stations are controlled by groups: one by Maclean-Hunter Limited, two by Rogers Broadcasting Limited, two by CHUM Limited, and two by Standard Broadcasting Corporation Limited. Toronto's Italian-language daily newspaper is under independent control, but the three remaining dailies are under group control – the *Globe and Mail* by F.P., the *Star* by the Atkinson-Hindmarsh families, and the *Telegram* by the Bassett-Eaton interests, who also own the city's only private TV station.

Ottawa—*Le Droit,* the city's only French-language daily, is an independent. F.P. owns the Ottawa *Journal*; Southam owns the *Citizen,* as well as a substantial interest in one of the radio stations. The only private TV station is controlled by Bushnell Communications Limited, and broadcasting groups (CHUM, Télémédia Québec, and Raymond Crépault) own another five of the city's eleven radio stations.

Hamilton—Southam owns the only daily newspaper, the *Spectator,* Selkirk – in which Southam is the major shareholder – owns CHCH-TV (founded by Kenneth Soble), the city's only television station. Rogers Broadcasting Limited and Sifton each own Hamilton radio stations, and the Soble estate owns two.

Windsor—The city's only TV station was formerly owned by RKO Distributing Corporation (Canada) Limited which, because of federal restrictions on foreign ownership, was required to divest itself of ownership. The station is now jointly owned by the Bassett-Eaton interests (75 per cent) and the CBC (25 per·cent). Windsor's only daily newspaper is independent, but four of the five radio stations are controlled by groups: two by RKO (which the Bassett-Eaton group have bought subject to C.R.T.C. approval), two by Stirling.

London—The Blackburn family owns the city's only daily newspaper, its only TV station, and two of the four radio stations. Southam, however, holds 25 per cent of the shares of the newspaper – which in turn controls the three stations – plus a further 25 per cent interest in the preferred shares of the broadcasting operation.

Kitchener-Waterloo—Southam has a 48 per cent interest in the area's only daily newspaper, Maclean-Hunter owns two of the radio stations, and Carl Pollock owns the other two, as well as a TV station.

Sudbury—The Sudbury *Star* is controlled by Thomson. Cambrian Broadcasting Limited, owned by the Cooper, Miller and Plaunt families, owns the TV station and two of the four radio stations.

St. Catharines—The *Standard* and two of the four radio stations are controlled by the Burgoyne family.

Oshawa—Thomson owns the newspaper; the two radio stations are independent.

Sault Ste. Marie—Media ownership is mainly independent, although two of the radio stations are controlled by Greco, a small group which also owns radio stations at Blind River and Elliot Lake.

Brantford—The newspaper and two radio stations are independent.

Kingston—The Davies family owns the *Whig-Standard,* and used to have interests in two of the six radio stations and the TV station, but these broadcast holdings were sold to Bushnell Communications Limited in July, 1970.

Niagara Falls—The daily newspaper and the radio station are independently and separately owned.

Sarnia—Thomson owns the newspaper. The two radio stations are separately owned.

Peterborough—Thomson owns the *Examiner.* CHUM and Ralph Snelgrove share control of one radio station. Bushnell controls the other radio station and the TV station.

Guelph—The daily *Mercury* is owned by Thomson, and the one radio station is independently owned.

Oakville—Toronto Star Limited owns the *Daily Journal-Record,* and the radio station is independently owned. Bassett-Eaton interests own the weekly *Oakville Beaver.*

Thunder Bay—Thomson owns the *News-Chronicle* and the *Times-Journal.* The Dougall group owns the city's only TV station and two of its four radio stations.

In the province, groups account for 57.6 per cent of the total TV audience.

QUEBEC

Of Quebec's 14 daily newspapers, nine are group-owned, four by the Desmarais group. Two dailies are published by the Péladeau group. The other group-owned dailies are the Montreal *Star,* the Southam-owned Montreal *Gazette,* and the Thomson-owned Quebec *Chronicle-Telegraph.* Some 29 of the province's 41 radio stations in the surveyed communities are group-owned, including seven by Télémédia (Québec) Limitée, controlled by Philippe de Gaspé Beaubien, five by Crépault, three by a combination of Baribeau-Pratte interests, two each by Standard Broadcasting, Stirling, Tietolman, and Bushnell, one by the Desmarais group, and one by a combination of Baribeau and the Lepage Société. There are only six independent radio stations, the remaining six being owned by the CBC. Eleven of Quebec's 17 TV stations are are controlled by groups, including Télémédia's two stations in Sherbrooke and Rimouski. Desmarais has a minority interest in the

Carleton TV station, as does the Pratte group. Lepage-Baribeau controls the TV station at Jonquière, Famous Players and Baribeau-Pratte control two TV stations in Quebec City, and Bushnell in July, 1970, received C.R.T.C. approval to purchase CFCF-TV in Montreal. Of the province's total TV audience (English and French), 35.3 per cent is controlled by these groups.

NEW BRUNSWICK

K. C. Irving owns all five of the province's English-language dailies, one of Saint John's four radio stations, and its TV station. Since the C.R.T.C. ordered the Moncton TV station to install a satellite station in Saint John, and Irving's station to install a satellite in Moncton, both cities now have alternate TV service. The French-language daily, *L'Évangéline,* is independently owned. Irving reaches 94.9 per cent of New Brunswick's total TV audience.

NOVA SCOTIA

Thomson's New Glasgow *News* and Bowes' Truro *News* are the province's only group-owned newspapers. The Dennis family controls Halifax's two dailies. Of Nova Scotia's 13 radio stations, the Manning family owns two in Truro and one in Amherst, and CHUM owns CJCH radio in Halifax. CTV has a controlling interest in CJCH-TV in Halifax, but Selkirk and Western Broadcasting hold significant minority positions in the same station which, according to the B.B.M. survey cited earlier in this study, accounted for 38.1 per cent of the province's total daily night-time circulation.

PRINCE EDWARD ISLAND

Thomson owns Charlottetown's two dailies. Summerside's only daily is independent, as are two radio stations in the surveyed communities. The CBC owns the only TV station and one radio station.

NEWFOUNDLAND

In 1970, the Herder family sold two of the province's three dailies to the Thomson group. Geoffrey Stirling controls one radio station, and one of the two TV stations in St. John's which accounts for 46.2 per cent of the province's total TV circulation.

SOME GROUP PROFILES

So far in this chapter, we've been attempting to define the extent of concentration of ownership in the media by a statistical analysis of the situation, and by briefly indicating who owns what in each province.

To clarify this latter point, the remainder of this chapter consists of brief profiles of most of Canada's important media ownership groups. These are the corporations whose owners are responsible for most of the nation's daily newspaper circulation, most of its radio and TV distribution. Their influence is considerable, and it appears to be increasing rapidly.

THE BASSETT-EATON GROUP

This group is represented by the Telegram Corporation Limited, the shares of which are held in trust for the three sons of *Telegram* publisher John Bassett and the four sons of John David Eaton, the recently retired head of Canada's biggest retailing chain. One subsidiary, Telegram Publishing Company Limited, publishes the Toronto *Telegram.* Another subsidiary, Inland Publishing Company Limited, owns the following seven suburban Toronto weeklies with a total circulation around 90,000: Bramalea *Guardian,* Burlington *Post,* Mississauga *News,* Newmarket *Era,* Oakville *Beaver,* Stouffville, *Tribune,* Whitby-Ajax *News Advertiser.*

The Telegram Corporation also holds 53.17 per cent interest in Baton Broadcasting Limited (which operates CFTO-TV, the city's only private TV station) and 50.52 per cent of Glen-Warren Productions Limited, a TV production house. Glen-Warren had held 50 per cent of the common shares of Gogers Cable T.V. Limited until ordered by the C.R.T.C. to dispose of this interest. These shares have since been sold to E. S. Rogers. The C.R.T.C. also approved the purchase of CKLW-TV in Windsor, Ontario, by Baton Broadcasting Limited in partnership with the CBC, the latter holding a 25 per cent interest with the option to buy the remaining shares within five years.

BUSHNELL COMMUNICATIONS LIMITED

Bushnell has emerged, fairly suddenly, as one of Canada's major broadcasting groups. Last year the company owned CJOH-TV in Ottawa and CJSS-TV in Cornwall, minority or controlling interests in three cable TV companies, plus several TV production and service firms and a broadcast sales company. This year, as a result of a series of C.R.T.C.-approved acquisitions, Bushnell is in a position to create what amounts to the country's third broadcasting network.

In July, 1970, Bushnell received approval to acquire the Montreal broadcast interests of the Canadian Marconi Company which had been forced to sell because of federal restrictions on foreign ownership. These interests included CFCF-TV, CFCF (Canada's oldest radio station), and CFQR-FM and CFCX (short wave). At the same time, Bushnell acquired all the broadcast interests held separately and jointly by the Davies family of Peterborough and the Thomson group. These include CKWS-AM and FM and CKWS-TV in Kingston, CHEX-AM and FM and CHEX-TV in Peterborough, CKGB-AM and CKGB-FM in Timmins, and CJKL in Kirkland Lake.

The Commission also approved the sale to Bushnell of half the shares of Cablevue (Belleville) Limited which serves Belleville and Trenton, and all the shares of CFCH and CFCH-TV in North Bay. The C.R.T.C. stipulated, however, that Bushnell must resell its interests in Cablevue and in the North Bay stations "as rapidly as possible."

CHUM LIMITED

This is a public company, controlled by Allan Waters, whose main assets are CHUM-AM and FM in Toronto, and a two-thirds interest in Ralph Snelgrove Television Limited, which operates CKVR-TV in Barrie. It also owns CFRA-AM and CFMO-FM in Ottawa, and Waters personally holds a 4.3 per cent interest in CKLC and CKLC-FM in Kingston. CHUM Limited has acquired all the shares of CJCH radio in Halifax and Associated Broadcasting Corp., which operates the Muzak franchise in Ontario and whose ownership was formerly split between Waters and Famous Players Canadian Corporation Limited.

THE DESMARAIS-PARISIEN-FRANCOEUR GROUP

Until recently, Power Corporation of Canada Limited and its Chief Executive Officer Paul Desmarais owned extensive media holdings in Quebec. Last year, apparently in response to public concern (which was reflected in the establishment of a Special Committee on Freedom of the Press by the Quebec Legislature) Power Corporation sold most of its media holdings.

Power Corporation sold 18 newspapers (and one radio station which is associated with the Granby daily) to Les Journaux Trans-Canada Limitée. The latter company's ownership is divided among Desmarais (46.6 per cent), Jacques Francoeur (33.3 per cent), Jean Parisien (15.6 per cent) and Pierre Dansereau (4.45 per cent). Also, Entreprises Gelco Limitée, three-quarters of which is owned by Desmarais (the remaining quarter by Jean Parisien), purchased *La Presse,* Quebec's largest French-language daily (circulation 222,184).

THE DOUGALL FAMILY

This northern Ontario group controls CKPR-TV in Thunder Bay, as well as CKPR-AM and CKPR-FM, plus smaller stations in Dryden, Fort Fances, and Kenora.

F. P. PUBLICATIONS LIMITED

This group is by a slight margin the biggest newspaper chain in the country. It owns or controls eight dailies with a combined circulation of 855,170 and has minority interests in cable TV in Victoria, and in a cable TV company in Calgary that must be sold by C.R.T.C. order. Table 4 lists F.P.'s holdings.

TABLE 4. MEDIA INTERESTS OF F. P. PUBLICATIONS LIMITED

Newspapers	Circulation	Extent of Interest
Dailies		%
Sun (Vancouver, B.C.)	256,806	control
Daily Times (Victoria, B.C.)	31,667	100
Daily Colonist (Victoria, B.C.)	39,158	100
Albertan (Calgary, Alta.)	35,382	100
Herald (Lethbridge, Alta.)	20,844	100
Free Press (Winnipeg, Man.)	134,409	100
Journal (Ottawa, Ont.)	81,171	99.885
Globe and Mail (Toronto, Ont.)	255,733	100
Farm Publication		
Free Press Weekly	550,931	100

Broadcasting	
Cable	%
Victoria Cablevision Limited (Victoria, B.C.)	12.5
Community Antenna Television Limited (Calgary, Alta.)	16.7

THE IRVING GROUP

K. C. Irving controls a vast corporate empire in New Brunswick; and almost as an incidental by-product, has achieved the country's highest degree of regional concentration of mass-media ownership. Through the New Brunswick Publishing Company Limited, K. C. Irving owns the *Telegraph-Journal* and the *Evening Times-Globe* in Saint John and the *Times* and the *Transcript* in Moncton. He also controls a majority of the voting shares of University Press of New Brunswick Limited, which publishes the *Daily Gleaner* in Fredericton. The province's only other daily is *L'Evangéline,* a French-language independent. Irving also controls New Brunswick Broadcasting Company Limited, which operates CHSJ and CHSJ-TV in Saint John, with a satellit in Bon Accord, and CHMT-TV, the satellite in Moncton. Of the province's 20 media outlets in the surveyed communities, eight are controlled by K. C. Irving. This is not the place to detail Mr. Irving's extensive non-media interests, which embrace everything from oil to pulp and paper to hardware stores to shipping. But he is by far the most important economic force in the province.

MACLEAN-HUNTER LIMITED

This company is one of the giants of the Canadian communications industry, whose diversified interests in publishing, broadcasting, information services, and industrial and trade shows accounted for net sales in 1969 of more than $58 million. Its publishing interests include three English and two French consumer magazines with a total circulation of 2,262,830; 56 English and

French business periodicals with a total circulation of 516,000; and 21 annuals with an estimated circulation of 289,749. Maclean-Hunter also publishes ten trade periodicals in Britain, five in the U.S., and several in France, Germany and Italy. In the broadcasting field, the company owns CFCN-TV in Calgary and its satellites, including CFCN-TV in Lethbridge. It also owns or controls the following radio stations: CFCN-AM, Calgary; CFCO-AM Chatham; CHYM-AM, Kitchener; CKEY-AM in Toronto; and CFOR-AM in Orillia. Finally, its cable TV holdings include controlling interests in cable operations serving seventeen Ontario communities.

THE McCONNELL FAMILY

The estate of the late J. W. McConnell is locked into a number of trusts that are voted at the direction of his two children, J. G. McConnell and Mrs. P. M. Laing. The estate's corporate cornerstone is Commercial Trust Company Limited, 88 per cent of whose shares are held by Montreal Trust Company as part of a voting trust agreement under which the shares are voted at the direction of Mr. McConnell and Mrs. Laing. Commercial Trust, in turn, holds virtually all the shares in the Montreal Star (1968) Limited and Montreal Standard Publishing Company Limited as a trustee for Starlaw Investments Ltd., the beneficial owner. Starlaw is owned by SLSR Holdings Limited (formerly St. Lawrence Sugar Refineries Limited), and by another corporate entity called The Montreal Star Holdings Limited (formerly The Montreal Star Company). Finally, Commercial Trust, as trustee for Mr. McConnell and Mrs. Laing, owns virtually all the shares of SLSR Holdings Limited and Montreal Star Holdings Limited, the two firms that control Starlaw Investments Limited.

The Montreal Star (1968) Limited publishes the Montreal *Star* (circulation 195,696). The Montreal Standard Publishing Company has a controlling interest in *Weekend Magazine* (and prints it as well) and a 24.7 per cent interest in Perspectives Inc., which publishes *Perspectives* and *Perspectives-Dimanche*. Weekend Magazine is distributed as a supplement in 39 English-language dailies with a total circulation of 1,805,839. *Perspectives* is distributed as a weekly supplement in six Quebec dailies whose total circulation is 828,430. *Perspectives-Dimanche* is distributed as part of *Dimanche-Matin,* a French-language tabloid with a circulation of about 290,000. Weekend's most direct competitor is *Canadian* Magazine, *Canadian Homes* and the *Canadian Star Weekly*. The latter is sold on newsstands, but the *Canadian* and *Canadian Homes* are distributed as supplements in other English-language dailies. All three are owned by Southstar Publishers Limited which is jointly owned by Southam Press Limited and Toronto Star Limited. Despite their editorial rivalry, the competitors co-operate. Montreal Standard prints the Southstar magazines as well as *Weekend* and *Perspectives,* and Southstar and Montreal Standard jointly own a company called Magna Media Limited, which sells advertising for Southstar.

MOFFAT BROADCASTING LIMITED

This is one of the industry's longest-established broadcasting firms, with holdings in five cities in western Canada. Moffat owns 50 per cent (the Misener family owns the other half) of CJAY-TV in Winnipeg, 45 per cent of CHED-AM in Edmonton, and wholly owns the following radio stations: CKLG-AM and CKLG-FM in Vancouver; CKXL-AM in Calgary; CHAB-AM in Moose Jaw; CKY-AM and CKY-FM in Winnipeg. Moffat also holds a 38.75 per cent interest in Metro Videon Limited, which operates a cable TV system serving Winnipeg and Pinawa.

THE PRATTE, BARIBEAU AND LEPAGE GROUP

This group consists of an interlocking assortment of media interests of four groups which are involved in twelve broadcasting outlets in the province of Quebec. They include TV stations in Quebec City, Montreal, Jonquière, and Carleton, and radio stations in Jonquière, Quebec City, Montreal, and Shawinigan. The interlocking nature of the groups' media holdings is illustrated in Chart 2.

RADIODIFFUSION MUTUELLE LIMITÉE—MUTUAL BROADCASTING LIMITED

The holding company for a group of radio stations under the control of Raymond Crépault, consisting of CJMS and CJMS-FM in Montreal, CJRP-AM in Quebec, CJRS-AM in Sherbrooke, CJTR-AM in Trois-Rivières, and CJRC-AM in Ottawa. The group is unique in that it has C.R.T.C. permission to operate as a permanent private radio network.

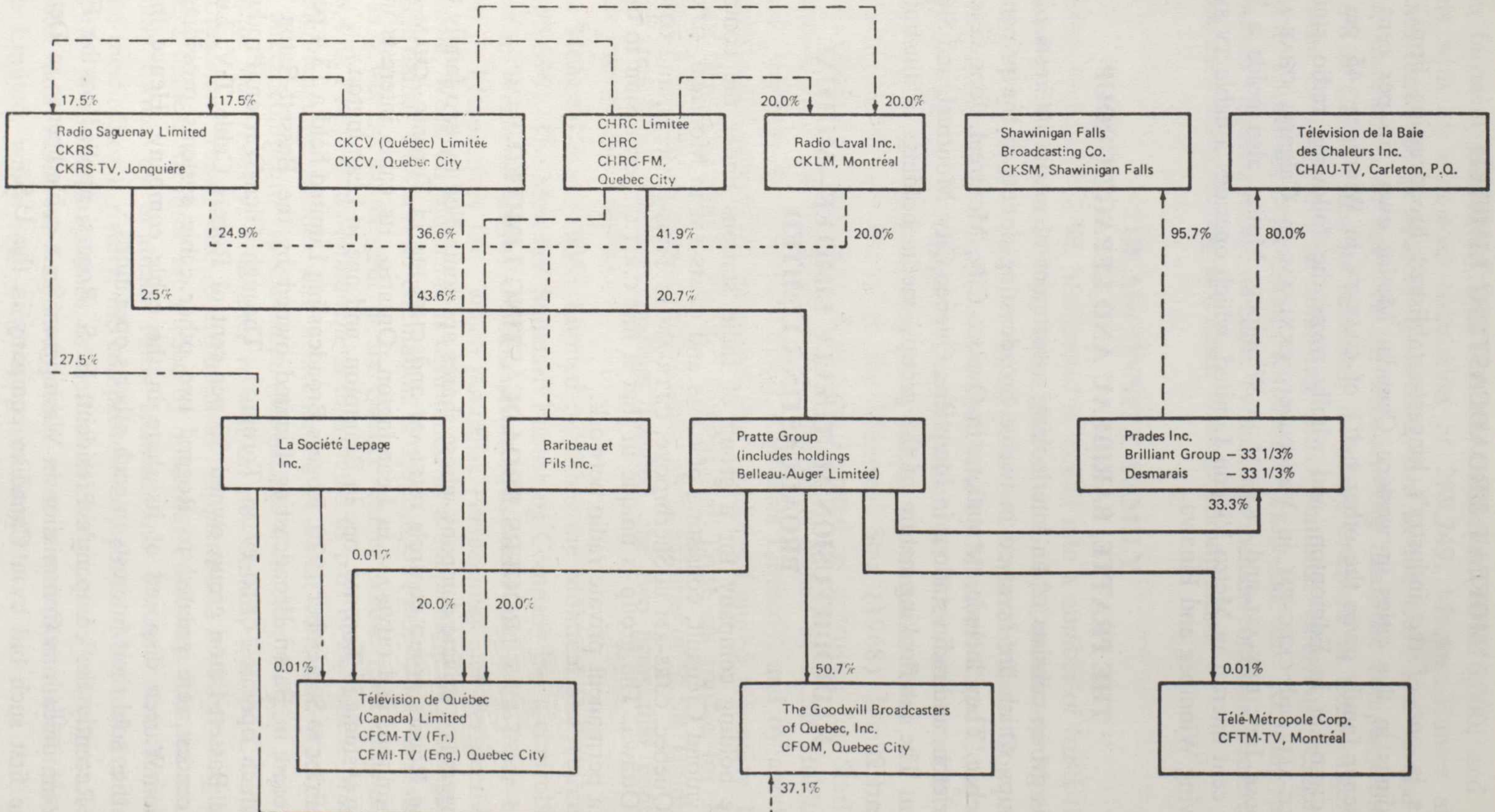
ROGERS BROADCASTING LIMITED

Rogers is a private company whose shares are controlled by two family trusts. The Rogers group controls CHFI-AM and CHFI-FM in Toronto, CHAM-AM in Hamilton, and CHYR-AM in Leamington, Ontario. Its cable interests include two systems in Toronto, one in Brampton, and one in Leamington.

Prior to September 1970, Rogers Broadcasting Limited held a 13.4 per cent interest in Baton Broadcasting Limited owned by the Bassett-Eaton group (which operates CFTO-TV in Toronto). Through Glen-Warren Productions the Bassett-Eaton group owned 50 per cent of Rogers Cable T.V. Limited. Licences were granted to Rogers' two other cable systems providing that Glen-Warren disposed of its share in the cable company. Hence the two parties sold their interests in each other's operations.

Recently the company's President, E. S. Rogers, applied to the Federal Communications Commission in Washington for a cable licence in Detroit – the first such bid by a Canadian company in the U.S.

Chart 2. MEDIA INTERESTS OF PRATTE, BARIBEAU AND LEPAGE GROUPS



SELKIRK HOLDINGS LIMITED

A public company in which Southam holds a 30 per cent interest. In addition to its joint ownership with Southam of CJCA-AM and CJCA-FM in Edmonton, and CFAC-AM in Calgary, Southam and Selkirk each own 25 per cent of Greater Winnipeg Cablevision Limited. Selkirk wholly owns CHCT-TV in Calgary, with satellites in Drumheller and Banff; CJLH-TV in Lethbridge, which is a partial satellite of the Calgary station, but has relays of its own in Coleman and Burmis, Alberta; CJOC in Lethbridge; CJVI in Victoria; CKWX and CKFX in Vancouver; CJIB in Vernon, CHCH-TV in Hamilton. Selkirk also has a 38 per cent direct interest in CKGP in Grande Prairie, Alberta, and associated interests hold another 36 per cent. Through its minority interests in British Columbia Television Broadcasting Systems Limited, Selkirk has a 36 per cent interest in CHAN-TV in Vancouver, CHEK-TV in Victoria, and CHBC-TV in Kelowna (where its interest through British Columbia Television is supplemented by a direct 33 per cent interest). Selkirk also has substantial minority interests in CJCH-TV in Halifax, Ottawa Cablevision (which wholly owns Pembroke Cablevision) and Cablevision Lethbridge.

THE SIFTON GROUP

This group is controlled by the Clifford Sifton family and operated by Michael Sifton, and functions through Armadale Company Limited which owns all the shares in Armadale Enterprises Limited. Armadale Enterprises in turn owns all the shares in the Regina *Leader-Post* and Armadale Publishers Limited, which publishes the Saskatoon *Star-Phoenix* and *Toronto Life* magazine. Armadale Enterprises also holds 98 per cent of the shares of Armadale Communications Limited, which operates CKCK-AM and CKCK-TV in Regina, CKRC-AM in Winnipeg, and CKJC-AM in Hamilton. Armadale Communications also owns 25 per cent of Eastern Ontario Broadcasting Limited, licensee of CFJR-AM in Brockville. The Sifton group also has 11 per cent of Quality Records Limited, a real estate firm called Jonquil Limited, and a half-interest in Toronto Airways Limited.

THE SOUTHAM GROUP

This is the oldest, largest, and most diversified media group in Canada. It controls eleven daily newspapers with a total circulation of 849,364, and holds substantial minority interests in three other dailies, and owns 50 per cent of Pacific Press Limited, which publishes the Vancouver *Sun* and the Southam-owned Vancouver *Province*. The group also owns half of Southstar Publishers Limited, which publishes the *Canadian* Magazine, *Canadian Homes,* and the *Canadian/Star Weekly*.

Southam also publishes the *Financial Times of Canada,* the weekly *News and Chronicle* in Pointe-Claire, Quebec and, through wholly-owned Southam Business Publications Limited, some 44 trade magazines and 19 annuals. It also owns half of C. O. Nickle Publishing Company, which publishes magazines related to the petroleum industry, and holds a 7.9 per cent interest in *Homemaker's Digest.* The group also operates a large printing operation, owns 11 per cent of Quality Records Limited, and has extensive interests in a wide variety of trade shows. Gross operating revenues in 1969 were $104.7 million, a figure unmatched by any other media company in Canada.

Table 5 lists the publications (apart from the trade magazines) in which Southam exercises a minority or controlling interest.

TABLE 5. PRINT INTERESTS OF SOUTHAM PRESS LIMITED, OTHER THAN TRADE PUBLICATIONS

Newspapers	Circulation	Extent of Interest
		%
Dailies		
Citizen (Prince George, B.C.)	12,087	100
Province (Vancouver, B.C.)	110,677	Control
Herald (Calgary, Alta.)	100,907	100
Journal (Edmonton, Alta.)	150,130	100
News (Medicine Hat, Alta.)	7,922	100
Tribune (Winnipeg, Man.)	78,024	100
Sun-Times (Owen Sound, Ont.)	14,739	100
Spectator (Hamilton, Ont.)	127,195	100
Nugget (North Bay, Ont.)	17,942	100
Citizen (Ottawa, Ont.)	94,807	100
Gazette (Montreal, P.Q.)	134,934	100
Sun (Brandon, Man.)	14,145	49
Record (Kitchener-Waterloo, Ont.)	52,619	48
Free Press (London, Ont.)	123,488	25
Weeklies		
Financial Times of Canada	46,633	100
News and Chronicle (Pointe Claire, P.Q.)	17,500	100
Weekend Magazines		
The Canadian (weekly)	2,025,664	50
Canadian Homes (monthly)	2,025,664	50
The Canadian/Star Weekly (weekly)	400,000+	50

Southam has a 25 per cent interest in CFPL radio and CFPL-TV in London, Ontario. This interest evolves through its ownership of 25 percent of London Free Press Holdings Limited, which owns virtually all the outstanding shares of CFPL Broadcasting Limited. Southam also owns directly approximately 25 per cent of the preferred shares. Southam has a 38 per cent interest in CKOY in Ottawa, and a 40 per cent interest in CJCA in Edmonton, and CFAC in Calgary. In each case, Selkirk Holdings Limited owns the remainder. Southam also has a 25 per cent interest in Greater Winnipeg Cablevision Limited, in which Selkirk has a similar share.

STANDARD BROADCASTING CORPORATION LIMITED

Controlled by Argus Corporation, one of Canada's leading holding companies. It owns Toronto's largest radio station, CFRB, its FM affiliate CKFM, and CFRX (shortwave) as well as CJAD-AM and CJFM in Montreal. The company also owns Standard Broadcast Sales Inc., a radio sales representative company, Standard Broadcast Productions Limited, which operates Standard Broadcast News, an hourly radio news service for other Canadian stations, and Canadian Talent Library; and Standard Sound Systems Company Limited, which holds the Muzak franchise for Montreal, Quebec, and the Maritimes.

TÉLÉMÉDIA (QUÉBEC) LIMITÉE

In July, 1970, the C.R.T.C. approved the sale of Power Corporation's broadcast holding company, Québec Télémédia Inc., to Philippe de Gaspé Beaubien. The purchase of the new company was financed by a debenture in the amount of $7.25 million in favour of Québec Télémédia Inc. and Trans-Canada Corporation Fund. Since the sale, the new company has purchased CKCH Radio in Hull resulting in holdings which total three TV stations, one a rebroadcasting station in Edmunston, N.B., and nine radio stations in seven Quebec communities.

While Power Corporation has divested itself of the direct ownership of broadcasting interests, it continues to have minority broadcast holding through indirect investments in CHUM Limited, Standard Broadcasting Corporation Limited, and Skyline Cablevision.

THE THOMSON GROUP

Thomson owns thirty daily newspapers in Canada, eleven weeklies, three biweeklies, and one triweekly. The family of the late Senator Rupert Davies owns the Kingston *Whig-Standard* and, until recently, shared ownership with Thomson Newspapers Limited in a number of Ontario radio or TV stations. Thomson also owned five radio stations, one TV station and one TV satellite in northern Ontario, but these broadcast assets, together with those in which ownership was shared by the Davies family, have been sold to Bushnell Communications Limited in a deal approved in July 1970 by the C.R.T.C. Table 6 lists the group's current media holdings.

TABLE 6. MEDIA INTERESTS OF THE THOMSON GROUP

Newspapers	Circulation	Extent of Interest
		%
Dailies		
Daily Sentinel (Kamloops)	9,493	100
Daily Courier (Kelowna)	8.115	100
Daily Free Press (Nanaimo)	9,342	100
Herald (Penticton)	6,317	100
Times-Herald (Moose Jaw)	9,318	100
Daily Herald (Prince Albert)	8,189	100
Examiner (Barrie)	10,183	100
Daily Times & Conservator (Brampton)	7,863	100
Daily News (Chatham)	15,129	100
Standard-Freeholder (Cornwall)	14,447	100
Evening Reporter (Galt)	13,824	100
Mercury (Guelph)	17,519	100
Northern Daily News (Kirkland Lake)	6,460	100
Daily Packet and Times (Orillia)	7,953	100
Times (Oshawa)	24,452	100
Observer (Pembroke)	7,861	100
Examiner (Peterborough)	23,026	99
Observer (Sarnia)	18,603	100
Star (Sudbury)	35,362	100
Daily Times-Journal (Thunder Bay)	17,105	100
News-Chronicle (Thunder Bay)	15,766	100
Daily Press (Timmins)	11,779	100
Evening Tribune (Welland)	19,409	100
Daily Sentinel-Review (Woodstock)	10,229	100
Chronicle-Telegraph (Quebec)	4,523	100
Evening News (New Glasgow)	10,055	100
Guardian (Charlottetown)	16,414	100
Evening Patriot (Charlottetown)	4,478	100
Western Star (Corner Brook)	7,884	99.9
Telegram (St. John's)	29,517	99.9
Weeklies		
Enterprise (Yorkton)	7,578	100
Chronicle (Arnprior)	2,828	100
Enterprise-Bulletin (Collingwood)	4,485	100
Chronicle (Dunnville)	3,521	100
Standard (Elliot Lake)	2,500	100
Standard (Espanola)	2,159	100
Herald (Georgetown)	4,589	100
Post (Hanover)	3,271	100
Post and News (Leamington)	5,158	100
Banner (Orangeville)	4,523	100
Northern Light (Bathurst)	5,296	100
Bi-weeklies		
News (Vernon)	6,617	100
Sun (Swift Current)	6,589	100
Free Press Herald (Midland)	5,848	100
Tri-weeklies		
Trentonian (Trenton)	7,313	100

SOURCE: *Canadian Advertising Rates and Data*, December, 1969

TORONTO STAR LIMITED

This is a public company in which the major shareholders are the Atkinson-Hindmarsh families. The company publishes Canada's largest daily (circulation 387,418) and the Oakville *Journal-Record* (7,792), and has interests in eleven Toronto suburban weekly newspapers with a total circulation of 161,810. The company also owns half of Southstar Publishers Limited, which publishes the *Canadian* Magazine, *Canadian Homes,* and the *Canadian/Star Weekly*. Table 7 lists the group's current media holdings.

TABLE 7. MEDIA INTERESTS OF TORONTO STAR LIMITED

Newspapers	Circulation	Extent of Interest
Dailies		%
Daily Journal-Record (Oakville)	7,792	100
Star (Toronto)	387,418	100
Weeklies		
Gazette (Burlington)	9,085	100
Times (Mississauga)	13,202	100
Metropolitan Toronto area:		
Aurora Banner	5,143	100
Richmond Hill Liberal	7,890	100
Willowdale Enterprise	13,472	100
Scarborough Mirror	37,922	50
Don Mills Mirror	53,512	50
The Lakeshore Advertiser	10,000*	75
Weston-York Times	4,149	75
Woodbridge and Vaughan News	3,010	75
The Etobicoke Advertiser-Guardian	19,443	75
Weekend Magazines		
The Canadian (weekly)	2,025,664	50
Canadian Homes (monthly)	2,025,664	50
The Canadian/Star Weekly (weekly)	400,000+	50

*Report by publisher to Committee.

WESTERN BROADCASTING COMPANY LIMITED

Controls CKNW in New Westminster, CNQR in Calgary, CJOB and CJOB-FM in Winnipeg. It owns 44 per cent of British Columbia Television Broadcasting System Limited which operates CHAN-TV in Vancouver and CHEK-TV in Victoria. Part of this is indirect through the company's partnership with Selkirk Holdings Limited in Canastel Broadcasting Corporation Limited, which also owns shares in B.C. Television. B.C. Television also has a one-third interest in Okanagan Valley Television Company Limited which owns CHBC-TV in Kelowna with satellites in Penticton, Vernon, and other communities. Also through Canastel, Western has a 25 per cent interest in CJCH-TV in Halifax. The company also has acquired total ownership of Express Cable Television Limited in North Vancouver.

2. Balance Sheet

THE MESSAGE-BEARERS

The media give us our news, our information, our entertainment, and to some extent our sense of ourselves as a nation. That is their social function, and one of the tasks of this Committee was to enquire how well they are performing it.

To do that, it is first necessary to view the media in the harshest possible light: as economic entities, as capitalist institutions. What, in business terms, are the media *for*? What are they selling? How much does it cost them to produce what they sell? What kind of prices do they get for their product? How much is left over as profit? What do they do with those profits? What happens to costs and profits as the size of the media unit increases? What is the economic advantage of combining several media units under one corporate umbrella?

These are hard-nosed questions, and answering them involves acceptance of one of those little contradictions which make the study of economics such a truly dismal occupation. To view the media in economic terms, we must temporarily suspend our habit of looking at them in human terms. Forget for the moment that the media are purveyors of facts and dreams and sounds and images. Forget the horoscopes, forget Gordon Sinclair's voice, forget the headlines on the front page, forget Bonanza, forget *content* – because, in the strict economic sense, that is not what the media are selling.

What the media *are* selling, in a capitalist society, is an audience, and the means to reach that audience with advertising messages. As Toronto advertising man Jerry Goodis, who appeared before the Committee, put it: "The business side of the mass media is devoted to building and selling the right audience . . . those who buy and, more importantly, those who can choose what they will buy, those whose choice is not dictated by necessity." In this sense, the content – good or bad, timid or courageous, stultifying or brilliant, dull or amusing – is nothing more than the means of attracting the audience. It seems harsh, but it happens to be utterly accurate, that editorial 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 hoofer.

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.)

TABLE 8. DISTRIBUTION OF COSTS OF PRODUCTION, PRINTING AND PUBLISHING INDUSTRIES, 1960–1966

Year	Newsprint Paper	Ink	Fuel and Electricity	Other Purchased Material and Supplies	Wages and Salaries	Gross Returns to Capital	Total Revenues
				Dollars			
1960	60,376,000	4,005,000	2,966,000	29,878,000	143,041,000	118,665,000	358,524,000
61	60,002,000	4,180,000	3,071,000	30,129,000	147,855,000	125,052,000	370,327,000
62	60,432,000	4,236,000	3,256,000	31,277,000	157,875,000	128,424,000	385,824,000
63	60,789,000	4,200,000	3,313,000	31,819,000	161,761,000	127,795,000	389,739,000
64	61,156,000	4,387,000	3,428,000	33,862,000	163,639,000	141,447,000	406,716,000
65	65,488,000	4,643,000	3,510,000	36,720,000	179,551,000	156,978,000	446,885,000
66	69,054,000	5,411,000	3,741,000	43,835,000	193,136,000	166,013,000	481,443,000
				Per Cent of Total			
1960	16.84	1.11	.82	8.33	39.89	33.09	100.0
61	16.20	1.12	.82	8.13	39.92	33.76	100.0
62	15.66	1.09	.84	8.10	40.91	33.28	100.0
63	15.59	1.07	.85	8.16	41.50	32.78	100.0
64	15.03	1.07	.84	8.32	40.23	34.77	100.0
65	14.65	1.03	.78	8.21	40.17	35.12	100.0
66	14.34	1.12	.77	9.10	40.11	34.48	100.0
				Index (1960 = 100)			
1960	100.0	100.0	100.0	100.0	100.0	100.0	100.0
61	99.4	104.4	103.5	100.8	103.4	105.4	103.3
62	100.1	105.8	109.8	104.7	110.4	108.2	107.6
63	100.7	104.9	111.7	106.5	113.1	107.7	108.7
64	102.3	109.5	115.6	113.3	114.4	119.2	113.4
65	108.5	115.9	118.3	122.9	125.5	132.3	124.6
66	114.4	135.1	126.1	146.7	135.0	139.9	134.3

SOURCE: Printing, Publishing and Allied Industries, D.B.S., 36–203 (Annual)

The table analyzes the relative economic importance of various cost inputs in the publishing industry from 1960 to 1966. These are the things that publishers must spend money *on,* in order to attract an audience and deliver advertising messages to that audience. An examination of this table provides several useful insights. Among them:

*The publishing industry as a whole (as distinct from the printing industry) spends a much lower proportion of its revenues on outside goods and services than many other manufacturing industries. In general, the industry spends between 25 and 27 per cent of its total revenues on newsprint, ink, fuel, electricity and "etceteras," which include everything from buying paper-clips to chartering helicopters. It is thus correspondingly less dependent than many manufacturing industries on changes in external conditions – like, say, a hike in the price of newsprint. In fact, if the price of *everything* the industry buys from outside were to increase by five per cent, the industry's total costs would increase by only slightly more than one per cent. Again we stress that this observation applies to the industry as a whole, and that there can be glaring individual exceptions. (Some of the biggest newspapers, for instance, must spend more than half their total revenues on newsprint.)

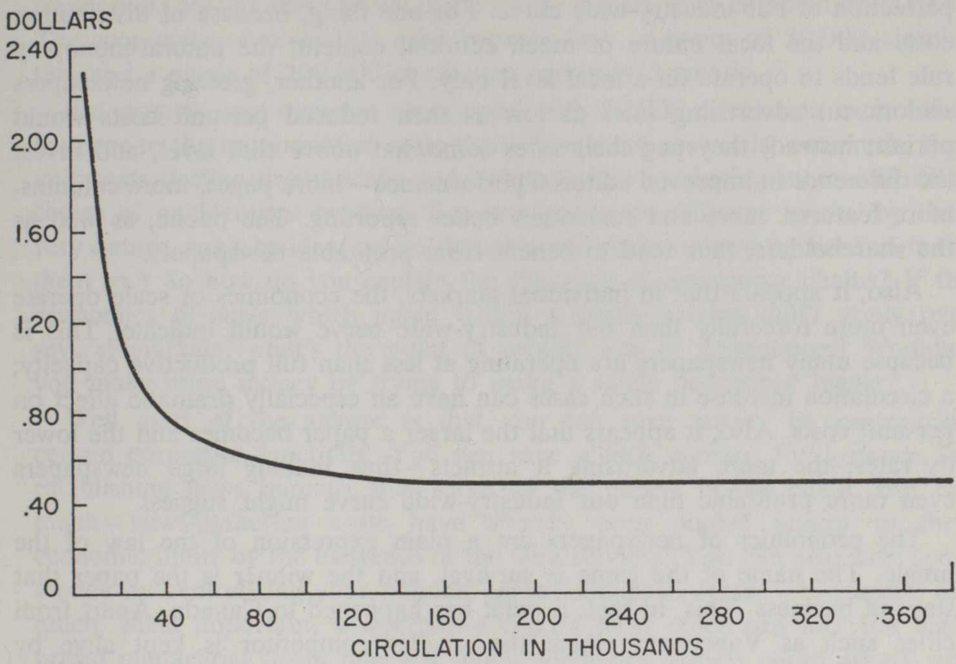
*Wages and salaries constituted the largest proportion of total costs, but this ratio remained fairly constant between 1960 and 1966 when it fluctuated between 39.9 and 41.5 per cent. Capital's share increased slightly over the same period, from about 33.0 per cent in 1960 to 34.5 per cent in 1966. This figure is the gross capital return – which means whatever is left over from revenues after expenses and taxes are met – and this money can be devoted to new capital expenditures, such as printing presses and buildings, or taken as profit. As we shall see later on, profits in fact account for most of the increase. Despite frequent complaints by industry spokesmen about a "cost-price squeeze," the numbers suggest that just the opposite occurred; during the period studied, revenues advanced somewhat faster than costs – not the other way around.

THE NATURAL MONOPOLY

But these internal variables aren't nearly so significant, for the purposes of this study, as what happens to costs as circulation increases. To illustrate, we give you a graph (Chart 3) which plots the cost per column printed and distributed against the circulation of newspapers of various sizes.

That roller-coaster swoop does much to explain the relentless tendency in this or any country towards the one-newspaper town. *The bigger a newspaper's circulation, the lower its per-unit costs.* Average annual cost per 1,000 columns in 1968 for a newspaper with 10,000 circulation was about $1.60. The comparable cost for a newspaper with 250,000 circulation was about 45 cents. The implications are pretty obvious: to produce a product

Chart 3. DAILY NEWSPAPERS, 1968 COST PER 1000 COLUMNS/CIRCULATION



Source: Special Survey.

of comparable size and quality, the smaller newspaper must raise 3½ times as much revenue per reader as the larger one.[1]

And since our studies show that large newspapers tend to pass on these massive economies of scale to their advertisers, it also means the larger paper's advertising rates will be about 3½ times lower than its smaller competitor's. In classical economics, a curve like that is the certain signature of a natural monopoly.

Classical economics also tells us that, in natural-monopoly industries where two or more firms are competing, their separate shares of the available market are always unstable. They *can't* sit still. If one competing unit is larger than the other, or even if they're of roughly equal size, they battle for supremacy. One firm may cut advertising rates and buy circulation, thus boosting production and lowering its per-unit costs – and in the process forcing the rival's firm's per-unit costs upward.

The larger one newspaper becomes, the easier it becomes to grow larger still. The bigger one newspaper grows, the slimmer are its smaller rival's chances of survival. Its only hope is to cut production costs – which usually means skimping on editorial quality – and to find advertisers willing to pay two or three times more to reach the kind of readers the smaller newspaper attracts.

[1] Question: If this is true, how come Canada's smallest dailies are among the most profitable? Answer: Most of these small dailies are the only newspapers in their markets. If they were up against larger rivals, they'd be in trouble. But since they're operating local monopolies, they're in clover.

Naturally, there are several reality-factors which modify the classical perfection of our industry-wide curve. For one thing, because of distribution costs and the local nature of much editorial content, the natural-monopoly rule tends to operate on a local level only. For another, growing newspapers seldom cut advertising rates as low as their reduced per-unit costs would permit; instead, they peg their rates somewhat *above* that level, and invest the difference in improved editorial performance – more pages, more columns, more features, more and sometimes better reporting. The public, as well as the shareholders, thus tend to benefit from profitable newspapers.

Also, it appears that in individual markets, the economies of scale operate even more forcefully than our industry-wide curve would indicate. This is because many newspapers are operating at less than full productive capacity; a circulation increase in such cases can have an especially dramatic effect on per-unit costs. Also, it appears that the larger a paper becomes and the lower its rates, the more advertising it attracts – thus making large newspapers even more profitable than our industry-wide curve might suggest.

The economics of newspapers are a plain expression of the law of the jungle. The name of the game is survival, and the winner is the paper that stays in business. This, in fact, is what has happened in Canada. Apart from cities such as Vancouver where the smaller competitor is kept alive by forcing advertisers to use both newspapers, there are only nine cities with two or more competing newspapers: Calgary, Winnipeg, Ottawa, Toronto, Montreal, Sherbrooke, Quebec City, Moncton, and St. John's.[2]

Competition continues in Sherbrooke and Moncton only because the "rival" papers are published in different languages. Competition continues in Calgary, Winnipeg, and Ottawa because in these cities the rival newspapers are owned by Southam and F.P. – two groups that are so strong, and so evenly matched in terms of capital resources and staying power, that all-out circulation wars are deemed inadvisable.

Of the remaining cities, Toronto and Montreal are the biggest markets in the country, and the scene of the greatest journalistic diversity. Competition continues there because the sheer size of the market allows the smaller papers to generate sufficiently large revenues to remain viable for a long time. The Toronto and Montreal competitors also appear to have achieved separate non-overlapping circulations, so that advertisers continue to patronize several newspapers, even though their rates differ. (If advertisers should decide, though, that one paper largely duplicated the circulation of its larger rival, that smaller paper would be in deep trouble.)

That leaves Quebec City and St. John's. In one case, the smaller French daily, *L'Action,* is subsidized by the Roman Catholic Church. In St. John's, the competition is between the large evening *Telegram* and the smaller *Daily News,* a situation that will not necessarily continue indefinitely.

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[2] The situation is roughly twice as bad in the United States. With ten times our population, there were only 45 cities in 1968 with two or more competing daily newspapers.

It should be plain from the foregoing that big papers, from a profitability standpoint, are infinitely preferable to little papers in a competitive market. The economies of scale that exist between, say, a paper of 30,000 circulation and a paper of 300,000 circulation are truly dramatic.

But suppose you own *ten* newspapers with 30,000 circulation each: what happens to the economies of scale then? The short answer is, not much. Per-unit costs decline dramatically only when you're producing more and more copies of an identical product. But newspapers in different towns, by their very nature, can't be identical (although some chain owners try hard to make them so.) So how do you explain the existence of newspaper chains? If the economies of scale which apply within a single market *don't* apply over several markets, what's the point of owning lots of newspapers? Wouldn't you make more money by trying to make a single newspaper bigger?

Well, part of the answer is that you can save money by centralizing certain corporate functions. You can save a little money, for instance, by establishing news bureaux that serve all the papers in the chain. But not much – news-gathering costs have already been pooled almost to their economic limits by the existence of the wire services. You can also save some money by centralizing your national advertising sales forces – but again, not much. Most important, a newspaper chain's head office can hire the high-priced managerial talent that few independent newspapers could afford; and since people are by far the most important single asset in the publishing business, this can be a powerful benefit which size confers.

But these advantages are not nearly so significant as the clout which size confers in getting money from other people. Large chains, because they have far more collateral, can borrow more, pay less for it, and refinance more easily, than smaller concerns. It is also easier for them to raise equity capital, by selling shares to the public.

But newspaper groups, like other business enterprises, have a third source of capital: retained earnings, the money they collect as profits but don't pass on to their shareholders as dividends. In terms of explaining the tendency towards ownership concentration, this source of capital is extremely significant.

Under our tax laws, shareholders are taxed only on the earnings they receive as dividends. The remainder, the profits the company keeps in the treasury as retained earnings, aren't taxable until the day they're distributed. The effect is that corporations which keep earning profits build up larger and larger reserves of retained earnings. The shareholders don't mind, because that extra money sitting in the treasury usually means the price of their shares goes up, and the profit they can make by selling them is tax-free. This situation isn't exclusive to the publishing industry, of course. It's a fact of corporate life.

Thus, the typical profitable corporation – and this applies especially to some corporations which publish large newspapers, which are *very* profitable – finds itself with more and more idle money piling up. What to do with it?

Like the Mafia, they're tempted, if not actually forced, to invest it elsewhere. And if you happen to be a newspaper publisher, by far the most plausible place to invest it is in another profitable newspaper.

Where do you find one? You hardly ever start a new newspaper because, as we've seen, that's usually suicidal. The best prospects are family-owned newspapers with aging proprietors. These men, as they approach the Golden Years, are sometimes unable or unwilling to bequeath their property to their heirs. Selling out to a group begins to look attractive – especially if the proprietor is interested in the continuance of his newspaper. A group can afford to pay a good price. More germanely, if the newspaper to be sold is the weaker participant in a competitive situation, chain ownership is much more likely to ensure the paper's survival. Even a small newspaper, if it is owned by a large chain, is unlikely to be the victim of a jugular circulation war. The predator will realize that his victim, now strengthened by the capital resources of its new owner, will be in a much stronger position to fight back. The usual result is a truce, tacit or formal. Both newspapers continue to publish, and to make a profit.

NEWSPAPER PROFITS

The past few pages have been a fairly general discussion of why the newspaper business, in each locality, tends towards a condition of natural monopoly, and how this process works. Its tone has been somewhat theoretical (generalizations usually do sound that way), and the import of it all is somewhat academic – because what we've been describing is a process which has already taken place. We turn now from the theoretical past to the economic present and to that least academic of subjects, profits.

We have already intimated, in earlier sections of this report, that newspaper profits are in general very large. We now propose to document that proposition by presenting what amounts to a huge, collective balance sheet that summarizes the assets, liabilities, revenues, expenses, and earnings of almost every daily newspaper in the country. We compiled this giant balance sheet by asking a representative sample of about half Canada's daily newspapers to provide us with their figures (all of those we asked co-operated splendidly), and by analysing D.B.S. statistics. The result is a composite financial view of the industry; if only one daily were published in Canada, its annual report to shareholders would look something like the data we're about to present.

The first two tables (9 and 10) correspond to the balance sheet that any corporation prepares to describe its financial condition at the moment. (For the non-accountants among us, a brief digression might be helpful to explain how a balance sheet works: it's a two-sided affair, and the sums on each side add up to precisely the same amount. On one side you have "assets" – which includes everything the company owns, and everything owed to it. On the other you have "liabilities," which includes all the money the corporation 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.

TABLE 9. ASSET DISTRIBUTION AS A PROPORTION OF TOTAL ASSETS: CORPORATIONS PUBLISHING DAILY NEWSPAPERS, 1958–1967

Year	Cash & Securities as a % of Total Assets	Accounts Receivable as a % of Total Assets	Inventories as a % of Total Assets	Current Assets as a % of Total Assets	Land as a % of Total Assets	Net—Buildings and Equipment as a % of Total Assets	Investment in Affiliates as a % of Total Assets	Other Assets as a % of Total Assets (Residuals)
	Per cent							
1958	14.3	11.8	4.5	32.4	6.1	39.8	10.6	11.1
59	13.9	11.8	3.9	31.5	5.7	39.8	12.7	10.3
60	14.6	12.0	3.9	31.6	6.2	40.4	12.2	9.6
61	13.9	11.9	3.7	30.8	6.3	38.2	15.4	9.3
62	14.9	12.0	3.4	31.4	6.5	38.5	14.8	8.8
63	14.9	11.8	3.0	31.2	6.3	39.8	15.1	7.6
64	15.1	11.5	3.9	28.9	6.6	42.1	14.2	8.2
65	12.4	12.2	3.5	29.1	6.0	40.6	17.3	7.0
66	10.9	12.8	3.7	28.6	6.2	40.8	17.1	7.3
67	16.0	12.7	3.1	33.2	5.8	38.0	17.8	5.2

SOURCE: D.B.S.

TABLE 10. LIABILITIES DISTRIBUTION AS A PROPORTION OF TOTAL LIABILITIES AND EQUITY CORPORATIONS PUBLISHING DAILY NEWSPAPERS, 1958–1967

Year	Bank and Short Term Loans as a % of Total Liabilities and Equity	Accounts Payable as a % of Total Liabilities and Equity	Current Liabilities as a % of Total Liabilities and Equity	Long Term Debt as a % of Total Liabilities and Equity	Total Liabilities as a % of Total Liabilities and Equity	Common Shares as a % of Total Liabilities and Equity	Preferred Shares as a % of Total Liabilities and Equity	Retained Earnings as a % of Total Liabilities and Equity	Equity as a % of Total Liabilities and Equity
					Per Cent				
1958	4.5	7.2	17.8	24.8	46.5	6.7	5.1	37.0	53.4
59	5.1	7.4	19.5	22.5	45.8	6.2	4.7	39.0	54.2
60	2.8	6.5	15.3	25.4	45.8	5.9	4.5	39.4	54.2
61	4.0	6.2	16.3	23.3	44.0	5.7	4.5	41.8	56.0
62	3.9	6.3	16.9	22.6	42.6	5.7	4.3	43.4	57.3
63	4.6	7.2	18.3	21.7	43.4	5.4	3.7	43.8	56.6
64	3.8	8.1	18.4	21.3	45.3	5.3	2.7	43.2	54.7
65	3.7	8.0	17.6	18.3	41.4	8.6	2.0	44.5	58.6
66	3.2	8.3	17.6	17.0	41.2	8.6	1.9	45.1	58.8
67	2.3	7.8	15.9	14.2	37.3	8.8	6.1	44.4	62.7

SOURCE: D.B.S.

TABLE 11. CORPORATIONS PUBLISHING DAILY NEWSPAPERS, 1958–1967

Year	Total Assets	Equity	Net Profit A	Net Profit A / Total Assets	Net Profit B	Net Profit B / Equity	Net Profit C	Net Profit C / Equity	Total Revenue	Net Profit A / Total Revenue
	Dollars	Dollars	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
1958	183,142,000	97,924,000	26,542,000	14.5	24,083,000	24.6	13,073,000	13.3	224,413,000	11.8
59	199,424,000	108,113,000	34,052,000	17.1	31,067,000	28.7	16,966,000	15.7	250,266,000	13.6
60	208,028,000	112,803,000	31,943,000	15.3	28,546,000	25.3	14,557,000	12.9	259,847,000	12.2
61	218,339,000	122,269,000	32,548,000	14.9	29,965,000	23.7	15,096,000	12.3	263,119,000	12.3
62	222,973,000	127,879,000	35,954,000	16.1	32,345,000	25.3	17,182,000	13.4	272,520,000	13.1
63	233,605,000	132,255,000	34,607,000	14.8	30,945,000	23.4	16,589,000	12.5	278,539,000	12.3
64	240,795,000	131,698,000	39,147,000	16.3	35,484,000	26.9	18,379,000	13.9	288,438,000	13.5
65	273,325,000	160,180,000	52,523,000	19.2	48,816,000	30.5	28,043,000	17.5	335,276,000	15.6
66	292,058,000	171,791,000	50,981,000	17.4	47,293,000	27.5	24,537,000	14.3	348,468,000	14.6
67	307,740,000	192,931,000	53,070,000	17.2	49,435,000	25.6	25,874,000	13.4	383,463,000	13.8

*Net Profit A = Net Profit Before Interest and Income Tax Payments.
Net Profit B = Net Profit Before Income Tax Payments.
Net Profit C = Net Profit After Income Tax Payments.

SOURCE: D.B.S.

TABLE 12. SELECTED CORPORATIONS PUBLISHING DAILY NEWSPAPERS WITH CIRCULATION OVER 100,000, 1958–1967

Year	Total Assets	Equity	Net Profit A	Net Profit A / Total Assets	Net Profit B	Net Profit B / Equity	Net Profit C	Net Profit C / Equity	Total Revenue	Net Profit A / Total Revenue
	Dollars	Dollars	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
1958	104,863,000	46,986,000	12,259,000	11.7	10,759,000	22.9	5,865,000	12.5	131,537,000	9.3
59	113,756,000	52,132,000	17,438,000	15.3	15,378,000	29.5	8,705,000	16.7	150,468,000	11.6
60	114,139,000	53,073,000	14,544,000	12.7	12,116,000	22.8	6,022,000	11.3	154,190,000	9.4
61	119,319,000	56,398,000	14,780,000	12.4	12,273,000	21.8	6,355,000	11.3	156,500,000	9.4
62	122,096,000	57,953,000	18,033,000	14.8	15,430,000	26.6	8,171,000	14.1	161,833,000	11.1
63	129,847,000	61,218,000	17,234,000	13.3	14,706,000	23.9	7,966,000	13.0	164,320,000	10.5
64	128,020,000	56,624,000	19,683,000	15.4	16,994,000	30.0	8,795,000	15,6	162,220,000	12.1
65	141,353,000	67,176,000	27,512,000	19.5	24,855,000	37.0	14,987,000	22.3	187,243,000	14.7
66	151,634,000	72,965,000	25,401,000	16.8	22,737,000	31.2	11,732,000	16.1	198,538,000	12.8
67	146,518,000	71,066,000	26,244,000	17.9	23,689,000	33.3	11,914,000	16.8	210,187,000	12.5

SOURCE: D.B.S.

TABLE 13. SELECTED CORPORATIONS PUBLISHING DAILY NEWSPAPERS WITH CIRCULATION BETWEEN 50,000 AND 100,000, 1958–1967

Year	Total Assets	Equity	Net Profit A	Net Profit A / Total Assets	Net Profit B	Net Profit B / Equity	Net Profit C	Net Profit C / Equity	Total Revenue	Net Profit A / Total Revenue
	Dollars	Dollars	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent
1958	12,471,000	10,606,000	2,628,000	21.1	2,600,000	24.5	1,332,000	12.6	17,945,000	14.6
59	13,355,000	11,348,000	2,732,000	20.5	2,717,000	23.9	1,314,000	11.6	18,562,000	14.7
60	14,384,000	12,457,000	3,115,000	21.6	3,087,000	24.8	1,467,000	11.8	19,476,000	16.0
61	15,662,000	13,605,000	2,847,000	18.2	2,820,000	20.7	1,364,000	10.0	20,239,000	14.1
62	17,021,000	14,211,000	3,037,000	17.8	3,001,000	21.1	1,494,000	10.5	20,787,000	14.6
63	17,246,000	13,244,000	2,664,000	15.4	2,570,000	19.4	1,281,000	9.7	21,382,000	12.5
64	17,377,000	13,302,000	2,888,000	16.6	2,781,000	20.9	1,343,000	10.1	22,725,000	12.8
65	17,788,000	14,167,000	3,546,000	19.9	3,459,000	24.4	1,771,000	12.5	23,945,000	14.8
66	19,414,000	15,637,000	4,349,000	22.4	4,285,000	27.4	2,134,000	13.6	26,509,000	16.4
67	20,627,000	16,957,000	4,615,000	22.4	4,564,000	26.9	2,262,000	13.3	28,490,000	16.2

SOURCE: D.B.S.

TABLE 14. SELECTED CORPORATIONS PUBLISHING DAILY NEWSPAPERS WITH CIRCULATION BETWEEN 10,000 AND 50,000, 1958–1967

Year	Total Assets	Equity	Net Profit before Int. and Inc. Tax	Net Profit A / Total Assets	Net Profit after Int.	Net Profit B / Equity	Net Profit after Int. and Inc. Tax	Net Profit after Int. and Inc. Tax / Equity	Total Revenue	Net Profit A / Total Revenue
	Dollars	Dollars	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent
1958	35,311,000	23,256,000	4,464,000	12.6	3,980,000	17.1	2,056,000	8.8	30,548,000	14.6
59	38,990,000	24,670,000	5,113,000	13.1	4,623,000	18.7	2,353,000	9.5	32,528,000	15.7
60	46,207,000	26,653,000	5,350,000	11.6	4,795,000	18.0	2,398,000	9.0	35,098,000	15.2
61	48,410,000	28,743,000	5,507,000	11.7	4,801,000	16.7	2,465,000	8.6	34,447,000	16.0
62	47,824,000	30,731,000	5,180,000	10.8	4,512,000	14.7	2,295,000	7.5	35,448,000	14.6
63	49,415,000	32,147,000	5,353,000	10.8	4,676,000	14.5	2,318,000	7.2	36,800,000	15.0
64	55,461,000	36,091,000	6,484,000	11.7	5,853,000	16.2	2,964,000	8.2	41,307,000	15.7
65	68,736,000	50,551,000	7,461,000	10.9	6,802,000	13.5	3,458,000	6.8	44,763,000	16.7
66	71,692,000	52,338,000	8,316,000	11.6	7,721,000	14.8	3,814,000	7.3	48,408,000	17.2
67	87,728,000	69,136,000	8,695,000	9.9	8,117,000	11.7	4,059,000	5.9	51,449,000	16.9

SOURCE: D.B.S.

TABLE 15. SELECTED CORPORATIONS PUBLISHING DAILY NEWSPAPERS WITH CIRCULATION UNDER 10,000, 1958–1967

Year	Total Assets	Equity	Net Profit before Int. and Inc. Tax	Net Profit A / Total Assets	Net Profit after Int.	Net Profit B / Equity	Net Profit after Int. and Inc. Tax	Net Profit after Int. and Inc. Tax / Equity	Total Revenue	Net Profit before Int. and Inc. Tax / Total Revenue
	Dollars	Dollars	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent	Dollars	Per cent
1958	6,008,000	3,429,000	473,000	7.9	433,000	12.6	360,000	10.5	8.652,000	5.5
59	6,441,000	3,884,000	766,000	11.9	721,000	18.6	557,000	14.3	9,957,000	7.7
60	6,464,000	4,358,000	776,000	12.0	725,000	16.6	582,000	13.4	10,531,000	7.4
61	7,114,000	5,071,000	791,000	11.1	744,000	14.7	401,000	7.9	9,961,000	7.9
62	7,204,000	5,100,000	851,000	11.8	807,000	15.8	449,000	8.8	11,102,000	7.7
63	7,917,000	5,550,000	883,000	11.1	833,000	15.0	476,000	8.6	11,486,000	7.3
64	7,795,000	5,313,000	1,084,000	13.9	1,025,000	19.3	554,000	10.4	12,203,000	8.9
65	9,258,000	5,121,000	1,811,000	19.6	1,728,000	33.7	981,000	19.2	13,935,000	13.0
66	9,950,000	6,082,000	2,068,000	20.8	1,963,000	32.3	1,088,000	17.9	16,010,000	12.9
67	10,442,000	6,319,000	2,268,000	21.7	2,164,000	34.2	1,183,000	18.7	17,154,000	13.2

SOURCE: D.B.S.

Table 16. INTER-INDUSTRY COMPARISONS OF CAPITAL STRUCTURE AND PROFIT RATES, 1965 AND 1966

	Manufacturing Industries		Retail Trade Industries		Service Industries		Public Utilities		Daily Newspaper Industry	
	1965	1966	1965	1966	1965	1966	1965	1966	1965	1966
	Per Cent		Per Cent		Per Cent		Per Cent		Per Cent	
Current Assets / Total Assets	46.5	46.0	62.4	63.2	26.6	27.8	7.9	7.3	29.1	28.5
Net Buildings and Equipment / Total Assets	33.9	34.5	17.5	18.5	46.6	46.3	75.1	75.2	40.7	40.8
Retained Earnings / Total Liabilities and Equity	32.6	32.1	29.7	29.6	16.5	18.7	13.9	16.2	44.6	45.1
Share Capital / Total Liabilities and Equity	18.7	17.2	13.4	12.7	16.4	15.5	23.5	23.3	10.7	10.5
Long Term Debt / Total Liabilities and Equity	11.3	11.3	8.5	9.1	23.5	23.4	43.1	40.9	18.3	17.0
Profit (Before Tax) / Total Assets	10.9	10.0	8.3	8.0	7.2	8.5	8.3	8.2	19.2	17.4
Profit (Before Tax) / Equity Capital	18.0	16.9	15.3	15.9	14.5	17.5	13.8	13.4	30.5	27.5
Profit (After Tax) / Equity Capital	10.4	10.0	9.2	9.8	9.4	11.7	8.6	8.3	17.5	14.3
Profit (Before Tax) / Total Revenue	9.3	8.7	3.3	3.1	7.7	8.5	26.4	24.8	15.6	14.8

Source: Corporation Financial Statistics, D.B.S. 61–207 (Annual)
D.B.S. Special Aggregation of Income Tax Returns

A few other observations on the profitability of daily newspapers, as set forth in the profitability tables:

*If you want to own a newspaper, it's better to own a small one or a large one than a medium-sized one. Companies publishing newspapers with circulation below 10,000 or above 100,000 consistently earned after-tax profits of more than 16 per cent from 1965 onward. Newspapers with circulations between 10,000 and 50,000 were less than half as profitable as the industry as a whole.

*During the period studied, labour costs increased about as much as did total revenues – 71.5 per cent. Gross returns to capital, however, increased by 95.2 per cent over the same period. (It is one of our regrets, incidentally, that the Committee could not make a detailed study, without unduly prolonging its existence and delaying this report, of the effect of labour costs on the ability of the media to survive and serve their audience. It has been suggested that rising labour costs are killing off newspapers, particularly in the United States. But on the evidence available to us, it would appear that while publishing and broadcasting are subject to the same inflationary pressures as everyone else, on an industry-wide basis both productivity and returns to capital are increasing faster than labour costs.)

*Retained earnings – the profits which a corporation holds back and usually invests in expansion or in other corporations – are much higher in the daily newspaper business than in other manufacturing industries. This indicates that the industry has been highly profitable in the past, and that its members are probably hungry to acquire other newspapers.

*Share capital and long-term debt make up smaller proportions of total liabilities and equity for daily newspapers than they do for corporations in other industries. This underlines what we know already: that newspapers are less likely than other corporations to borrow or to issue new shares when they need extra money; usually, they can finance expansion and acquisitions from their profits.

ECONOMICS OF BROADCASTING

We turn now to the economics of broadcasting, where many of the same considerations apply. We're going to argue that broadcasting, like newspaper publishing, is another industry where large economies of scale can be achieved as circulation increases. We think the data indicate that if broadcasting existed in a regulatory vacuum, individual stations would behave as newspapers do – the big ones would swallow the little ones. The main reason this hasn't happened is that broadcasting is subject to stringent federal regulation, and that the existence of a public broadcasting network drastically alters the rules of the media monopoly game.

There are 395 AM and FM radio stations in Canada, 45 of them owned by the CBC and 119 others affiliated with the CBC. There are 77 primary TV stations in Canada. Four are independent, 18 are owned by the CBC and 43 affiliated with the CBC, and 12 are affiliated with the CTV network. In 1968, Canada's TV and radio stations attracted a total of $210 million in advertising revenue.

These revenues have increased enormously in the past decade or so. Net advertising revenues in the TV industry have grown from $8.6 million in 1954 to about $118 million in 1968 – an increase of 1,272 per cent! Radio revenues almost tripled between 1954 and 1968.

The major reason for this spectacular growth, of course, is the fact that TV started from scratch. The other reason is that the *supply* of broadcasting time is limited by federal regulation, and by the nature of the medium, while the *demand* has been constantly increasing. (A newspaper will print as many ads as it can sell; but broadcasting stations are limited by the fact that there are only so many minutes in the day, and most of them have to be devoted to programming.) With more and more dollars chasing a fairly fixed amount of available advertising slots, the inevitable has occurred: TV stations and networks have substantially increased their rates in recent years.

An examination of these rates reveals that, in general, broadcasting works the way publishing does: the bigger your audience, the lower your unit cost of reaching that audience. As in publishing, substantial economies of scale exist. Table 17 indicates how great those economies can be. By dividing the amount of money the station charges for a minute of advertising by the average number of viewers who tune in during night-time hours (6 p.m. to 1 a.m.), you get a figure that corresponds to the advertiser's cost-per-viewer. As the table shows, this cost declines sharply as the audience size increases.

TABLE 17. AVERAGE TELEVISION ADVERTISING RATES-PER-THOUSAND BY STATION SIZE

Size Category (Number of viewers)	Average Size of Stations	Number of Stations in Sample	Rate-Per-Thousand ¢
Under 75,000	55,140	10	89.8
100,000–200,000	135,820	10	76.8
300,000–500,000	383,790	10	62.4
Over 500,000	1,017,000	7	43.7

The reason is pretty obvious. It costs a certain amount of money to put a programme on the air, and to attract viewers. But it costs you very little extra if your audience is twice as large. As we have seen in our study of newspapers, this declining unit-cost curve is characteristic of natural monopolies. In the newspaper business, the natural tendency is for larger units to drive the smaller ones out of business. This is much less true in broadcasting, though, for several reasons. For one thing, the C.R.T.C. won't grant licences unless it feels the station has a good chance of survival. For another, the cost structure of the industry is such – especially in radio – that a number of competing stations can survive by appealing to different segments of the total available audience.

Now let's look briefly at this cost structure, and see what happens to costs as the station's circulation increases. Table 18 shows what TV stations of various sizes spend their money on. The figures are expressed as a proportion of total costs. We're assuming here that the larger a station's revenues, the larger its audience, although there are probably exceptions to this rule. The figures are taken from D.B.S., which lumps the stations into revenue categories that are rather broader than we wish they were. The figures, then, should be regarded as educated estimates, rather than hard fact.

TABLE 18. PRIVATE TELEVISION: DISTRIBUTION OF PRODUCTION COSTS PER VIEWER* CIRCULATION BY REVENUE GROUPS

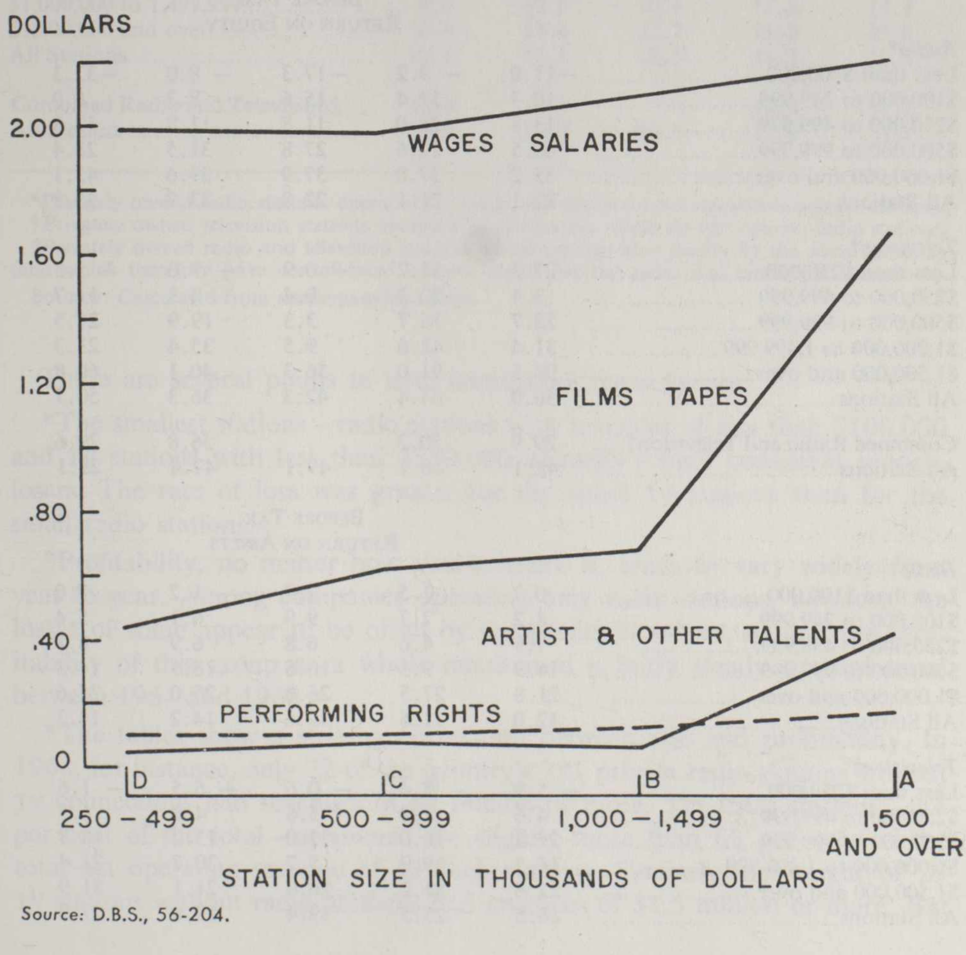
Revenue Group	$1,500,000 +	$1,000,000–1,499,999	$500,000–999,999	$250,000–499,999
Number of Stations	16	9	13	15
Total Circulation	8,106,600	1,551,800	1,558,400	1,119,900
Representative Commission	$0.355	$0.207	$0.248	$0.119
Rent, Repairs, etc.	0.421	0.413	0.362	0.421
Fuel, Electricity	0.059	0.083	0.084	0.109
Salaries, Wages	2.203	2.091	1.976	1.994
Staff Benefits	0.128	0.095	0.089	0.087
Performing Rights	0.168	0.117	0.095	0.099
Telephone, Telegraph	0.067	0.061	0.071	0.082
Micro-Wave, Wire Line	0.067	0.021	0.014	0.067
Films, Tapes	1.667	0.675	0.618	0.454
Advertising Promotions	0.292	0.199	0.167	0.157
Office Supplies, Other Expenses	0.054	0.050	0.043	0.061
Artist and Other Talent Fees	0.421	0.064	0.067	0.042
Total Production Costs	5.902	4.076	3.834	3.692
Total Operating Expenses	7.241	5.332	4.841	4.968
Total Operating Revenue	9.101	5.804	5.806	5.156
Net Operating Revenue	1.860	0.472	0.966	0.188

*Average night-time circulation, 6 p.m. to 1 a.m.
SOURCE: D.B.S. 56–204.

Chart 4 is drawn from Table 18, and it reveals an interesting phenomenon. Programming costs – including salaries, films, tape, talent fees, and performing rights, climb slowly or not at all as the size of the audience increases – *until* you get to the largest revenue category. Then they climb steeply. The biggest TV stations, in other words, spend far more on "quality" than the smaller ones do. This may be associated with the fact that many of the smaller TV stations are the only ones in their market. The stations with the largest revenues are operating in metropolitan markets, where competition exists and where quality programming becomes a competitive factor.

The "quality curve" does *not* mean, though, that small stations are more profitable than large ones. Although large TV stations spend relatively more on "quality," this factor is more than offset by various economies of scale. Productivity per employee is much higher for stations in the biggest revenue category than for smaller TV stations, for instance.

Chart 4. AVERAGE COSTS PER VIEWER FOR SELECTED COMPONENTS BY REVENUE GROUP



Source: D.B.S., 56-204.

BROADCASTING PROFITS

But the most significant benefits of bigness can be seen in the profitability figures. Table 19 tells the story. As with newspapers, we've expressed profits in various ways: as a percentage of equity, before taxes; as a percentage of assets before taxes; and as a percentage of sales before taxes. The figures were compiled for the Committee by D.B.S. and the C.R.T.C. from the balance sheets of individual private stations. The figures for "radio" refer to companies which operate radio stations but do not also own TV stations. The TV figures are for companies which do not also own radio stations. The combined figures are for those companies owning both radio and TV stations.

TABLE 19. RATES OF PROFITS IN PRIVATE BROADCASTING, CANADA 1964–1968

Type of Broadcaster by Revenue Group	1964	1965	1966	1967	1968
			BEFORE TAX RETURN ON EQUITY		
*Radio**					
Less than $100,000	−11.0	− 9.2	−17.3	− 8.0	−32.3
$100,000 to 249,999	10.3	12.4	15.6	8.3	6.9
$250,000 to 499,999	13.8	28.0	11.8	11.8	12.8
$500,000 to 999,999	60.5	22.6	27.8	31.5	28.4
$1,000,000 and over	33.2	37.0	37.9	39.6	43.1
All Stations	22.1	21.1	22.8	23.9	25.8
Television†					
Less than $250,000	−27.3	−31.2	− 0.9	+ 7.0	− 5.8
$250,000 to 499,999	3.4	22.3	9.4	8.3	11.7
$500,000 to 999,999	32.7	16.7	3.3	19.9	27.5
$1,000,000 to 1,499,999	31.4	42.0	9.5	35.4	23.3
$1,500,000 and over	98.5	91.0	56.3	40.1	60.8
All Stations	56.0	64.4	42.3	36.3	50.7
Combined Radio and Television‡	29.9	50.2		56.8	29.6
All Stations	42.1	48.1	49.1	47.4	21.1
			BEFORE TAX RETURN ON ASSETS		
*Radio**					
Less than $100,000	− 0.7	− 1.5	− 2.7	− 1.2	− 7.0
$100,000 to 249,999	8.2	7.7	9.9	6.1	5.4
$250,000 to 499,999	7.9	4.6	6.8	6.9	8.1
$500,000 to 999,999	14.9	9.3	10.5	18.5	14.3
$1,000,000 and over	21.8	27.5	26.0	25.0	25.6
All Stations	12.0	11.6	12.6	14.2	14.3
Television†					
Less than $250,000	− 5.9	− 8.4	− 0.6	+ 6.5	− 1.6
$250,000 to 499,999	4.6	11.2	5.6	4.8	6.5
$500,000 to 999,999	25.3	10.0	2.0	13.2	18.3
$1,000,000 to 1,499,999	16.7	39.9	5.7	30.7	21.4
$1,500,000 and over	22.6	31.2	26.0	21.1	31.9
All Stations	18.5	25.5	19.4	19.6	27.9

TABLE 19. RATES OF PROFITS IN PRIVATE BROADCASTING, CANADA 1964–1968—Concluded

Type of Broadcaster by Revenue Group	1964	1965	1966	1967	1968
Combined Radio and Television‡	16.3	22.5		24.6	16.8
All Stations	22.1	27.1	26.0	20.4	12.4
	BEFORE TAX RETURN ON TOTAL OPERATING REVENUE				
*Radio**					
Less than $100,000	− 4.5	− 4.1	− 6.3	− 4.3	−12.3
$100,000 to 249,999	6.2	7.6	10.2	4.7	3.4
$250,000 to 499,999	5.5	3.5	5.9	6.4	6.8
$500,000 to 999,999	11.0	6.2	8.9	12.5	12.7
$1,000,000 and over	16.0	19.8	21.3	23.9	24.1
All Stations	9.5	9.9	11.7	12.8	13.2
Television†					
Less than $250,000	−12.9	−15.3	− 0.6	+ 3.2	− 4.7
$250,000 to 499,999	1.9	11.1	5.1	5.9	5.7
$500,000 to 999,999	19.4	8.1	2.1	12.8	15.5
$1,000,000 to 1,499,999	8.4	17.5	10.6	17.3	13.3
$1,500,000 and over	16.9	22.4	22.7	19.5	23.8
All Stations	14.1	19.1	19.5	18.3	21.4
Combined Radio and Television‡	13.4	17.0		14.4	11.2
All Stations	18.9	20.4	16.1	12.0	8.1

*Privately owned radio stations operated by companies which do not operate television stations.
†Privately owned television stations operated by companies which do not operate radio stations.
‡Privately owned radio and television stations which are operated jointly by the same company (and which therefore have consolidated balance sheets for the radio and television operations).
SOURCE: Calculated from accompanying tables.

There are several points to note concerning these figures:

*The smallest stations – radio stations with revenues of less than $100,000 and TV stations with less than $250,000 annually – were consistent money-losers. The rate of loss was greater for the small TV stations than for the small radio stations.

*Profitability, no matter how you measure it, tends to vary widely from year to year. Among companies operating only radio stations, however, the losses of some appear to be offset by the profits of others, so that the profitability of this group as a whole maintained a fairly steady upward trend between 1964 and 1968.

*The tables show a striking correlation between size and profitability. In 1968, for instance, only 22 of the country's 221 private radio stations without TV connections had revenues of $1 million or more. Yet these stations – 8.4 per cent of the total – accounted for slightly more than 68 per cent of the total net operating revenue of all such stations. Similarly, only eight of 29 TV stations without radio affiliates had revenues of $1.5 million or more. But these eight large stations accounted for 92 per cent of the total net operating revenue for all such stations!

*The other thing to note is how wondrously profitable some broadcasting operations can be. The largest revenue-group of TV stations, for instance, earned a before-tax profit (on equity) of 98.5 per cent in 1964. At that rate, even after taxes, shareholders would recover their entire investment in two years! The big TV stations' worst year was 1967, when pre-tax profits declined to 40 per cent; in most other industries, that kind of margin would be considered fabulous.

3. Bucking the Trend

CONCENTRATION: PRO AND CON

We think the figures set forth in the previous chapter are astonishing. There are a number of individual newspapers and broadcasting stations that are having trouble meeting their payrolls. But *on the average,* media corporations are onto a very good thing indeed. If the brewing industry made profits half this large, and the people knew it, we suspect there would be sit-ins in the beer stores. Most media corporations, fortunately for them, don't have to disclose these earnings. Because their very large profits allow them to pay for expansion and acquisitions out of retained earnings, most continue as private companies. And so we are confronted with a delicious irony: an industry that is supposed to abhor secrets is sitting on one of the best-kept, least-discussed secrets, one of the hottest *scoops,* in the entire field of Canadian business – their own balance sheets!

The daily-newspaper and broadcasting industries make profits that are, on the average, *very* generous. In most cases, these large profits are made possible by conditions of natural monopoly. In the case of broadcasting, federal licensing policy protects broadcasters against excessive, uneconomic competition. In the case of newspapers, the circulation wars of yester-year have created monopoly or near-monopoly situations which now confer large benefits on the survivors.

In a few cases, the corporations concerned are making genuine efforts to deliver quality editorial content and quality programming in return for their privileged economic position. But the general pattern, we regret to say, is of newspapers and broadcasting stations that are pulling the maximum out of their communities, and giving back the minimum in return. This is what, in contemporary parlance, is called a rip-off.

In traditional usage, you have a monopoly rip-off when the corporations concerned use their privileged position to charge their customers more than the traffic would otherwise bear. In the case of the media, we think, the problem is reversed: it's not that the companies are charging too much – but that they're spending too little. The profit margins in broadcasting, for instance, indicate that the industry as a whole can readily afford to supply its audience with the Canadian content that the country has long needed, and which the C.R.T.C. is now demanding. The industry hasn't supplied it voluntarily, for the excellent reason that it can make more money by relying on canned American re-runs. In the same way, many Canadian daily newspapers could readily afford to develop their own editorial-page columnists, their own cartoonists, their own commentators. But it's cheaper, far cheaper, to buy syndicated American columnists and reprint other papers' cartoons, and to skimp on staff news coverage in the hope that one of the wire services will do the same job almost as well.

Too many newspapers and broadcasting stations, in other words, are delivering a product that is not as good as they could afford to make it. They don't try hard enough to improve their product because there is no economic incentive to do so – quite the reverse, in fact. That paragon of candour, Lord Thomson, expressed the matter rather well in an encounter with Douglas Fisher, a syndicated political columnist for the Toronto *Telegram*. Mr. Fisher referred to this revealing exchange in his brief to the Committee:

> I remember asking Lord Thomson several years ago when I was the M.P. for Port Arthur two questions: was the *News-Chronicle* a good money-maker? Would he consider having my column bought or that of George Bain or Peter Newman bought for the *News-Chronicle*, my point being that I thought the interpretation of Ottawa politics was covered rather slightly considering the high political interest in the area? The answers were: "Port Arthur is a dandy, one of the best profit-makers in our Canadian operations, and I got a great deal on the building from the federal government." The second answer went: "Frankly, what would be the point of it? It wouldn't sell one more paper in the market area."

Precisely. The paper is earning a pile already; why reduce profits by putting out a better product? The examples of such a cheese-paring approach to journalism could be multiplied endlessly. When the Prime Minister made his fence-mending tour of the prairie provinces in 1969, no one from the Ottawa bureau of F. P. Publications went with him, because the chain's head office in Winnipeg decided the tour could be covered more cheaply by having Winnipeg *Free Press* staffers accompany the Manitoba portion of the tour, and letting CP cover the rest.

There are hardly any Canadian newspapers that *cover* travel news the way they cover sports, say, or politics. Instead, they run their travel pages as adjuncts of their advertising departments. The editorial content consists either of verbatim handouts from tourist bureaux, or of staff-written stories by writers whose travel expenses have been paid by hotels or airlines. Once again, the industry's profit margins suggest that there are many newspapers that could afford to pay these costs themselves. Most don't. As a result, everything in your average travel section reads like a press release, and the newspaper's audience is denied any objective, unvarnished, trustworthy assessment of what these exotic destinations are really like.

There's no point in spinning this out further. Any reporter, any broadcast newsman, could supply additional examples of robustly profitable media corporations skimping on their news product. A cursory reading of almost any Canadian newspaper, or two hours spent with a radio or TV set, serves to confirm this.

This give-'em-as-little-as-possible syndrome is reflected in the industry's approach to personnel. Outside those communities where genuine journalistic competition exists, the hiring criterion is frequently not how good a man (or woman) is at the job, but how low a salary they're willing to accept. In another section of this report we document how, in both print and broadcast media, increases in productivity have consistently outrun increases in wages and salaries – and that, as a result, capital's share of available revenues is increasing faster than labour's. Once again, we see the same situation: many newspapers and broadcasting stations operating under monopolistic conditions could afford to pay better salaries to attract better people. But they don't.

As a result, newsrooms are chronically understaffed, the turnover in personnel is scandalous, and the best people, unless they have a penchant for personal philanthropy, frequently move on to some other industry, such as advertising or public relations, where talent is recognized and rewarded.

This isn't just a matter between owners and employees. The public is affected very directly, because staff shortages and salary-scrimping mean they're not getting the kind of information service that the industry's profit margins entitle them to expect. The best in-depth stories are often the costliest to get, in terms of both time and money. We quote Thomas Melville, editor-in-chief of the Regina *Leader-Post*, who in his testimony before the Committee pointed out that he would like to give "more of our reporters more time for more detail." And he continued: "We do have some who would like to work on a story for six weeks, but their time is limited."

It's not merely the time involved; it's also the gamble. Many promising leads take days or even weeks of checking, and then simply don't pan out. Every editor knows this, and wishes he had more financial latitude to gamble on the long shots. But in monopoly situations, journalistic enterprise is seldom encouraged. The shareholders are the gainers as a result. The public are the losers.

The most insidious effect of journalistic monopolies, however, is the atmosphere they breed. Every reporter soon learns that there are only a few newspapers where excellence is encouraged. If they are lucky or clever or restless, they will gravitate to those newspapers. If not, they will stay where they are, growing cynical about their work, learning to live with a kind of sour professional despair. Often you can see it in their faces. Most Canadian city-rooms are boneyards of broken dreams.

We think it is interesting that Jerry Rubin, the American Yippie, was radicalized by this very spectacle. Speaking of his days as a bright young reporter in Cincinnati, he told an interviewer:

> On the paper, I came on really full of fire, excitement, really loved reporting, etc. Everybody was really bored at the paper – at 4:30 everybody left to go home, no matter what they were doing, they went right to the elevator. People just sat around doing nothing – and they weren't hippies, either. Here were these guys, 40, 50 years old and their lives were just *wasted.*
>
> So at the age of 17 I came into contact with the whole community of people with wasted lives. They weren't happy with what they were doing, they had nothing to look forward to except maybe a three-week vacation once a year or maybe retiring. They knew they weren't going to rise in the newspaper hierarchy – there was nowhere to go. They were all very cynical, and they said to me, "Why do you want to be a reporter?" And of course they were all right in their own terms . . .
>
> What I discovered at the paper was that the people were great, each individual was fantastic, you know, go out to lunch with the reporters – I loved them all as individuals. It was like a dream in their stomachs that had been destroyed and I got a tremendous sympathy for them and began to hate the editor and the whole thing. I think I got to be an instinctive Communist.

We wish we could report that most Canadian newspapers are exciting places to work, that they're charged with the kind of tension and creative joy you'd find in a well-run university classroom. When that atmosphere is present, you can *feel* it in the city-room, you can see it in the product. It is no accident that many Canadian newspapers look and read as though they were produced by people who are profoundly bored. Too many of them *are* bored. The economics of the industry, and the placing of profits ahead of product, have made them so. That is the tragedy of practising journalism in a commercial culture: unless you are very strong or very lucky or very good, it will murder your dreams.

The sort of conditions we've been describing are a frequent consequence of monopoly situations. Without the spur of competition, it is easy for a news organization to lapse into mediocrity. Similarly, in cities where competition is vigorous, such as Toronto and Montreal, the odds are strong that editorial excellence will be sought after and rewarded.

But not always. The existence of two or more competing newspapers is not an automatic guarantee of improved performance, although it certainly widens the odds. And there is no law that says a monopoly outlet *has* to be mediocre, although there is ample economic incentive for it to become so. The forces of economics are influential, but the intentions of people can be even more decisive.

London, Ontario, for instance, is a classic monopoly situation. The Blackburn family owns the London *Free Press,* CFPL radio, and CFPL-TV. On the face of it, this would constitute one of the tightest information monopolies in the country. And yet the *Free Press* is a very good community newspaper; and CFPL and CFPL-TV are among the best local programmers in the country. It is significant that in five cities near London – Sarnia, Chatham, St. Thomas, Woodstock, and Stratford – the *Free Press* has achieved an average combined circulation that totals 41 per cent of the circulation of the local dailies. This is a tribute to the editorial performance of the *Free Press* – and, we suspect, a commentary on the performance of the five local daily newspapers, three of which are owned by Thomson. Both the radio and TV outlets are *serious* about local news and entertainment programming – to the point where local programmes frequently draw larger audiences than do the CBC network offerings.

In his appearance before the Committee, Walter Blackburn forcefully argued that his properties do *not* enjoy an information monopoly. In the seven-county area served by the *Free Press,* CFPL and CFPL-TV, his presentation outlined that there are forty-two newspapers (including six dailies), thirteen radio stations, two TV stations and fourteen cable-TV systems. But very few, if any, of these outlets provide the kind of direct, forceful journalistic competition that leads to better newspapers and better programming. The Blackburn media are providing good service to their community, we suggest, because their owner *wants* them to provide good service, and is willing to spend to get it.

Montreal provides another exception to the apparent rule that monopoly promotes mediocrity, competition promotes quality. Editorial competition among French-language dailies in Montreal has been vigorous. But while the two competing English-language dailies, the *Star* and the *Gazette,* compete keenly for advertising revenues, their editorial performances over the past twenty years or so have been less than distinguished. Both newspapers have improved in recent years – the *Star* dramatically so – and this appears to be due, not to altered competitive conditions, but to a new-found determination by owners and management to improve their product.

We cite these exceptions because we think they are important in any consideration of how to safeguard the public interest against the increasing concentration of media ownership. Media monopolies seem to operate against the public interest only when the owner allows it to happen. But if the owner has a genuine commitment to public service, if he places his readers' interests ahead of his own dividends, he can readily offset what the Committee has come to regard as the intrinsic dangers of ownership concentration. The public interest can be served or ignored, in other words, according to the personal preoccupations of the people who own the media.

And this leads us to what may be the Committee's most fundamental conclusion: that this country should no longer tolerate a situation where the public interest in so vital a field as information is dependent on the greed or goodwill of an extremely privileged group of businessmen.

We are not suggesting that the state should reward or punish individual newspapers on the basis of some "official" assessment of their editorial performance. The moment any government decides it is better qualified than a publisher or editor to decide what to print, we are in serious trouble. The freedom to publish is crucial to all our freedoms. Government's role is to protect this right, not infringe on it. This is so basic to our notions of freedom that it should hardly require elaboration.

But the power to merge, the power to expand, the power to form large concentrations of media holdings, is another matter. We think the findings of this Committee demonstrate that concentration of ownership has proceeded to the point where some form of intervention by the state is desirable and necessary. There are some media acquisitions which appear to have served the public interest. There are others which we think have led to its abuse. The principle is now well established that the state has a right to safeguard the public's right to information by approving, disapproving, or disallowing various property transactions within the broadcasting industry. The Committee believes it is time for this principle to be extended to include the print media.

There are several different forms of ownership concentration: (a) newspaper chains, (b) mixed-media holdings operating within a single market or in different markets, and (c) media holdings by companies whose main business interests are other than publishing or broadcasting. We are satisfied that there is no sweeping regulatory principle that is applicable to all of them.

The advantages and disadvantages of newspaper groups or chains, from the public-interest point of view, are especially finely balanced. Although chain ownership can lead to the sort of numbing journalistic conformity that characterizes the Thomson newspapers, it can also confer benefits that are unquestionably in the public interest. The most compelling benefit, of course, is that group ownership tends to prevent more newspapers from dying. When two group-owned dailies are competing in the same town, the result is usually a "truce" instead of a winner-take-all struggle for circulation. In Vancouver, it is probable that the smaller of the city's two dailies, the *Province,* would have folded years ago if it weren't for the fact that two large groups jointly own the company that publishes both papers. The same can be said of a number of cities with more than one daily, including Winnipeg and Ottawa: the existence of newspaper chains is actually contributing to diversity by maintaining two newspapers when, by the inexorable logic of economics, there eventually would be only one. Indeed, our best hope for *more* daily newspapers seems to lie with chains; only corporations with access to large amounts of capital can be expected to sustain the high risks, and the long initial period of non-profitability.

In the thoughtful brief submitted by F. P. Publications Limited, R. S. Malone observed that a city the size of Edmonton – which is now a one-newspaper town – should have a second editorial voice; both F.P. and the

Thomson group have investigated the possibility of starting a second newspaper there, he said, but so far neither group has been willing to accept the financial risks involved. Mr. Malone continued:

> While our combines branch here in Ottawa might take a rather jaundiced view of any attempt of, say, the Southams and ourselves co-operating to publish joint morning and evening papers in Edmonton, you might ask yourselves—might this not be a benefit to the city of Edmonton—having two separate editorial voices, with competing news staffs, foreign services, columnists and leader writers, commenting with conflicting views?

If you're serious about the advantages of media diversity, you have to concede that, yes, it would be better for Edmonton.

Group ownership can confer other benefits which, though they may be less tangible than the preservation of an existing newspaper, are nevertheless real. They can afford high-priced managerial talent in the head office, an asset from which all members of the chain can benefit. Chains can also offer greater opportunity and mobility to their staffs than could a separate newspaper; in the editorial context, this can contribute to a better overall understanding of the country among writers and readers. (Southam, for instance, feels that its acquisition of the Montreal *Gazette* will add depth to the whole group's understanding of French Canada.)

The most pervasive benefit of group ownership, however, is that groups tend to be profitable. This in itself is no guarantee of excellence; but it obviously increases the chances of achieving it. Profitable media outlets are less susceptible to pressures from advertisers and special-interest groups, and better able to accept the risks – such as lawsuits – which sometimes accompany the practise of gutsy journalism.

The moral seems to be that there is no moral. There is no such thing as a "good" chain or a "bad" chain – only good and bad owners. Even then, the situation can be pretty ambiguous.

We believe the evidence is overwhelming, for instance, that the Thomson chain is doing an inadequate job for its readers in terms of the profits it earns. But having said that, we must now quote from an informal brief from G. J. Rowland, publisher of the Penticton *Herald:*

> For many years I was the sole owner and publisher of the Penticton *Herald*. Since 1956, when I sold to the Thomson organization, I have remained as publisher. I have thus been able to study both phases of ownership.
>
> For the first seven years of the new ownership there where no profits whatever. Losses in some years were formidable. From 1964 onward modest net profits were accumulated. But not until this year (1969) could it be said that the total net gain in operating statements offset accumulated losses, to say nothing of acquisition cost and capital outlay.
>
> Meanwhile the community has had a regular annual infusion of much larger wage payments to a much larger staff—the basic cause of the drought in profit which I doubt would be contemplated by any other type of investor in this-sized community.

> In knowledge of this background, you may perhaps appreciate my recoil from the superficial type of criticism that the Thomson organization—which has dealt so much with this size of market—is cheap and repressive with regard to expense. I was the one who, as publisher, made more profit in my last year of publication as an owner than the Thomson interests have made in over-all net in the past dozen years. And why? Basically because I had to overwork the smaller staff I underpaid. I cannot focus the whole matter more sharply than by confessing that.

The case for (or against) newspaper chains is finely balanced. As for the two other forms of ownership concentration – mixed-media holdings and conglomerate holdings – the cost-benefit equation is less ambiguous. In general, we feel, these forms of media ownership are a Bad Thing, unless individual circumstances indicate otherwise.

New Brunswick, of course, is the outstanding example of conglomerate ownership. K. C. Irving, who owns almost everything else in the province, owns five of the six dailies, and TV and radio stations in Saint John. We discuss the journalistic implications of this situation in another chapter; but for now, we'll simply quote approvingly from the brief of Beland Honderich, publisher of the Toronto *Star*. "Mr. Irving," he wrote, "has in effect created a private empire of New Brunswick, complete with its official press – print and electronic."

But even in this case, which is about as flagrant an example of abusing the public interest as you're likely to find in Canada, there is something to be said for it. Dalton Camp, of all people, said it to the Committee. After astounding us by speaking warmly of the Irving newspapers – feeding the hand that bites him, you might say – Mr. Camp continued:

> The presence of a newspaper monopoly in New Brunswick, at least in the English-language market, is held by some to be sinister. I suspect the concern is excessive. It is remarkable to find, anywhere on this continent, much less in New Brunswick, a population of 620,000 people serviced by six newspapers. New Brunswick may have more daily newspapers, per capita, than any state or province on the continent, other than an obvious exception, Prince Edward Island. The economics apparently allow for it, and perhaps it is only the monopoly which perpetuates it.

The man is dead right. New Brunswick *does* have more newspapers per capita than anyplace else in Canada, except Prince Edward Island. We don't think they quite qualify as "diverse and antagonistic voices." But it is at least arguable that the province is better off with a home-owned media monopoly than with one controlled from Toronto or Winnipeg.

Even in the case of mixed-media ownership, it is easy to find extenuating circumstances. We have already described how, in London, Ontario, good management and responsible ownership have avoided the abuses that could result from what we persist in regarding as a monopoly situation.

But there are even more persuasive grounds for arguing that mixed-media ownership can, in some instances, contribute to media diversity instead of lessening it. Putting it simply, the argument goes that the day may come when a newspaper's participation in the electronic media may spell the difference between survival and collapse. Mr. Honderich told us he felt that the rival Toronto *Telegram's* interest in CFTO-TV could place his newspaper at a competitive disadvantage: "A newspaper publisher who is in the fortunate position of having such a lucrative licence may, if he chooses, use his TV profits to subsidize his newspaper in order to gain the upper hand over a competitor."

Similarly, it was argued, a newspaper's involvement in cable TV could be regarded in the long term as survival insurance. Once again, Mr. Honderich: "It is technically possible to transmit a newspaper physically into homes via cable. Although this is not yet commercially practical, it may become so. And if that happens, a newspaper without access to cable will be finished."

Again, the moral is that there is no moral. There are not, nor can there be, any sweeping criteria that will determine now and for all time which ownership-concentration situations militate against the public interest, and which ones are operating in its favor. In every case the arguments for and against are quite finely balanced. Each case much be judged in the light of individual circumstances.

PRESS OWNERSHIP REVIEW BOARD

And that brings us to one of our major recommendations: *we urge the government to establish a Press Ownership Review Board with powers to approve or disapprove mergers between, or acquisitions of, newspapers and periodicals.* The Board should have one basic guideline, spelled out in its enabling legislation: *all* transactions that increase concentration of ownership in the mass media are undesirable and contrary to the public interest – unless shown to be otherwise.

The Board's authority should be restricted to transactions involving print media only. The Canadian Radio-Television Commission now has authority over broadcasting mergers, and has exercised this power in a series of licensing decisions which add up to an evolving policy on ownership concentration. The intent of this series of decisions, as we define it, is that the C.R.T.C. is already following the same broad guideline that we propose for the Press Ownership Review Board: concentration is bad – unless proved otherwise.

We would like to see this principle enunciated in an amendment to the Broadcasting Act. This guideline, together with the proposed Ownership Board's terms of reference, would constitute a two-part legislative framework that would help to protect the public against some of the undesirable effects of media ownership concentration.

The Ownership Board would examine any future newspaper or periodical takeovers that are proposed, to determine whether or not they are in the public interest. The Board should function as the C.R.T.C. does – as a tribunal empowered to issue binding decisions, not merely recommendations to cabinet – but should of course be subject to the provisions of the Federal Court Act, which provides for appeals to the courts against the rulings of such tribunals.

We believe it is important that the Board's powers be carefully circumscribed by its enabling legislation. It should *not* be empowered, for instance, to rule on changes in newspaper ownership arising from gifts and bequests. There are still a large number of family-owned newspapers in the country; transfer of these assets from one generation to the next should not be among the Board's concerns.

Similarly, the Board should not be given authority to intervene retroactively. There are a number of areas, the Committee believes, where existing newspaper or cross-media ownership patterns have operated to the detriment of the public interest. But it should be beyond the Board's powers to intervene in such situations – *unless* the chain or group involved should seek to expand through the acquisition of another newspaper or periodical. In other words, the Board would not have authority to order a publisher to divest himself of assets acquired before the coming into force of the new enactment recommended by this report.

Legislation similar to what we propose has been in force in Britain since August 5, 1965. The legislation, Subsection 1 of Section 8 of the Monopolies and Mergers Act, declares that the transfer of a newspaper to another newspaper proprietor, in any case where this would bring the total circulation of his papers to 500,000 or more a day, is unlawful unless he has the written consent of the Board of Trade, after the Board has received a report on the matter from the Monopolies Commission. The Committee's research showed that the British Monopolies Commission, in its five years of operation, has not so far withheld its approval of any proposed merger. But the very existence of the legislation, we were told, has had a deterrent effect; newspaper mergers that are plainly against the public interest don't need to be disallowed – because they don't get proposed.

The Committee feels the circulation restriction in the British legislation is inapplicable to Canadian conditions. There should be no limit, on the basis of circulation, on the Board's powers to rule on proposed mergers or takeovers. (Although we would expect that the Board, as a matter of policy, would automatically approve mini-mergers between, say, two small weeklies.)

In deciding whether or not a proposed merger is in the public interest, the Board would have to use criteria of a fairly subjective nature. In Britain, the criteria used by the Monopolies Commission are quite broad. Under section 8(3) of the Monopolies and Mergers Act, 1965:

> The Commission shall report whether or not the transfer may be expected to operate against the public interest, taking into account all matters which appear in the particular circumstances to be relevant and having regard (amongst other things) to the need for accurate presentation of news and free expression of opinion.

Individual judgements made by the British Commission have revealed other criteria. In ruling on the proposed merger between the London *Times* and the *Sunday Times,* for instance, the Commission posed three questions: (a) whether the merger would cause an excessive concentration of newspaper power; (b) whether the merger would be a threat to the survival of other newspapers; and (c) whether "changes in the nature of the *Times* are likely to result which would rob it of qualities which make its preservation a matter of public interest."

Regarding another proposed merger, the Commission asked: (a) whether there can be any serious danger of a change in policy on editorial freedom; (b) whether the grouping of a number of local newspapers under Thomson control is liable to lead to some loss of contact by editors and their staffs with the local community to the detriment of the service provided; and (c) what effect an attitude on the part of the proprietor of neutrality in editorial matters, subject only to commercial success, is likely to have upon the character of the newspaper concerned.

Beyond the broad guidelines we propose, it would be up to the Board to define its own criteria of the public interest. But we recommend that any such definitions should include consideration of (a) whether the proposed merger would lengthen the odds on survival of a newspaper that might otherwise die; and (b) what would be likely to happen to the editorial character of the newspaper to be purchased, in view of the purchaser's past performance on the newspapers he already owns, *in relation to the profits they generate.* The onus should be on the purchaser, in other words, to demonstrate that he is in as good or a better position to serve the public interest than is the present owner.

One immediate objection arises to this proposal: the "stable-door" argument that, since 77 of Canada's 116 daily newspapers are already owned by chains or groups, there would be little for the proposed Board to do. We can't buy this argument; the stable door is still wide open. Many more newspaper mergers are still possible, and it is possible to imagine many combinations that would have serious effects on the public's access to diverse and antagonistic sources of information. Suppose K. C. Irving wished to buy the last remaining independent newspaper in New Brunswick. Suppose Southam and Thomson deemed it expedient to join forces. Suppose F. P. Publications Limited wanted to buy the *Columbian.* Would such transactions be in the public interest? It seems almost unarguable that the state should be empowered to watch over the public interest if any such transactions were proposed. So there would be plenty of work for a Press Ownership Review Board.

Since the Committee was established, there has been considerable merger activity in newspapers and periodicals. The three Newfoundland dailies changed hands, the Thomson group buying the Corner Brook *Western Star* and St. John's *Telegram;* Southam Press Limited bought the Prince George *Citizen,* the Owen Sound *Sun-Times,* and the Montreal *Gazette;* Southam

Business Publications Limited purchased National Business Publications Limited, acquiring ten business periodicals and four annuals. In Ontario, Toronto Star Limited purchased the 50 per cent Thomson interest in the Oakville Daily *Journal-Record* and became the sole owner. In Nova Scotia, the Truro *News* was sold to an Ontario publishing firm which also owns the daily in Grande Prairie, Alberta. This may seem like an exceptionally busy period, but in fact it was fairly typical. There has been no period in the past five years when the Board wouldn't have had several merger proposals before it.

In considering establishment of such a Board, the government would have to weigh the matter in relation to any proposed changes in existing anti-combines legislation. The Consumer and Corporate Affairs Department has already proposed new anti-combines legislation that would establish a Competitive Practices Tribunal. This change would enable some restrictive practices to be controlled by the Tribunal, instead of through the Criminal Code, and would permit regulation of service industries to an extent not now possible. We feel strongly that the Press Ownership Review Board we propose should be included in the context of a broadened system of anti-combines legislation, but that the Board should be established as a separate entity. Failing that, and assuming the Board's functions were incorporated as part of a broadened anti-combines authority, we urge that the guidelines we propose be spelled out in legislation that would be binding on the general authority.

The Committee is aware that the establishment of such a Board, since it would involve the application of federal power in a specialized area of anti-combines activity, is a problem fraught with constitutional pitfalls. Indeed, it is the existence of these earlier uncertainties – which are now being reconsidered under new light – that has postponed reform of existing anti-combines legislation, which almost everyone agrees is long overdue. But this shouldn't be taken as a justification for doing nothing. Rather, we feel that the urgent need for regulation of ownership concentration in the printed media provides an additional reason for resolving the constitutional problems involved. Our advice on the matter indicates that the federal government has sufficient constitutional justification for legislating in this particular area; the Consumer and Corporate Affairs Department's contemplated legislation indicates that it feels equally confident with regard to the subject as a whole.

The tribunal we propose could not operate within the constitutional framework on which existing anti-combines legislation is based. *That* legislation derives its authority from the federal government's competence in the field of criminal law. The Press Ownership Review Board couldn't operate under the same authority. By definition, its job would be to approve or disapprove of acts not yet committed, and for this it would have to draw its powers from sources beyond criminal law. Its role, therefore, would be regulatory, not punitive.

This is not to be construed as a suggestion that the Board should have powers to make regulations concerning the content or conduct of individual publications. Its sole concern – and the source of its constitutional authority – would be the investigation and regulation of ownership concentration in the printed media, an area that at present appears to be outside the competence of existing anti-combines laws, and which cannot be effectively regulated by purely provincial enactments.

We say this because we think the problem of ownership concentration in the printed media is especially acute, and because newspapers, emphatically, are not just another business. What happens to the catsup or roofing-tile or widget industry affects us *as consumers;* what happens to the publishing business affects us *as citizens*. Because of this, we can't regard the operations of newspapers and periodicals as purely local pursuits, of concern only in the areas served by these publications. Their impact, their effect on the national consciousness, their ability to influence public opinion on national issues, make publishing a matter of national concern. As businesses, their concerns may be local; but as institutions they are of national importance.

FOR A VOLKSWAGEN PRESS

The Press Ownership Review Board, if it operated under the guidelines we've suggested, would be limited in its effects. It could be useful in preventing or deterring undesirable newspaper mergers, thus preventing a bad situation from becoming worse. But it would have no retroactive powers, and so could do nothing to encourage more independent ownership of newspapers and periodicals than already exists.

But even if the Board were able to achieve a reduction in chain ownership and a corresponding increase in independent ownership, we doubt that this would have much effect on the kind of journalism the public receives. As we've already indicated, neither type of ownership is in itself a guarantee of editorial excellence. If anything, the evidence suggests that this is rather more likely to occur under chain ownership than otherwise.

So it seems futile to yearn for a return to the journalistic status quo of fifty years ago, when most cities of any size were served by several competing dailies. The economics and technology of publishing simply won't allow it any more. This is regrettable but unavoidable. We also mourn the demise of the Marmon, the Pierce-Arrow, the Duesenberg, the Packard, and the Stutz Bearcat – *especially* the Stutz Bearcat – but the relentless economics of mass production seem to dictate that three large automobile companies are about all this continent can afford.

The analogy is a very serviceable one. Detroit has "rationalized" its production to the point where its customers have less choice than they used to have. So have newspaper publishers. Detroit products manage to satisfy most of the people most of the time. So do our newspapers. Detroit cars are sometimes fat, clumsy, poorly made, and loaded with useless options. Must we pursue the analogy any further?

We will, to this extent: what this country now needs, to achieve the sort of editorial competition that is our best guarantee of a good society, is a journalistic equivalent of the Volkswagen.

The Volkswagen[3] challenged all the assumptions that Detroit used to make about its customers. The Volkswagen offered basic transportation, stripped of all considerations of status. The Volkswagen appealed to people who disliked waste and who believed in the importance of real alternatives. And the Volkswagen stole a substantial portion of the available market, forcing Detroit to produce the kind of cars that a lot of people – by their votes in the marketplace – had said they wanted. If it hadn't been for Volkswagen, there would be no Maverick. If it hadn't been for the MG, there probably would be no Mustang. Real competition produced more choices for more people.

The Committee believes a "Volkswagen press" is just beginning to emerge in this country, and that it is the most hopeful development in print journalism for many years. The Volkswagen press usually appears weekly or monthly, not daily. The Volkswagen press has no room for such journalistic tailfins as lavish colour, comic strips, boiler-plated travel sections, and other assembly-line features that are convenient for advertisers but frequently useless to readers. The Volkswagen press can be produced relatively cheaply – usually on offset presses – and it does not aim at the total market. It concentrates on basics; telling what's going on in a personal and opinionated manner. The Volkswagen press is primarily designed for readers, not for advertisers. We believe there is a large minority of the Canadian public that will buy that kind of product.

We wish we could point to a single example of a financially successful Volkswagen newspaper or magazine. There are none yet, but a few promising attempts are being made. Among them:

Last Post: Produced by an editorial co-operative in Montreal, *Last Post* specializes in radical investigative journalism, done up slickly in the manner of *Ramparts* or *Scanlon's* Magazine. *Last Post* tackles subjects that are important, and usually handles them with flair, wit, and professionalism. Almost a monthly, in that it appears as often as the co-operative's members, and the readers who support it through donations and subscriptions, can afford to produce an issue.

The Mysterious East: Edited for love by a group of academics from the University of New Brunswick whose lack of journalistic experience has not prevented them from producing a lively, provocative magazine. Editor Donald Cameron says his magazine wouldn't be needed if the province's Irving-owned dailies were as alert as newspapers are supposed to be.

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[3] Lest the Committee be accused of showing an unseemly commercial preference, we stress that our remarks apply equally to Austin, Morris, Peugeot, Datsun, Toyota, and many others.

The 4th Estate: Is doing for Nova Scotia what *The Mysterious East* is doing for New Brunswick: providing the kind of journalism that the province's monopoly newspapers fail to deliver. Probably closer to financial viability than most Volkswagen periodicals, since *The 4th Estate* has managed to attract some advertising. (Although its editor complains that its no-holds-barred editorial posture has scared off some large advertisers.)

Canadian Dimension: Edited by C. W. Gonick, Manitoba MLA and economics professor, *Dimension* is left-of-Waffle nationalist, but serves up more ideology than information. Probably the most authoritative and thoughtful of the Volkswagen periodicals, but sadly deficient in a sense of humour.

This is a partial list, and we offer it more to define the *genre* than to enumerate its occupants. The fact that the three periodicals we mentioned are primarily concerned with left-of-centre politics doesn't mean we think that's the only kind of Volkswagen periodicals there could be. There are a number of others in print now, and there could and should be more. *Take One,* a lively film bi-monthly published in Montreal, certainly qualifies. So does *Canada Month,* a financially troubled conservative monthly. So does Vancouver's *Georgia Straight,* which is more concerned with lifestyles than with politics *per se.* So does *The Atlantic Reporter,* a beautifully designed general-interest weekly newspaper which, at this writing, was struggling to get off the ground. So do a lot of other promising newspapers and magazines that either never got off the ground, or perished after a few issues: Peter Desbarat's *Parallel;* Peter Gzowski's *This City;* Peter Lebensold's *Five Cent Review;* Donald Cromie's *Vancouver Life;* and quite a few others.

These periodicals were diverse in their format, their frequency, their editorial approach, their ideology, their competence. Some sought advertising, some attempted to survive on circulation revenue alone. Some may have been aimed at too narrow an audience ever to achieve financial stability. Some, on the basis of their editorial performance, probably deserved to die. Others deserved to survive, and to prosper. But all these Volkswagen publications, living, dying, stillborn, and dead, have at least one thing in common: *they never received a fair trial.*

There are no instant hits in the publishing business. It takes *time* for readers to grow accustomed to the new offering, time to persuade advertisers that a new medium is worth supporting. Usually it seems to take about twice as long as the promoters pessimistically expect, and sometimes longer. *Sports Illustrated* lost money for almost a decade before readers' and advertisers' acceptance moved it into the black. *Toronto Calendar* published more than fifteen money-losing issues before it began attracting substantial advertising (and imitators).

A lack of time – which is another way of saying a lack of money – is (apart from subsidized foreign competition) probably the chief cause of stillbirths in the Canadian publishing business. At least a few of the Volkswagen periodicals that have been launched in this country in the past decade might be alive and prospering today *if* – and this is a big *if* – they'd been able to find the capital that would recognize their potential before the public did. The observations of publisher Peter Lebensold on the demise of *The Five Cent Review* are quoted in the Toronto *Star* (November 1, 1969) this way:

> Unfortunately the economics of magazine publishing are such that no matter how successful a new publication may be, its publishers must be prepared to wait two or three years before advertisers – and especially advertising agencies – come to accept it as a valid advertising medium. It's almost impossible to begin a new magazine unless the publisher is independently wealthy or has secured long-term financing. And the most likely investors in a magazine are people who are already in the publishing industry, which is one reason why so much control over the mass media is more and more concentrated in the hands of a powerful few.

The traditional sources of capital – private "angels," the banks, the stock market – are obviously inadequate to provide this kind of high-risk financing. Existing government agencies, such as the Industrial Development Bank, are precluded by their terms of reference from providing loan or equity capital to publishing ventures. And yet additional capital sources – along with the elimination of subsidized foreign competition – are what the Volkswagen press needs most, if it is to develop into a viable and socially important industry.

The Committee therefore recommends the establishment by the government of a Publications Development Loan Fund, with an available annual "draw" of not less than $2 million, that would assist Canadian publishing ventures in achieving economic viability. Among the Fund's guiding principles:

1. It would *not* be in business to underwrite the establishment of new publications *ab initio.* That would be to invite a flood of petitions from publications which, however potentially "deserving," could never hope to achieve economic viability. Rather, the Fund would receive applications only from publications which have got themselves started and have demonstrated their seriousness by producing a minimum number of issues (say six issues in the case of a monthly).

2. The Fund would consider assistance to publications only if they have attracted sufficient readership to indicate that a readers' need exists and is being adequately served.

3. The applicant publication would be required to have secured a substantial portion of the new financing it requires from private sources; the Fund would not supply it all from the public purse.

4. The applicant would be required to have developed a feasible, acceptable plan for allocating the additional funds to future development.

5. As a condition of loan, the Fund would nominate one independent director to serve on the board of the applicant company as a watchdog for the public interest, such director to serve until the loan is discharged. (This

condition should be gratefully accepted by the borrowers; one reason for the failure of many young publications is that while they may have brilliant editorial direction, they lack a business balance wheel.)

We think the Fund could be organized with a very small staff. It should operate with the widest possible mandate: to allocate its funds in whatever manner will best encourage the development and financial viability of diverse and antagonistic media voices in Canada. Naturally, this guideline implies an obligation to avoid loans to publications, however worthy, that appear unlikely to be able to repay them.

In making this recommendation, the Committee is aware of the policies, and apparent success, of the Canadian Film Development Corporation, and we suggest that the Fund be set up as a corporation on similar lines. The C.F.D.C., set up to administer a $10 million revolving loan fund, has had a major impact on the recent growth of the Canadian feature-film industry. It too operates on the "matching" funds principle; as a matter of policy, the C.F.D.C. demands that an applicant producer have secured a distribution contract involving a financial commitment of at least half the film's projected budget. We note that the C.F.D.C. is also empowered by its enabling legislation to make grants to film-makers "to assist them in improving their craft." Although the Loan Fund we envision would not be in business to give handouts to "worthy" publications, we don't think it should be precluded from making small-scale development grants in cases where this seems advisable.

The Committee is hopeful that implementation of this recommendation, together with the other measures we are proposing, would have an encouraging effect on the Canadian periodical industry. Government investment in this direction appears to us to be the most hopeful form of encouraging a diversity of voices in an industry that is tending increasingly towards monopoly.

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III

IMPACT

1. Change and Response

THE CONSTANT BUMP

Soap companies commission attitude surveys to find out what the public thinks about soap. Car manufacturers commission motivational surveys to find out which kinds of sexual fantasy can most successfully be translated into automobile design. But to our knowledge, no one in Canada has ever commissioned a public-opinion survey to find out what people think about the media as a whole – their roles, their effectiveness, their weaknesses.

We did. Martin Goldfarb Consultants, a Toronto-based opinion-polling firm, conducted in-depth interviews on this subject with 2,254 Canadians from all provinces. The sample was scientifically selected to represent a cross-section of the population, and the interviews lasted from two to six hours each. The interviewers talked to teenagers, farmers, housewives, university professors, junior executives, carpenters, factory workers, teachers, retired people – all sorts of Canadians representing various ages, incomes, education levels, and geographic regions. We are satisfied that the sample was more than adequate, that the structuring of the questionnaires was free of built-in bias, and that results are novel and important.

Perhaps the most striking thing about the results is the discovery that what people think about the media, and what media managers *think* people think about the media, are two very different things. What publisher could have imagined, for instance, that close to half his audience suspects that "criminal elements" influence the news? And how many owners of TV stations could have suspected what the survey indicates – that roughly four out of ten Canadians actually *talk out loud* to their radio or TV sets? Or that three out of ten Canadians feel the media are not sufficiently critical of government? Or that about half feel that newspapers and radio should be censored?

There are areas, however, where the perceptions of media producers and media consumers appear to coincide. Most Canadians think news coverage has generally improved in the past five years, and most are generally satisfied with the *amount* (as distinguished from quality) of news they receive. Newspapers are regarded by most Canadians as the best medium for detailed information. Television is regarded as the most exciting and influential medium, but newspapers remain the least dispensable over the long term. Radio is regarded as the most important medium in case of public emergency; at other times, most seem to regard radio mainly as a source of background noise demanding little attention. Magazines are regarded as the least essential of the mass media.

Some of the public's fears and reservations concerning the media are shared by media people themselves. Some obviously aren't. About half the people fear that newspapers might invade their privacy; their fear of radio and TV isn't as great in this respect. Most feel there is too much sex and violence on TV, and too many programs about drugs. A large majority felt they were getting biased information about politicians (but also felt that in general the media do a good job in reporting politics.) About two thirds of the sample felt that "big business" was to blame for press bias, and four out of ten felt that newspapers serve the interests of advertisers or the government, rather than the public at large.

The results of the Goldfarb survey are published separately, so we won't deal with it in greater detail here. What they seem to indicate is that Canadians, by and large, despite a number of reservations, are satisfied with the job their media are doing for them. The existence of this attitude has also been claimed by a number of broadcasters and publishers, who cite audience and circulation figures as evidence of public acceptance of their product.

We believe this to be true in many parts of the country. There is no question that many newspapers and a number of TV and radio stations have made strenuous efforts in the past few years to upgrade the quality and relevance of their editorial product. The Goldfarb study indicates that these efforts have not been in vain; nearly nine out of ten Canadians feel they are better informed today than they were five years ago.

But in too many cases, public acceptance of the media may be said to exist only in the sense that the public "accepted" large Detroit automobiles before Volkswagens became available. "Acceptance" exists only because no better alternative is available. This is true even in Nova Scotia and New Brunswick, two provinces that the Committee has come to regard as journalistic disaster areas; Nova Scotians feel better informed than Ontarians do, and New Brunswickers feel better informed than do British Columbians.

We are treading in a highly subjective area here. Perhaps it would be best, before we continue, to define what we mean by "good" and "bad" media. There can be endless disagreement in such an area, because the criteria can vary so widely. The standard we choose to employ is pretty straightforward: *how successful is that newspaper, or broadcasting station, in preparing its audience for social change?*

This involves no partisan judgements. Change is *the* constant of our times, and the media, by definition, must deal with change – not only through reporting the isolated, dramatic event, but by probing the hidden shifts in attitudes and institutions by which most change is accomplished. To insist that this is the media's main job is not to suggest any built-in bias for or against the notion of "progress." A new pulp mill on the edge of town may or may not be "progress"; but it is definitely change. The media's job is to bring forward as many facts, as many informed judgements on that change as possible. As Frank Walker, editor-in-chief of the Montreal *Star*, put it:

> We try as a conscious editorial policy to take the surprise out of living. ... the shock value out of things that happen ... .we discuss a trend or predict an event or a change in attitude and by putting that into the paper early enough, stop this constant bump you get by being surprised almost every day.

THE NEWSPAPERS

Some newspapers dig. Some newspapers are a constant embarrassment to the powerful. Some manage to be entertaining, provocative, and fair at the same time. There are a few such newspapers in Canada. The Vancouver *Sun*. The three Toronto dailies. *Le Devoir*. The Montreal *Star*. The Windsor *Star*. *La Presse*. The Edmonton *Journal*. A handful of others. There should be more.

There are also newspapers which, despite occasional lapses into excellence, manage to achieve a consistent level of mediocrity. The Montreal *Gazette*, and the dailies in Ottawa, Winnipeg, and Calgary fit into this category.

There is a third kind of newspaper in Canada – the kind that prints news releases intact, that seldom extends its journalistic enterprise beyond coverage of the local trout festival, that hasn't annoyed anyone important in years. Their city rooms are refuges for the frustrated and disillusioned, and their editorial pages are a daily testimony to the notion that Chamber-of-Commerce boosterism is an adequate substitute for community service. It is our sad impression that a great many, if not most Canadian newspapers fall into this classification. Interestingly enough, among them are some of the most profitable newspapers in the country. A number of these newspapers are owned by K. C. Irving. A much larger number are owned by Roy Thomson. And some of them, unhappily, are owned by respected residents of the communities they profess to serve.

In general, you can say that the best of them are published in big cities, the worst in small ones. But there are plenty of exceptions. Halifax, Canada's twelfth-largest city, is served by daily newspapers which are either mediocre or dreadful, depending on the rigor of your standards. The Peterborough *Examiner*, until Thomson acquired it, had one of the most urbane editorial pages in the country. And, as we've noted several times already, there is no easy one-to-one correspondence between mediocrity and group ownership. The dailies published in Canada by the Thomson chain are almost uniformly disappointing. The dailies published by F.P. range from competent to excellent. The only reliable rule appears to be that good newspapers usually happen when (a) the operation is financially secure and (b) people who care more about journalism than about balance-sheets control the editorial product.

In such salubrious circumstances, you tend to get situations like this:

*In Vancouver, the C.P.R. wanted to build a shopping centre on some land it owned in Kerrisdale. Many residents thought it would destroy the neighbourhood's character. They met, they organized, they fought the proposal – and were supported every step of the way by the F.P.-owned Vancouver *Sun,* whose special articles, columnists, and news stories reported the issue critically but fairly. In so doing, they helped mobilize public opinion against the project, which was eventually dropped. It was a textbook demonstration of the proposition that people who own a newspaper don't *have* to treat its news columns as their personal property; one of the C.P.R.'s major shareholders is Max Bell, who is also one of the major shareholders in F.P. Publications Limited.

*The editors of the Toronto *Star,* concerned that opinionated comment was becoming too much the preserve of professional journalists, opened their Page Seven to – of all people – the people. They devoted an unprecedentedly large amount of space to letters-to-the-editor. They sponsored public forums on various public issues, and reported the meetings in great detail. Instead of buying syndicated U.S. columnists on the cheap (as too many Canadian editorial pages do) they spent money to fill their columns with articles by people who don't normally write for newspapers. It was an attempt to give a voice to the voiceless, and it was a success. The volume of mail doubled, and the New York *Times* is now imitating the *Star's* approach.

*Some of the most eloquent put-downs that came to the Committee's attention were directed at the Fredericton *Gleaner,* formerly owned by Brigadier Michael Wardell, now controlled by K. C. Irving. We think much of it was justified. But we should point out that the *Gleaner* carried the second-highest proportion (after *La Presse*) of staff-written material in the thirty dailies whose contents were tabulated by the Committee's researchers. We should also quote from Dalton Camp's presentation:

> The daily newspapers of New Brunswick have improved more in the past ten years than the press from any other comparable region. The *Daily Gleaner,* prior to its purchase by Brigadier Wardell, was an outrage to journalism. It was probably the only newspaper in Canada in which the disinterest of the publisher was fully matched by the boredom of its readers.
>
> After Mr. Wardell assumed responsibility for the *Gleaner,* it began to acquire a resemblance to a daily newspaper. It manifested a lively interest in the community, embarked on a number of editorial crusades reflecting the special interests of the province and the Atlantic area and, if its opinions were often stringent, at least they were opinions and, as such, invoked community interest, involvement, discussion and debate. Fredericton had never known a newspaper like it or, more properly, Fredericton had never known what a newspaper was like. The *Gleaner* became a reasonable facsimile.

It would be easy to devote several chapters to similar examples, for there are a lot of newsmen who are dedicated, in the most highly professional way, to this ideal of documenting change – even if some of their bosses aren't. Several million Canadians – but not, we fear, the majority – are served by newspapers that have earned the wary respect of local Establishments. That is as it should be.

Regrettably, we could devote an entire book to examples of how newspapers are failing to do their job. The Committee was made aware, formally and informally, of dozens of cases of "news suppression" – instances where editors or publishers were said to have trimmed, killed, slanted, or displayed a reporter's story in such a way as to support an "official" version. Most such cases are practically impossible to document. Human error, honest disagreement over modes of presentation, fear of libel laws and so on could be cited to explain most of them. But we are satisfied – as are most reporters – that a "party line" does in fact exist in many newsrooms. But like pressure from advertisers, it operates subtly and capriciously when it operates at all.

Frankly, we don't view *deliberate* suppression of the news by owner-publishers as much of a problem. It happens, but seldom blatantly. More often, it is the result of a certain atmosphere – an atmosphere in which boat-rocking is definitely not encouraged – and of news editors trying to read the boss's mind. This leads to journalistic sins (of omission, mostly) that result from lassitude, sloppiness, smugness, and too chummy a relationship with the local power structure. One-newspaper towns are the most frequent victims. For example:

**The Mysterious East,* a young muckraking monthly published in Fredericton, printed a truly astonishing scoop last July: that the chairman of the New Brunswick Water Authority, the body charged with, among other things, enforcing anti-pollution laws against pulp mills, was also for a time secretary-treasurer and general manager of the New Brunswick Forest Products Association – a lobbying organization for the pulp and paper industry! There are newspapers in this country which would have joyously trumpeted a fact like that, and probably forced the official's resignation from one body or the other. No daily newspaper in New Brunswick did, however. The uncharitable might be led to suspect that this lack of journalistic enterprise was connected to the fact that K. C. Irving, owner of one of the province's largest pulp mills, also owns all five New Brunswick English-language dailies.

*One of *The Mysterious East's* contributing editors, Dr. Donald Cameron, supplied another example. When Laurier LaPierre, in October, 1969, addressed a student gathering outside Moncton, he devoted nearly all his speech to the shortcomings of capitalism, the press, and K. C. Irving, and to a plea for "decentralized socialism" as a solution to the problems of the Maritimes. *En passant,* Dr. LaPierre also mentioned that he was against Maritime union, since he favoured less, not more, centralization. According to Dr. Cameron, the New Brunswick dailies covered the story this way:

> On Monday, October 27, the Moncton *Times* headlined its front-page story MARITIME UNION "WASTE OF TIME AND RESOURCES."

It devoted twenty column-inches to LaPierre's speech in a story labelled "Staff Special." Of those twenty inches, one and a quarter was devoted to the attack on Irving. Two inches covered the comments on the press. The rest of the article was devoted to Maritime union and economic development, but the economic development was made to appear as simply a variant of the existing economic system, and the word "socialism" did not appear anywhere in the article.

The Saint-John *Telegraph-Journal* clipped the inessential last paragraph from the story, and instead of calling LaPierre simply "the head" of McGill's French-Canadian Studies programme it called him "the articulate head." Otherwise the *Telegraph-Journal* story was, word for word, identical with the Moncton *Times* story. Naturally the Moncton evening paper, the *Transcript*, followed its morning sister. So did the *Evening Times-Globe* in Saint John. And the Fredericton *Wiener* picked up the *Telegraph-Journal* story complete. So far as any New Brunswick reader could tell, LaPierre simply came down from Montreal to tell us what to do about Maritime union. Oh, these cheeky bastards from central Canada!

What is even more puzzling, however, is the fact that the story printed by the Irving press contains a good deal that is not in the transcript. Why? Very simply, because the reporter who wrote the *Times* story did not hear Mr. LaPierre. Instead he relied on some mimeographed notes which Mr. LaPierre passed out in advance. When he actually spoke, Mr. LaPierre threw away the notes and delivered a rousing committed speech. But the reporters had taken the handout and left – with one exception. The one exception, the one New Brunswick daily to report the story reasonably accurately, the one daily to mention socialism, to quote the vigorous criticism of the Irving empire, was the one daily in the province *not* owned by Mr. Irving: I mean, of course, *L'Evangéline*, the Moncton French-language daily.

*The news columns of the Peterborough *Examiner*, in December, 1968, virtually ignored one of the year's biggest local stories – the strike at the *Examiner* by members of the American Newspaper Guild. The *Examiner's* publisher and general manager, William J. Garner, when questioned on this point by the Committee, explained: "If we gave day-to-day coverage of the strike, of our side of it, it could be termed biased." This is perhaps understandable but is it good enough? "Objectivity" is one of the shibboleths of the Thomson chain; deliberately playing down strike news seems to reflect, at the very least, a lack of confidence in the *Examiner*'s ability to achieve this ideal.

*As a final entry in this random and admittedly incomplete assortment of journalistic cop-outs, we must refer at some length to the situation in Halifax. The city's two dailies, the *Chronicle-Herald* and the *Mail-Star*, are both owned by the Dennis family; according to the publisher, they are essentially morning and evening editions of the same newspaper. They enjoy a virtual monopoly on print communication in Halifax, and there is probably no large Canadian city that is so badly served by its newspapers. The *Mail-Star* prints a ringing (and rhyming)[1] declaration of editorial

[1] "For the cause that lacks assistance,
gainst the wrong that needs resistance,
For the future in the distance,
and the good that we can do."

prowess on its masthead. But there is probably no news organization in the country that has managed to achieve such an intimate and uncritical relationship with the local power-structure, or has grown so indifferent to the needs of its readers.

The Dennis newspapers, which are highly profitable, have for years been guilty of uncaring, lazy journalism. This is not merely our opinion. It appears to be shared by a substantial minority of the reading public in Nova Scotia. How else do you explain the remarkable growth of *The 4th Estate,* a boat-rocking bi-weekly (now a weekly) that has achieved a circulation of 8,000 in less than a year, and a readership estimated at several times that number? Or that this Committee received more letters from unhappy newspaper readers in Halifax than from any other area in the country?

Nick Fillmore, *The 4th Estate's* managing editor, provided the Committee with a list of news stories that broke in his newspaper:

> August 14, 1969 – A report that a study to determine the feasibility of harnessing the Bay of Fundy tides showed that the project was technically feasible but financially impractical. (A major story on the same subject, carried by the *Chronicle-Herald* several weeks later. It was also picked up by the Canadian Press.)
>
> Nov. 20, 1969–A report of irregularities in the handling of liquor seized by a Police Committee Chairman in the town of Liverpool, N.S. (Attorney General's Department later invited the town's former police chief to present facts about the administration of justice in the town.)
>
> Dec. 3, 1969 – Report that the first international fisheries agreement was being made to limit the catch of species of fish off the east coast of Canada. (Item reported in early February in the daily press.)
>
> Dec. 25, 1969 – Report that the U.S. Defence Department withdrew a signed $3.5-million contract from Fairey Canada Ltd. of Dartmouth, N.S. for defence equipment because of pressure after Canada announced cuts in its NATO forces. (Item unreported so far as I know.)

These are important regional stories. It seems odd that a two-man operation like *The 4th Estate* could scoop an organization with the resources of the *Chronicle-Herald* and the *Mail-Star* on all four of them. It seems even stranger that the Dennis newspapers, once scooped, didn't follow up these stories immediately – either to enlarge on them or to knock them down.

This may be because the Dennis newspapers appear reluctant to publish anything that might embarrass the government. At the hearings, L. F. Daley, vice-president of the Halifax Herald Limited which publishes the *Chronicle-Herald,* was questioned about the charge – contained in the December 20, 1969 issue of the *Globe Magazine* – that "in the twelve years in which Robert Stanfield was Premier there wasn't one word of criticism of his administration in the Halifax papers. But it was that way even before Nova Scotia turned Conservative with Stanfield. While Henry Hicks was Premier, he too was the apple of their eye." Mr. Daley told us he found that charge "pretty hard to believe." But he didn't offer the Committee any instances of the *Mail-Star* or the *Chronicle-Herald* mounting editorial campaigns against government policies. Nor were our researchers able to discover any.

The Committee was told of many instances where reporters' stories were altered allegedly to fit the Dennis "party line." It is difficult to define exactly the line between "news suppression" and honest disagreements between reporter and editor on matters of taste, emphasis, and presentation. But we think the flatulent nature of the Dennis editorial product supports the view that something very close to news suppression frequently takes place. The interesting thing is that it appears to have happened not to protect the *newspaper's* interests, but to further what the publisher deemed to be the *public* interest. That these interests always seem to coincide with those of the Halifax Establishment recalls a venerable and well-loved piece of English doggerel:

> You cannot hope to bribe or twist
> Thank God! the British journalist.
> But, seeing what the man will do
> Unbribed, there's no occasion to.[2]

We find it ironic, and a little sad, that the *Chronicle-Herald* prides itself on being a direct descendant of the *Novascotian* published by Joseph Howe, the father of Canada's free and responsible press. What would old Joe – a hell-raiser, a crusader, a baiter of Family Compacts – think of the Halifax newspapers today?

Admittedly, these are strong words; our disappointment with the performance of the Halifax newspapers, as one instance of the kind of journalism we deplore, has been expressed in language that some may deem intemperate. It is only fair to point out that two of our own members believe this; of the three Nova Scotia Senators on the Committee, two have asked that they be dissociated from these comments. In the view of Senator J. M. Macdonald and Senator Frank Welch, the *Chronicle-Herald* and the *Mail-Star* are serving their province competently, honestly, and independently in the public interest. They point out that the majority of the Committee, personally unfamiliar with Nova Scotia history and Nova Scotia practice, may apply a yardstick that is inapplicable to Nova Scotia conditions. We respect their position.

We have not singled out the Dennis newspapers because they are especially unique. In fact, they are uncomfortably close to being typical of too many Canadian dailies. The editorial failure of such publications does not stem primarily from "news suppression." It stems, rather, from what Dr. Cameron calls "enforced laziness" – the imposition by newspaper ownerships of an atmosphere in which editorial initiatives are unwelcome. People who want to practise vigorous, independent journalism do not thrive in such an atmosphere. If they're lucky they move on to other news organizations where their initiative will be rewarded instead of subtly penalized. Or else they go into public relations.

We find it remarkable that so few large newspaper chains offer cash incentives to their reporters for distinguished performance – inter-office

[2] Humbert Wolfe, 1885-1940.

Pulitzer prizes, if you will. Suppose the Thomson chain were to offer a $2,000 annual award to the Thomson reporter whose work best exemplified the ideal of editorial excellence? We suspect that the improvement in morale, interest, and performance throughout the thirty-newspaper Thomson chain might be quite dramatic. The fact that they haven't indicates to us what should already be obvious from inspecting the product: Thomson doesn't care enough about editorial content, as long as it doesn't interfere with profits.

THE BROADCASTERS

And what of broadcasting? What about *its* function in softening the onslaught of change?

There is a school of thought that would argue that broadcasting in Canada has softened the onslaught of change only to the extent that it has been an anaesthetic, that some day the patient must awake to find his left leg amputated, and that broadcasting will have done nothing to prepare him for his new situation. This, of course, is an overstatement . . . . or is it?

Let us first bear in mind that the broadcaster who wastes his frequency is not just wasting his own property, he is wasting everyone's property. If he does not use his frequency to fulfill his proper role, we are all the poorer. Let us then reflect that the CTV television network devotes just slightly over four per cent of its weekly schedule to regular public-affairs programmes. Let us remember that the only television station in Victoria – capital of British Columbia, population more than 175,000 – has no local news or public-affairs programme. Let us recall the FM radio stations across the country which are simply rebroadcasters of the AM stations that own them.

Clearly, there are programmes other than public-affairs and news programmes that heighten public awareness. The function of broadcasting is to entertain and enlighten, as well as to inform. The potential social relevance of serious and light drama, of humour, music, and sport is not to be denied. But can there be any suggestion that when CKLW-TV, Windsor, elects to broadcast *Sing Along With Mitch* at 11:30 p.m., after the national news, it is offering even entertainment, let alone information or enlightenment? When the same station broadcasts a public-affairs programme (which it does not produce, but obtains from another station) at 1:30 a.m., can it be seriously discharging its public responsibility? Is there, after all, some special need upon the part of insomniacs for information and enlightenment?

What, indeed, are we to make of the fact that the CTV television network has cancelled its only daily programme for children, and shows no inclination to replace it?

People's expectations of radio are not high, it seems. From our research, it appears that radio is expected to provide quick news, and soothing background music, and very little else. In this sense, private radio in Canada may be deemed successful. Radio broadcasters have often gone further. Many now have open-line programmes of some form – an important development in allowing the public some access to broadcasting, and a most welcome one, even though these programmes are at times abused, either by the personalities who moderate them or by those other personalities (often every bit as vivid) who telephone the programmes to become involved in discussions. But with rare exceptions, radio has gone no further than this.

The CBC has tried to maintain a tradition of wide, varied public service through its radio networks, and it has been more successful, perhaps, than an ungrateful public has deserved. It has languished for years in the shadow of CBC television, giving excellent service, receiving little recognition.

Privately owned radio has often been successful in its own terms: profitability, stability, unflagging mediocrity. It has sometimes been successful in developing one skill and exploiting it to the virtual exclusion of all else – as CKNW in New Westminster has done with news. But all too often private radio has set its sights low, and has not worried unduly if even indifferent levels of performance were not attained.

There are signs – very hopeful one – that this will not continue. The possibilities of providing programming more closely attuned to community needs and aspirations are becoming more attractive to private radio stations. And the C.R.T.C.'s action against CJLS in Yarmouth, N.S., for its somewhat casual attitude toward news broadcasts (the licence was not renewed after an admission that such broadcasts had been altered so as not to offend advertisers) has given a number of private radio broadcasters something to think about.

Television is a somewhat different matter. It has been pointed out by critics of Canadian broadcasting that a person who turns the selector dial on his radio seeking different stations can tell almost immediately whether he is listening to a private station or to the CBC. Their programmes are distinctly different. A television viewer, on other hand, would often have difficulty in knowing whether he was watching a public or a private television station, particularly during the prime evening hours. Indeed, he would often be unsure whether he watching a Canadian station. It is a puzzling and possibly unique aspect of Canada that this situation is largely accepted as normal.

This situation is, of course, by no means so pronounced in Quebec. Most television stations broadcasting in French in Canada are either owned by the CBC, or are privately owned CBC affiliates. The independent French-language stations have a hardy programme philosophy of their own.

At times, the viewer of CBC's English-language programmes knows clearly that he is watching the public network. He is most unlikely, after all, to see opera or ballet anywhere else. Likewise, he may generally be unable to tell a CTV public-affairs programme from a CBC public-affairs programme – both networks do them well – until the first commercial rolls onto the screen. At that point, it may occur to him that the CBC does not usually sell commercial time in such programmes, whereas CTV does.

He may, finally, reflect that the CBC does rather more public-affairs programming than CTV. It also does all the serious drama, all the opera, all the ballet, and almost all the serious music, that is ever likely to come his way on Canadian television.

But he knows that a great deal of the prime-time programming of both networks consists of imported programmes from the United States. He knows, too, that these programmes have not been notably successful in preparing the public for social change—he has, after all, the current social anguish of the United States to gaze upon as evidence.

Canada's television networks, and most of Canada's television stations, have the services of broadcasters who very much want to produce programmes of quality, programmes of immediacy, programmes that will genuinely fulfill the central role of broadcasting. But these organizations also feel a very deep obligation to continue their role as the principal medium for advertising soap, cosmetics, and instant coffee. And the competition between the demands of these differing roles is not being resolved in favour of public service or social responsibility.

Neither public nor private broadcasters, it seems to us, have been notably adventurous in developing, not just new programmes, but new *kinds* of programmes. Too often, the imagination of Canadian broadcasters has been directed towards inventing variations on imported formulae. But experiments sometimes succeed wondrously. *Sesame Street* and *The Forsyte Saga* both must have sounded implausible when first proposed. Institutional and commercial support for similarly adventurous ideas in Canada has seldom been forthcoming. One group of Ottawa free-lance broadcasters, for instance, has spent six months developing a programme concept that, just possibly, could revolutionize TV. The idea is to do for broadcasting what *The Whole Earth Catalogue* has done for print: give an urban audience access to the tools and techniques that will help them to function more autonomously in a mass society. Bake your own bread. Recycle your own garbage. Buy a bicycle. Start a neighbourhood nursery school – that sort of thing. The programme would be a multi-media experiment; viewers who saw an item featuring, say, Bobby Hull telling how to set up a pee-wee hockey league would be able to *talk* to Bobby and make their own suggestions on a hot-line radio show broadcast half an hour later; and they'd be able to write for pamphlets if they wanted further information. We think the potential appeal of such a programme could be enormous. And we are disappointed that, apart from a token development grant from the C.R.T.C., neither network has indicated much willingness to support the project.

We have been told, and we believe it is true, that broadcasters – like any good salesmen – have become adept at anticipating the moods and requirements of their customers, the advertisers. We are by no means as sure that they have become adept at anticipating how best their viewers may be served.

He may, finally, reflect that the C.B.C. does, except for the [illegible] generating than ever. It also does, of its sections, nearly all the opera, all the ballet, and almost all the serious drama; [illegible] on Canadian television.

But he knows that a great deal of the prime-time programming of both networks consists of imported programmes from the United States. He knows, too, that these programmes have not been notably successful in preparing the public for social change—he has, after all, the current social turmoil of the United States to gaze upon as evidence.

Canada's television networks, and most of Canada's television stations, have the services of broadcasters who feel a commitment to the basic purposes of creating programmes of immediacy, programmes that will genuinely fulfil the central role of broadcasting. But these organizations also feel a very deep obligation to continue their role as the prosperous medium for advertising soap, cosmetics, and instant coffee. And the contradiction between the demands of these differing roles is not being resolved in favour of public service or social responsibility.

Neither public nor private broadcasters, moreover, have been notably adventurous in developing, not just new programmes, but new kinds of programmes. Too often, the programme [illegible] of Canadian broadcasters have been directed towards [illegible] variations on accepted formulas. [illegible] Seven Days and [illegible] must have sounded implausible when first proposed. But financial and commercial support for similarly adventurous ideas in Canada has seldom been forthcoming. One group of Ottawa free-lance broadcasters, for instance, has spent six months developing a programme concept that, just possibly, could revolutionize TV. The idea is to do for broadcasting what The Whole Earth Catalogue has done for print: give a viewing audience access to the tools and techniques that will help them to function more autonomously in a mass society. Build your own house! [illegible] Start a neighbourhood nursery school!—that sort of thing. The programme would be a kind of [illegible] [illegible] hockey [illegible] would be able to [illegible] broadcast half an hour later, and they'd be able to write for pamphlets if they wanted further information. We think the potential appeal of such a programme might be enormous. And we are disappointed that, apart from a token development grant from the C.B.C., neither network has indicated much willingness to support the project.

We have been told, and we believe it is true, that broadcasters—like any good salesmen—have become adept at anticipating the moods and requirements of their customers, the advertisers. We are by no means so sure that they have become adept at anticipating how best their audiences may be served.

2. La Différence

In journalism, as in a great many other things, Quebec is not a province *comme les autres*. The traditions, the audience preferences, the mythologies, the economics of publishing and broadcasting–all are shaped by the French Fact, to the extent that the province's media cannot be viewed simply as one part of the Canadian whole. Thus this chapter is about *la différence*.

It is tempting to define that difference in McLuhanist terms: French-Canadian culture, and the media that help to define it, seem to reflect an oral bias. Ontario, for instance, has forty-eight daily newspapers: Quebec, with about one million fewer people, has only fourteen. The French-speaking population (which is 81 per cent of the total) appears to be less hung-up on print than *les anglais*. In the public-opinion survey commissioned by the Committee, more French-Canadians named TV as their most important news medium than did the English-speaking samples in both Quebec and Ontario.

Simple observation bears this out; there is no other part of Canada where television has become such a tribal medium. Nothing on English-Canadian TV–not even *Seven Days* or *The Forsyte Saga*–has ever achieved the massive impact of *La Rue Des Pignons*. Dozens of Quebec personalities, from René Lévesque to Gilles Vigneault, owe their fame to television.

But the pervasiveness of TV in Quebec is only one aspect of that province's astounding cultural vitality. Quebec has its own Top Forty, its own sex goddesses, its own totem-intellectuals, its own feature-film industry, its own penny-dreadful press, its own little magazines, night talk shows, its own Bob Dylan.[3] Much of this vitality is due to the simple fact of language; Quebec *can't* make do with Johnny Carson and Lawrence Welk. But much more, it seems to us, is due to the French-Canadian genius for being themselves. English-Canadians, after all, import much more of their culture (pop and otherwise) from the U.S. than Quebec does from France. The Quebec media both reflect this vitality and nourish it. We offer some examples.

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[3] Putting it another way, the U.S. has its own Robert Charlebois.

NEWSPAPERS

Quebec has fewer dailies per capita than most provinces. But French Canada's two great dailies, *La Presse* and *Le Devoir*, enjoy an influence and prestige within their community that perhaps no English-language newspaper can match. Montreal is one of the most competitive newspaper towns in North America–there are six dailies, which is more than you'll find in New York. Montreal and Quebec also share the distinction of being among the very few cities in North America where new dailies have been launched in the past decade or so – and survived.

Pierre Péladeau, president of Québecor Inc., is the man behind that particular miracle. In 1964 he launched *Le Journal de Montreal* hastily during a newspaper strike, saw its circulation leap to 75,000, then fall back to 12,000 when the strike ended at *La Presse*. By ruthless economies, by setting up his own distribution system, by concentrating on local instead of national advertising and, above all, by publishing a *popular* newspaper that emphasized local news and amateur sports, he built *Le Journal* into a money-making daily with a circulation that is now more than 50,000. In 1967 he attempted the same trick in another, smaller city with *Le Journal de Québec*. It began publishing on the day *L'Evénement-Journal* folded. After three years the morning paper is still losing money. But its circulation, almost 12,000, is now twice as large as that of the newspaper it replaced, and Péladeau is confident that it will eventually show a profit.

Péladeau is an almost inspirational figure, for he has demonstrated that it *is* sometimes possible to beat the Media Monopoly Game, by giving the people what they're not already getting. In his brief to the Committee he disagreed with the publisher of the Toronto *Telegram*:

> Contrary to Mr. John Bassett, who recently stated that it is virtually impossible to establish a newspaper in a city where there is one already, we state, and our experience is testimony of it, that it is always possible to do so, and, what is more, to make it profitable.

Could he himself launch a successful paper in Toronto? Yes, he said; he could. One can only applaud such heresy.

It is less easy to applaud Quebec journalism's almost total absorption with Quebec. The Committee reached the conclusion that with the usual exceptions, the news media in English Canada have shown too little initiative in reporting at first hand the story of Quebec in the past decade. We pressed this point, perhaps at tiresome length, in our questioning of English-language publishers. And we apply the same criticism in even greater degree to the French-language press of Quebec, whose newspapers maintain no staff correspondents in the rest of Canada outside of the national capital. Clearly the interests of Canada would be better served by a stronger policy of cultural interpretation in both wings of the national press.

Quebec also has about 170 regional weeklies. Some of them, such as *Progrès-Dimanche* in Chicoutimi, have larger circulations than many Canadian dailies. Controlled-circulation "neighbourhood" weeklies, distributed mostly in the Montreal and Quebec metropolitan areas, have a total distribution of about 200,000. But there is a third class of weekly, unique to Quebec, that represents one of the most remarkable success stories in Canadian publishing. Let's call them the Pop Weeklies.

They are often scorned by the respectable people who read *La Presse* and *Le Devoir,* but they are read faithfully by almost everybody else. They have zippy names like *Allo Police* and *Photo-Vedettes,* and their editorial obsessions are the same ones that have sustained the penny press since the nineteenth century: crime, sports, *le grand monde,* and pretty girls. Most of them are not vulgar newspapers – just popular. And because they're capable of creating fan-mag heroes and heroines from the province's sports and entertainment personalities, their contribution to Quebec's sense of cultural identity has been considerable. As Quebecor Inc. – which publishes eight pop weeklies – expressed it in their brief, these "artistic newspapers" have "contributed, to a very large degree, to the development of a particular taste in things artistic among all French-Canadians, at the same time as they have succeeded in creating a solid attachment between the public and those whose purpose is to brighten their daily lives."

Many lives have been brightened by the pop weeklies. Twenty years ago there were four of them publishing in Quebec, with a total circulation of about 500,000. Today there are about twenty, including two that provide TV listings and two that specialize in photo-stories about crime, the gorier the better. They have a total circulation of close to two million, a large part of it controlled by Péladeau.

If Péladeau is king of the pop weeklies, financier Paul Desmarais is lord of the dailies. Desmarais, Chief Executive Officer of Power Corporation of Canada Limited, controls *La Presse.* Through his 46.6 per cent holding of *Les Journaux Trans-Canada Limitée* (Jean Parisien and Jacques Francoeur have smaller holdings), he also controls a string of daily and weekly newspapers that represent a substantial portion of total newspaper circulation in the province. The holdings of *Les Journaux Trans-Canada Limitée* include three dailies – *La Tribune* in Sherbrooke, *Le Nouvelliste* in Trois-Rivières and *La Voix de l'Est* in Granby – *La Patrie,* one of Quebec's oldest and most influential weeklies, four pop weeklies (*Dimanche-Matin, Le Petit Journal, Photo-Journal* and *Dernière-Heure*) and ten regional weeklies. *Les Journaux Trans-Canada Limitée* also owns two printing companies, a distribution company, and a radio station. Desmarais also has a one-third interest in a company which operates a TV station in Carleton and a radio station in Shawinigan.

These holdings, plus the broadcasting properties that Power Corporation used to control before it sold the assets of Québec Télémedia Inc. to Philippe de Gaspé Beaubien, constituted a formidable concentration of ownership. The Desmarais media holdings, combined with his control of one of the nation's most powerful financial institutions, have caused considerable concern in Quebec. Quebec's Special Committee on Freedom of the Press was established partly in response to this concern, which was articulated for *our* Committee by Claude Ryan, editor of *Le Devoir.* He told us:

> A scant five or six years ago, Quebec had about ten independent dailies, four of them English. Today, more than half of them have been taken over by publishing chains, and at least one of the remainder is presently in very serious financial difficulties. This means that soon there might well be only two or three Quebec dailies that are completely free of any obligation or dependence other than their duty to their public and their journalists.

Mr. Ryan, who is one of Quebec's most respected and influential journalists, sees an inverse relationship between newspaper chains and editorial quality. He told the Committee:

> Insofar as journalistic quality is concerned, the chains we have seen in action in Quebec have tended to do their equalizing downwards rather than upwards. . . . Some newspapers taken over by large chains have succeeded in maintaining their previous vitality, though no one is likely to claim that it has been enhanced by their membership in the chain. In a great many cases, the exact opposite may be observed. Owners and managers like to maintain that the editors of all their member newspapers are completely free to determine the editorial policies of those papers themselves. But it is quite apparent that this freedom may be exercised within certain limits which, for all that they are not strictly defined in writing, are none the less real.

Les Journaux Trans-Canada Limitée, in its brief to the Committee, was somewhat coy on this point. Its 16 weeklies account for more than one third of the total weekly circulation in the province, and its three dailies account for nearly one quarter of total daily circulation. But the company sees itself as holding a "modest position" in the total media picture and they stressed that, although their position is "weak," they regard it as a "sacred" trust.

There is no question that group ownership has conferred some substantial benefits on the newspapers controlled by the Desmarais group. *Les Journaux Trans-Canada Limitée* has provided an administrative input that can only strengthen all members of the chain. It has not only strengthened, but perhaps actually rescued, at least two newspapers – *La Patrie* and *La Voix de l'Est* – and it is one of the few Canadian chains that act as though they were serious about staff training. But it is hard to support the view that chain ownership of *La Presse* or of the three dailies of *Les Journaux Trans-Canada Limitée* has enhanced their editorial quality.

Once again, the case for or against chain ownership is finely balanced. But the fact that a powerful financier could gain control of so many of the province's media in such a relatively short time demonstrated to us the need for governmental authority in this sphere. Maybe the Desmarais acquisitions have been in the public interest. Maybe they haven't. But surely the public should be allowed a say in such matters *before* the acquisitions take place.

PERIODICALS

Whatever you can say about the sickness of the Canadian magazine industry goes double for the magazine industry in Quebec. Foreign competition, a small market, some overflow circulation from France, and the profusion of pop weeklies – all these factors have produced the result we've remarked upon in our chapter on magazines: a gap between the ability to produce good magazines and the ability to make them pay. We quote approvingly from the Québecor Inc. brief, which noted that the problems of Quebec's magazine industry could be dealt with briefly, because "at this stage it is so hopeless that there is practically no problem."

Apart from a few small publications that specialize in such topics as golf or snowmobiling, there is no successful consumer magazine that is independently owned in Quebec. The largest magazine is *Perspectives/Perspectives-Dimanche,* a rotogravure section that is part of the weekend editions of seven Quebec dailies with a total circulation of about 738,000. Next are the French editions of *Reader's Digest* and *Chatelaine,* both with circulations of about 270,000. *Time* also sells about 80,000 copies weekly in Quebec, and *Le Magazine Maclean* about 172,000 monthly.

But any consumer magazine published for Quebeckers, *by* Quebeckers, has proved to be an almost hopeless proposition. There have been a few excellent attempts. *Sept-Jours,* a weekly newsmagazine that has shown real editorial promise, has attained a circulation of 11,000. But as Robert Allard, President of Sept-Jours Inc. put it: "The total losses of *Sept-Jours* have been considerable, somewhere in the neighbourhood of $450,000." In 1970 it was unable to maintain its weekly schedule of publication. *Actualité,* a general-interest monthly, was also encountering serious difficulties.

No other area of Canada enjoys such media diversity, and nowhere else in Canada has so much been done to disprove the notion that the economic imperatives of publishing and broadcasting must lead to a monolithic press. We think the two bodies we have proposed—the Publications Development Loan Fund and the Press Ownership Review Board—should attempt to preserve and encourage this diversity within the province.

PERIODICALS

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3. Freedom

When the Committee was in the preparatory stage of its deliberations, it asked media people across the country for their definition of "freedom of the press." At first glance this may seem like an excessively academic exercise, since the media in a sense "define" their rights every day through their own performance. We thought it was a useful exercise, though, because the term has become debased though an excess of incantation.

Some authorities seem to define the concept mainly in terms of the newspaper's freedom to publish. The Regina *Leader-Post,* for instance, noted that

> If a newspaper's supply of newsprint is cut off, the newspaper's ability to publish is also cut off. If through the imposition of exorbitant truck taxes or through the curtailment of the right to use city streets and highways, the newspaper were unable to operate its vehicles for distribution, then similarly the ability of the newspaper to publish and serve its readers is curtailed and freedom of the press is consequently curtailed. These are but two ways in which newspapers could be prevented from reaching the public, thus infringing upon the right of freedom of the press.

But most of the authorities we consulted tend to go farther than that. Their notions of press freedom centre around the public's right to be informed, rather than the media's right to retail information. Windsor *Star* Publisher Mark Farrell even argued that the term "freedom of the press" is faintly fraudulent—a shibboleth that can be used by publishers to justify all sorts of mischief. The term, he told us, "is an old whore that should be retired. . . . it has been prostituted so often that I prefer the expression, 'a free flow of information.' "

Standard Broadcasting Corporation Limited's brief, although it didn't throw around any accusations of easy virtue, took the same line:

> Freedom of the press guarantees to the public that no influence – on the part of government, business, labour or individual – will be allowed to distort, alter or influence the free flow of information. . . . And this

> guarantee of a free press should extend equally to the electronic media, as it does to the printed page.

Other briefs also stressed the non-exclusive aspects of press freedom. The Montreal *Star* said:

> We do not think there is such a thing as freedom of the press in Canada. What there is is freedom of speech. We have the rights that all citizens have, with additional responsibilities in that what is said in a newspaper is said to many.

In a similar vein, the Winnipeg *Tribune* noted:

> Freedom of the press is just one facet of the larger freedom of expression and the public's right to know that belongs to us all in a free society. It is not a special privilege given to publishers to print what they like.

Claude Ryan's brief on behalf of *Le Devoir* embellished this idea:

> The right to publish information, isolated from the right to be informed, would be an aristocratic privilege that only a limited class of citizens could enjoy. The right to information, on the contrary, concerns every citizen.

And so did *Le Soleil,* which stressed the danger of state infringement:

> Freedom of the press is the newspaper's right to inform and comment freely, and especially without the possibility of the State's interference, by any censorship measure, with such an activity. It does not constitute a privilege exclusive to journalists. It was rather established in the interest of the public and the readers, who enjoy an imprescriptible right to receive information.

Among all these definitions, there appears to be a consensus on at least two propositions: first, that the press possesses no freedoms that aren't possessed by the public at large; press freedom is simply an extension of freedom of speech; and second, the gravest potential threat to this freedom is interference by government.

Media owners tend to warn against this danger at every possible opportunity. We think they are right to do so. When a government seeks to restrict the freedoms of its citizens, the press is always its first target. And, as R. S. Malone pointed out in the brief of F. P. Publications Limited, such restrictions are invariably justified as being in the public interest. As Mr. Malone expressed it:

> Such restrictive actions are not things of the past, nor confined to non-democratic countries. I am sure you gentlemen are aware of actions taken against the press and newspaper writers in the past few years even in countries such as South Africa, Rhodesia, and Ceylon, because they failed to conform to the prevailing outlook of their government's interpretation of the "national interest."

Lord Devlin, former chairman of the British Press Council, has pointed out an even more insidious danger: restrictions on press freedom can sneak up on you: He remarked:

> If freedom of the Press in Britain perishes, it will not be by sudden death. There will be no great battles in which leader-writers can win

> imperishable glory. It will be a long time dying from a debilitating disease caused by a series of erosive measures, each one of which, if examined singly, would have a good deal to be said for it.

We are aware that the very existence of this Committee could be – and has been – interpreted as one such erosive measure. Most media spokesmen welcomed our enquiry as a useful forum for public discussion of an institution that can benefit from outside criticism. Others were worried about it. An executive of Thomson Newspapers, for example, outlined his point this way:

> Any attempt to legislate separately for the press as against industry in general, would be deplorable in that it would strike at the whole principle of an independent press free from special administrative or judicial interference. We believe this to be the case whether the legislation is intended to provide a special benefit to the press, or to regulate or restrict the press or the ownership thereof in any way.

We are also aware that some of our recommendations – especially the Press Ownership Review Board and the Publications Development Loan Fund – will be questioned for these very reasons. They will be seen (to coin a phrase) as the thin edge of the wedge towards a system of government licensing of the press.

We acknowledge the risk involved. There are laws protecting society against press abuses – libel, slander, sedition. Any measure which goes beyond those restrictions, any measure that empowers a government to affect a media corporation's ability to print what it chooses, is a potential danger to press freedom.

The press is hyper-sensitive to this danger for a very good historical reason. Newspapers began as publishing ventures that were licensed by the state. They existed at the pleasure of the King and Commons, and could be shut down whenever they inconvenienced the authorities of the day. It took a long and courageous struggle to end this arrangement. The battle for the freedom to publish thus became an important part of the evolution of freedom of speech. This historic victory makes it understandable that the media's owners should view government intervention as the chief threat to press freedom. But there are others. Unwarranted government secrecy is one such threat. The power of the corporation in modern society is another. The capricious or high-handed actions of police, prosecutors, and judges can also be threats. So can the economic tendencies of the media themselves, for there are places in this country where a few people hold what amounts to an information monopoly; this is not exactly conducive to press freedom. The media have been vigilant in attacking some of these threats. Others they have ignored – especially those instances where their own revenues weren't affected. We're thinking here primarily of official harassment of the "underground" press, a subject we propose to deal with at some length, because of the importance of the issue involved.

There are tens of thousands of people who think Vancouver's underground newspaper, the *Georgia Straight,* is a marvellous publication – provocative, funny, thoughtful, courageous, honest, and joyous. There are probably *hundreds* of thousands of people in Vancouver who, whether or not they've read a copy, think the *Straight* is obscene, immoral, scurrilous, and subversive – an all-round menace to youth. This latter judgement appears to include most of Vancouver's municipal and law-enforcement Establishment, for the *Straight* has been subjected to intimidation and harassment, both legal and extra-legal, that we can only describe as shocking. In 1967, the *Straight's* business licence was suspended by the city's chief licensing inspector for "gross misconduct in or with respect to the licensed premises." In 1969 alone, no fewer than twenty-two charges were laid against the newspaper, its editor, or its employees. Other British Columbia municipalities have refused to license *Georgia Straight* vendors, and police have arrested vendors or confiscated their papers without arrest. New Westminster refused to allow the *Straight* even to *apply* for a business licence, and later passed a special by-law aimed at preventing vendors from distributing the paper in return for "donations."

The harassment of the *Georgia Straight* has also created what we regard as a regrettable legal precedent. The newspaper's lawyers challenged the constitutional validity of the city's action in revoking the newspaper's business license. But the British Columbia Supreme Court approved the city's action, holding that the city's licensing powers come within provincial jurisdiction, under the "property and civil rights" clause [S. 92 (13)] of the B.N.A. Act. This power, the court held,

> is in no way directed to the suppression of free speech or its ancillary right, freedom of the press. It is conceivable of course that in some circumstances the operation of the section could limit the publication or distribution of a newspaper. . . . But such an effect would be incidental to the object of the legislation. . . [4]

This judgement was not appealed, which seems to mean that the mayor of Vancouver is now empowered to shut down *any* newspaper which, in his opinion, is guilty of "gross misconduct." We hope the Vancouver *Sun* and *Province* understand that as a result of this decision, they are now under a strong legal obligation to comport themselves as the mayor sees fit.

Other underground newspapers in other cities have received similar treatment. Underground news-vendors have been arrested in Montreal and banned from the Sparks Street Mall in Ottawa – almost within earshot of the Committee's hearings. In 1968, in one Montreal conviction, the judge imposed the maximum fine and commented: "In my opinion, the newspaper in question [*Logos*] is of a revolutionary nature, the purpose of which is to spread dissension and dissent."

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[4] [*Hlookoff et al v. City of Vancouver et al,* 67 D.L.R. (2d) 119]

When municipalities use their licensing powers, and law-enforcement authorities use their prosecution powers, to suppress unpopular publications, it raises the most basic question of press freedom. Pierre Berton, in his appearance before the Committee, said of the underground press: "This alternative, which is generally in the form of a weekly informal newspaper published by young people, has been subjected to what I can only describe as unbelievable, scandalous, and continual harassment by the municipal authorities and police of several cities in this country."

We concur in his choice of adjectives. It saddens us to report that most daily newspapers have been either lukewarm in their editorial approach to this issue, or have ignored it altogether. We find this reticence strange, especially when the same newspapers are capable of such fire and eloquence on the subject of postal rates. We see no need for additional legislation to prevent this kind of abuse in future. All that is needed, we suggest, is more vigilance on the part of the established media – the same kind of vigilance they display when their own freedoms, and their own revenues, are threatened.

The harassment of the underground press was the most striking instance we found of press freedom being infringed. But it was not the only problem area that was drawn to our attention. We were frequently reminded of the conflict that frequently prevails between the duties of journalism and the duties of law-enforcement. One way of minimizing this conflict, we were told, would be to recognize "newsman's privilege."

It has been argued that the relationship between reporter and informant is one that should be protected in the public interest; and that if a newsman is compelled in a legal proceeding to disclose the sources of his information, the integrity of this relationship could be undermined. Why should people tell reporters anything confidential, the argument runs, if the law says they can be forced to spill their sources in court?

The issue isn't wholly academic. Newsmen have been forced to disclose their sources in legal proceedings, and some who have refused have been imprisoned. One recent case involved a CBC television journalist, John Smith, who in March, 1969, was ordered imprisoned for seven days by the Montreal Fire Commissioner. He had interviewed a young Quebecker who said he had been involved in terrorist fire-bombing incidents. The Fire Commissioner demanded that Smith disclose the interviewee's name. Smith refused – even though police had already identified the man, the interview was never broadcast, and there was evidence that the interviewee wasn't what he purported to be. But Smith chose to go to jail, in defence of the principle that "it is the right and duty of journalists to withhold information given to them in confidence."

Should the state recognize and protect this right? A number of jurisdictions have decided it should. Maryland has protected newsman's privilege since 1898. Today there are fourteen American states where reporters are protected against being forced to disclose their sources. In eight of these jurisdictions, the protection is absolute. In the remaining six, it applies only in cases where the material has been published. There is no similar legislation in Canada, and the few court cases that deal with the issue are inconclusive. But in general it is safe to say that "newsman's privilege" does not exist in Canadian law. Should it?

We don't think so. Communications between lawyers and their clients have been privileged since the sixteenth century, and there are other areas (doctor-patient, priest-communicant, husband-wife) where qualified privilege has been extended. But we can't accept the argument that these relationships are analogous to that between newsman and informant. In the common law, it is generally accepted that four fundamental conditions should be present to justify privilege: first, the communication must originate in a confidence that it will not be disclosed; second, this element of confidentiality must be essential to the full and satisfactory maintenance of the relation; third, the relation must be one which, in the opinion of the community, ought to be sedulously fostered; and, fourth, the injury which would be caused to the relationship by the disclosure of the communication must be greater than the benefit thereby gained for the correct disposal of litigation.

None of these criteria seem to apply to the newsman-informant relationship. In normal privilege, the identity of both parties is known, and it is the communication itself that is protected, not the identity of the informant who made it. Normal privilege is extended for the protection of the informant; but "newsman's privilege" seems designed primarily for the protection of the reporter. Finally, the newsman can assert privilege in connection with *any* information furnished, whether it be confidential or not; traditionally, privilege may be asserted only with respect to confidential communications.

Besides, journalism is a profession where no clearly established professional standards exist; it is hard to see how the public interest could be served by extending this protection when you don't know *whom* you'd be protecting. Our opinion – which we believe is shared by most journalists – is that we should leave things the way they are. If instances arise where reporters feel a personal, moral obligation to go to jail rather than betray their sources, so be it. We believe judicial authorities can be relied upon to apply the law with due regard for the professional sensibilities involved. Besides, if the jail term were short, most newsmen would find the experience refreshing, educational, and possibly even profitable.

We don't believe, in other words, that reporters should enjoy any privilege inside the courtroom that is not shared by other citizens. We think the protection that "newsman's privilege" would extend to the news-gathering process would be outweighed by the possible effects it might have on the judicial process.

Outside the courtroom is something else again. Here we have found numerous and alarming instances of reporters, newspapers, and radio stations being forced or pressured into acting as police informants, in a way that seems to us a genuine danger to freedom of the press. In Haskell Wexler's film, *Medium Cool,* a TV cameraman trying to research a story in a black ghetto is hassled by the inhabitants because they believe he is a police informant. As it turns out, the film's hero *is* an unwitting agent of the police; he accidentally discovers that his station has been furnishing the police with footage he's shot at demonstrations. *Medium Cool* was a fictional exercise, but it happens in real life, as a matter of routine, in Montreal.

Most of the problems arise in connection with street demonstrations. Montreal newsmen–who now wear crash helmets on such occasions–already accept the risk of being beaten up by demonstrators, or by the police, as part of their job. That job isn't made any easier by the fact that the police frequently seize – with or without warrant – tapes, film footage, and photographs made at the demonstrations, to be used in their investigations or as evidence in later prosecutions. Or by the fact that Montreal police officers – according to the brief of *La Fédération professionnelle des journalistes du Québec* – sometimes pose as journalists.

A few examples from this brief:

1. After the 1968 St. Jean-Baptiste riots, Montreal police visited most of the city's newspapers and radio and TV stations and seized all film shot by photographers who had been on duty that evening. The confiscated material was later introduced as evidence in prosecuting the demonstrators.

2. The Montreal *Star,* after noting that its files were being thinned out by constant police requests for demonstration photographs, decided in 1969 not to supply any additional material unless police produced a warrant. The police then started purchasing the same material from the *Star's* subsidiary, Canada Wide, which syndicates material already published in the *Star.*

3. In October, 1969, two officers of the Québec Sûreté and the St.-Léonard police made the rounds of Montreal newspapers and broadcasting stations, apparently collecting evidence for a sedition charge against Raymond Lemieux, who had been active in recent demonstrations at St.-Léonard. One station, CKLM, through vice-president Guy D'Arcy, refused to turn over the relevant tapes. He claimed that, even though the police had a warrant, only the C.R.T.C. had jurisdiction over broadcast production. Mr. D'Arcy was charged with refusing to obey a court order and on February 17, 1970, he was committed for trial.

These three instances – *La Fédération professionnelle des journalistes du Québec* supplied many more – are part of what the *Fédération* describes as a "general condition." Their brief also reports numerous instances of reporters being called to testify for the prosecution, usually to give evidence authenticating material seized as evidence. The brief continues:

> The photos and films confiscated by the police, as well as the tapes and recordings, do not necessarily involve in each case a court appearance of the reporter or the technician. But the fact that this material may be used to complete police files leaves the public under the impression

that the presence of journalists at the scene of an event can serve to incriminate the participants. The journalist thus becomes identified with the police, and therefore risks (1) the permanent loss of information sources (who lose confidence in him), (2) having to censor his own production, thus impeding the free flow of information. Some photographers, for instance, are careful not to take pictures that might incriminate either the demonstrators or the police.

This is an unfortunate and, in some respects, a threatening situation, and it is not restricted to Montreal. It is not caused so much by any excess of zeal on the part of the police as by the fact that violent street demonstrations are becoming an almost routine part of the political process. It seems clear that the public's right to information is threatened when newsmen are dragooned into becoming, in effect, participants in an event they are covering. It seems equally clear that there is no legislative remedy to the situation. Any law that exempted newsmen from testifying about a crime they saw committed, or exempted them from assisting in police investigations of that crime, would be disastrous to the administration of justice.

Our observations regarding "newsman's privilege" seem to be applicable here: special privileges and exemptions seem generally inadvisable – on the broad ground that the press, in our society, enjoys a legal status no different from any citizen's. It seems especially inadvisable in view of the fact that journalism lacks the professional standards that would at least clearly define who is, and is not, entitled to those privileges and exemptions.

We're going to see more street demonstrations in future, and the problem which the Montreal situation exemplifies seems destined to grow more acute. All we can suggest – and we admit it sounds a bit lame – is that police and press in each community attempt to develop the kind of working relationship that will minimize the dangers that such situations present. The legitimate needs of law enforcement don't justify treating the press as though they were unpaid investigators. Neither does the role of a free press justify reporters in acting as though they have no obligations to the judicial process. The best, though imperfect, solution would be a gentlemanly one: the police should resist the temptation to go on routine fishing expeditions, and restrict their demands for evidence to those cases where circumstances justify issuance of a warrant. The press, without being unco-operative, should insist on its rights.

If this has seemed like a rather rambling discussion of press freedom and the dangers that threaten it in Canada, it is because, happily, there isn't too much to write about. All freedoms ultimately depend on a broad social consensus that the people to whom the freedom is extended can be trusted to use it wisely. The press is free by and large in Canada because the press is, by and large, responsible.

Perhaps the nature of the threats that *do* exist will contribute to a definition of what, exactly, is being threatened. We hope our study shows that, apart from the ill-advised (and sometimes illegal) actions of a few isolated officials, governments at all levels understand what the press is for, and why it must be allowed to do its nosy, sometimes unpopular job.

As Stuart Keate, publisher of the Vancouver *Sun,* said: "In newspapering, the name of the game is disclosure." Anything that interferes with that duty is a denial of the public interest – although other, conflicting claims to the public interest often do, and should, take precedence. This notion leads to a definition of press freedom that some publishers have been slow to embrace. It is *not* simply the freedom to publish. It is more than that. It is the public's right of access to information that must be protected. Governments sometimes infringe on that right.

But a more likely source of infringement, we believe, is the economic tendencies of the press itself. If government can legislate to ensure a more "diverse and antagonistic" press, it is not interfering in freedom of the press; it is moving to protect a broader, more basic freedom: the freedom of information. Indeed, the Committee can envision a day when government might have to consider intervening, not to preserve a newspaper's freedom to publish, but to establish a citizen's right to have his views expressed in the mass media. Professor Jerome A. Barron of George Washington Law School, Washington, D.C., has already argued that the first amendment to the U.S. Constitution – the one which forbids Congress to pass any law abridging freedom of the press – could be interpreted *positively,* so as to permit passage of legislation guaranteeing the public's right of access to the media. "My basic premise in these suggestions," Professor Barron writes, "is that a provision preventing government from silencing or dominating opinion should not be confused with an absence of governmental power to require that opinion be voiced."[5]

One American case has already moved towards adoption of this principle.[6] The case stemmed from a broadcast on radio station WCGB in Pennsylvania, in which a super-patriot named Reverend Billy James Hargis accused a journalist named Fred J. Cook of Communist affiliations. Cook asked for, and was denied, time to reply. The appeal to the Supreme Court turned on the issue of whether the Federal Communications Commission's "fairness" regulations violated the First Amendment. The court ruled, resoundingly, that they did not:

> It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance monopolization of that market, whether it be by the Government itself or a private licensee . . . It is the right of the viewers and listeners, not the right of the broadcasters, which is paramount.

There are no similar Canadian precedents. But if freedom of expression means anything at all, it must surely include the right to *disseminate* one's

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[5] Barron, Jerome A., *Access to the Press—A New First Amendment Right,* 80 Harvard Law Review 1641, 1676 (1967).

[6] *Red Lion Broadcasting Company v. The Federal Communications Commission* [89 S. Ct. 1784 (June 9, 1969)].

views. We think our studies have shown that this right could be threatened by the media's tendency towards a state of natural monopoly. We hope this tendency can be arrested, so that some future Canadian government will not find it necessary to legislate against the possibility of the public being silenced by its own press.

But this is a far-off threat. A much more immediate danger, we believe, is the familiar one of apathy. A public that doesn't care about the media, a public that is given additional reasons every day to be distrustful, resentful or – worst of all – bored by the media, is a public that doesn't prize its freedoms as highly as it should.

4. Press Council

Canada needs a Press Council. We think government should have nothing whatever to do with its formation or operation. We think it should concern itself primarily with the print media—which, in effect, means newspapers—because the C.R.T.C. already is empowered to exercise a similar function for broadcasting. We think many of the problems of the press that this report documents could be alleviated by the existence of a watchdog organization that would monitor the press the way the press monitors society. Public confidence in the press is declining; a press council could help arrest this trend. The media's tendency towards monopoly threatens to restrict the public's access to diverse and antagonistic sources of information; a press council could meet this threat by helping to ensure that media monopolies don't act as though they own the news. Finally, a press council could help to foster a sense of professionalism, and help to develop a set of standards, in an occupation that badly needs them. Even if a press council did nothing whatever, we'd still like to see one set up; because the very act of setting one up would force journalists and publishers, for the first time, to come together on an organized basis to think about what they're doing, how well they're doing it, and why.

During the Committee's research and hearings, we asked publishers and journalists across the country to let us know what they thought of the idea. We weren't conducting a poll; simply inviting expressions of opinion. The response indicated a pretty broad consensus among working journalists that a press council would be desirable. Publishers were less unanimous. Those who supported the idea did so either because they thought it could be a positive, constructive development or because, what the hell, it can't do any harm. Those who opposed the idea thought a press council would be either an invasion of press freedom or simply another useless, do-nothing committee. It was evident that many of those who opposed it had no clear understanding of what a press council is and what it does.

Most of the publishers who saw no need for a press council were from small-town newspapers. They argued that mediation by a press council in a town the size of Woodstock or Fredericton would be slightly ludicrous. If a citizen has a grievance, all he has to do is ring up the editor and tick him off. "We report the activities and opinions of men and women who may well literally be our neighbours," we were told by R. G. Dundas, publisher of the Woodstock *Sentinel-Review*. "Therefore communication is never a problem."

Big-city opposition was expressed by R. S. Malone, president of F. P. Publications Limited, whose brief said:

> I do not believe that any need for a press council has been demonstrated to date in this country or indeed exists. There is, of course, always the risk of the odd lapse but even in such rare instances I do not feel that the present situation warrants the greater risks which are inherent in any body which can exercise any control, pressure or threat over press freedom or the freedom of any editor or writer to express his views or report events without fear of being reported to a press council, or hauled before a board to answer every complaint that was lodged against him. If he has committed a crime the place for him to answer in is our proper courts of law.

And by the Halifax *Chronicle-Herald* and *Mail-Star* submission which advanced the view that "the reading public is a press council in itself. Public opinion and response constitute a stimulus to all newspapers to gain and retain a reputation for accuracy, responsibility, and fairness."

Since these reservations appear to be shared by at least a substantial minority of the people who would have to make a press council work, we'd like to deal with several of the points implicit in their objections:

(a) *A press council could threaten press freedom.* We couldn't agree more, *if* – and only if – government were involved in the project. The idea of empowering a government-appointed tribunal, armed with powers of censure or sanction, to sit in judgement on the press is of course unacceptable, for all the obvious reasons. But what we propose would have nothing to do with the government. A press council should be established by the press itself. Implicit in Mr. Malone's statement, also, is the notion that a press council is primarily a complaint bureau. The kind of press council we'd like to see would be much more than that.

(b) *The law already provides protection against press abuse.* Sure it does, but should people be forced into court every time they're misquoted, harassed, or mistreated by the press? Between the kind of petty grievance that can be redressed by a letter-to-the-editor, and the major complaints that are best adjudicated by the courts, there's a large area of medium-sized problems where a press council would be most effective. Complaints of sensationalism or distortion; of mishandled corrections, apologies, and letters to the editor; of lapses of taste in copy, photographs, and cartoons; of intrusions and invasions of privacy; of unethical or unfair news-gathering methods – all these could be dealt with by a press council.

Britain's Press Council – which we think is an excellent working model – has developed terms of reference that restrict it to this middle ground. The Council won't entertain complaints unless (a) the complainant has already sought satisfaction from the newspaper and failed to obtain it, and (b) the complainant signs a waiver that precludes legal action on the complaint. These excellent rules mean that the council isn't swamped by minor hassles that can and should be settled at the local level. They also tend to give publishers and the aggrieved an additional reason for *not* going through costly and troublesome court proceedings.

(c) *I don't need a press council; if someone's got a beef, my door is always open.* J. C. Preston of the Brantford *Expositor* put his argument this way:

> We feel that the fact that they can call us up, and see our name on the masthead of the paper – they call us up at home; our phone numbers are listed – this gives them a chance to air their beef. . . . I mean, we are available. I go down to the curling club; I go down to the golf club. Mr. Pollard does. And we are available to people.

The answer to this objection is contained in the previous paragraph. A press council must not function as a *substitute* for consultation between newspaper and complainant, but as an informal "court of appeal" if the matter can't be resolved locally.

(d) *Press freedom will suffer if every reporter and editor has a "big brother" looking over his shoulder.* This is more or less what Mr. Malone told us, and we think he's trapped himself in his own rhetoric. Obviously, we don't envision an organization that would install a *Gauleiter* in every city-room in the country. But if government benefits from independent scrutiny, then why shouldn't the press? The press has been described as a sort of minefield through which politicians must tippy-toe at their peril. We think one reason for newspapers' declining credibility is the fact that the press has no such minefield.

(e) Which leads to yet another objection: *who needs a press council? A newspaper's readers already constitute the only court of appeal it needs.* This may be true to a limited extent where genuine editorial competition exists. But given the monopolistic conditions that prevail in most Canadian cities today, it's a piece of hollow *laissez-faire* rhetoric. The implication is that if readers aren't satisfied with the way a newspaper is doing its job, well, they can always cancel their subscription. Sure they can – and read *what?* Fly in the New York *Times?* Or quit reading newspapers entirely? We think it is interesting that most of the publishers who advanced this argument come from one-newspaper towns. They know, or ought to know, that if a reader feels his newspaper isn't performing adequately, or if he feels he's been harassed or mistreated by his newspaper, there is practically nothing he can do about it. Dr. Donald Cameron, the University of New Brunswick professor who constitutes a sort of self-appointed one-man presswatcher in the Maritimes, expressed this point admirably in his appearance before the Committee:

> In Fredericton, a good many of us have looked at our daily newspaper, affectionately nicknamed *The Daily Wiener,* and we have judged. We consider the *Gleaner* a dreadful newspaper. So what? No consequences follow from that judgment. There isn't any provision for any consequences to follow. This committee is the first opportunity I can recall for any dissatisfied citizen to do anything meaningful at all about the media. . . .

Most of these objections were advanced in Britain in the 1940s, after a Royal Commission recommended the establishment of a press council. It wasn't until 1949, after Parliament considered the report, that British newspaper proprietors got around to considering the proposal themselves. Their deliberations were inconclusive. If there was any enthusiasm for the idea, it was well concealed. But three years later, after a private member's bill to establish a press council *by legislation* had reached second reading in the House of Commons, the industry finally agreed on a draft constitution. The British Press Council came into existence on July 1, 1953.

At first the Council functioned merely as a sort of journalistic grievance committee. Its membership consisted entirely of journalists and publishers. During its first eight years of operation, it dealt solely with complaints from the public. Even then, it hardly constituted a tribunal that, in Mr. Malone's words, would haul a reporter or editor "before a board to answer every complaint that was lodged against him." In fact, during 1967-68, the council disposed of about eighty per cent of the complaints that came to its attention without proceeding to adjudication – either because the complaints were frivolous, malicious or just plain wrong, or because the complainants hadn't first sought redress from the newspaper concerned, or because the complaint was properly a matter for the courts. Its decisions were *voluntarily* publicized by the newspapers concerned. The consensus among journalists and publishers, after eight years, appeared to be that the Council was performing a useful role.

But changes were taking place in the British newspaper scene that made its activities seem somewhat circumscribed and irrelevant. A rash of mergers, takeovers and newspaper closures created the same dangers that prompted the formation of this Committee: that media monopolies were threatening to restrict the public's access to information. In February, 1961, the government appointed a second Royal Commission, under Lord Shawcross, to take another look at the ethics and economics of newspapering. The Shawcross Commission, which reported in 1962, recommended a number of measures to increase the industry's efficiency, in the hope of forestalling future newspaper closures. It also recommended that the Press Council broaden its role – as the first Royal Commission had suggested in 1949 – to become something more than a complaint bureau. The Shawcross Commission accordingly recommended a reformed press council which, in addition to its existing duties, would (1) scrutinize and give publicity to changes in ownership and control of newspapers; (2) publish up-to-date statistics; (3) ensure that newspapers carried the name of the company or individual in ultimate control of its affairs; and (4) hear complaints from journalists of undue influence from advertisers.

The Shawcross recommendations were adopted and in January, 1964, the new council, chaired by Lord Devlin, held its first meeting. Its membership now consists of the chairman, a retired jurist, and a vice-chairman; ten members elected by associations representing British daily and weekly newspapers; two members elected by the Periodical Publishers Association; eight members elected by associations or unions of journalists and editors; and five lay members, appointed by the Council. The Council has a small full-time secretariat headed by Noël Paul and operates on an annual budget of less than $60,000, which includes a stipend of about $10,000 for the chairman.

The Council's constitution spells out its objectives, which are much broader than merely adjudicating complaints:

(i) To preserve the established freedom of the British Press.
(ii) To maintain the character of the British Press in accordance with the highest professional and commercial standards.
(iii) To consider complaints about the conduct of the Press or the conduct of persons and organizations towards the Press; to deal with these complaints in whatever manner might seem practical and appropriate and record resultant action.
(iv) To keep under review developments likely to restrict the supply of information of public interest and importance.
(v) To report publicly on developments that may tend towards greater concentration or monopoly in the Press (including changes in ownership, control and growth of Press undertakings) and to publish statistical information relating thereto.
(vi) To make representations on appropriate occasions to the Government, organs of the United Nations and to Press organizations abroad.
(vii) To publish periodical reports recording the Council's work and to review from time to time developments in the Press and the factors affecting them.

The Council's twenty-seven members meet every two months. Its two main Committees, the Complaints Committee and the General Purposes Committee, each with about ten members, meet every month. Since the establishment in Britain of a government-appointed Monopolies Commission, the Council has spent less time than formerly monitoring economic developments in the newspaper industry. Instead, it has concentrated on adjudicating complaints and – this is important – acting as a sort of self-starting watchdog on press standards and press freedom. The Council can act on its own initiative if it feels a newspaper has departed from accepted journalistic standards, and it has been active in opposing the tendency of various public bodies to exclude reporters from their deliberations. In 1968, the Council on two occasions was approached "to consider allegations of improper exclusion of the Press." It urged stricter compliance with the Public Bodies (Admission to Meetings)

Act, 1960, a statute defining the conditions under which the press and the public can be excluded from the deliberations of such bodies as town-council committees and public-hospital boards.

The Council's procedures for dealing with complaints provide some excellent guidelines for any Canadian similar body. The Council can launch an investigation on its own initiative; it doesn't have to wait until someone from outside complains. Unlike the procedure in a court of law, the complainant needn't have been *personally* damaged or inconvenienced; anyone who feels a newspaper has mishandled a story is entitled to complain.

As we've already noted, complaints aren't entertained unless and until the complainant has sought, and failed to receive, satisfaction from the newspaper concerned. Then he must submit his complaint in writing, with a copy to the editor concerned. Then the staff investigates. A great many complaints don't survive this stage of the process; they're found to be baseless or malicious or just silly. For complaints that do stand up to initial investigation, the staff prepares a fully documented dossier that is presented to the Complaints Committee. This committee makes its decision which is usually – but not always – endorsed by the Council as a whole at its bi-monthly meeting. In its 1968 annual report, the Council recorded that, of the 403 complaints it dealt with during the year, only 114 made it as far as the Complaints Committee. Of these, only 88 were adjudicated by the Council as a whole. And of *these* 88 complaints, the council ruled against the complainant in 53 instances. If a Canadian version operated along similar lines, there would be no reason to fear that the Council would be guilty of capricious harassment of the press.

Britain's Press Council is not the only one in operation. Our research indicates that at least fifty countries have them, and some of these have been operating for several decades. Although in some areas press councils have been used as instruments of suppression, it appears that in many countries these organizations have become an accepted and useful device for promoting press responsibility and press freedom.

The Committee favors establishment of a press council for several reasons. Perhaps the *least* urgent reason, in our view, is the need for a journalistic ombudsman. We don't believe the press is fraught with abuses. We believe that instances of newspapers pushing people around and of distorting the news are quite remarkably rare. This observation is founded on pretty direct experience; since our Committee was formed, a lot of Canadians have written us with complaints about the newspapers in their area. A perusal of these letters indicates to us not only that the public would welcome a press council, but that the press would have nothing to fear from it. The Committee received perhaps two hundred letters dealing with specific complaints. More of them came from the Maritimes than from enywhere else, which may say something about journalistic standards in that part of the country. More interesting still was the fact that, of these complaints, there were fewer than half a dozen that would have earned a slap on the wrist if they'd been presented to the British Press Council. Some were generalized grumbling.

Some amounted to political disagreements. A few letters contained personal grievances that sounded genuine and deserved remedy, and came from the kind of people who would find it too costly to seek redress in the courts. And some of them were plain crazy—like the complaint of the man who wrote to inform us that Harry S. Truman was part of the international Jewish conspiracy. Truman's middle name is actually Solomon, this man informed us, and he wanted to know why his local newspaper was furtively concealing this fact.[7]

The entire experience of this Committee, in fact, suggests that a communications vacuum exists between press and public, and that a press council could help fill it. The most common feedback that members of the Committee have received from non-journalists goes something like this: "Thank God, at *last* there's somebody we can talk to about the media." We're satisfied that there *is* a kind of inchoate concern and awareness abroad in the country about the mass media, plus a lot of goodwill. The very existence of our Committee has demonstrated the need for some structure that can act as a focal point for all this. Much better that the media themselves should create such structures than the government.

But even if this public feeling didn't exist, we'd still favour the idea – because we think it could also provide a stimulus to the development of the permanent organizational structures that the industry so badly needs. Sitting down to help decide how to invent a press council would give the Canadian Managing Editors Conference something meaningful to do. It might help broaden the American Newspaper Guild's horizons beyond the lunchpail level. It might encourage the Canadian Daily Newspaper Publishers Association to think about something other than advertising revenues. It might even encourage those notorious non-joiners, reporters, to join *something* for a change, to advance their own professional interests.

Naturally it's up to the publishers and journalists to work out the terms of reference for a Canadian press council. The British model obviously can't be imported without a number of basic amendments.

By the very nature of our recommendation, it's not up to us to suggest how a press council should function, or what its terms of reference should be. We think that's the industry's business, not ours. Nevertheless, we can't resist making a few observations about the kind of press council we'd like to see. In making them, we're mindful that they'll probably bear very little resemblance to the kind of press council, if any, that actually results:

1. It should be a *national* press council, or at least reflect a national presence. Although the council's ombudsman function could best be handled on a regional basis, its other duties require a country-wide platform. Quebec is

[7] The Committee is indebted to Mr. Truman's secretary for the following information: Two of his grand-parents had names starting with S, and his parents couldn't agree on which of these names to give him. And so, in a spirit of compromise that any politician would admire, the parents decided that the initial alone would be the future president's middle name. Sorry about that, all you anti-semites.

already close to the formation of a press council for that province. The daily and weekly newspaper associations, *La Fédération professionnelle des journalistes du Québec, L'Association canadienne de la radio et de la télévision de langue française Inc.*, and several other influential organizations have had intensive consultations on the matter, and have produced a draft constitution. Quebec's special position makes it desirable and inevitable that the province have its own regional organization. We think it is equally desirable that a counterpart organization for English-speaking Canada be formed, and that the two bodies somehow affiliate themselves to form a national body.

We say this because we hope the council will become much more than a complaint bureau. We hope it will take the lead in the evolution and definition of journalistic ethics and standards. We hope it will promote the idea of journalistic training. We hope it will continue what this Committee has attempted – to keep a watching brief on economic developments within the industry, and assess their impact on freedom of information. We hope it will undertake research on matters of professional interest, and work with journalism schools to ensure that the kind of research and development that is routine in most industries becomes routine in the newspaper industry too. We hope it will become a powerful lobby on behalf of press freedom and press responsibility – a sort of journalistic equivalent of the Canadian Association of University Teachers – that will speak out when governments try to push the press around, or when the press tries to push people around, including its own journalists. To do all this, the council would have to be a national body.

2. We have no prescription as to whether the council's ombudsman activities should be organized locally, regionally or nationally. That is a matter for the participants to work out. Perhaps some two-tier system could be devised. This way, most complaints would be adjudicated by regional or provincial press councils. But the national body could provide an informal court of appeal (the lack of such an appeal procedure is one of the most prevalent criticisms of the British Press Council.) With a national body somehow involved in adjudication, it might be possible to evolve, on a case-by-case basis, a set of ethical guidelines that would be applicable across the country. This is the first step towards upgrading journalism from a skilled trade to the status of a profession.

3. Finally, we hope – and we know we're hoping for a lot – that the press council would take the lead in encouraging the formation of community press committees. The idea was outlined for the Committee by Ben H. Bagdikian, national editor of the Washington *Post* and one of the most thoughtful and articulate thinkers in America on the subject of the press. Working with foundation money, Bagdikian stage-managed an experimental program to set up community press councils in six U.S. cities. The object

of the exercise, he told us, was to foster two-way communication between a single community and its media:

> The local press council is concerned with a single community, and the idea is that both parties need to speak to themselves in some other way than the one-way communication of receiving the newspaper on your doorstep every morning and not having a very good method of talking back, or listening to your radio and television and not being able to talk back.

Bagdikian's local groups were *not* vehicles for confrontation. The meetings usually took place once a month at somebody's house after cocktails and dinner. The ground-rules were designed to promote co-operation, not carping. The group represented a cross-section of the community, and was selected by researchers from the local university – *not* by the publisher. The second rule was that the council had no power over the newspaper whatsoever.

Bagdikian's group plans to publish a book on the experiment, which revealed that (a) the publishers didn't know as much about their communities as they thought they did, and (b) the people didn't know as much about newspapers as they thought they did. There aren't many Canadian cities that couldn't benefit from similar experiments.

That's our modest proposal. We're asking the moon – an absolute prodigy of an organization that would single-handed attempt to solve nearly all the problems that trouble the press today in relation to the people it serves. We doubt that a press council could achieve as much as we hope. But we hope it would try. As a former reporter named John F. Kennedy once said: "Let us begin."

A sensible place *to* begin would be at the next annual meeting of the Canadian Daily Newspaper Publishers Association. The better financed such an organization is, the better are its chances for achieving something. We have already noted that Britain's Press Council operates on less than $60,000 per year. We hope the Canadian industry – whose daily-newspaper members in 1968 had total revenues of $295 million – can find it in its heart to do a little better than that.

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5. Criteria

> There is, of course, nothing professional about the role of newspaper reporting. As a group reporters have no disciplined academic training in any particular sphere, although they seem prepared to write about almost anything. They do not as an occupational group license themselves, govern their own affairs, or establish their own norms of performance. As Bernard Shaw pointed out so long ago they have no public register. As an occupational group they are not highly paid, nor do they seem to have high prestige. Hence it is unlikely that, as a profession, journalists would have the social standing or professional expertise or group solidarity to offset ownership pressure, although occasionally, as individuals, editors can rise to great prominence.
>
> John Porter[8]

Most working journalists will recognize the uncomfortable acuteness of Professor Porter's observation. Physicians, lawyers, accountants, teachers, and plumbers all insist, in varying degrees, on the right to set the standards under which they perform their work, and to decide who is and who is not qualified to join their occupational ranks. Journalists do not possess this status. They do not appear to have sought it, and their employers assuredly have not encouraged them to seek it.

This wouldn't matter if publishing and broadcasting were just another industry. But the whole thrust of the Committee's thinking is that the media's business is the public's business. The failure of the media, owners and workers alike, to evolve anything approaching professional journalistic standards is thus a matter of public concern. For the plain fact is that only journalists and the people who employ them can achieve this status. Nothing about the media is going to change very much unless and until that starts happening.

The problem has its chicken-and-egg aspects. Professional training won't become the norm until professional status is achieved. Professional status won't be achieved until professional training becomes the norm. Training

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[8] Porter, John, *The Vertical Mosaic*, University of Toronto Press 1965, p. 485-486.

is, or should be, mainly the employers' concern. Professional status should be the concern of working journalists. The deficiencies in both areas are too apparent.

Let's look first at the area of professional standards – an area that journalists themselves are only just beginning to look at. Almost by definition, journalists are non-joiners. But it is only by organizing that the working press is going to achieve the kind of compensation it deserves, and which the industry can readily afford. But increased bargaining power is not the only reward of professionalism. We think it is significant, and encouraging, that wherever in Canada journalists have organized themselves as professionals, they have begun to win more control over the product they create.

The trend is most pronounced in Quebec, where the relationship between reporter and editor is, on some newspapers, codified as part of the collective-bargaining agreement. At *La Presse,* for instance, the agreement protects journalists against being forced to write advertising copy. Journalists also undertake not to write think-pieces that are "hostile to the Employer or his ideological orientation, nor contrary to good morals and morality." In the event that a change should occur in the owner's ideological orientation "such as to cast a slur on [a journalist's] honour, reputation and moral interests," he can cancel his contract and may demand an indemnity. The agreement also stipulates that the reporter's consent must be obtained by an editor who chops or rewrites an article in such a way as "to change the meaning of the article." The agreement continues: "Should the Employer decide that one or several important changes are essential, and should the author refuse his consent or in case he is not available for his decision, then the Employer must omit the signature."

The agreement on the "professional" clauses of this contract was reached April 25, 1969 after much negotiation. The clauses were effective retroactively to January 1, 1969 and expire December 31, 1971. It is one of the few instances in Canada where a newspaper's management and its editorial staff have sat down and, in a binding agreement, codified the proposition that a journalist is something more than a hired hand. At *Le Soleil* in Quebec City, the collective agreement between the newspaper and the Union of Journalists of Quebec Inc. specifically recognizes "the professional freedom of the reporters," and provides for an elaborate set of mediation and arbitration procedures in cases where this freedom is violated.

Many of the provisions of these contracts, of course, have been common practice for years at many newspapers. Few, if any, publishers will insist that an editorial writer write something with which he disagrees. Many editors, as a matter of routine courtesy and sound practice, consult wherever possible with reporters before slashing their copy. These arrangements have arisen as a matter of mutual trust and respect. But, with a very few exceptions, these arrangements are not protected by any form of written agreement. Nor are they by any means universal.

As far as binding contractual obligations are concerned, a reporter's duty nearly everywhere in Canada is to write what his employers tell him to write. The journalist has no *professional* interest in maintaining or improving the quality of the product he creates.

The basis of professionalism, surely, is that there are certain things a professional will not do, and other things he must do. The recognition and definition of these standards, and the definition of the practitioners to whom they apply, is what separates accountants, teachers, physicians, and lawyers from steamfitters, plumbers, garage mechanics, TV repairmen – and journalists. As a matter of fact, steamfitters, plumbers *et al* have taken a more professional approach to their trade than journalists have; they at least insist on minimum standards of training. Apart from the two cases we've described, there appear to be no other instances where journalists, as a group, assume a collective responsibility for the quality of their product as, for instance, the medical profession takes responsibility for the quality of medical care. We don't think the journalistic environment is going to change very much unless and until journalists start assuming – or demanding – such responsibility.

As we have noted, the process has already begun in Quebec. For the first time in Canada, the principle has been recognized that journalistic standards are as proper a subject of collective bargaining as are salaries and fringe benefits. It is symptomatic of the mood among journalists in that province that they have also organized two professional associations concerned with journalistic standards.

Both organizations are less than two years old, and both were formed at least partially in response to the formation of this Committee, and to the Quebec Legislature's Special Committee on Freedom of the Press. *La Fédération professionnelle des journalistes du Québec* was formed in February, 1969. It is a grouping of some twenty professional associations or unions of journalists with a total membership of about six hundred. According to their brief to the Quebec Special Committee on Freedom of the Press in September 1969, the federation was formed in response to four problems: "the need for professional training and improvement; the proposal for a press council, which could not be seriously examined in the absence of an organization representing the majority of journalists; the professional status of journalists; and concentration of ownership in the mass media in Quebec."

The Association of English-Media Journalists of Quebec, formed in April, 1969, has about sixty-five members, mostly from English-language newspapers and radio stations in and around Montreal. In summarizing its aims in a brief to the Committee, the Association said it "expects to be preoccupied for some time with the twin concerns of ethics and education. There has been far too little discussion of the former; and far too little availability of the latter."

A third group, the Canadian Society of Professional Journalists, was formed in Toronto in 1969 with the aim of ultimately becoming a national association. Its nucleus was a group of newspapermen formerly affiliated with the American journalistic society, Sigma Delta Chi. The role of the Canadian Society of Professional Journalists, which started with about eighty members, was outlined by its president, Frank Drea, in his appearance before the Committee:

> Reporters and editors in Canada's print and electronic media are members of one professional community. That community, to date, has lacked both a forum for discussion and a united voice. The Canadian Society of Professional Journalists was formed to provide such a forum and such a voice.

There should be more groups like these, in all parts of the country. Their task would be to help create a professional consciousness among working journalists. There are very few competent reporters who don't possess that consciousness already. They know, with a surprising degree of unanimity, what is good newspaper practice and what isn't. They spend a good deal of time complaining to each other when these standards aren't adhered to. But until they start dealing collectively with the problems that face them all, they will be powerless to effect any improvements. And that is our parting word to the working press: if you're dissatisfied with the way the news is handled, quit griping and start organizing.

Let us now go on to consider the closely related questions of training and staffing in the media.

TRAINING FOR THE JOB

Concern, as well as candor, compels us to be blunt: the Committee was not greatly impressed by what it learned about the opportunities for professional training available to aspiring journalists in Canada, nor by any evidence that when inexperienced beginners enter the information work force, they are given any kind of organized training on the job.

We have paid some attention to two alternative systems of recruitment operating in other countries. One is the United States, where some 25,000 sudents are enrolled in journalism courses at 120 universities. The other is Great Britain, where about 500 beginners each year are indentured into a three-year working apprenticeship, given time out for prescribed academic courses, and finally examined for a certificate that is the passport to a full professional career. It isn't easy to win the certificate; the failure rate approaches 40 per cent.

Both of these systems have virtues. They afford a recognized route of access to the profession. They weed out most of the potential misfits early, often saving years of economic waste and personal frustration. They provide a corps of beginners who meet accepted standards of basic professional competence.

Canada is so far following, at a great distance and at a lagging pace, the U. S. route. Only three academic programmes exist which could be described as complete courses in journalism; all three are in Ontario, and only two are at degree-granting institutions. Some thirty other universities and colleges offer either abbreviated courses in practical journalism, or studies in what are usually described as "communications arts."

This is not to denigrate any of them. The Big Three—Carleton University, University of Western Ontario, Ryerson Polytechnical Institute—provide courses of proven worth whose graduates are acceptable to the industry. Carleton claims that more than 90 per cent of its graduates go into active journalism (as distinct from public relations and other peripheral fields), and that of the 399 living Carleton journalism graduates, 82.4 per cent are still in positions related to journalism. The largest single group (108) are in public relations; 91 are with newspapers; 40 are with radio and television; 36 are with magazines; and the others are in various occupations ranging from book publishing to journalism education. A roll call of Ryerson graduates has been tabulated: 85 in daily newspapers, 11 in news agencies, seven in consumer magazines, 16 in business magazines, 16 in company publications, 10 in suburban journalism, eight in weekly newspapers, 10 in radio and television news, 27 in public relations, 13 in advertising, 23 in "related fields."

This is a useful contribution, but pitifully small in relation to the need. It remains that the limited output of a scattered handful of academic courses cannot match the demand for writers, editors, programmers and performers in the thousand-odd newspapers, periodicals, and broadcasting stations of Canada.

Some editors (and, regrettably, more publishers) appear to be undisturbed by the disparity between demand and qualified supply. There persists, even within the trade, a pseudo-romantic tradition which holds that journalists are born, not made; that journalism schools are a waste of time, because they devote themselves either to airy-fairy theoretics or to practical techniques which can be better learned in a working newsroom; that some magical process of natural selection operates in journalism, alone among the professions. Senator O'Leary was in this vein when he told us that a man may have "more degrees than a thermometer" and be a journalistic dud.

He was right, of course. The trouble with the theory outlined above is that while it reassures those who have reached the top of the journalistic heap (by assigning them a sort of divine right to be there) it provides no toeholds at the bottom where a disorderly and inefficient scramble persists.

The continuing attitude of scepticism toward academic training, and the lack of generally available training to broadly accepted standards, are among the chief reasons why journalism is not yet a profession. Yet this is an age of professionalism and of increased specialisation. Journalism needs more specialists—labour specialists, health specialists, urban planning specialists, political and economic and social specialists. But they must be specialists *who are also communicators,* and this, in our view, makes a clinching case for an academic discipline which combines the two requirements.

The conditions for establishment of a system on the British model do not yet exist in Canada. The British system was devised by newspapermen. It is controlled by the National Council for the Training of Journalists, which is a body representing all sections of the industry – owners, managers, editors, and working journalists. Each of these component sections has a strong functioning organization able and willing to take a share in the responsibility for training.

In Canada the owners are organized, the rest are not. The owners' groups – Canadian Daily Newspaper Publishers Association, Canadian Association of Broadcasters – are strong and active. But they have displayed no interest whatever in establishing professional standards or in training the people who produce the product they sell. They exist for one purpose – to promote the sale of advertising space and time.

Editors are not organized at all. The Canadian Managing Editors Conference is a loose and informal grouping of news executives who meet once a year to talk shop, but who have no ongoing programme and undertake no responsibilities. On the broadcasting side, the Radio and Television News Directors' Association seems to function more effectively but suffers from the same lack of muscle. The journalists' union is the American Newspaper Guild. It has contracts with about a dozen of Canada's 116 newspapers and with the CBC and two private broadcasters. Its numbers are concentrated in Toronto and Vancouver. Its concerns are pay and working conditions; it has taken no visible initiatives in the direction of improved standards and training.

There is no national equivalent of the Institute of Journalists, the British professional association which is a partner in the training programme. One group, the Canadian Society of Professional Journalists, has recently been established in Toronto. We wish it well, but it is a very long way from achieving a firm local base, let alone a national influence.

The situation is different in Quebec, where both professional groups and union organizations are more firmly entrenched and are making their influence felt, especially in the French-language media. But we repeat: the conditions for establishing a national training plan with participation of the industry and its employees do not now exist.

This means, unless we are content to go along with the present approach to the production of journalistic professionals, that we should strengthen our academic training system. The Committee believes this to be a must, and we have some suggestions for bringing it about. We were aided, in this as in so many other areas, by the willingness of publishers, broadcasters, and working journalists to answer our researcher's questionnaires and provide a factual basis for our recommendations.

We found, to begin with, that the newspapers of Canada alone require new editorial and research staff at the rate of 750 a year. (The total number of jobs is increasing by about 200 a year, but the rate of turnover in newspaper staffs, and the consequent need for replacement, is exceptionally high.) Other kinds of publications – magazines, industrial and business journals, association publications – report an expected demand for 400 recruits each year.

Yet the number of journalism degrees awarded in 1970 was considerably below 100 (precise figures are difficult to establish because of fluid course requirements) and a majority of these included only one year of specific journalism. There were no degrees in Quebec, though Laval University has begun a "communications programme" which is broadly oriented to journalism.

From now to 1974, we calculate there will be more than 7,000 new job openings in print journalism, and the "recognized" schools will turn out about 800 graduates. There will be another 2,500 emerging from one-year, two-year, and three-year courses in the community colleges. Not much more than half of all these will actually go into media jobs.

The figures, supplied by the industry itself, point to a situation of serious and growing scarcity. Our research indicates that about one quarter of those being hired in journalism now have journalistic training, and that the employers would like this proportion to be higher. Specifically, they would like to have access to people with academic degrees plus postgraduate training in journalism.

The Committee therefore recommends that at least four universities which do not now have them should establish full-scale departments of journalism, and that they should consult with representatives of the industry and of working professionals on the design of courses. Tentatively it is our view, supported by the findings of our researchers, that the course content should be about 75 per cent devoted to the academic disciplines – history, English or French, economics, political science, communications theory – and 25 per cent directly applicable to journalism, with the proviso that newsroom mechanics are best learned in the newsroom.

We do not advocate a department of journalism in every university; better a strong, well-rounded programme in each of the regions than a congeries of small ones inadequately staffed. Ontario is probably well enough served with two university departments plus the Ryerson Institute programme. But we should like to see a good school in the Atlantic provinces, one in Quebec, one in the prairie provinces, and one in British Columbia.

What we have said so far relates especially to the print media; we have not forgotten broadcasting, where the same comments apply but where there is a need for additional training of a specialized kind. In broadcasting, journalism becomes show business. A whole range of new elements is added to the basic equipment of the practitioner. Photography, cinematography, speech, music, drama, a knowledge of production values – all these come into the scheme of things.

The need for skilled people, both on and off camera, is even more crucial than in the print media. It is intensified by the C.R.T.C.'s requirement for more

Canadian content in radio and television and for more local programming on cable systems. Operators are literally beating the bushes for production and technical talent; one cable system in Toronto began its community coverage this year using a cameraman who had never held a camera before. The conventional broadcasters are looking for about 800 qualified people annually. There will be at least 650 new jobs each year in the cable systems.

This situation of scarcity has the natural result: a number of so-called schools, described by the Canadian Association of Broadcasters as "fly-by-night or unscrupulous operators," which charge fat fees for courses of little value. A few provincial technical institutes, notably in Alberta and British Columbia, provide acceptable training with a modest academic content. The Ryerson Polytechnical Institute in Toronto has probably the best-developed all-round programme; Carleton, U.B.C., and to a lesser extent Western, have some individual courses directed to television.

This is far from being enough. The Committee recommends, as a matter of urgency, the establishment of university-level programmes in radio and television arts, preferably but not necessarily associated with the regional schools of journalism.

We have one further comment on these journalism-cum-broadcasting schools, which amounts to another recommendation. We believe they should be centres of both research and criticism. To this end they should be staffed partly by communications scholars who are essentially social scientists, and partly by people who have achieved real eminence as mass communicators. Good editors are, almost by definition, good teachers. Detached from the hurly-burly, sitting above the fray, they should hold a watching brief on the conduct of the media, lecture the publishers and broadcasters on their sins, and generally interpret the press to the people. (Our proposal would have the incidental benefit of vacating some places at the top and providing an immediate prospect of upward mobility for a whole generation of young journalists.)

We believe the universities should make an all-out effort to secure the best teachers. And to assist them in the search, we cannot resist offering some nominations of our own. Consider, for example, a faculty that contained these names: Gillis Purcell on news agencies. Patrick Watson and Douglas Leiterman on documentary films. June Callwood on magazine writing. Frank Walker on the role of the press. Stuart Keate and Ross Munro on news organization. Peter Gzowski on interviewing. Bruce Hutchison on ethics. Pat Carney on business writing. Robert Fulford on the arts. Pierre Berton on everything.

In our discussions with working journalists we found, not surprisingly, that they are more concerned about opportunities for continuing education than about training for beginners. We share their view that reporters who are developing themselves as specialists (in education, labour relations, urban planning or whatever) should be able to go back to school for a period of formal study. We commend those publishers who are already supporting this kind of enrichment programme for their staffs – among them, to name a few, the Windsor *Star, Les Journaux Trans-Canada,* and *La Presse*. And many newspapers (like the Calgary *Herald,* the Winnipeg *Tribune,* the London *Free Press,* the Kingston *Whig-Standard*) send editors and reporters to intensive professional seminars at New York's Columbia University, the University of Western Ontario, and the Banff School of Advanced Management.

The Committee believes it would be valuable to have more bursaries like the admirable Southam Fellowships which give recipients a year at the University of Toronto, pursuing the studies of their choice, at full salary. "It is the company's hope," Southam Press Limited told us, "that by enabling journalists to augment their academic qualifications, the general standard of reporting and editing will be raised." Amen. We think it would be appropriate for the Canadian Daily Newspaper Publishers Assoication and the Canadian Association of Broadcasters to demonstrate an interest in raising standards by establishing similar fellowships.

There is a role here for governments too. In the interest of more intelligent reporting and interpretation, we suggest that both federal and provincial governments establish a system of postgraduate scholarships for working journalists.

TRAINING ON THE JOB

Q.—What makes a good reporter?

A.—A good city editor.

This venerable aphorism has as much truth as, though perhaps more relevance than, the one which defines an assistant city editor as a mouse practising to become a rat. It was the substance of many protestations to the Committee about the excellence of the training given to junior staff.

A good editor is in fact a teacher and one of his functions is to develop quality in the people whose work he directs. But it is incidental and secondary to his main job; he carries it out, so to speak, in his spare time. It is easily neglected and all too frequently it is neglected. On this point we heard strikingly different stories from the publishers and from the people they employ.

Item: In Winnipeg, reporters at an informal "bull session" complained that neither of the local newspapers encouraged them to take outside courses on their own time; that they received no close supervision from senior staff during the break-in period; that they were never told whether their efforts were good or bad, or why their stories were altered on the desk.

Item: Junior reporters on the Vancouver *Sun,* discouraged by the same absence of direction, asked management to set up periodic sessions with editors where they would be told what they were doing right and what they were doing wrong. The request was ignored.

Item: When Jim Hume left the Victoria *Colonist,* he gave a month's notice so that his successor might spend some time with him to become familiar with the beat. (He covered municipal affairs and had built up a substantial reference file and many personal contacts.) At Hume's departure, no one had been assigned to learn what Hume could teach him.

We cite these depressing instances not because they are unusual cases of neglect but because they are all too usual. Training, in any meaningful sense, is haphazard or non-existent. We have no statistics on the point, but it is a pretty safe bet that most reporters on Canadian dailies have never seen heir paper's style book – if the paper has a style book. And once again, while this discussion is largely in terms of print journalism, it applies with equal force to broadcasting. Even the CBC, a giant corporation using public funds to support an elaborate news and information structure, confessed in its brief to the Committee that it has no internal journalistic training system. It is one of the few areas in which the private broadcasters follow the CBC's lead.

In fairness, we should reveal our own small honour roll. So far as we are aware, six newspapers have some kind of formal and consistent training plans for people new to the trade. We name them with pleasure and apologize if we've missed one: the Calgary *Herald,* the Sault Ste. Marie *Star,* the North Bay *Nugget,* the Chatham *News,* the Galt *Evening Reporter,* the Toronto *Star.* Two of these belong to the Thomson chain, two to the Southam group. The fact has no particular significance; neither of these groups has a training plan, though Thomson publishes a set of handy tips for reporters and a guide to the dangers of libel. In a survey made three years ago, only two Thomson editors were found to use the company's training materials.

So much for training. In brief, the Committee recommends that the publishers, the broadcasters, and their professional employees should work in concert to define their standards and provide opportunities for training to meet those standards. We suggest that this training should combine some features of the American academic programme and some features of the British model with its stress on technique. And as one instance of the latter, we believe that every reporter who does not use film or a tape recorder should be able to take notes in shorthand. Tests of candidates in the British system have demonstrated that, in the words of the training manual, "reasonably good shorthand and accuracy go hand in hand." In Britain no newspaper reporter gets a job who cannot take 100 words per minute.

KEEPING THEM ON THE JOB

But when the man is trained, what then? After he is equipped for the job and after he has spent a number of years in it, what are the conditions under which he works and what are the inducements to spend the rest of his career in journalism or broadcasting?

We don't intend to deal with the stories we have heard, and the examples we have seen, of overcrowded newsrooms, bleak broadcasting studios, deplorable washrooms, inadequate libraries, lack of such simple necessities as pencils and desk drawers, and antique typewriters (often transferred to the editorial department when they become too decrepit for the business office). These conditions are prevalent enough to distress the outside observer, but squalor and journalism traditionally go together and many journalists, we suspect, would be uncomfortable in surroundings of normal decent housekeeping.

We do intend to talk about salaries. We contend that publishers and broadcasters should be paying more to the people who produce the product they are selling, and that they can well afford to do so. Their employees are, in fact, subsidizing the extraordinary profits which, as we have already shown, are being enjoyed by all but a few publishing and broadcasting enterprises.

As one evidence of what is happening we quote from the Hopkins, Hedlin study which is published as Volume II of this report:

> Reporters have a discernible tendency to desert the business when they approach age 40. There is a high rate of turnover among the university graduates who have entered newspapers in increasing numbers during recent years. It is impossible to measure the effect of salary levels on these personal decisions, but it is true to state that editorial departments in Canada, by and large, lack the stability that accrues to most other organizations.

The cautious researcher could not draw the conclusion that there is a direct relationship between low salaries and high turnover; but we can and do. Let us consider what working journalists in Canada are paid.

The standard industry yardstick for this purpose is the salary paid to a reporter with five years' experience. This is the base from which editorial salary scales go up or down (mostly down) in union contracts, and it is the newspapers with American Newspaper Guild contracts which generally set the pace for the rest.

Currently the highest salary scale prevailing in Canada is in Vancouver, where "top minimum" for a five-year reporter is $10,907. In Victoria the figure is $8,680. In the bigger Prairie cities – Edmonton, Calgary, Winnipeg, Regina – the rate is roughly 10 per cent below Vancouver, and in the smaller Prairie towns it is 10 per cent to 20 per cent below *that,* or between $7,000 and $8,000.

In Toronto, where all three newspapers are unionized, the five-year scale averages $9,620 per year. Hamilton, London, and Windsor are not far behind, but salaries in the rest of the province run as much as 40 per cent below the Toronto level for some salary categories.

In Montreal, French-language journalists are at approximately the Toronto level, English-language journalists slightly below it. Outside the metropolis, salaries again descend to as much as 40 per cent below the Montreal scale.

Major cities in the Maritimes have salaries about 25 per cent below Toronto's. In the rest of the Atlantic region there is another dip of 10 to 30 per cent.

Generally speaking, salaries in broadcasting are about equivalent to newspaper salaries for comparable jobs, except in the TV networks where unionized employees are somewhat better paid than their newspaper counterparts. (We purposely omit magazines and other publications from this discussion. Most of the workers are in newspapers and broadcasting, and that's where the standards are set.)

All this leads up to another cautious conclusion in the Hopkins, Hedlin report: "In Canada the great majority of working newspapermen and women earn from their direct employers less than $9,000 per annum."

Yes. In fact it is painfully apparent that a great many of them earn a great deal less. They earn less than teachers, less than most skilled tradesmen, less than their counterparts in the advertising, circulation and promotion departments, less than they themselves could earn in other pursuits for which their education and training equip them. Is it any wonder that while they are still young enough, so many of them leave for jobs in government or public relations or academia?

No need to labour this. We have already argued that the thrust of modern journalism is in the direction of increasing specialization, and that the specialists it requires must be also skilled communicators—in effect specialists in two fields. This kind of paragon is not going to be attracted and retained for the kind of money he can now command in Canadian communications.

Can the employers pay more? They can. Several publishers told the Committee that newspapers are less profitable than most other businesses. We heard much about the stringencies of the "cost-price squeeze." These myths have been exploded by the Hopkins, Hedlin analysis of industry figures from 1958 to 1968. In that decade, newspaper profits before tax, expressed as a percentage of equity, ranged from 23 to 30 per cent. For 1965 the profit figure was 30.5 per cent as compared with 18 per cent for manufacturing and 15 per cent for industry as a whole.

True, expenditures on wages and salaries grew by 71.5 per cent in that period. But gross returns to capital increased by 95.2 per cent. Salaries, in other words, lagged behind profits.

The story in broadcasting is just as interesting. We have already shown that television and radio, except for the very smallest stations, are vastly profitable (with some television stations showing pre-tax profits of more than 90 per cent in a single year). But we are more interested here in the correspondence, or otherwise, between pay and productivity (that is, the actual value of the employee's contribution to his employer).

Hold your breath. Between 1962 and 1968, wages and salaries in radio increased by 34 per cent while productivity advanced by 47 per cent. In television, pay increased by 39 per cent and productivity went up by 90 per cent.

One further point needs to be made about newspaper salaries. They are, predictably, lowest on the smallest papers, and the predictable reason offered is that the smallest papers are the least able to afford good salaries. For this reason, small newspapers traditionally serve as training grounds for big ones, and readers in small cities get poorer newspapers than those in the metropolitan centres.

In this connection we quote without comment another paragraph from the Hopkins, Hedlin study:

> The largest newspapers (over 100,000) and the smallest newspapers (under 10,000) are the most profitable in terms of returns on equity. Companies publishing newspapers with circulations of over 100,000 and under 10,000 consistently earned before-tax profits in excess of 30 per cent from 1965 onward. In both cases, this profit rate has shown a definite increase in the later years of the ten-year period. This increase was most spectacular for the smaller group, where the rate of return on equity in the early 1960s was less than one-half of the rate in the post-1964 period."

That is all we have to say about salaries.

IV

MEDIA

1. The Daily Miracle

Don't it always seem to go,
That you don't know what you've got
Till it's gone...

—Joni Mitchell: *Big Yellow Taxi*

Because of a labour dispute, the Vancouver *Sun* (circulation: 255,410) and the Vancouver *Province* (circulation: 113,123) suspended publication from February 15, 1970, to May 15, 1970. The shutdown lasted 82 days. Although other media attempted to fill the vacuum, the effects on the city were considerable. With Miss Mitchell's dictum in mind, the Committee commissioned a study by Hopkins, Hedlin Limited, economics and communications consultants, into the effects of the newspaper closure on the community. Limitations on time and money dictated that the study be less complete than the subject deserved. Nevertheless, it served to confirm what most Vancouver residents had already discovered for themselves: if you don't think newspapers are important, try going without them for a while.

Hopkins, Hedlin found that habitual newspaper readers, as a result of the closure, were forced to accept "the frustration of adjusting the daily routine to radio and TV news programming schedules, or unfamiliar out-of-town or weekly papers, or trying to retain news and information that is not written out in black and white."

The restrictions on advertising availability created serious inconvenience, and some hardship. The regional office of the Department of Manpower and Immigration reported that it received an increased number of enquiries from companies seeking employees, and from people seeking jobs, because of the absence of classified advertising. The local entertainment industry suffered too. Night clubs, movie houses, and theatres suffered declines in attendance that were usually in the 20 to 25 per cent range.

Although local department stores turned to radio and TV, and invested heavily in advertising flyers (the Woodward's flyer had a circulation of 300,000), the newspaper closure had a serious effect on most areas of retail sales. The owner of one four-outlet jewelry business reported a 10 per cent drop in sales; one seven-store furniture and appliance chain reported a 40 per cent drop.

Although real-estate sales volume actually increased during the first part of the shutdown, the Vancouver Real Estate Board estimated that telephone enquiries to its agents had decreased by 50 per cent. The absence of classified advertising was felt especially keenly by apartment-hunters.

The effects of a loss of advertising availability were felt most directly. But the effects of a curtailment of news and information service, although less measurable, seem to have been felt just as keenly. Mayor Compbell worried publicly about the effects of the closure on the March 11 municipal referendum on the city's $29.6 million development plan. Both newspapers had supported the plan, and it was feared that the news blackout might influence the vote. It undoubtedly did, but it is impossible to estimate how. There was a 32 per cent turnout at the polls (not too unusual) and the plan was approved by a narrow margin. Radio and TV stations attempted to fill the gap by scheduling longer news programmes and by broadcasting unaccustomed news, such as death notices. Other newspapers, such as the *Columbian* in New Westminster, the dailies in Seattle and Victoria, and the weeklies published in the Vancouver area (including *Georgia Straight*) all experienced a pronounced increase in circulation. *TV Guide's* circulation in Vancouver jumped by 60 per cent. All this happened despite the appearance of the thrice-weekly *Vancouver Express,* produced by the strikers. (In all, 35 issues were printed with an average circulation of 100,000.)

On the face of it, then, the city was well served by competing media. Four dailies from the surrounding area, at least five out-of-town dailies, eighteen weekly (and one bi-weekly) newspapers, four TV stations and twelve radio stations, all moved in to fill the vacuum created by the closure. And yet the effects of the strike were felt directly, keenly, and sometimes painfully, by almost everyone.

Hopkins, Hedlin conducted a poll of 125 Vancouver residents, and its findings are an impressive commentary on the importance of newspapers in the life of any community. More than half the people surveyed felt deprived of news and information as a result of the shutdown. Hopkins, Hedlin asked the 125 respondents what section of their daily newspaper they missed most. The answers are interesting; they are given in Table 20.

Table 20. QUESTIONNAIRE: EFFECTS IN THE COMMUNITY OF THE VANCOUVER NEWSPAPER SHUTDOWN

Question 1	One	Both	None	Others
Prior to the newspaper shutdown did you subscribe to one or both of the Vancouver newspapers?	92	26	3	23

Question 2	Yes	No
Since the shutdown began have you been receiving any other newspapers on a regular basis?	54	72

(a) If yes, which one?	
Vancouver Express	31
Seattle Post-Intelligencer	5
Seattle Times	3
New Westminster Columbian	13
The Globe and Mail	7
Victoria Times	2
Richmond Review (bi-weekly)	8
Citizen (North Vancouver)	7
Others (weeklies)	9

(In some cases more than one paper was listed)

Question 3	Yes	No	n.a.
Have you felt deprived of news and information during the shutdown?	79	33	13

Question 4 Which sections of the daily newspaper have you missed?	
Front page general news	76
Editorial page	45
Sports	41
Comics	23
Theatre, entertainment	23
Advertising	23
Local news	22
Columnists	20
Women's	20
TV schedule	10
Vital statistics	8
Letters to the editor	7
Bridge	2
Horoscope	1
Crossword	1
None	11

Question 5	Yes	No	n.a.
Have you felt deprived of advertising information during the shutdown?	55	63	7

(a) If so, what particular advertising information do you miss?	
Display	27
Classified	19
Theatre, entertainment	18

(b) If no, how best are you being served by advertising?	
Flyers	25
TV, Radio	4
n.a.	96

TABLE 20. QUESTIONNAIRE: EFFECTS IN THE COMMUNITY OF THE VANCOUVER NEWSPAPER SHUTDOWN—Concluded

Question 6				
Since the shutdown began on which sources do you rely for news and information?	Radio			110
	TV			104
	Other (includes out-of-town periodicals, telephone and word of mouth)			21
	Yes	No		n.a.
(a) Do you feel you are being adequately served by these alternate news and information sources?	35	75		15
(Of those who added comment, the majority agreed the news reports broadcast by radio and TV were lacking in detail.)				
Question 7				
Has the absence of the daily newspaper had any impact on your daily routine?	Household			44
	Business			20
	Leisure			57
	No impact			32
Question 8	Yes	No	Possibly	n.a.
Would you be prepared to do without a local newspaper on a continuing basis?	37	72	10	6

Most respondents (110) relied most on radio for news and information; 104 relied mainly on TV. Of the 125 respondents, 75 felt they weren't adequately served by these media ("not enough detail"), and 35 said that they were adequately served.

Seventy-two of the 125 respondents said they would not be prepared to do without a daily newspaper on a continuing basis. Thirty-seven respondents said they would, and ten said they might.

The results seem consonant with those of a similar survey conducted by the American Newspaper Publishers Association's advertising bureau during a newspaper strike in New York. One significant New York finding was that people tend to be satisfied *initially* with electronic news substitutes, but that these prove to be inadequate as a long-term diet. The bureau measured how satisfied people were with radio and TV news at the beginning, in the middle, and at the end of the strike:

	Start	Midpoint	End
Excellent	83%	41%	16%
Satisfactory	11%	37%	16%
Poor	6%	22%	68%

The Committee's researches were admittedly less than conclusive. But they seem to indicate that for the vast majority of people, newspapers *are* important – to their minds, their pocketbooks, and their daily lives. Indeed, it may be that a city without newspapers ceases to *be* a community, and becomes instead a collection of individuals. A sense of community, after all, cannot exist without a body of shared information. The experience in Vancouver, and in other cities where lengthy newspaper strikes have occurred, suggests that no other medium can be an adequate substitute.

Throughout this report the Committee has been critical of newspapers, and especially of the editorial performance that some of them deliver in relation to the profits that many of them earn. So perhaps this is the place to accentuate the positive. Although we have been critical, we have done so in the context of our belief that the daily and weekly newspapers of this country are, in general, doing a praiseworthy job.

In fact, the Committee has developed a certain impatience with the sort of criticism that is usually levelled at Canadian newspapers. They are supposed to be biased, sensational, superficial, beholden to advertisers, and excessively inaccurate. The press has plenty of faults, but we don't think these are among the most prominent.

Let us remember the obvious: newspaper people produce a wholly new product *every day*. Each edition is the result of hundreds of human decisions, each calling for swift judgement, instant clarity, and the fine balancing of other people's perceptions. Journalism, however humble, is a sort of art; there can be very few occupations that are so demanding in terms of speed and judgement. The wonder is that newspapers are as good as they are. They really are a daily miracle.

Much of the criticism that newspapers receive is related to the demand for speed. Newspapers can never know or print as much about *any* subject as does the participant in a news story; and the "depth" in which they can treat a subject is frequently limited by how little the reader wants to know. The marvel is that Canadian newspapers do get so much, and get it so fast, and get it so right.

This marvel would be more apparent, however, if newspapers chose to publish longer headlines. The MAN-BITES-DOG style of headline-writing, a sort of competition in terseness, is a relatively recent journalistic innovation. As Pierre Berton told the Committee, much of the criticism that newspapers receive is based on the headlines rather than the stories beneath them. In fact, the terseness trend may already be reversing itself. Our impression is that as newspapers become less and less dependent on street sales, their headlines are becoming longer, more informative, and more descriptive of the copy underneath.

Before we conclude these few comments on the newspapers, perhaps one aside is in order. As politicians, members of this Committee are accustomed to questions from members of the Parliamentary Press Gallery. So let us anticipate one question: "Why don't you say something about *us*?"

We think we do. While every newsman is not in the Press Gallery, its membership is comprised of newsmen; and their performances is surely what much of this report is about. And besides, we accept the description of the Gallery given us by Charles Lynch in his appearance before the Committee with other members of what he preferred to call the Ottawa press corps:

> The Gallery is a competitive jungle. It is not a boys' club or a cozy place as I am afraid may have been inferred from the report of the Government Task Force on Information. It is very much a competitive milieu and the Gallery as such . . . has no existence except as a place where we meet from time to time, to do our work individually and to compete with one another.

We think newspapers in general are much better in Canada than they are, in general, in the U.S. We think there are very few economically advanced countries that can boast of a printed press as vigorous, as dedicated, and as responsible as Canada's.

As a demonstration of responsibility, though, there is one thing we wish all of them would do that only some of them do now, and we offer it as an earnest recommendation to newspaper proprietors. We think the masthead of every newspaper should identify its owners, not just carry an unrevealing company title. The people should be told who's talking to them.

2. The Community Press

Canada's first newspaper was the weekly Halifax *Gazette,* established in 1752. The Halifax *Gazette* has long since disappeared but today there are close to 900 – give or take a few each month – weekly newspapers in Canada with an overall circulation around three million. And heaven knows how many readers: probably fewer than the weekly newspapers themselves claim, but more than advertising agencies suspect. Anyway, we're all for them.

Collectively the nation's weekly press represents a national institution in a country which has far too few national institutions.[1] More often than not the nation's weekly press is the first, the most local, the most immediate medium for hundreds of thousands of Canadians. The weekly press complements all other media and in so doing plays a significant community role probably beyond the capability of any other medium.

The retiring president of the Canadian Weekly Newspapers Association presented a rather idealized version of what a weekly does in his retiring speech at the Association's 1970 convention in Winnipeg:

> The role of the weekly newspaper is to mirror, faithfully and conscientiously, the community to the community, to provoke it where necessary, to praise it whenever possible, to defend it faithfully but always to serve it best by penetrating with the local news to a depth not possible with any other media.

But frequently there is an enormous gulf between conventioneering and the very real world of day-to-day publishing. Gerald Craven went on to concede: "There are no perfect weekly newspapers. There are some good ones, some mediocre ones, and too many poor ones." We agree. But good or bad, Canada's weeklies do fill a need that no one else seems to be able to meet. Perhaps only cable television may one day as effectively foster this "sense of community."

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[1] There still remain 45 pre-Confederation weeklies. Two Fathers of Confederation—Thomas D'Arcy McGee and George Brown—were weekly editors.

The brief which the Committee received from the C.W.N.A. estimated that the typical Canadian weekly contains 65 per cent local news and features, leaving 35 per cent for other material. Ninety per cent of all editorials are based on local themes while national and international issues take up the remaining 10 per cent. The brief also suggested that a weekly on the average would require about 55 per cent advertising content before it could show a profit.

This pronounced emphasis on the local scene is understandably paralleled by a very marked degree of individualism on the part of both publishers and editors (who are usually of course the same person). At the risk of generalizing, Canada's weeklies do represent the more conservative end of the Canadian media spectrum. To be sure, there are a smattering of liberals, but rural weeklies in particular tend to reflect the more conservative leanings of their readership. We are not talking about partisan politics. Editorials, Mr. Craven told us proudly (although for the life of us we don't know why), "seldom take a partisan view of politics."

For all these reasons every weekly editor faces a continuing challenge to be both individual and localized without becoming parochial. The simple fact is that a goodly number don't make it.

Certainly socialism is not one of the weekly editors' longer suits. For example, I.B.M. paid for the C.W.N.A. convention dinner at the 1970 Winnipeg convention. One wonders if this kind of sponsorship is really the route which should be taken by a major league organization? This of course prompts the question whether the C.W.N.A. is a major league organization. But we are getting ahead of ourselves.

Within certain natural confines, weekly editors do have widely divergent views. For example, what motivates someone to move into the business in the first pace? Christina Isabel MacBeth, the publisher of the Milverton, Ontario *Sun,* said that she had gone into journalism "neither for money nor power," but because she wanted to "become involved in community activity." She told the Committee: "I don't think we mirror our society... We are artists who paint pictures of our society." At the same session however, Roy Farran of the North Hill *News* in Calgary indicated that if Mrs. MacBeth was an artist, he was a commercial painter. Farran said that the newspaper "is an economic enterprise whose first duty is to survive." The first requirement of content, according to Mr. Farran, is advertising—next, and only next, comes grassroots "hard news," followed by entertainment, and as a "pour fourth," education.

For most weeklies the truth is somewhere in between Mrs. MacBeth and Mr. Farran. The weekly newspaper can survive only if it has enough advertising; but its survival really isn't very important if its pursuit of advertising becomes an end in itself. In this area it was left to the inimitable Margaret "Ma" Murray, publisher of the Bridge River-Lillooet *News* in

Lillooet, British Columbia, to put things into perspective. She told the Committee that the newspaper business is becoming a racket.

> They're more interested in hearing the jingle of the cash register than in jerking tears or looking after the interests of the people... You've got to get down on your knees and ask God to give you light so you can look beyond money and pay cheques... It can't be all money in newspapers...your job is to help sustain your fellow man. For any publisher of either a weekly or daily that is a Godly mission.

The Committee listened to close to 100 publishers and editors who attended a weekly newspapers forum in Ottawa at a personal sacrifice to themselves. The inescapable conclusion from the panel discussions on revenues and disbursements is that the nation's weeklies are caught in a cost-price squeeze not entirely of their own making. W. E. Dunning of Haney, B. C. argued the need for a Canadian analysis of weekly costs. He pointed out that "1969 was a good year but the net return to an average weekly owner is less than the average bank loan charge with interest rates at 10.5 per cent to 14 per cent."

Rising costs are a problem for all weeklies, but most especially papers whose circulation is under 2,000. Improved production techniques mean rising equipment costs. Attracting young people into the business, staff retraining, and increasing wage demands are part of the same story.

The brief which the Committee received from *Les Hebdos du Canada* put the problem concisely:

> The regional weekly newspapers were the first to adopt the most modern composition and printing techniques. Today, 85 per cent of the regional weeklies represented by our association are produced by the "cold-type" composition and offset printing processes.[2] This is not to say that the cost is any less than that of the traditional method – quite the contrary – but the quality is much better, and the problems are fewer.
>
> While in the past each weekly possessed its own printing shop, today this is no longer true. Owing to the fact that higher investments are needed to acquire and operate an offset press at a profit, we have seen a natural centralization and concentration of the printing works. There is every reason to believe that the same thing will soon happen in the field of composition, with the advent of electronic composition processes.
>
> It is important to bear in mind that the basic composition and printing costs of a newspaper remain the same, whatever its circulation. As a result, the smaller the newspaper, the higher the proportional cost. Consequently, a newspaper must set its advertising rate not in terms of its circulation, but in terms of its basic cost, with the result that the smaller newspapers are handicapped in relation to other more impressive advertising media.

Many weekly publishers complained that distribution costs have skyrocketed because of increasing postal rates. Their criticisms of the poor postal delivery system were loudest. Postal services are discussed elsewhere in this report.

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[2] The C.W.N.A. estimate for its membership was "over 55%."

About 15 per cent of the weeklies subsidize their operation by doing job printing. Indeed, C.W.N.A. estimates such investment collectively to be worth six million dollars. The problem of course, particularly on smaller papers, is that the job printing side of the operation tends to overwhelm the weekly newspaper which becomes in effect a by-product. Papers like the Cobourg *Sentinel-Star,* to name just one, prove that this need not be the case; but it is enough of a problem to merit consideration.

The biggest source of industry revenue, by far, is advertising, and that phase received our special attention. The past president of the C.W.N.A., A. Y. MacLean, publisher of the Seaforth *Huron Expositor,* informed the Committee that a majority of weeklies charge their readers nearly 3¢ less than the actual cost of the paper. The average weekly's revenue, according to Mr. MacLean, comes 72.5 per cent from advertising, 7 per cent from circulation, 15.5 per cent from printing, and 5 per cent from miscellaneous sources.

Clearly, sagging national advertising revenue is one of the most critical problems faced by the Canadian weekly publisher. Income from national advertising has dwindled to about 12 per cent of all weekly advertising revenue. Any number of reasons, each with some validity, can be advanced for this state of affairs.

The weeklies have a good sales story to tell (they do, after all, reach a readership with spending power) but at best it has been poorly told and more often than not it has not been told at all. This is a critical weakness in the face of competing media which with far greater sales effectiveness speak of their own efficiency and underline, by contrast, the absence of the weeklies' promotional effort.

I. D. Willis of the Alliston *Herald* summed up rather effectively why advertising agencies are reluctant to use the weeklies.

> There are several reasons. (I speak from experience, having been advertising manager for national advertisers and an advertising account executive in advertising agencies for a number of years).
>
> There is the cost of placing advertising in weeklies. The agency works on a 15 per cent commisson basis and placement of advertisements in weeklies is not at all profitable. It may even be a losing proposition. It costs maybe $10 to make out an insertion order, mail it, keep necessary records, check the paper's invoice and tearsheet (and weeklies are notorious for their casualness in invoicing and supplying tearsheets... just ask any agency), prepare the cheque and mail it. Also, there is the cost and work of research to select the right weeklies, selling the advertiser on using weeklies, preparing special advertisements designed for weeklies and so on.
>
> To recover the $10 (not to mention the overhead costs) an advertisement must cost roughly $70. Taking the average weekly national advertising rate at 8 cents a line, this means advertisements of close to 800 lines each or, say, 57 column inches which might be one of 4 columns by 14 inches, which is larger than usually necessary. Actually, advertisements of 300 to 400 lines are ample for most national advertisers. But a 400-line advertisement shows only a revenue of 400×8¢=$32 cost at 15 per cent commission or $4.80 which is a loss to the agency against its operating cost of $10 plus.

> Now compare this cumulative loss on advertising in, say, 100 weeklies, to placing one big advertisement in a metropolitan paper at, say, $1.15 a line. The cost of placement is still only $10 and ancillary costs are negligible but the net return on that one advertisement is 1,000 × $1.15 = $1,150, which at 15 per cent brings a profit [i.e., a return] of $172.50. The same is true for national magazines, radio and television.
>
> So is it any wonder that agencies are reluctant to use weeklies, even when they will give good results?

Many weekly publishers are worried about the increasing use by national advertisers of the "flyer" form of presentation. Clearly such advertisers are motivated by cost and profit, with little concern about community needs. So we share the weeklies' point of view. Their concern about public relations releases from various national advertisers, and most especially from the Government of Canada, is a little more difficult to fathom; because clearly they are under no obligation to run such releases. It was pointed out to the Committee, however, that this deluge of "free" material had to come from people who felt the weeklies had some commercial value. So why don't they advertise?

Are there any solutions?

Well, perhaps first of all the weekly publishers should see themselves – and particularly their advertising value – in real perspective. Their first line of commercial attack, it seems to us, should be at the local level where frequently their medium is the only one available for community advertising. Most weeklies try to do an effective job in this area but it is one which can be improved; and perhaps this is the point at which we should underline the wisdom of not allowing cable operators to sell local advertising if a weekly press is to survive.

Many weeklies boast of both the size and value of their classified advertising section. It is perhaps worth noting that at its 1970 convention the C.W.N.A. had a useful forum on improving this phase of its operation.

A decline in national advertising revenue is equally a problem for weeklies in both the United Kingdom and the United States. In both countries the weeklies have concluded that they should redouble their effort at the local level, none of which is to suggest that the weeklies should abandon their quest for national advertising revenue. Quite the reverse.

No advertising agency could be expected to receive 900 separate weekly advertising sales presentations. There must be some grouping of sales effort but the real question is how. There are at least three alternatives. The most obvious is advertising solicitation by the C.W.N.A.; another is by the various provincial associations and still another is by some form of special grouping. Perhaps all of these groups and organizations should pitch in. One of the more effective recent efforts was made by twenty-three weeklies in British Columbia and Alberta combining their sales efforts under the title of Western Regional Newspapers Limited. It seems to us that the C.W.N.A. has some definite responsibility in this area. It was clear, however, that some veteran members of the C.W.N.A. place national advertising sales very low on the C.W.N.A. scale of priorities. Not so Douglas Bassett, vice-president and general manager of Inland Publishing Company Limited, who told the Committee:

> One might expect to get support from the Canadian Weekly Newspapers Association, and also, in our case, the Ontario Weekly Newspapers Association in selling national advertising. In our case, this is not so. In 1969, Inland received one 200-line ad for all our newspapers from CWNA and the OWNA sold two ads for 151 lines for the Newmarket *Era* and seven ads for 1,346 lines for the Stouffville *Tribune*. These associations have not in any way helped our newspapers. There was no communication in 1969 between Inland and either association. We pay an annual membership fee to support these ssociations, but they do nothing to help us secure advertising revenue.
>
> We feel that one of the main functions of these associations should be to help secure advertising lineage for weekly newspapers in Canada.

We think that most weekly publishers, both inside and outside the C.W.N.A., should agree with Mr. Bassett and with C.W.N.A.'s past president Irwin McIntosh, publisher of North Battleford's *News Optimist,* who conceded that "this has been one of the failings of the weekly newspaper industry."

Once the weeklies decide who's going to tell the story they can perhaps turn their attention more directly to the story they are going to tell; and it won't be enough to talk about flexibility, visibility and believability, because advertising agencies understandably require hard facts – even before placing government advertising.

Quite incidentally, another hangup of the publishers is the subsidy received from the government by the Canadian Broadcasting Corporation. Several publishers seem to suggest that in some convoluted way this subsidy comes at the expense of the weekly newspapers. This kind of hand-wringing was frequently linked with a plaintive yearning for more national advertising revenue. There is one way to get it. The weeklies have a story to tell but they had better become more hard-nosed in their approach.

Computerized data and readership studies cost real money—but that should not necessarily be a rub. Surely some of the nation's larger and more affluent weeklies are capable of mounting and leading a concerted and co-operative quest for national advertising revenue.

In any such venture the weeklies will find their own ambivalence about circulation data a real detriment. At the moment an increasing number of weeklies use controlled-circulation methods. Thus papers are distributed free of charge either on a bulk basis to every household, or on a controlled basis to certain selected households. The weeklies then sell advertising agencies on their density of coverage.

But about 80 per cent of all weeklies in Canada still feel it is more profitable in the long run to deal in paid circulation. Two hundred and forty-seven weeklies belong to the Audit Bureau of Circulations, which as its critics point out measures newspaper circulation but not quality. Despite the validity of this argument, the simple fact is that rightly or wrongly, A.B.C. figures mean most to national advertisers.

The bulk of the weeklies provide "sworn" circulation figures—which are just as simple as the weekly publisher actually swearing that a certain number of papers are distributed. More recently the Canadian Weekly Newspapers Association has attracted 153 of its members to participate in a Verified Circulation Figures which purports to be a combination of both the sworn and A.B.C. methods. Weekly circulation data is a confused and confusing picture which must be sorted out in the best interests of all.

One of the great virtues of Canadian weekly newspapers is not only the fact that they are Canadian owned, but that they are traditionally owned right in the community they serve. As *Les Hebdos du Canada* pointed out in their brief: "Since the reader is more familiar with those who are providing him with information, he can more readily make a critical assessment of that information." But the simple fact is that this great tradition is beginning to erode and is in danger of disappearing. Again, *Les Hebdos*:

> We do foresee the disappearance of a large number of regional weekly newspapers within five to ten years. Already, we observe the merging of two or three weeklies in certain towns; in others, one weekly has a clear lead over its competitors, who are ceasing to be profitable; and finally, certain weeklies are becoming too big to remain weeklies.

A marked degree of concentration in the weekly field is beginning to appear in response to these and other pressures, such as urbanization, electronic competition, the cost-price squeeze, and the "territorial imperative" of some daily newspapers. An increasing fact of life in Canadian weekly publishing is corporate ownership, merged regional weeklies and the use of co-operative production facilities which in turn create the climate for further concentration. Indeed, we were told that it makes economic sense for central offset printing plants to serve weekly newspapers within a 150-mile radius.

Already Toronto Star Limited has eleven; Inland Publishing Company Limited (Toronto *Telegram*) has seven and Thomson owns fourteen weekly papers. The box score is not yet overwhelming, but the time to act is now if we are to preserve what Jacques Kayser in his 1955 book *Mort d'une liberté* called the "little newspapers."

Our concern about fewer weekly voices is, however, a two-edged sword. The sad truth is that frequently daily newspaper publishers moving into the weekly field are able to stimulate sluggish national advertising sales as well as to upgrade the paper's overall quality. And so, for example, Inland Publishing Company Limited was able to win no fewer than nine 1970 C.W.N.A. awards including the award for Canada's best weekly newspaper – The Mississauga *News*.

The Committee found the C.W.N.A. executive surprisingly inarticulate when it came to this problem of increased concentration within the weekly publishing industry; and we were bemused to realize that the weekly Thomson papers belong to the C.W.N.A. while their sister daily publications do not belong to the C.D.N.P.A.; indeed virtually all of these weeklies owned by dailies support the C.W.N.A.

We share the concern put forward in a brief from Edith Weber, news editor of the Markham *Economist and Sun:*

> It was interesting to observe the great concern shown by both the *Star* and the *Telegram* for truly independent newspapers. Their attitudes in this respect are hard to reconcile with the unprecedented haste with which both these dailies have been gobbling up weeklies within a thirty-mile radius of Metro.
>
> If it is necessary that daily newspapers remain independent, then it is doubly so for community papers. The Markham *Economist and Sun* is the last of the old weeklies on Metro's fringe to be independently owned and more important, independently operated. There are times when we feel like a mouse surrounded by hungry cats waiting to pounce down and gobble us up.
>
> We've been independent publishers since 1856, and in spite of spiralling postal rates, lousy postal service, screaming wage demands, escalating production costs, we intend to keep going.

We think that kind of spirit, the C.W.N.A. executive notwithstanding, predominates in the weekly newspaper industry. And that spirit, along with the importance to this country of a vibrant weekly press, community owned and operated, deserves our support. That is why we have included weeklies in our proposal for a Press Ownership Review Board, which is discussed elsewhere. In other words, concentration in the weekly newspaper industry would be limited to those instances in which the public interest would be served; meanwhile no one anywhere would be hindered from beginning his own weekly newspaper.

Regrettably, more than a third of the country's English-language weeklies do not belong to the C.W.N.A. Four hundred and thirty-two do – one-third of them from Ontario and more than 50 per cent of them from Western Canada. It is of special concern to the C.W.N.A. that its declining membership is primarily the falling away of smaller newspapers who are not able to meet the Association's minimal fees. It should, however, be possible to subsidize this kind of membership. Fees should not be a deterrent.

It occurs to us that we may seem too critical of the C.W.N.A., especially since its members and leadership are extremely well intentioned. It is useful to remind ourselves that the Association's brief outlined four aims: (a) to elevate the standard of newspaper writing and newspaper publishing; (b) to foster the business and business interests of the members of the Association; (c) to promote a more enlarged and friendly intercourse among its members; (d) to settle differences among its members. But if we have seemed critical we have not been half as critical as were many of the weekly papers who were in touch with the Committee. For example, this from the publisher of an Ontario weekly:

> For a good many years we were members of C.W.N.A. but resigned our membership a year ago when we decided that the Association was not sufficiently interested in the opinions of its members and was inclined to live in an ivory tower.

What more can the C.W.N.A. do? Again, from the same weekly publisher:

> What is needed is *better leadership, more communication, more education* on how to achieve acknowledged purposes, *more information* on such things as costing, selling, office systems and news coverage. However, even if this is done there is no assurance that members will be influenced and, too, it is only members, not the industry which is covered.

The italics are ours. We agree that the C.W.N.A. should think in terms of an industry and not of an association.

Our same weekly publisher added this footnote, to which we subscribe: "We should also mention the good work being done by the *Canadian Weekly Publisher* in the way of information and news of the industry."

The country's so-called suburban weeklies deserve more attention than we were able to give them. They are not quite dailies – not yet at least, nor are they weeklies in the classic sense. Some belong to the C.W.N.A., most do not. It is encouraging to realize that the 1970 C.W.N.A. convention established a committee to take a special interest in the problems of the suburban weeklies. We think any such committee should certainly be affiliated with the C.W.N.A., but it is doubtful if the suburban papers have much to learn from their more traditional brethren. The growth of suburban weeklies – and, of course, community weeklies within urban areas – is an important development. Ken Larone, co-publisher and executive editor of the highly successful *Mirror* newspapers of Scarborough and North York in Metropolitan Toronto, told the Committee: "Without it there could be an information void which would be unhealthy for people living in the sprawling, high-rise megalopolis." We agree.

The relationship between *Les Hebdos* and the C.W.N.A. is to say the least very tentative. This is regrettable because the French-Canadian organization appears to be more sophisticated and advanced than are the English weeklies, although both groups are dealing with essentially the same kind of problems.

If C.W.N.A. membership is trending downward, the reverse is true with *Les Hebdos*:

> Of the 170 weekly newspapers in Quebec listed in Canadian Advertising Rates and Data, 90 are members of *Les Hebdos du Canada*. If we subtract the 30 English-language weeklies, fifteen bi-monthlies and another fifteen metropolitan weeklies devoted exclusively to promotion and advertising, we may conclude that more than 80 per cent of French-language weekly newspapers belong to our Association.

There is as well a scattering of weeklies from Ontario, New Brunswick, and Manitoba. This organization should not be confused with *Hebdos A-1* which is an advertising sales organization whose membership is substantially the same as that of *Les Hebdos du Canada*—and hence fairly effective. This broad membership in the French-language weekly association facilitates a much wider range of services. For example, since 1961 the Quebec Department of Education and *Les Hebdos* have sponsored annual travelling clinics which have concerned themselves with improving both the quality and profitability of regional weeklies.

Newspapering in Quebec is dealt with in more detail elsewhere in the report. Suffice it for our purpose to point out that the fact there are relatively fewer daily newspapers in Quebec than in other provinces has at least partially resulted in Quebec's great weekly newspaper tradition.

Quebec with 28.88 per cent of the national population has only 20.8 per cent of the nation's weeklies but 37 per cent of Canadian weekly circulation. Part of the explanation is to be found in the entertainment weekly phenomenon, but much of it relates to the absence of any marked daily-newspaper tradition which, in turn, created the vacuum into which the weeklies moved.

One result is the relatively greater significance of *Les Hebdos* as compared with their English counterparts whom they could help. The C.W.N.A., for example, is opposed to a press council. *Les Hebdos* on the other hand are about to participate in a press council which is now nearly off the runway. As their brief put it: "The basic object of the Press Council would be to safeguard the right of the people to be informed . . ." Similarly, they exhibited a far greater concern about press concentration generally and within the weekly press in particular. The French-language weeklies share our concern about fewer voices, but also point out that preservation of the French Canadian culture would depend at least in part on the ownership of such vital means of communication as weeklies remaining proportionately – and hence overwhelmingly – in the hands of Quebec's French-speaking majority.

3. The Troubled Magazines

Magazines are special. Magazines constitute the only national press we possess in Canada. Magazines add a journalistic dimension which no other medium can provide – depth and wholeness and texture, plus the visual impact of graphic design. Magazines, because of their freedom from daily deadlines, can aspire to a level of excellence that is seldom attainable in other media. Magazines, in a different way from any other medium, can help foster in Canadians a sense of themselves. In terms of cultural survival, magazines could potentially be as important as railroads, airlines, national broadcasting networks, and national hockey leagues. But Canadian magazines are in trouble. The industry may not be dying, but it is certainly not growing. There are very few Canadian-owned consumer magazines that can claim, with any degree of certainty, that their survival is assured. And if a number of long-established magazines are staring extinction in the face, it is becoming increasingly unlikely that new ones can be launched to replace them. Indeed, during the time since this Committee was established, we have been aware of the possibility that the Committee might outlive some of the magazines it has been studying.

The situation of *Saturday Night* is dangerously close to being typical. For most of its 83-year history, the magazine has fulfilled its founder's promise to make its editorial columns "the most piquant and entertaining of any Canadian paper." Despite an inability to pay its contributors as well as larger magazines, *Saturday Night* has consistently been a showcase for much of the best commentary appearing in print in Canada. Its editorial direction is brilliant. Its circulation is increasing (from 82,732 in July, 1968 to more than 100,000 in June, 1969). On the newsstands, it consistently sells more copies than the combined issues of *Harper's*, the *Atlantic*, and *Saturday Review*, three American publications that occupy roughly the same position on the editorial spectrum. As an editorial product, *Saturday Night* is a *good* magazine. In a rational world, you would suppose, it would also be a sucessful magazine.

But one of the conditions of periodical publishing in this country is that virtue is not necessarily rewarded, and is sometimes actually penalized. Owning a magazine like *Saturday Night,* its publisher informed us, is an exercise in masochism. Competition with TV for advertising revenue has hurt the magazine badly. The effect of increases in second-class and third-class mailing rates, we were told, has been "devastating." The company still owes a substantial sum to Maclean-Hunter, which for a time printed the magazine under a long-term repayment arrangement. (Maclean-Hunter is serious when it says its magazines would benefit from increased competition.) *Saturday Night's* advertising revenues have shown a recent decline. If it weren't for a contra advertising arrangement with a radio station, and the fact that *Time* Magazine chooses to advertise in *Saturday Night,* the magazine and its balance-sheet might be even thinner. The best hope for *Saturday Night's* survival, and for its sister publication *Monday Morning,* appears to lie in subsidizing the magazines through "spinoffs," such as renting their mailing lists to direct-mail advertisers.

Maclean-Hunter's experience with consumer magazines has equally masochistic overtones. The company is Canada's largest publisher of mass magazines; but it is a tribute to the company's determination, its sense of social responsibility – and to the profitability of its business publications – that *Maclean's* and *Chatelaine* continue to survive. Between 1905 and 1960, the company's consumer magazines collected nearly $130 million in revenues, and delivered a total profit, over the 55 year period, of precisely $410,604. As a profit margin that is simply laughable; and during the past decade there has been even less to laugh about. *Chatelaine* and its French-language counterpart, *Châtelaine,* were profitable in some years (notably 1967, the year of Canada's centennial) but not in others. *Maclean's,* despite large circulation increases, was not able to achieve black figures until 1969. The only really profitable decade for the company's consumer magazines, in fact, was the 1940s, when advertising space was rationed, wages and salaries were controlled, and copies sold out on newsstands almost automatically.

The weekend newspaper supplements, which fulfill roughly the same editorial role as large consumer magazines, are experiencing the same sort of difficulty. Between 1954 and 1968, their share of total net advertising revenues declined from 3.4 per cent to 1.8 per cent and during this period a new contender, the *Canadian,* was launched, thus spreading the available revenues even more thinly. In the decade between 1958 and 1968, there were only two years when the weekend supplements recorded significant percentage increases in net advertising revenues. The increases recorded in other years were extremely marginal; and in three of the ten years there were significant decreases.

In the whole country, in fact, there are only four large-circulation consumer magazines whose prospects and financial condition, judged by normal corporate standards, could be described as healthy. They are *Time, Reader's Digest, Miss Chatelaine,* and *Toronto Calendar*. Between them, *Time* and the *Digest* account for more than half the advertising revenue that all major consumer magazines receive in Canada. Moreover, their share of total revenues is on an upward swing; ten years ago, *Time* and the *Digest* accounted for 43 per cent of the total (excluding supplements). In 1969 it was 56 per cent.

Miss Chatelaine, a Maclean-Hunter publication aimed at the teenage fashion market, is fat, sassy, successful, and getting more so; its advertising revenues for the first six months of 1969 were up 132 per cent over the previous year. *Toronto Calendar,* a skillfully edited digest of things to do in Toronto that is distributed free to 120,000 upper-income Torontonians, appears to be firmly on the road to profitability, after less than two years of publication.

All four are good magazines, professionally edited and promoted. But there are more particular reasons for their success. *Time* and the *Digest* enjoy a massive economic advantage over their competitors, because most of their editorial content is supplied by their parent publications in the U.S. They also enjoy protection from other American magazines that might wish to launch similar Canadian editions; Section 12A of the Income Tax Act effectively blocks their entry by declaring that advertising in Canadian editions of foreign magazines cannot be deducted as a business expense – but *Time* and the *Digest* are exempt from this provision.

Miss Chatelaine and *Toronto Calendar* are successful for a different reason: they are the right *kind* of magazines at the right time. General-interest magazines, publications which attempt to appeal to all classes of readers at least some of the time, are in trouble everywhere, not just in Canada. Specialized magazines – those which stake out for themselves a particular segment of a general readership – are experiencing much less difficulty and, in many cases around the world, astonishing success.

We've singled out these two latter cases to indicate that the magazine situation in Canada isn't utterly hopeless. There can't be many industries in this country where the odds are stacked so heavily against success; but it is still possible to beat those odds by publishing the kind of magazine that attracts a class of readers whom advertisers wish to reach, and by being able to spend a lot of money before you start getting it back.

Still, the odds are enormous. They always have been. The magazine industry propagates itself as salmon do, by spawning vast quantities of progeny in the hope that a few will survive. Over the past half-century or so there have been an enormous number of magazine births and a somewhat smaller number of deaths. In the 1920s, some 96 consumer magazines were launched in Canada or were already in existence, and 23 died. Seventy-five were started in the 1930s and 65 died. Ninety-two commenced publication during the 1940s, and 70 died. During the 1950s, 29 new magazines were launched and 50 died. More than 250 magazines were launched between 1960 and 1969, and only 137 died.

An excess of births over deaths, however, should not be taken as an indication of the industry's overall health. The overwhelming majority of these consumer magazines were not, shall we say, very big deals, and never could be. Magazines such as *Town House Magazine's Report on Frozen Food,* the *King Edward Hotel Magazine, Trigger Talk* and *Western Sailing & Jibsheet* – all of which were launched in the 1960s – may fulfill readers' needs, but they can't be said to have constituted a massive contribution to the National Fabric.

Even at the very best of times, the industry has been a weak one, and the evidence suggests that it is growing weaker. Neither circulation nor advertising revenues of all Canadian consumer magazines have grown as fast as the population. In 1954, Canadian magazines (excluding supplements) billed $14,280,000 in net advertising revenue. In 1968 they billed $22 million – but their share of total revenues had declined from 4.2 per cent in 1954 to 2.4 per cent. In 1954, business spent about $3 million more on billboards, posters and signs than was spent on advertising in Canadian consumer magazines. Today advertisers spend about *three times* as much on billboards. The American magazine *Business Week* collects about as much advertising revenue as does the entire Canadian magazine industry. And if advertisers are less than completely sold on magazines as a medium, so are readers; Americans read 60 per cent more magazines per capita than Canadians do.

By far the most important reason for the industry's palsied state is overflow circulation. Unhampered by tariff barriers, by language barriers, or by any form of protective legislation, foreign magazines – mostly American, naturally – pour into the country by the tens of millions, swamping our newsstands and occasionally overloading our postal system. The fact of overflow circulation is of course obvious, but its sheer magnitude is seldom appreciated. *Playboy,* to cite one example, collects about as much money selling its magazine in Canada as do the seventeen largest English-language consumer magazines combined. *Chatelaine,* with a circulation of 980,000, has one of the world's highest per capita penetrations of its available audience; yet *Life* sells more magazines in Canada than *Chatelaine* does. Canadians buy almost twice as many copies of *True Story* as they do of *Saturday Night.* We buy more than sixteen times as many copies of *National Geographic Magazine* as we do of *Canadian Geographic.* We spend more money buying American comic books than we do on the seventeen leading Canadian-owned magazines.

We are also reading fewer magazines. In 1959, we bought 147 million copies of American magazines. Ten years later the total had declined to 130.5 million copies. But the decline for Canadian magazines has been even steeper. In 1959 we bought 45 million copies of Canadian magazines. In 1969 we bought about 33.8 million copies.

There is nothing very surprising about this. American publishing companies can scarcely be blamed for selling their magazines here; since they must meet their costs from U.S. circulation and advertising revenues, their overflow circulation into Canada is almost invariably profitable. Nor can Canadian readers be blamed for buying them. Not only do the Americans produce some excellent magazines; they also produce classes of magazines (true romance, do-it-yourself, and so on) for which there is no Canadian alternative.

It is interesting to note, however, that Canada appears to be one of the few countries in the world which has taken no measures either to discourage overflow circulation or to encourage a domestic periodical industry. In Switzerland, where nearly three quarters of the population speaks German, there is a postal surcharge on foreign periodicals. Austria, also faced with an overflow situation from Germany, imposes a series of taxes which, the O'Leary Commission noted in 1961, are "generally applicable" to foreign periodicals. Both countries, the commission noted, have healthy magazine industries.

Most magazine publishers in Canada don't think of overflow circulation as a primary problem; it is simply part of the environment. What they are painfully aware of, though, is the competition for advertising revenues from other media. It is a scramble between radio, television, newspapers, and magazines for available advertising dollars, and for the attention of audiences – a piggies-at-the-trough situation in which magazines are more and more being shouldered aside.

Between 1954 and 1968, magazines' share of total advertising revenues dropped from 4.2 to 2.4 per cent. The decline in the share of weekend supplements was even steeper. As a matter of fact, *all* the print media – daily and weekly newspapers, farm and business periodicals – have experienced a decline in their shares of total advertising revenue. In the same period, radio's share increased slightly. But the big winner was television, whose share increased from 2.5 per cent in 1954 to 12.9 per cent in 1968. Since most magazines live off national advertising – 80 per cent of television advertising is national – they have felt the pinch far more keenly than the above figures would indicate.

The third factor affecting the odds against the development of a healthy magazine industry in Canada is the presence of *Time* and *Reader's Digest*. We have already noted that these two magazines' share of the total revenues spent in the major consumer magazines has increased from 43 to 56 per cent in the past dozen years. In earlier chapters, we have described how, in the newspaper business, success feeds on itself by lowering unit costs, enabling a large paper to offer lower advertising rates and thus grow larger still.

It seems probable that the same broad principle applies to magazines; and it is reasonable to anticipate that *Time* and *Reader's Digest* will continue to grab off larger and larger proportions of available revenues. The end result, quite conceivably, could be that the only mass magazines serving this country would be the heavily subsidized, heavily protected Canadian editions. O'Leary's rationale was plain: "If there is acceptance of the fact that Canadian periodicals 'contribute to the development of a national identity,' then responsibility must rest upon us all to see to it that such periodicals do not disappear and, least of all, disappear through unfair competition from foreign publications . . ."

Time and the *Digest* have been publishing Canadian editions since the early 1940s, and the O'Leary findings weren't the first attempt to assault their position. In 1956 the federal government proposed a 20 per cent tax on the value of advertising material in Canadian editions of non-Canadian periodicals. The tax became effective in January, 1957, but was removed by a different administration in June, 1958. (It may be significant to note that while this tax was in force, *Time-Digest* advertising revenues continued to increase, and those of Canadian-owned magazines continued to decline.)

The O'Leary recommendation that advertising costs in Canadian editions of foreign magazines be made non-deductible was not implemented until 1964. But the amendment to the Income Tax Act, although it did not mention the two magazines by name, specifically exempted *Time* and the *Digest*. It did so by limiting the definition of a "non-Canadian" periodical to exclude magazines that "throughout the period of 12 months ending April 26, 1965 . . . were being edited in whole or in part in Canada and printed and published in Canada." *Time* and the *Digest* met this requirement. In 1962 – one year after the O'Leary Commission made its report – *Time* had opened an editorial office in Montreal to produce its Canadian section. The *Digest* also had a Canadian editorial staff, and both magazines were printed in Canada.

Since then, both magazines have made earnest attempts to become members in good standing of the Canadian publishing community, and have continued to prosper. The Canadian circulation of the *Digest* and its French-language affiliate, *Sélection du Reader's Digest,* has climbed from 1,068,000 in 1960 to 1,448,000 in 1969. The company's shares are traded on the open market, and about 30 per cent of the stock in the Canadian subsidiary is now held by Canadians. The *Digest's* advertising revenues have risen slightly over the ten-year period, and every year has been profitable. The company has about 450 employees in Canada, including an editorial staff almost as large as that of *Maclean's.*

Time's circulation has increased from 215,000 in 1960 to about 440,000 today. Advertising revenues have almost tripled from $3,946,774 in 1959 to $9,545,752 in 1969. Between 1962 and 1969, Time International of Canada Ltd. spent more than $10 million printing its magazine in Canada, and now splits its press run between Montreal and Evergreen Press in Vancouver. Its marketing and promotion activities incurred expenditures in Canada of about $325,000 last year. The company directly employs fifty-eight full-time staff members and ninety part-time staffers in Canada.

Time and the *Digest* were also instrumental in the creation of the Magazine Advertising Bureau, a research and sales promotion organization which attempts to promote the interests and advertising effectiveness of magazines as a medium. The Magazine Advertising Bureau's members are *Time,* the *Digest's* French and English editions, *Maclean's, Le Magazine Maclean,* the three *Chatelaines,* the *United Church Observer, Actualité, TV Hebdo,* and *Saturday Night. Time* and the *Digest,* on the basis of their share of advertising revenues, pay about half the cost of running the Bureau.

There is no question that both magazines have been good corporate citizens. It is also clear that their financial success is not solely attributable to the competitive advantage they enjoy. Both are excellent products—perhaps the most skillfully edited mass magazines in history. Quite apart from their competitive advantages, *Time* and the *Digest* have prospered because they produce the kind of magazines that a lot of readers and advertisers prefer.

Perhaps the most astonishing indication of their success, however, is the attitude of some of their Canadian competitors. In 1960, when the O'Leary Commission held its hearings, the Canadian magazine industry was unanimous in demanding relief from what they conceived to be the unfair foreign competition. Floyd Chalmers, then president of Maclean-Hunter—then as now the biggest periodical publisher in the country—referred to *Time* and the *Digest* in a tone that was less than effusive. "Quite frankly," he told the Commission, "the parasitical character of these publications suggests that they are not particularly entitled to sympathetic or generous treatment." He pointed out that national policy in the past has been to prevent foreign domination of our financial institutions, our broadcasting, our railroads. "The simple economics of such matters," he said, "have taken second place to broader national considerations. We think there is a strong case for a similar approach with respect to Canadian periodicals."

In its appearance before *this* Committee, Maclean-Hunter's approach was somewhat different. No reference was made in their brief to the O'Leary recommendations because, as a Maclean-Hunter executive explained, "We ask for nothing." R. A. McEachern, then the company's executive vice-president in charge of consumer magazines, said he felt removal of the *Time-Digest* exemptions at this time was unrealistic, and that the competitive situation their presence creates is far from intolerable. "We live with it and make the best of it," he said. "The status quo is something the government created. We are going to make the best of it."

All the Canadian-owned members of the Magazine Advertising Bureau say that they share this view. The rationale appears to be that the Canadian industry's best hope lies in co-operating to promote their medium as a whole. The view has also been expressed that, without *Time* and *Reader's Digest,* Canadian magazines would simply cease to *matter* as a national advertising medium. Without *Time* and *Reader's Digest,* it would be more difficult for an advertiser to obtain maximum coverage through the consumer-magazine medium. Without *Time* and *Reader's Digest,* there would be fewer magazines among which the creative and production costs of advertising could be distributed, thus making the medium as a whole a less attractive buy. "There is considerable importance in Canada [in] having what might be recognized as a magazine industry with status," Mr. McEachern told us. It is plain that MAB member publications feel that, without *Time* and *Reader's Digest,* this status would be reduced[3].

It has also been pointed out that removing the *Time-Digest* exemptions – even if it *did* force those magazines to close up shop in Canada – wouldn't necessarily represent a windfall for the remaining periodicals. Much of the revenue would undoubtedly be diverted to television and newspapers. Some revenue would simply dry up, it has been argued, because there are advertisers who, if they can't buy *Time* or the *Digest*, will stay out of magazines altogether.

Some advertisers, who now advertise in several magazines, might pull out of Canadian-owned publications so they could afford the increased costs of *Time* and *Reader's Digest*. Still other *Time-Digest* advertisers might buy less space in these magazines, but spend the same amount of money to do it. "Thus," comments one publisher, "other Canadian magazines would receive none of the present *Time* expenditures – only the government would. Big deal."

This view was supported by a private survey, which the Committee saw, of Canada's 100 largest advertisers. It indicated that, even if *Time* and *Reader's Digest* folded up their Canadian editions, only 13 per cent of their advertising expenditures would be diverted to other Canadian magazines. (*Time-Digest* revenues in 1969 totalled $14,642,300. Thirteen per cent of *that* amounts to $1,903,500.)

All these scenarios are based on the assumption that *Time* and *Reader's Digest* would cease publication in Canada if their exemptions were removed. But it is possible that, even if the exemptions were repealed, *Time* and *Reader's Digest* would continue to publish here. In 1960, the O'Leary Commission reported, the two magazines earned $1,567,369 in Canada. Taken together, they earn substantially more than that now. With profits of this magnitude at stake – to say nothing of normal human pride – the natural tendency would be to fight rather than run. Besides, Canadian governments have taxed these magazines before, then backtracked. A smart publisher might gamble that if they backtracked once, they can backtrack again.

It is even possible, the Committee was told, that repeal of the exemptions might amount only to a major inconvenience for *Time* and *Reader's Digest.*

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[3] As far as one distinguished observer is concerned, that status is already pretty marginal. Senator Grattan O'Leary favoured the Committee with his views on what's happened to the magazine industry since he made his report, and concluded that, in his judgement, the existing Canadian magazines have declined in quality. "Were I making my report today," he added, "I would not have been so concerned for those magazines . . . I am not so sure that *Time* magazine today is not the best Canadian magazine we have."

This is because both magazines are heavily dependent on advertising from large international companies. *Time* offers a discount to such companies if they advertise on an international basis. A company which buys space in both the American and Canadian editions of *Time,* for instance, qualifies for a ten per cent discount.

We'll let Richard Ballentine, publisher of *Toronto Calendar* Magazine, pursue the argument from there:

> An examination of the current issue of *Time* (July 20, 1970) shows that out of seventeen pages of advertising almost ten (65%) are international companies who do, or can, buy the Canadian edition from outside Canada, in combination with other international editions and at large discounts from card rates. Thus the elimination of tax exemption would create the following scenario:
>
> 1. Canadian advertisers including Canadian subsidiaries of U.S. and foreign companies would find their cost of advertising in *Time* increased by 50 per cent.
> 2. Canadian subsidiaries of U.S. or international companies would have to accept the tax disadvantage but such subsidiaries are buying or could buy in Canada at the lower international rates earned by the world-wide advertising contracts of their parent companies and thus their tax penalties would be *less* than for a wholly Canadian-owned company.
> 3. Other companies, largely U.S. and Japanese and German, would still buy at the same, already discounted, international prices and because they have no Canadian corporate identity would pay no tax.
> 4. *Time* would probably lower its rates slightly for wholly Canadian advertisers to offset the tax disadvantages. They might even reapportion the amount of an international contract applied to Canada, lowering it in effect, to reduce the tax liability of the Canadian subsidiaries of foreign firms.
> 5. The effect thus would be to widen the present disparity between, say, a Clairtone and Mitsubishi Electric buying the same space and frequency....
> 6. Thus, as long as *Time* and *Reader's Digest* remained in Canada even after losing their tax exemption, they would be competitively a better advertising buy for outside foreign advertisers and for Canadian subsidiaries of foreign advertisers than they would be for a wholly Canadian company. That seems to me like a strange kind of economic nationalism.

Mr. Ballentine supports the *status quo* because, as he put it, "the removal of a privilege they have enjoyed for years will have drastically different results from *preventing* them from coming into Canada with that privilege in the first place."

He is, however, practically the only publisher outside the Magazine Advertising Bureau who likes things as they are. Last August, a group of non-M.A.B. editors and publishers circulated a statement calling for removal of the exemptions, and urged media people who endorsed the statement to make their views known to the Committee. Some 364 people representing 168 publications did so. They included writers, photographers, art directors, editors, publishers, production people and, gratifyingly enough, three fashion models. They represented or worked for publications as diverse as *Sno-Mo-Go & Outdoor Fun Magazine, Point De Mire* (a separatist journal), the *Fiddlehead,* Southam Business Publications and the Toronto *Star.* Some appended comments, including the editor of *Executive* magazine, who wrote:

> Canada now needs a strong national press as much as it needed the Canadian Pacific Railway in the late 1800s. That press now has the talent, insight and experience necessary to serve the people of Canada in a way that no foreign publications can. But we need the chance to do it – to prove it. Given the amount of advertising dollars now going to *Time* and *Reader's Digest,* it is certain that we'll be given neither the opportunity nor the tools.

It seems clear that what might be called the non-establishment segment of the magazine industry believes, strongly and with near-unanimity, that the exemptions should be repealed. Against that, we must set the possibility that removing them might give foreign advertisers a cost advantage over Canadian companies advertising in the Canadian editions of *Time* and *Reader's Digest;* and that some magazines, instead of benefitting, might actually experience a reduction in their advertising revenues.

There is another reason why a prudent government would hesitate to remove the *Time-Digest* exemptions: the prospect of economic retaliation. Former Finance Minister Walter Gordon has asserted publicly that the exemptions were granted in the first place as a result of severe pressure from Washington. The Americans are said to have intimated to Ottawa that if *Time* and *Reader's Digest* were kicked out of Canada, it might indirectly affect the course of negotiations on the U.S.-Canada auto parts agreement. It is not unreasonable to anticipate similar pressures this time around, and they need not all be at the quasi-diplomatic level. As Mr. McEachern told the Committee:

> Remember that in view of the enormous American penetration of Canada, a great many of the big advertising decisions are not made in Canada, but in head offices in the United States. If the Government of Canada were to go ahead and make a move against the two publications named, this would set off a typhoon of criticism. We would be charged with anti-Americanism and all sorts of things; so certainly for a time we would suffer.

The case against removing the exemptions, in other words, boils down to three propositions: we shouldn't do it because (a) *Time* and *Reader's Digest* would probably continue publishing their Canadian editions; (b) it wouldn't help the Canadian industry very much and, in the short run at least, might even affect their revenues adversely; and (c) the Americans wouldn't like it.

Those three propositions were presented to us as justification for doing nothing. We choose to regard them, however, as a demonstration that something *must be done.* After all, what do these arguments add up to? The exemptions must remain, we were told, because to remove them would mean that two foreign magazines, backed by foreign advertising agencies that are in turn backed by foreign corporations that already control much of our economy, would combine to defeat the intent of the legislation.

Is that true? Are our options truly so limited as that? If they are, if the future of an important – perhaps essential – Canadian industry is already irretrievably mortgaged to *Time, Reader's Digest,* General Motors, Kraft Foods and the State Department, it means that Canadians are much less independent than they like to believe.

We believe that creeping continentalism has proceeded far enough in this country. We believe the present situation of the magazine industry is a perfect example of the dangers of an unexamined acceptance of foreign investment. That is our feeling, and we believe it is shared by most Canadians.

That is why studying the problems of periodicals in Canada can be such a maddening exercise: it embraces, in microcosm, many of the basic contradictions of our nationhood. Geography has made us continentalists, whether we like it or not. Pride and history and the land have made us Canadians – a people who, almost by definition, resist the cold logic of economics in favour of the warmer logic of the heart. Thinking about Canadian magazines is like thinking about Canadians themselves – there is a constant tension between the centralizing, levelling influences of The Market and the inward, wayward pull of our national other-ness. Somewhere, somehow, in all our national deliberations, the line must be drawn between logic and love.

The Committee was extremely conscious of this elusive line when it attempted to shape its magazine recommendations. Like all truly Canadian solutions, our conclusions involve contradiction and compromise. We think they would have gladdened the heart of Mackenzie King himself. We also think they are the *only* recommendations we could in conscience have made.

The logic of love dictates the first conclusion: *somehow, despite the economic pitfalls, a way must be found to create more equitable competitive conditions in the Canadian periodical industry.* The competitive advantage that *Time* and *Reader's Digest* enjoy is greater today than it was when O'Leary made his recommendations in 1961. The consumer magazine segment of the industry is by far the most important segment in terms of our cultural survival. It is also the segment which, because of subsidized foreign competition, faces the greatest difficulties. Whatever the admen say, whatever the economists say, this is a situation we should no longer tolerate.

The O'Leary recommendations were sound when they were made, and the intent behind them is sound today. If Section 12A hadn't been applied when it was, we are certain that Canadian magazines would be a lot sicker than they are. The business press in Canada is a flourishing, profitable segment of the industry. Without O'Leary, today it would be dying – crushed by subsidized foreign competition. Without O'Leary, some of the specialized magazines we referred to earlier in this chapter would not exist. (*Seventeen* Magazine, we are informed, dropped its plans for a Canadian edition when the O'Leary recommendations were implemented. If *Seventeen* had been allowed in, there would be no *Miss Chatelaine* today – and perhaps no *Chatelaine* either.)

We deeply regret that *Time* and *Reader's Digest* were exempted from the O'Leary legislation. It was a bad decision. It really was, as one commentator put it, like locking the foxes in with the chickens. Frankly, we marvel that *any* Canadian mass consumer magazines have survived in such a forbidding climate. It is a tribute to their skill – and to the fact that Canadians obviously *want* Canadian magazines. We are pretty certain that, if Section 12A had been fully applied ten years ago, there would be more Canadian magazines today.

We believe it is important to look at this question in the longer term. What will the effect be five or ten or fifteen years from now – not only on existing magazines, but on new Canadian magazines yet to be born? It seems plain to us that if *Time* and *Reader's Digest* are allowed to maintain their present competitive advantage, it will become increasingly difficult for existing magazines to survive, and for new ones to be launched. We are playing with probabilities here, not certainties; but we are satisfied that the long-term prospects for a Canadian periodical industry – and probably the short-term as well – would be enhanced by removal of subsidized foreign competition.

To believe otherwise is to assume that Canadians aren't capable of producing the kind of magazines that other Canadians prefer to read. We don't believe that. The few Canadian mass magazines (like *Chatelaine, Maclean's* and *Saturday Night*) that do exist have already achieved far higher penetrations of their available audiences than have their American counterparts. The audience is there, and so is the talent. It is simply defeatist to argue that, given more equitable competitive conditions, the Canadian industry couldn't improve its position.

But how can this be arranged in a way that steers a sensible course between love and logic? The Committee considered several options. The first was simply to leave the *status quo* alone, and hope that the massive advantages which *Time* and *Reader's Digest* enjoy could somehow be offset by a network of incentives and subsidies to their Canadian competitors. Although we have, earlier in this report, recommended a mild form of government assistance for periodicals, we have concluded that subsidies, in general, are an unwise alternative. For one thing, it would be too costly; large magazines, when they're losing money, lose a *lot* of money. For another, the subsidy route – as it has in the past – could lead to the perpetuation, at public expense, of ventures which deserve to die because they have outlived their usefulness. Finally, most print publishers say they fear the effects of subsidies on freedom of the press; although it should be noted that they also tend to complain about increases in our subsidized postal rates, usually in the same breath.

Another option was to recommend legislation that would prevent *Time* and *Reader's Digest* from publishing their magazines and accepting advertising in Canada. Kick them out. Send them home. Their American editions would still be available in Canada, but only as overflow circulation. As competitors for Canadian readers, they would be welcome. As competitors for Canadian advertising dollars, they would be expelled.

Blunt as it sounds, this option does at least have the virtue of effectiveness. In the long run, and perhaps in the short run too, it would immeasurably improve the climate for Canadian magazines, living, dying, and unborn.

But the Committee rejected this option too. Singling out for expulsion two corporations that have done business in Canada for nearly three decades, and done it with flair and fairness and excellence, struck us as somehow inconsistent with the Canadian character. We were mindful too of the economic dislocation this could cause. Unemployment in the cause of socio-cultural development is a lot more palatable for its proponents than it is for the participants.

That led us to a third option, the one we now recommend. Not surprisingly, it is exactly what O'Leary wanted nine years ago: *we recommend that the exemptions now granted Time and Reader's Digest under Section 12A of the Income Tax Act be repealed, and the sooner the better.*

We think we have fairly presented the arguments against such a move. We found them not wholly persuasive. Even if *Time* and *Reader's Digest* did find it possible to continue publishing their Canadian editions despite removal of the exemptions, they would at least be competing on a more equitable basis than before. The massive cost advantages they enjoy from spillover editorial content would be at least partially offset.

Besides, economic arguments against removing the exemptions are predicated on the here-and-now – on the effects among *existing* advertisers in *existing* magazines. We don't believe the industry is as rigid, or the conditions under which it operates as immutable, as these arguments suggest.

One of the most promising fields of magazine development, for instance, is in the regional and local area. Periodicals such as *Toronto Calendar, Toronto Life,* the late *Vancouver Life, Atlantic Advocate,* and *Atlantic Reporter* (which was in the process of being launched at this writing) can fulfill a genuine need among readers and advertisers, perhaps better than national magazines can. *Time's* regional editions are probably the major obstacle to their growth. (The magazine publishes twelve regional editions on a regular basis, allowing advertisers to buy split-run coverage of such areas as British Columbia, Toronto, Quebec, Ontario, the Prairie provinces, and the Maritimes.) This competition hurts regional magazines, and it seems plain that removing the exemptions would be of enormous benefit to them, even if *Time* and *Reader's Digest* continued publishing. Not many regional and local advertisers are multinational corporations and thus wouldn't be able to evade the intent of the legislation by buying *Time Canada* in the U.S.

The periodical business is so flexible that we feel fairly confident that it would adapt to take advantage of the new competitive situation, loopholes and all. If, as is argued, *Time* and *Reader's Digest* could adapt to the new situation, perhaps their Canadian competitors could too.

Admittedly, we are juggling unknowns. Maybe *Time* and *Reader's Digest* would go home if the exemptions were removed. Maybe they wouldn't. Maybe the large Canadian magazines would suffer a short-term drop in revenues. Most probably, we think, they wouldn't (56 per cent, after all, is a pretty large share of *anything*). Maybe new magazines would find it easier to get started. Maybe they'd find it just as difficult as before. It is impossible to predict the effects of removing the exemptions with much precision. On the other hand, it's easy to predict what will happen if nothing is done: the segment of the magazine business that is subject to subsidized foreign competition will get sicker and sicker. We think the government's wisest course is to remove the exemptions, and see what happens.

We hope we are labouring the obvious when we stress that the measure we propose would *not* limit the right of Canadians to read whatever magazines they choose. *Time* and *Reader's Digest* would still be welcome on Canadian newsstands and in Canadian mailboxes. The proposal implies no restriction whatsoever on their circulation in the country.

We offer a second recommendation which might be implemented after the exemptions were removed, if events warranted it. If it turns out that removal of the exemptions proves ineffective, that the Canadian industry's health does not improve, that *Time* and *Reader's Digest* continue to profit from their cost advantages while Canadian magazines continue to decline, then there is a second step the government could take. *Instead of sending the two magazines home, make them settle here.*

We recommend that if events warrant it, *Time* and *Reader's Digest,* as a condition of publishing their magazines in Canada, be required to sell 75 per cent of the stock in their Canadian subsidiaries to Canadian residents, and that three quarters of their officers and directors be Canadian residents. (*Reader's Digest* is almost halfway there already; 30 per cent of the Canadian subsidiary's stock is held by Canadian residents, and four of its six directors are Canadian.)

There is ample precedent for this approach. The C.R.T.C. has already insisted on 80 per cent Canadian control of broadcasting corporations, a policy which has forced Famous Players Canadian Corporation Ltd. and RKO Distributing Corporation (Canada) Limited to sell their Canadian holdings. The Income Tax Act, in effect, already does the same thing. If an advertisement in a Canadian newspaper or periodical is to be deductible as a business expense, that newspaper or periodical must be 75 per cent Canadian-controlled – *Time* and *Reader's Digest,* of course, being exempted. The government either recently or long ago staked out other key sectors of the economy – uranium, banks, railroads – where Canadian control is regarded as a condition of doing business in Canada.

It also has the virtue of fairness. It involved no wrench of the collective conscience to force Famous Players and RKO to divest themselves of their Canadian assets, because there *were* assets to sell, and Canadians willing to buy them. *Time* and *Reader's Digest* have no such assets. If we simply expelled them, they would have nothing to sell. Their enterprises in Canada are symbiotic; take away their relationship with their American parent and you are left with a few typewriters, a few printing contracts (liabilities, those), a few rented offices. As businesses they are worthless, except in association with their parent magazines in New York.

By requiring 75 per cent Canadian ownership, you would enable the companies to collect very handsomely on an intangible asset. The earnings of both companies – and the profits they have sent home to New York –have ranged from moderate to substantial in recent years. Even in a period of depressed share prices, there can be little doubt that by selling three quarters of their stock to Canadians, through either a public offering or a private sale, the two companies would receive a fair price, in terms of the earnings they generate. Instead of expelling two magazines from Canada, the government would be creating two Canadian magazines.

The big objection, of course, is that by doing this you might be merely substituting unfair Canadian competition for unfair foreign competition. The two magazines, no matter who owned their shares, and despite the fact that they no longer enjoyed the 12A exemptions, would still enjoy the economic advantage of being able to buy most of their editorial content at bargain-basement prices from their American counterparts. (We are presuming here that a condition of the sale would be an undertaking that the names and essential character of the magazines would remain unchanged.)

We think it likely, however, that the American magazines would decide to charge their Canadian counterparts more for their spillover editorial content than they do at present. They would do so, we submit, because they would be foolish not to. The new companies would pay the price because the American editorial content would be essential to their operation. This cost increase could have the effect of encouraging an increase in Canadian editorial content; readers' tastes would be pressing in the same direction. The end result – and, we think, a most probable one – would be two healthy magazines, heavily Canadian in editorial content, overwhelmingly Canadian in ownership. Isn't this what a periodical policy should be trying to achieve in Canada?

The other possibility is that, instead of acquiescing to the 75 per cent requirement, *Time* and *Reader's Digest* would pick up their marbles and go home. That's what we think should have happened ten years ago. If it did happen this time around, it would be the companies' decision, not the government's. We don't think it would take Canadian publishers long to fill the editorial vacuum that such a voluntary withdrawal would create.

At this point we must take note of a dissent – the only one in our entire report. On every other point we were unanimous; the only issue on which the Committee was divided was its recommendation with regard to *Time* and *Reader's Digest*. Fourteen of us agreed. But Senator Louis Beaubien disagreed, and the rest of us respect his right to do so. Indeed we are anxious to have his dissent on our record.

Senator Beaubien is in full accord with the desirability of helping the home-grown industry. He feels, however, that cancelling the exemption under 12A of the Income Tax Act would produce small benefits compared to the economic dislocation to the employees, shareholders, and others connected with both *Time* and *Reader's Digest*.

We admit that what we propose is an imperfect solution. But it seems to us to be the only one that avoids the injustice of expulsion, the pitfalls of subsidy, and the administrative horrors of legislation that attempted to set Canadian editorial content requirements in the print medium.

On the subject of magazines and print in general, a final note of diffidence:

Print is in trouble everywhere. Not because people don't read any more, but because fewer people appear to turn to print for entertainment and enlightenment. The book-publishing industry in Canada – a medium that was beyond our resources to investigate – has problems that are remarkably similar to those of the periodical industry. Could this be because reading, as a pastime, is in a natural state of decline?

We think it is possible. The old literary culture of Shakespeare and Swift and Dafoe and Tennyson and Hemingway and Leacock, and the journalism which is one of its barely legitimate children, may be on the way out. It may be in the process of being replaced by the new electronic sensibility that Marshall McLuhan is so adept at describing.

If that is so, the whole idea of legislative measures to encourage printed communication in Canada may appear in retrospect to have been a profoundly reactionary, profoundly futile exercise.

Maybe it's our linear bias showing, but we persist in believing that print will continue to play a major role in whatever kind of society we may evolve.

4. The Invisible Press

Who needs *Sea Harvest & Ocean Science?* Who has even heard of it? Or *Teaching Aids Digest? Storage and Distribution? Bâtiment? Canadian Pit and Quarry?*

The question is rhetorical. We offer no prizes to those who can correctly identify these magazines. Individually they are well and favourably known to a small, carefully selected list of readers. Collectively they command so little public attention that they might almost be called the invisible press. But the invisible press has a special, and specially valuable, place in the Canadian media mix.

There are 510 periodicals, with a total circulation of 4,400,000, in the publishing category known as the business press. Each is directed to a specific sector of industry, commerce, and the professions. Their function is to assist decision-makers in reaching right decisions. To do this they report and exhort – reporting on trends and developments, on new techniques and new products, on successes in problem-solving; and exhorting governments and industry policy-setters to create the conditions under which everyone can prosper. For the corner merchant or the nation-wide corporation, the name of the game is profit, and profit is what the business press is all about.

The Committee was impressed by the skill and professionalism with which the hundreds of business publications pursue their single-minded objective. They are highly useful, particularly in sifting the flood of technical information with which business and professional men are inundated, and passing on the essentials in a form that can be put to practical purpose.

But they are more than merely informative. Many business editors occupy positions of influence and even leadership in the industries they serve. They see "their" industry as a whole and they work for its material betterment. Many of them have been instrumental in forming industrial associations which serve not only to exchange information but to raise ethical and professional standards.

On occasion they can be crusaders, bringing the light of publicity to bear on abuses and campaigning to have them corrected. We mention only one of many cases in point. The editors of *Canadian Aviation* recognized years ago that traffic controllers at Canadian airports were working under conditions of inadequate salary, with antiquated and unreliable equipment which endangered air passengers. In factual articles and hard-hitting editorials, the magazine warned that a crisis was coming.

At least partly in response to this editorial campaign, a federal inquiry was ordered and the editor of *Canadian Aviation* appeared as a witness with recommendations. Some of these recommendations were adopted, others were not. The magazine continued to prod for action, and its predictions of trouble were borne out in 1969 by a strike of air traffic controllers. No other publication has campaigned so consistently and effectively for safety in the air; no other is so well equipped to do so. Dozens of other members of the business press are doing equally strong jobs in their own areas of concern.

The business press, then, knows where it is going and how to get there. Of all the groups who came before us, the business publishers and editors appeared to have the clearest idea of their role and how to perform it; they are not in need of gratuitous advice and our comments will be brief. They have the three chief prerequisites for publishing success: a clearly understood editorial purpose; a defined and homogeneous readership with common interests; the kind of credibility that wins advertising support.

They have their difficulties, of which we will mention four. One is the fact of overflow circulation, which faces Canadian publishers with a situation unparalleled elsewhere in the world. There are 1,912 American business publications circulating in Canada, and 258 of them have circulations above 10,000. Given the undoubted American leadership in resources, research, and technical sophistication, these are excellent publications and their Canadian counterparts must be of high quality to compete for attention from readers. They can and do compete, because they *are* of high quality and they deal specifically with Canadian conditions as the American magazines do not. But they are hurt in their advertising revenue because many of the potential advertisers in Canada are American companies with Canadian subsidiaries, using the same brand names in both countries, and some of these companies consider that the advertising carried in overflow circulation will do their advertising job in Canada.

Canadian publishers did not complain to us about this situation, which they accept as an inescapable condition of existence in North America. Since 1964, when the Canadian government acted on the advice of the O'Leary Commission, the customs tariff has been used to exclude American publications carrying advertisements directed specifically at Canadians. This averted the most serious threat to the survival of the Canadian industry, which feels it can live with the conditions now existing. We mention it chiefly to explain why the Committee is not exercised about the concentration of ownership in Canadian business publishing.

Most of our important business publications are in the hands of three or four large firms, notably Maclean-Hunter (with sixty-eight) and Southam Business Publications (with seventy-two).[4] We do not see how it could be otherwise. These magazines by their nature have limited circulations and limited advertising revenue; while they are mainly profitable, individual profits are small and it is only in combination that they can afford the research, the graphics, the physical plant, and the staff to make a showing against the glossy American publications.

A second and much publicized problem is the recent imposition of increases in second-class mail rates. The matter is dealt with elsewhere in this report and we will not discuss it here, except to say that we find little solid evidence of any wholesale slaughter attributable to the increases. They probably contributed to the demise of a small number of publications, but they may also have merely hastened the onset of a fate which was inevitable for other reasons. The industry now seems to have adjusted to the new rates. We do not propose that they should be rolled back, but there are some inequities in the present structure which we believe should be removed.

A more serious obstacle to the prosperity of the business press, we suggest, is the aloof stance of the advertising agencies. Advertisers seem to like these publications, which beam directly and economically at a specific market; the agencies don't, and the reason is not far to seek. A full-page advertisement in an industrial magazine may cost $400; in a consumer magazine, perhaps $4,000. It costs the agency as much to prepare and service one advertisement as the other – but the commission in one case is $60, in the other it is $600. The business publications have a strong sales story, but it isn't being heard. Our recommendation to advertisers is that they press their agencies to listen.

Finally, we refer to a problem that is still only incipient but deserves attention before it becomes an entrenched reality. It was brought to our attention by W. B. Glassford, president of the Business Press Editors Association, and we can do no better than quote from his summary:

> Technological developments in the photocopying field and in the development of computer-based information retrieval systems pose major challenges to the business technical press of Canada. In effect, these developments threaten to eliminate the copyright protection needed to ensure that the business press can continue to provide its readers with the information they need, and threaten to deprive the author and publisher of the benefits from their efforts.
>
> Relatively few editors would object to a reader making a photocopy of an article for his own use. But the development of centralized computer-based information retrieval systems adds another dimension to this problem. Such systems (both privately- and government-owned) are, in

[4] This figure includes the fourteen publications acquired in August, 1970, by the purchase of National Business Publications Limited.

effect, providing a commercial information service, using material published in the business press, and supplying this material (without payment to the original author or publisher) to a customer of the system. In effect, this wipes out the value of copyright, and deprives the author of the benefits of his efforts.

This loss of copyright is serious enough, but this type of computer-based system is now going one step further and reassembling information collected from sources such as business publications and issuing them in collected form. These collections are then sold to the subscribers to the service – but the original authors and publishers do not receive payment for this material.

Mr. Glassford pointed out that the machinery for carrying out this piracy already exists in Canada, and that the federal government is one offender. The National Science Library, operated by the National Research Council of Canada, reported that in 1968 it filled 163,000 loan and photocopy requests. This meant a substantial distribution of copyright material for which the authors and publishers received no compensation.

We mention this trend, which of course has implications for others besides the business press, to suggest that it be considered in the review of copyright law which is now under way.

It will be apparent that we admire the performance of the business press, which despite its invisibility is doing an honest, tough, and essential job in the Canadian workaday world. As an incidental by-product, it is doing another job which goes largely unrecognized. We subscribe to the words of James A. Daly, vice-chairman of the board of Southam Business Publications Limited:

The encouragement of existing business magazines in Canada and the opportunity to create new ones, provide a unique contribution to Canadian unity. There is no other way in which the architect in Vancouver can see what his colleague in Quebec City has done; there is no other way in which the hospital administrator in Regina can learn of a new volume feeding process to improve hospital meals that has been developed in Kingston; there is no other way in which the contractor in the Yukon can learn of a new method of winter concrete pouring in Northern Quebec, and the list of such contributions to Canadian unity and the economy could be endless. Developments that are uniquely Canadian or of interest to Canadian industry and professions are not reported at length in the U.S. magazines.

Our recommendation to the business press: keep doing what you're doing – and give a copy of this to the space cadet.

5. Not for the Family

"We were trying to straddle two sharply divided worlds and we fell in the abyss between."

That's how Peter Hendry, its former editor, explains the death in 1968 of the *Family Herald*. It was a collapse as shocking in its own sphere as the death of the *Saturday Evening Post* a year later. The *Family Herald* too was an institution, the staple family reading of generations of rural Canadians. Even at the end, it had a loyal and nation-wide circulation of more than 400,000. But it died.

Why? The reasons were accurately forecast in the O'Leary Commission report of 1961. Discussing the state of farm publications, it said:

> Their very *raisons d'être* are threatened by the decline in rural population and the urbanization of those who remain – due largely to the impact of TV, radio and other media..... A result of this is the decline in the importance of the farm paper as a vehicle of communication between the advertiser and the farm household, as distinct from that between the advertiser and the farm operator...
>
> In the ten-year period, 1950 to 1959, farm papers' share of print media advertising revenues declined from 4.2 per cent to 2.4 per cent.... The ultimate result of this trend will be a retreat by the farm paper to a less ambitious role as "the farmer's business paper." This may involve the disappearance of some publications... and a severe reduction in the circulation of others.

That's what has happened, and is happening. Since 1959 the farm press's share of advertising dollars spent in all mass media has continued its year-by-year decline, from 1.3 per cent to 0.6 per cent in 1968. And it is noteworthy that the publications in deepest trouble are those which try to serve the needs of the farm *family* rather than the farmer-businessman.

When the *Free Press Weekly* (Canada's biggest rural publication, which took over the *Family Herald* circulation list) asked its farm readers how many owned television sets, ninety per cent said yes. Ninety-three per cent of *La Ferme's* readers have television in their homes. These people no longer rely on the farm magazine to give them entertainment, national and world news, children's features, and home-help hints.

But the specialized farmer who raises cattle or hogs or sugar beets or wheat still wants, needs, and uses the publications that tell him how to produce more at less cost. Three years ago the Ontario Federation of Agriculture asked 3,000 Ontario farmers what was their chief source of practical new ideas and what was their chief source of additional information. To both questions, the farm press led all the rest. Bryan Lyster, preparing a thesis for a degree at Carleton University, surveyed Saskatchewan grain farmers in 1969 and got a similar response.

The strongest farm publications are those, such as the *Holstein-Friesian Journal,* which zero in on a specialty. It is significant too that two of the most popular are distributed by agricultural-implement firms and concentrate on technical information. Recently the federal Department of Agriculture has been making headway with a bulletin called CANADEX, which goes to agricultural extension experts as a way of getting technical information to the industry. There has been some discussion of selling CANADEX to farmers on a subscription basis, probably with regional and specialized editions. This possibility is viewed with some concern; its development would tend to concentrate in a few official hands much of the power to influence agricultural decisions. It seems to us that if farm groups will support their own publications as sources of technical information, they will have more control over the type of information they receive and more influence over the direction of agricultural research.

There are some fifty-five farm publications in Canada now, some in financial distress, some relatively thriving. There is a healthy future, it appears to us, for those which recognize that the farm press is a legitimate branch of the business press.

6. A Job for Journalists

It is a mistake to generalize about the church press; the term embraces too wide a variety of church-sponsored publications ranging from national and regional magazines of high quality and considerable economic stability, to parochial papers dealing with news at the parish-pump level and supported by local gifts. The Committee is concerned with the former – a small group of magazines and newspapers, not more than a score in number, which reach about three million Canadians and can properly be called mass media.

About these, indeed, some generalizations are possible. One is that they share the economic difficulties which affect other branches of the printed press, and in most cases suffer those difficulties in an intensified form.

Another is that their form and content have changed dramatically within the present generation. The message is basically the same, but the church press has become less institutional, more socially oriented. In the words of their joint brief to the Committee: "We see our role as educational, with the hope of humanizing our society rather than acting as the 'house organ' for denominationalism." Or as one church editor put it, the business of the church and of its press is "anything which comes between a man and his God." It is an elastic concept, and the best church editors stretch it to the limit.

They also often stretch their interpretation of their mandates from the churches' governing bodies. A. C. Forrest, of the *United Church Observer,* makes it clear that his paper is not the "official voice" of the United Church of Canada. It is published by authority of the Church's General Council and he is responsible to the Council; but the paper's policies and the opinions it expresses are those of the editor himself. On occasion, the paper finds itself in the role of loyal opposition. This is one of the reasons why it insists on being self-supporting, and refuses to be subsidized from the givings of the faithful who may on occasion deplore its policies.

It is not at all easy for a church publication to be self-supporting; as an economic enterprise, it labours against difficulties which do not affect the secular press. For one thing, religious publications like most others depend in part on revenue from advertising – but advertisers do not measure religious publications by the same demographic and circulation criteria which they apply to others. Church papers are not a natural medium for selling luxury goods; no one looks in the *Presbyterian Record* for limousines, liquor, or cosmetics. Church members travel as much as other Canadians, but church papers do not get travel ads. And advertisers, regardless of the readership figures, tend to look on money spent in church papers as an act of charity. They tell the publishers: "If we advertise with you, we will have to do the same for the other church papers." This is not a yardstick they apply to the lay press.

In circulation, the church press has benefitted from the congregational group-subscription system, but this system has its weaknesses too. It limits the potential market to those already within the church. And church magazines cannot get newsstand exposure. When the *Observer,* an authentic "consumer" magazine and a member of the powerful Magazine Advertising Bureau, attempted to arrange for newsstand distribution, it was turned down by the distributing agency's American head office.

The heaviest recent economic blow to the church press came with the increase in postal rates by the Canadian Post Office. The religious press is distributed entirely by mail. Mailing costs rose by as much as 400 to 500 per cent. Some publications reduced their page size, others cut the number of pages, some reduced the number of issues per year. Most of them suffered a decline in editorial quality.

The whole question of postal rates is discussed elsewhere in this report. We do not advocate a return to the position of special privilege the church press previously enjoyed because of its religious content. We do recommend that there should be no further increase in rates, and we advocate removal of the present minimum charge of two cents per piece, which would materially assist some of the publications which are in serious trouble.

But in essence, we conclude that the church press probably cannot hope ever to be economically self-sufficient. It will have to continue to be subsidized by the donations of church members who see it as a necessary instrument of the church's mission – just as they subsidize a sanctuary for the benefit of those who turn up at only at Christmas and Easter.

For as we see it, the troubles of the church press are in large part the troubles of the church itself: a declining and aging membership, a growing popular distrust of all institutions, a view of the church as an exclusively middle-class movement. In a time when church membership was taken for granted and church attendance was automatic, denominational publications were a sort of fringe benefit. They were afflicted neither by self-doubts nor by worries over survival. As editorial productions, they were often not very good.

They are much better today – as they must be to compete with the multiplying demands for audience attention provided by the lay press, by television and all the other forms of mass communication. The *Observer* is among the best church papers published anywhere. The *Canadian Register,* the *Western Catholic Reporter,* the *Canadian Churchman* are vigorous, provocative, alert to social change, and not narrowly doctrinal.

The church editors believe that people are searching with increasing intensity for meaning to their lives but are seeking it outside the forms of institutional religion. The church press is therefore directing itself outward rather than inward. The submission of the Canadian Church Press phrased it this way:

> Modern man desires belief, but not in a religion that cloaks itself in the spirituality of another age. In keeping with this new mood, we in the Canadian Church Press do not let theological differences obstruct the unity that already exists among us in our efforts to increase the Church's relevance in social and moral issues.

Or as Douglas Roche, editor of the *Western Catholic Reporter,* put it:

> There are two great movements taking place. The first is the movement of the Christian community and the second is the outward commitment and adherence to the social gospel, the application of it in such specific areas as housing, drugs, pollution, Biafra, Indians and so on.

The church editors believe also that the need for a religious press is greater now, in a world of rapidly changing values, than it was in a former age of stability and security. They have scant admiration for the lay press which in their view deals with basic religious issues in superficial terms. Dr. Forrest told an interviewer that if the newspapers covered religion as effectively as they cover sports, "they'd run us out of business. And I'd like to see that happen."

We accept the thesis that the church press is engaged in a job that needs doing. Our study persuades us that those which are most effective are doing it on the principles outlined above. The weakest seem to be those whose own constituents have not fully accepted these principles and still prefer to be served by "house organs of denominationalism." It is for the churches themselves to decide whether they are serious about supporting a press devoted to outreach.

If they are, the one thing we would urge upon them is to provide for more journalistic professionalism. Church papers are invariably understaffed, by people who are grossly underpaid. With one or two notable exceptions, they are visually and editorially inferior to the secular press with which they compete for attention. The exceptions are those which have employed a professional designer and persuaded at least one competent journalist to work for them at a sacrifice.

Throughout North America, the religious press is losing readers. The reason seems to be not that it is dealing with the wrong subjects, but that it is not presenting them in a sufficiently challenging way. Church members will no longer support an inferior publication merely as a part of their religious duty. Our recommendation to the church authorities is that they give practical recognition to the job of religious journalism by turning it over to some able and lively journalists.

7. The Most Mixed Medium

More than three million newcomers have arrived in Canada since the end of World War Two. Their plight was described in the brief submitted to the Committee by *Corriere Canadese,* Toronto's Italian-language daily:

> Most new arrivals are fluent in only the language of their country of origin. They arrive in Canada poorly equipped to take an equal place in our society. Their knowledge of this country is rudimentary. Our way of life is foreign to them, our culture strange. They have made the journey in just a few short hours but the transition will take many years. In some instances it will take a generation.

Clearly these people need help; and luckily they're getting it from Canada's big, disjointed, enthusiastic, loosely organized, well-intentioned ethnic press community. Such leadership in introducing newcomers to Canada is one of the basic functions of the ethnic press. The newcomers buttress an older, established, "new" Canadian community and together with it comprise virtually one third of all Canadians. In other words, one Canadian in three is of neither French nor English origin. More than 100 publications of every shape, size, description, and quality purport to serve this huge polyglot community. They do so with varying degrees of effectiveness. Indeed, with a more unified and united voice the ethnic press might better assist its constituency in developing a voice in the community which more closely approximates its numerical strength.

Ethnic editors conceive their first purpose (although they usually list it farther down their scale of priorities) to be the preservation of the cultural and linguistic heritage of the old land. Paradoxically their parallel purpose is to facilitate the integration of the newcomer into the Canadian mainstream. These may seem contradictory objectives, and it might appear that a highly successful program of integration could reduce the reader's interest in an ethnic publication. But Canadians are fond of talking about a cultural mosaic in which all of us lead fuller, happier lives, at least partially because so many cultures are allowed to survive. The melting-pot, on the other hand, is a peculiarly American institution which seeks to assimilate newcomers. In Canada, the challenge is far more difficult: to facilitate each group's cultural survival without perpetuating ancient political and religious schisms. Unhappily, for a dwindling minority of ethnic editors that is precisely the name of the game.

Each succeeding generation of new arrivals in Canada quickly comes under enormous pressure to integrate. The process is hastened by education, money, the mass media generally, and most especially television. Thus the real challenge for ethnic editors is to evolve "unhyphenated" Canadians who will none the less strive to protect, preserve, and develop their cultural heritage. This can be accomplished only with an ethnic press which strives to relate to and involve its younger readers. This in turn can only happen if the ethnic press becomes more certain of its survival. There are enormous problems, many of which must be solved within the ethnic press itself.

How many people read ethnic publications? Who knows? The brief submitted by the Canada Ethnic Press Federation claimed 2,000,000 readers; but that same morning the Committee received a brief from *Canadian Scene,* a news and feature service for foreign-language media, which spoke of 3,000,000 readers.

What's a million? And who cares? National advertisers, that's who. The August 1969 issue of the Canadian advertising trade paper *Stimulus* said:

> Even a superficial glance at a foreign language Canadian newspaper shows a lack of the more obvious consumer ads. *The proportion of such advertising has no true relation to the very real buying power among foreign language Canadians.*
>
> Many potential advertisers would like to go after this buying power – and incidentally, to help the ethnic newspapers remain in business. Yet they feel they cannot afford the gamble. *Until the ethnic publications are able to provide meaningful facts about their readership, the dilemna is likely to remain.*

The bulk of advertising in the ethnic press is overwhelmingly local. Only seven papers subscribe to the Audit Bureau of Circulations. The standing offer of free translation simply isn't enough to lure any but a handful of national advertisers – notably banks and breweries – out of their conventional purchasing patterns. Ethnic press leaders like Charles Dojack, the immediate past president of the Canada Ethnic Press Federation, tend to blame the advertising agencies rather than the advertisers. He told the Committee:

> Many of the agencies find it expedient to use the English press rather than the ethnic press. Their rates are higher. The amount of commission is a little more remunerative. There is less production cost; no translation. They know what they are publishing. We often wonder whether it's right or not, but I think they kind of take the easy road out.

There is one national advertiser which does incur the direct wrath of the ethnic press. That advertiser is the Government of Canada. For years now, ethnic editors have trooped to Ottawa in an attempt to unloose a greater flow of government advertising. In March, 1969, such a delegation met Prime Minister Trudeau and came away with the understanding that they could expect an increase in ethnic press advertising which would bring the total amount in the next fiscal year up to about $120,000. The Prime Minister's good intentions notwithstanding, the ethnic editors told the Committee they received "around $64,000." Understandably there was considerable disappointment and no little chagrin. It is perhaps not unnatural that such chagrin tended to manifest itself in the belief that the Government of Canada was under some "obligation" to advertise in the ethnic press.

Clearly, the government does have some considerable obligation to meet the information needs of newcomers. The Canada Ethnic Press Federation brief concluded with a quotation from the report of the Task Force on Government Information:

> Steps should be taken to ensure that Canadian citizens and newly arrived immigrants who have an insufficient understanding of either of the two official languages receive adequate Federal Government information of special interest to them in their own language either directly from the responsible agencies or indirectly through the most appropriate existing media.

We agree.

However, the Committee rejects out of hand the notion that government advertising should be used as an indirect method of subsidizing the ethnic press. Even the Government of Canada resides in a real world in which its various advertising agencies must make their media decisions on the basis of efficiency. This is one more reason why the ethnic press must develop a more effective means of telling its advertising sales story.

Quite aside from improved government information, we think some way should be found in which the government could assist ethnic newspapers. Perhaps before we suggest one method it might be useful to underline the nature of the problem.

With a few notable exceptions, most ethnic publications have a hand-to-mouth existence. Soaring costs, increased postal rates, and lack of advertising revenue frequently mean that publications remain in business only through the support of some organization or the donations of affluent friends. Many papers are turned out on antiquated equipment with little or no research by one man who does everything. Where staffing is financially possible the editor has enormous recruitment problems, made even more difficult by the obvious requirement for bilingualism – English or French, along with the mother tongue. Most ethnic publishers are preoccupied with the marginal nature of their enterprise. No wonder so many newspapers find it difficult to change their approach from immigrant-oriented to citizen-oriented; to replace sentiment with logic. Perhaps such bare-bones resources explain why there is so little apparent concern about editorial quality in the ethnic press.

One of the more compelling presentations the Committee received was from *Canadian Scene*, a non-profit, volunteer organization which was founded in 1950 by two Toronto women seeking to provide newcomers with information about their new country. One year later it became incorporated under the Companies Act of Canada. *Canadian Scene* distributes material about Canadian affairs to foreign-language publications. It has no formal connection with any government or any political or religious group. Indeed, the fact that the organization began with the financial assistance of five major Canadians corporations led the Committee to speculate whether it could be accused of having a big-business bias; but the president, Mrs. Barbara Osler, pointed out that *Canadian Scene* also receives support from the Canadian Labour Congress and distributes, as part of its service, articles dealing directly with labour and labour problems. There is "close co-operation" between *Canadian Scene* annd the Canada Ethnic Press Federation. Indeed, *Canadian Scene*'s services would appear indispensable to the continuing existence of many ethnic publications.

Its releases are produced every second week in the form of an eight-page issue of 4,000 words. Two pages of cutlines for the monthly pictorial service are also prepared. The texts are written in English, translated into fourteen languages, and mimeographed. They are then distributed to the publications free of charge. This service has expanded rapidly from 1951 when it served thirty-one publications until 1969 when it was serving 103 publications. Current costs average about $28,000 annually. Since 1963, *Canadian Scene* has operated at a deficit, its continued operation made possible because of a surplus from earlier years. It is the opinion of the Committee that the government should not only meet this annual deficit but make the kind of grant which would allow *Canadian Scene* to expand and improve its operation.

One of the reasons the ethnic printed word is of such vital consequence is the rather limited access new Canadians have to the electronic media. During the period from September 29 to October 5, 1969, forty-six radio stations in seven provinces carried 117 broadcasts in languages other than English and French. New Brunswick, Newfoundland, and Nova Scotia had no ethnic broadcasts.

The content of this programming covers a wide general range of language, news, and music which tends to be overwhelmed by the comercial nature of the broadcasts. The service element is present but more often than not ethnic broadcasts are brokeraged by the stations concerned to ethnic entrepreneurs. The resultant programming leaves much to be desired. Two radio stations in Canada, CFMB in Montreal and CHIN in Toronto, are licensed to broadcast up to 40 per cent of their total programming in languages other than English or French to cater to the substantial ethnic audience within their coverage areas. *Canadian Scene* provides material to 27 radio stations. Half of this number, plus the CBC International Service, broadcast the translated material.

Ethnic programming on television is almost non-existent although there are occasional Italian presentations on CFCF-TV in Montreal and CHCH-TV in Hamilton. However, it is our view that cablecasting in various languages will fill the vacuum. This is supported by the Committee's research into this area. For example, Ottawa Cablevision Limited and National Cablevision Limited in Montreal invited local Italian communities to prepare programming, and Maclean-Hunter Cable TV Limited informed us that weekly half-hour programmes are carried in Italian, Dutch, and German languages for those groups in Guelph, Ontario. But until cablecasting is more widespread, the Committee believes that the CBC should consider some degree of ethnic programming on radio. We quote from the Royal Commission on Bilingualism and Biculturalism: "We recommend that the CBC recognize the place of languages other than English and French in Canadian life and that the CBC remove its proscription on the use of other languages in broadcasting."[5]

Toronto's 280,000 "Italians," for example, represent more Canadians than live in the cities of Regina and Saskatoon combined. As mentioned, this big community has already spawned Toronto's fourth daily newspaper; and in both its progressive approach to marketing and its lively approach to young people, *Corriere Canadese* may well point the future direction of ethnic publishing.

Canada's ethnic press has a vital role to play in helping to integrate newcomers into the mainstream of Canadian life; but integration is not assimilation. The ethnic press is also needed to preserve and develop an abundance of cultural heritages which enrich us all. It is a significant by-product that in so doing, it provides two thirds of all Canadians with their best insight into how the other third fit into the Canadian mosaic. This will greatly assist to dispel feelings of discrimination and achieve the co-ordination of citizens of all origins in the building of a better Canada.

[5] Royal Commission on Bilingualism and Biculturalism, Book IV, The Cultural Contribution of the Other Ethnic Groups, p. 191.

8. The Hotbed Press

The Committee devoted part of its research effort and a full day of its hearings to the student press in Canada. We find it reassuring to report that although the rhetoric surrounding this subject has changed in the past few decades, nothing else has. Canada's best student newspapers are still unprofessional, shrill, scurrilous, radical, tasteless, inaccurate, obscene, and wildly unrepresentative of their campus audience. They always have been. In 1926, A. J. M. Smith wrote a quatrain that is still quoted:

> "Why is The McGill Daily?"
> Asked the pessimist sourly.
> "Thank God," said the optimist gaily,
> "That it isn't hourly!"

The McGill Daily is no better loved now than it was then. Canada's student newspapers continue to be the most deplorable, and the most widely deplored segment of the country's press. Even some staffers on university newspapers are alarmed at the prevailing fashion among student editors to ram SDS ideology down their audience's throats. David Chenoweth, managing editor of *The McGill Daily* at the time of our hearings, told the Committee that members of the student press

> have too often ignored the interests of the general campus audience for the sake of propagandizing along very narrow lines.... The student press has become increasingly ineffective, for it has increasingly alienated its own audience....
>
> For while the student press has the fewest "external" controls of all the media operating within Canada today, it has internally enslaved itself through politics, immaturity, and an understandable lack of expertise.

Right on, Mr. Chenoweth. But the Committee, which is rich in years and wisdom, cannot recall a time when this was not the case.

As a communications medium, the student press has always been ineffective. But as a training-ground for journalists – Peter Gzowski, Pierre

Berton, Stephen Leacock, Ross Munro, John Dauphinee – it has been unexcelled. Newspapers such as *The Varsity, The McGill Daily* and *The Ubyssey* have a long tradition of editorial freedom, and an equally long tradition of abusing it. It is no coincidence that the student newspapers that publish under the fewest restraints from student councils or university administrations have produced an astonishing number of excellent journalists. These newspapers, as Mr. Chenoweth reminded us, operate with fewer pressures than does any other segment of the media. They are subsidized by their student councils, and thus see no need to "pander to the masses" – that is, give their audience what it wants to read. As a result, a student who has gained control of his university's newspaper may never again find himself in a position of such naked, unrestrained power. Later in his career he may have to worry about audiences and advertisers, payrolls and publishers. But for one sweet season he can print *exactly what he wants,* restrained only by the laws of libel and contempt (which are seldom applied), and the apathy and chronic unreliability of his staff.

This system often results in perfectly dreadful newspapers. But it also subjects its participants to several years of marvellous journalistic training. They mature in an atmosphere of endless controversy and sometimes learn more about the process of social change than they would in six years of postgraduate political science. A lot of concerned Canadians, from Wayne and Shuster to Patrick MacFadden, have gone through this mill. We doubt that the experience caused permanent harm to them or their audiences. In some cultures, it is widely believed that if a man spends a lot of time in bagnios while young, he will be more sensible about sex in his later years. The Committee does not give blanket endorsement to this principle, but we think it has a certain amount of relevance as far as journalistic training is concerned.

And so we have no intention of Viewing the student press With Alarm. Instead, we offer a few observations on current fashions in campus journalism:

*As usual, campus newsrooms are hotbeds of radicalism. But where, in previous generations, this fervour was directed mainly at events within the university community, it is now directed to "outside" events as well. There also seems to be an attempt to present "inside" and "outside" events as part of the same Big Picture – and in years to come this tendency could exercise a salutary influence on professional journalism. George Russell, bureau chief for Canadian University Press in Ottawa, tried to explain it this way:

> We talk about pollution of various kinds rather than the fact that the basis of pollution is a specific relation between man and his environment which is conditioned by specific social relations particular to specific forms of society, such as capitalist society.... We talk about the problems of group ownership of portions of the media rather than the fact that sociologically there is a hegemonic control as a means of mental production in communications by society, by class.

We see the violence in the streets of Quebec rather than attempting to transmit the interconnection to the psychopathology of oppression which triggers that violence.... All this proceeds from the fundamental assumption that there is no interconductivity of events.

Translation: conventional newspapers present events as isolated happenings, instead of as individual manifestations of an overall condition. Applied rigorously, this is the Soviet view of journalism – that all observed experience must be interpreted in the light of Marxist-Leninist theory. This shouldn't invalidate the technique: as Mr. Russell pointed out, there *is* a connection between two such apparently isolated events as the sinking of the oil tanker *Arrow* and the spendthrift lifestyle of Jackie and Ari Onassis. One of the companies in which Mr. Onassis has interests owned the *Arrow* – although most news accounts described the vessel as simply of Liberian registry – and his extravagance is in part financed by the kind of economy that allowed the *Arrow* to go to sea with almost none of its navigational equipment in serviceable condition. If it violates our prevailing canons of "objectivity" to point out that connection, then there is something wrong with our journalistic assumptions. In a number of Canadian city-rooms, young reporters who are alumni of "radical" student newspapers are dismaying their elders by demanding a reassessment of "objectivity." We think the reassessment is long overdue, and we acknowledge the role of the student press in bringing the issue to the fore.

*Student newspapers are becoming a light industry. There are fifty-five of them publishing, they collect about $600,000 annually in advertising revenue, and they have a readership that must be almost as large as the Canadian university population – about 300,000 in 1969-70. Canadian University Press, the Ottawa-based organization that operates a news service for fifty members, has recently attempted to form a national advertising sales bureau. We hope they succeed, because the more advertising student newspapers attract, the less dependent they are likely to be on student councils and university administrations.

*The University of British Columbia, York University, University of Waterloo, and McGill publish administration-sponsored newspapers. This appears to be due to the administration view that the student newspapers on these campuses are doing a rotten job of informing their audiences. Some of these publications are excellent, and more are likely to appear in future. Again we approve. Competition never hurt anybody, even on campus.

> We see the violence in the streets of Quebec rather than attempting to trace the interconnection to the psychopathology of unemployment, traditional rigidities, [illegible] violence, or [illegible] residents from the [illegible] assumption that there is no interconnecting [illegible].

translation. Conventional newspapers present events as isolated happenings, instead of as individual manifestations of an overall condition. Applied rigorously, this is the Soviet view of journalism – that all observed phenomena must be interpreted in the light of Marxist-Leninist theory. This shouldn't invalidate the technique: as Mr. Russell pointed out, there is a connection between two such apparently isolated events as the sinking of the oil tanker *Arrow* and the spendthrift lifestyle of Jackie and Ari Onassis. One of the companies in which Mr. Onassis has interests owned the *Arrow* – although most news accounts described the vessel as simply of Liberian registry – and his extravagance is in part financed by the kind of economy that allowed the *Arrow* to go to sea with almost none of its navigational equipment in serviceable condition. If it violates our prevailing canons of "objectivity" to point out that connection, then there is something wrong with our journalistic assumptions. In a number of Canadian newspapers, young reporters who are alumni of "radical" student newspapers are disturbing their elders by demanding a reassessment of "objectivity." We think the reassessment is long overdue, and we acknowledge the role of the student press in bringing the issue to the fore.

*Student newspapers are becoming a light industry. There are fifty-five of them publishing; they collect about $600,000 annually in advertising revenue, and they have a readership that must be almost as large as the Canadian university population – about 300,000 in 1969–70. Canadian University Press, the Ottawa-based organization that operates a news service for fifty members, has recently attempted to form a national advertising bureau. We hope they succeed, because the more advertising student newspapers attract, the less dependent they are likely to be on student councils and university administrations.

*The University of British Columbia, York University, University of Waterloo, and McGill publish [illegible] newspapers. This appears to be [illegible] the administration view that the student newspapers on these campuses are doing a poor job of informing their readers. Some of these publications are excellent, and more are likely to appear in future. As we suggest, [illegible] never hurt anybody, even [illegible].

9. Down but not Out

> The extraordinary thing about this new consciousness is that it has emerged from the machine-made environment of the corporate state, like flowers pushing up through a concrete pavement. For those who were almost convinced that it was necessary to accept ugliness and evil, that it was necessary to be a miser of dreams, it is an invitation to cry or to laugh. For those who thought the world was irretrievably encased in metal and plastic and sterile stone, it seems a veritable greening of America. —Charles A. Reich[6]

We sometimes feel that way when we contemplate those house-organs of the New Consciousness, the underground press in Canada. Set against the ocean of official statements, ponderous editorials, reports on zoning by-law debates, and other turgidities that make up so much of the content of conventional journalism, the underground papers sometimes provide a delightful contrast; and beautiful, alive, funny, green, and free.

It shouldn't be necessary to elaborate what the underground press stands for. Weekly newspapers like *Logos* in Montreal, *Georgia Straight* in Vancouver, *Harbinger* in Toronto and *Octopus* in Ottawa are for: love, peace, bicycles, dogs, macrobiotic diets, communal living, grass (for lolling upon or for smoking), nude-ins, sit-ins, lie-ins, love-ins, power to the people, Huey P. Newton, nearly all rock music, and Leonard Cohen. They are against: policemen, armies, authoritarianism, pavement, pulp companies, parents, pollution, the Mayor of Vancouver, Lawrence Welk, hypocrisy, drudgery, cars, Mace, depilatory creams, and everything made out of plastic except Frisbees.

We wish all the underground newspapers were as good as the *Georgia Straight* often is. We wish they would do more digging into Canadian issues from the vantage-point of their own lifestyle, and less automatic reprinting

[6] Reich, Charles A., *Reflections: The Greening of America*, The New Yorker, September 26, 1970, p. 111.

of the latest manifesto from Chicago or San Francisco. We wish they wouldn't call policemen "pigs" quite so much. Sometimes we even wish they weren't quite so dirty.

But mostly we wish them well. We've already described in another chapter how underground newspapers have been harassed in several Canadian cities. We hope their editors will see this persecution for what it is: a kind of accolade. Most of the freedoms the press now enjoys were won by editors and journalists who were not out to win popularity contests. Joseph Howe, Etienne Parent, Louis Joseph Papineau and George Brown were some of the great men of Canadian journalism. In their day they were despised and deplored by some of the Very Best People. We think some of the best underground newspapers have earned the right to be included in this pantheon of the disreputable.

We're also mindful that the underground newspapers can have, and in some cases have had, a beneficial influence on their established counterparts. They are continually challenging the commercial newspapers' versions of local events, covering scenes that the commercial newspapers don't bother to cover, and occasionally breaking stories that the larger newspapers wish they'd had first. They can also have a more subtle influence, by demonstrating new directions in newspaper layout and in personalized reporting.

Unfortunately, everything we've said so far applies only to the best issues of the best underground newspapers. There is much less to admire in the norm. Underground newspapers are too often guilty of distortion, parochialism, unresearched non-exposés, and dullness – psychedelic versions of the same failings they condemn in the "straight" press. No underground newspaper in Canada is one-tenth as good as *Rolling Stone,* the American rock-music journal.

Crass as it may sound, we suspect that many of these failings can be attributed to a lack of funds. Underground newspapers are heavily dependent on volunteer labour, which is fine only up to a point. You can't put out a newspaper indefinitely on love alone.

This may be interpreted as a subtle attempt at co-option: but it occurs to us that no underground newspaper is likely to become a true "alternative" unless it becomes financially sound. Some editors argue that *any* form of profit-seeking would undermine their newspapers' liberated character.

As *Georgia Straight's* editor Dan McLeod told the Committee: "We are wary of depending on advertising to support the paper, as that could lead to pressure groups or pressure from the advertisers." Some editors, however, don't recoil from the idea of economic viability. *Octopus* co-editor Stephen Harris said: "We do want to get bigger. We want to come out more often and at a more professional level. We are attempting to increase our circulation and our advertising in order to put together a more commercial paper."

It's up to individual editors to decide whether they're capable of living off advertising *and* maintaining the character of their newspapers. But there's another route, too: living off circulation income by charging an unusually high price for the product, and hoping readers will be loyal enough to pay it.

Either route seems chancy under present circumstances. But without some reasonably assured source of income, without some guarantee of a reasonably regular wage for the people who produce them, we can't see how underground newspapers can hope to rise above their present level of jolly amateurism. Our recommendation, then, is: get businesslike, but don't let it show in your pages.

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10. Broadcasting

THE BEAST OF BURDEN

Television is the most believed and most important medium for international news, and for Canadian news of national importance. Television commercials are believed by Canadians to be more influential than advertisements in other media. Radio is the most immediate medium, the medium to which Canadians would turn first in an emergency, but it is also a soothing, relaxing background. Television is the medium for the whole family. And television is the most sensational of the media.

These are some of the things turned up in research done for this Committee, research aimed at discovering how Canadians perceive the elements in their lives that perceive them most: the mass media.

Broadcasters who came before the Committee made it clear that they were tired of being publicly scrutinized; that they had been royal-commissioned, special-committeed, and federally regulated to the edge of endurance and perhaps beyond. They were weary of being x-rayed, cross-examined, and prodded in sensitive areas, like charity patients in a teaching hospital populated by singularly tiresome medical students.

This Committee is not a royal commission on broadcasting, or even some adjunct to the Canadian Radio-Television Commission. It is an enquiry into Canada's mass media, and that enquiry would be incomplete if it did not seek to analyze the relationship of broadcasting to the rest of the mass media in this country.

The problems that trouble the mass media generally in this country also afflict broadcasting. The areas of concern – freedom of the press, training of personnel, credibility – are as much areas of concern in broadcasting as they are in other portions of the media spectrum. Some of the concerns, because of the special nature of broadcasting and the special demands made of it, are even more acute in radio and television than they are in newspapers and magazines.

Broadcasting, the most recent arrival on the mass-media scene, is held in many ways to be the most vital and effective form of communication. This is particularly true of television, which many Canadians feel is one of the greatest influences on their lives.

Great faith is put in broadcasting, by its practitioners as well as its audience, and consequently it is, in communications, the Beast of Burden. It must lighten our drab little lives, sell the soaps or instant puddings we manufacture, bring war into our living rooms, present politicians before us with unretouched warts, amuse the baby, enlighten the mother, show us the increasingly insane and violent world around us, and then reassure us that nothing like that could ever happen to us in our wonderful world of frozen dinners, aphrodisiac shampoos, and deodorant soaps.

Indeed, broadcasting is so much a beast of burden that we have saddled it with responsibility for holding the country and our Canadian culture intact. No other communications medium has this charge laid upon it by Act of Parliament: "to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada." We rely for this on the same medium that is the principal advertising mainstay of the soap industry.

We rely on it, and we expect broadcasters to shoulder the burden cheerfully. After all, the other shoulder is often employed in carrying quite heavy bags of money to the bank.

Cultural survival is perhaps the most critical problem our generation of Canadians will have to face, and it may be that it can be achieved only by using all the means at our command. It appears that it may have to be achieved in spite of frequent insistence that broadcasting is an industry and not a service, in spite of the belief that whoever produces Canadian television programmes, it should not be the private Canadian broadcaster.

Broadcasting began in this country more than fifty years ago. It began as private radio in Montreal, with the station that is now CFCF. It spread across the country, it grew into networks through the energy of the railways. And it was seen from the start as a powerful instrument for national unity, potentially a more binding force even than the railways.

There was, initially, a belief that all Canadian broadcasting should be nationalized, that the country should be blanketed with a series of powerful radio transmitters, and that where private stations existed they should be bought, and closed down. A start on this was even made.

But the economic circumstances of the 1930s and the determined resistance of private broadcasters put an end to this policy. Private and public broadcasting began to grow side by side, and a concept grew up which still persists: local service by a relatively large number of stations, rather than a few powerful nationally owned transmitters. That concept is now one of the cornerstones of Canadian broadcasting.

In the Canadian Broadcasting Corporation, from the late 1930s onward, Canada saw the development of a broadcasting agency unique in the world – publicly owned, broadcasting domestically in two languages, using the facilities of private broadcasters to transmit programmes beyond the ability of a small local broadcaster to produce. The CBC is still unique, although its founders had something very different in mind from what exists today.

In 1968, Canada had a new Broadcasting Act, which for the first time articulated clearly what Canadians had, over the decades, come to agree on: that broadcasters used public property in transmitting their signals through the air, and that Canadians had a right to expect that broadcasters would use that public property to strengthen our culture, rather than dilute it.

This Committee supports the Broadcasting Act. It supports the process by which the Canadian Radio-Television Commission has evolved from the regulatory agencies preceding it.

This Committee supports the Canadian broadcasting system, with its public and private elements in unique symbiosis. It knows that the strength of the system is more than equal to the burden.

THE PUBLIC SERVICE

Every consideration of Canadian broadcasting, every analysis of the mass media in this country, must contain a reference to the Canadian Broadcasting Corporation, because it is so great a factor in Canadian communications. And every time the CBC is scrutinized, faults will be noted, because it is a very large and complex organization, and it is not in the nature of such organizations to achieve perfection.

Unfortunately, sniping at the CBC has become a national pastime that ranks with watching National Hockey League games and thinking deeply about the reform of the Senate.

The CBC is a national communications medium in a country that has no national newspaper. It is the only truly national broadcasting enterprise in Canada, offering service to all but a tiny minority of Canadians in both official languages. It has striven to develop Canadian talent, to reveal Canadians to one another, to strengthen the fabric of Canadian society – and for all these things we can only be grateful to the CBC as an entity quite unlike any other in the world. But there are faults, and they have in some cases been noted before, and they have not all been remedied.

Fault-finders contemplating the CBC can usually be divided into professionals and those who still retain amateur status. It seems to be a characteristic of the professional that he considers commercial policy to be the CBC's principal vulnerability, while the amateur tends to feel that the CBC can most easily be faulted on programme policy. This Committee would not consider that it has become a body of professional fault-finders, but nevertheless we shall consider the CBC's commercial policy first.

The view of many private broadcasters (and of some public idealists) is that the CBC should not have a commercial policy at all. It should produce high-quality Canadian programmes, and perhaps be allowed to broadcast them, but the art of accepting money from advertisers should be left to those with a more natural bent for that kind of thing. Since the CBC primarily operates on public money, they say, let it operate entirely on public money, and stop being some kind of hybrid. Their position is that for a public broadcaster to take private money is somehow against nature.

Some 20 per cent of the CBC's operating budget derives from its advertising revenue. It is tempting to feel that if the CBC got out of the commercial business, we would all be better off. Television viewers could then find at least one channel carrying programmes uncluttered by commercials. The cost of maintaining commercial sales and commercial acceptance departments would disappear. Perhaps there would be less tendency to purchase foreign programmes, more opportunity for television producers who wouldn't have to worry about structuring their works for the requisite number of commercial breaks.

There are certainly some attractive aspects to the idea, and the Committee gave the matter intensive thought. But there are other aspects that are not as attractive.

When the government produced the White Paper on broadcasting in 1966, it indicated that the CBC would be financed by five-year grants – an arrangement similar to that enjoyed by the British Broadcasting Corporation. This system has never been introduced, and the CBC still derives an operating grant from Parliament each year.

Not only does this prevent the CBC from doing any effective long-range planning, it throws the public broadcasting organization even more firmly into the arms of the advertiser. The CBC is like a housewife, obliged to pay the costs of running the home but never certain how much her husband will give her out of the pay packet each week. She knows that costs are always going up, but she does not know how or if she will be able to meet them. In such circumstances, she may be obliged to take in washing – to get her hands on revenue that may be small, in terms of her overall household needs, but at least is there, and is something the old man can't get his hands on.

The CBC made it plain in its appearance before this Committee that the year-to-year reliance on Parliament for operating grants leads to difficulties. For one thing, as the CBC points out, it has to repay capital loans from the government out of its operating grant from Parliament – an unusual, possibly unique situation which in the 1970-71 fiscal year will take $14,700,-000 of the CBC's operations budget. The current freeze on the CBC's operating budget therefore means that allocations of funds within that budget must be changed, and the viewer is not necessarily better off for it. Also, the CBC has collective agreements with many trade unions. It has other commitments which extend over several years, and must be met regardless of a frozen budget.

In its appearance before the Committee, the CBC did not indicate where the money would be made up, but clearly the cuts have to be made in areas where exact sums are not committed, and it would be surprising if programming were not one of them; perhaps the major one.

There are other possible consequences. The CBC is required by Canadian Radio-Television Commission regulations to increase its Canadian programming, both over the whole day and during prime time. Canadian programming costs more than procured programming, in much the way that it would cost more to build your own car from the ground up than to purchase one that just rolled off the assembly line.

In its 1970-71 English-network schedule, the CBC has several new Canadian programmes, and it is to be commended for having found the resources, despite a budget freeze, to produce them. Among them are *Luncheon Date, 55 North Maple, Theatre Canada,* the *Mike Neun Show,* and *Zut.*

These programmes, however, are not for the most part in what the CBC refers to somewhat cryptically as its *option* or *available* programming; rather, they are designated as *metronet* programs. Briefly, option programmes are those that the CBC's private affiliates are required to broadcast, and available programmes are those that the affiliates can add to their schedules without paying programme costs. Metronet programmes are for sale, and they are sold through United Program Purchasing, an organization set up to serve the CBC and its private affiliates by obtaining programmes at group rates.

Many of the new programmes that the CBC has designated as metronet programmes are designed to carry commercials. A private broadcaster striving to build up his Canadian content is attracted to them, because of the possibility of deriving some revenue. Since he must increase his own local production if he is to comply with the Canadian Radio-Television Commission's requirements, he has a greater need for revenue.

But when the private broadcaster knows that U.P.P. takes a commission on each sale, though it does not even arrange for distribution (since the private broadcaster simply plugs into the CBC microwave feed for the programme), he tends to feel the price is too high, and he therefore resists buying. Besides, there is a feeling that programming produced with the taxpayers' money should not be disposed of in quite the same way as commercially produced programming.

The end effect is that the CBC and U.P.P. realize some income, that the private broadcaster feels he pays too much (and that, possibly, he should not pay at all), and that even while relations between the CBC and its private affiliates are weakened, the service to audiences of those private affiliates is diminished.

Undoubtedly, one of the sources of pressure upon the CBC comes about because of the Corporation's record in collective bargaining. The CBC seems to have been rather less successful than other employers in resisting wage demands, with the result that it faces an unavoidable and rising bill for labour costs. The relationship between the CBC and the unions with which it has agreements should be carefully examined, we believe, and the collective agreements involved should be compared with agreements between the same organizations and other employers. This would, we believe, give the CBC some indications of where it should resist firmly further wage demands beyond the levels suggested by the federal government.

Again, we urge strongly that the CBC be financed by five-year grants. Its commercial revenue is a needed buffer between it and Parliament, but responsible planning is rendered enormously difficult under the current system of an annual dole.

In considering whether the CBC should stay in the commercial field, the Committee was particularly struck by an argument put forward by the CBC's president, Dr. George F. Davidson, who had himself expressed misgivings about the effects upon programming of relying too heavily on commercial revenue. Dr. Davidson told us:

> I would myself not wish to see the Corporation entirely remove itself from the commercial side of the operation partly because I think it helps to keep us in touch with the real world in a way we might not if we were off on cloud nine programming without any regard whatever to the community and the practical tastes and interests of the community which we are supposed to be serving...

The CBC, he argued, was driven into the commercial field by "the sheer necessity of receiving additional funds to meet the obligations we feel we have to meet." Dr. Davidson said his personal preference would be for a more limited participation in the commercial field, and he made a comment we found most significant: "My personal belief is that we are excessively dependent on commercial advertising now. It is showing signs of affecting the quality and nature of our programming in prime time."

Possibly no more ominous words could be spoken about a public broadcasting agency. They were spoken by its chief, who can hardly have been pleased about having to voice them.

We repeat: the CBC, whatever its faults, performs a unique public service, and has special obligations laid upon it by the Broadcasting Act. It must be financed in such a way that the head of the CBC need never say something like that again.

At the time of the 1966 White Paper on broadcasting, the government instructed the CBC to undertake no increase in commercial programming. Further, it instructed the CBC to seek to maintain its 25 per cent share of Canada's television advertising revenue, and its four per cent share of the country's radio advertising revenue.

The CBC has been unable to maintain these percentages levels, although it has attempted a more vigorous sales policy. Its share of television advertising revenue had slipped to 23.9 per cent by 1968, and its share of radio advertising revenue – 1.8 per cent – was so small that Dr. Davidson admitted he had considered taking CBC radio out of the commercial field entirely.

It is worth noting that the instructions described above were exactly counter to the thinking and recommendations of the CBC management of the day. While the two top officers of the CBC have changed, and while Dr. Davidson told us that he had received extensive co-operation since becoming head of the CBC, it is interesting to speculate whether the government's instructions could be wholeheartedly carried out if substantial numbers of upper and middle management disagreed with them.

We may also note with curiosity that the value of programme time available for advertising but unused for that purpose was $26,935,000 in 1965, but had increased to $31,177,000 by 1969. This, too, may reflect the diligence with which the CBC sought to abide by the government's instructions.

Our impression of the effectiveness of the CBC's commercial sales department is that there is considerable potential for improvement. We also feel that the commercial acceptance department has not succeeded in substantially reducing the offensiveness of commercials, although it appears to have held back the CBC's sales efforts to some extent. However, we were pleased to note that the CBC had managed in 1969-70 to increase its advertising revenue by some 20 per cent while holding the increase in selling expense to some 12 per cent.

Various representations were made to the Committee about the CBC's commercial rates, the private broadcasters generally holding that they were too low, and in effect constituted a subsidy to the advertiser and unfair competition for the private broadcasters. This view, not unnaturally, was denied by Dr. Davidson.

One instance, however, is memorable. The Committee was informed that at a point when the 60-second commercial rate for CFTM was $700, the equivalent rate for CBFT was $350. Both these stations serve the metropolitan Montreal area, with very similar coverage patterns; both broadcast in the French language. While CFTM's audience is very large indeed, it is clearly not so immense as to justify this relative difference between this private station's commercial rate and that of the CBC's French-language owned-and-operated station in Montreal. Serious consideration must be given to the charge, made publicly by CFTM, that something akin to economic warfare may be going on here, a thing quite different from the competition between private and public broadcaster which exists elsewhere in this country.

We note, however, that this gap has been partly closed, at least to the extent that the CBFT/CFTM 60-second commercial ratio is now $425/$750. Neither this, nor the $290/$500 ratio for CBMT/CFCF, seems to us to reflect fairly the CBC's competitive position in Montreal against the private broadcasters. In Toronto, for example, comparative CBLT/CFTO ratio is $475/$550. In Vancouver, CBUT and CHAN are equal, at $300/$300.

Certain measures have been taken by the CBC to increase its level of commercial revenue, including an increase in the number of commercial minutes per hour it is willing to sell, and some slight movement towards selling spot advertising time, rather than what it is pleased to call participating sponsorships.

A sponsor in the classical sense paid all the costs of producing a programme, and then paid a broadcaster for the time it took to have the programme delivered through the airwaves to the public. Where it was a network programme, he also paid the transmission costs. This concept of sponsorship has virtually disappeared in North America, except for National Hockey League game broadcasts in Canada, and certain specials. The CBC does not seek to recover all (or even most of) the programme costs for Canadian programmes. It does specify a charge for connecting its stations for network advertisers.

A participating sponsor is one who, with other advertisers, shares in the available commercial time in the programme. He might as well be buying time by the minute, since this is the way he normally buys time; but the CBC insists on its own terminology. The CBC's reluctance to abandon the sponsorship concept is most difficult to understand, considering that every other major broadcasting system in North America has found it worthwhile to concentrate instead on the sale of spot time.

We feel that the CBC should consider carefully its rate structure with a view to upward adjustment where warranted; that the commercial sales department could be improved, and that the function and philosophy of the commercial acceptance department needs careful examination.

Our consideration of the CBC's commercial activities deals, in Fowler's celebrated phrase, with the housekeeping aspects of the Corporation. We also have some few words to say about the programme aspects. Dr. Davidson summed up one area of concern very nicely:

> I believe Canadians are getting a disproportionately small amount of Canadian programming to balance off against the very rich variety of American programming that is available to them, and I think that this should require the Canadian Broadcasting Corporation to review the extent to which it is carrying American programming in its programme schedules, and this is what we are doing at the present time.

His explanation for the CBC's seeming preoccupation with United States news – indeed, all aspects of life in the United States – was similarly forthright: "When you stand in the shadow of a giant, you become preoccupied with the shadow of the giant, if not with the giant himself, and I have offered the same criticism to the Corporation."

Sadly, it seems inevitable that until advertisers can be convinced that United States programmes are not necessarily always the best buy on Canadian television, Canadian broadcasters will rely on these programmes for an important part of their revenue.

While we reject the Canadian Association of Broadcasters' position that the CBC should get out of broadcasting and instead produce Canadian programmes for free supply to private broadcasters, we feel that the CBC has a special role to play in developing new and better Canadian programmes that can attract and hold large audiences. This is congruent with our view that Canadians do not have true alternative service when what they are offered is the same kind of programming on two different Canadian channels.

Alternative television service in Canada really means alternative *programme* service – something like a genuine choice. It is encouraging that the CBC seems to feel somewhat the same way, even if the *Ed Sullivan Show* is still a fixture in its Sunday-night schedule. When the two English-language Canadian television networks, and what we hope will soon be the two French-language Canadian television networks, can offer equal but complementary service, Canadian television audiences can be said to have genuinely alternative television service.

It should not be construed from this that we feel that Canadian television broadcasters should schedule nothing but Canadian programmes. Our view is that we are 100 per cent behind Canadian content, but that we do not favour 100 per cent *of* Canadian content. We have been pleased by the efforts of Canadian broadcasters to obtain the best in television programming from the rest of the world. We accept the argument of E. S. Hallman, head of the CBC's English service, that television productions from the rest of the world may merit broadcast in Canada, and that the CBC may have to provide for such broadcasting where the programme material is not suitable as an advertising medium – as with Sir Kenneth Clark's series on Civilization.

Mr. Hallman told us: "I think to make us exclusively and narrowly Canadian would really be detrimental to the services we should provide to the Canadian people." And we agree. The CBC should become a great two-way showcase, displaying to Canadians and to the world just how great is the potential of this most involving of media.

If the CBC is to do this, it will have to overcome two difficulties which we simply note briefly here in passing. One is its dollar efficiency in producing programmes; the other is its preoccupation with the major production centres in Toronto and Montreal.

Because so many of the Canadians served by the CBC's French network are in the Montreal area, it is perhaps inevitable that the network's programme should reflect the Montreal scene to a great extent. But there *are* French-speaking Canadians living elsewhere in this country, even though this fact is hardly apparent from French-network programming. We must, however, acknowledge the excellent work of the CBC's French network in developing Canadian programmes that draw very large audiences indeed. The fact that the four most popular television programmes – *Moi et L'Autre, Quelle Famille, Rue des Pignons,* and *Les Belles Histoires* – are all produced by the network is a tribute to the energy and imagination of those involved.

We do not feel that the success of these Canadian programmes is entirely due to their serving a French-speaking population surrounded by Anglophones, a view frequently expressed by private broadcasters. It was interesting that when the Canadian Association of Broadcasters appeared before this Committee, its president, Raymond Crépault, also felt that the ghetto theory for explaining the success of Canadian broadcasting in Quebec was inadequate.

The situation is rather less excusable when it comes to the English network's Toronto orientation, because there are very large English-speaking centres in this country other than Toronto. It is heartening to know that, as a result of the increased emphasis on Canadian programmes, the CBC is turning to some of these other centres for programme ideas and programme production. This process must continue, and production centres must be developed outside Toronto, if the rest of the country is not to be continually drained of its television talent.

For one thing, we must face the reality that if the most talented Canadians are drawn to Toronto, there is also a flow in the other direction; and the misfits and obstructionists of head office are likely to be shipped out to the regional centres – which, being devoid of creative production anyway, are all too likely to be thought of as punishment camps.

We are aware that certain television programmes are produced by the CBC at very low cost. Some benefit by economy, and look pleasantly taut; others just look cheap. When Pierre Berton appeared before this Committee, he made the point that editing videotape is time-consuming and expensive, as well as being often unnecessary if appropriate preparation is done. It is not our intention to instruct broadcasters in the details of their business, but we accept the view of Mr. Berton and others that some economies might well be considered, and that the kind of editing practices he described are harmful to the production, misleading to the viewer, and ultimately expensive to the taxpayer.

Out of an operating budget of approximately $200 million, programme expenses – radio, television, and international service – account for some $108 million, or about 54 per cent. While the overhead costs of operating a 9,000-person organization must necessarily be high, we wonder about the cost efficiency of a broadcasting organization which needs a dollar of input to produce 54 cents worth of programme.

This Committee feels strongly that the CBC can take most pride in its radio service. It has, we know, been called the Ugly Service by cynics within the Corporation who assert that the beautiful people go to television. It has been suggested that AM radio is the orphan of the CBC, and that the FM service is the orphan of the orphan. As we have noted elsewhere, the CBC's radio service is the one broadcasting organization in Canada to which one can tune in and know at once that it is Canadian, and that it is public broadcasting.

There is a tendency in radio today to become community-involved, to narrow the programming focus. We welcome this trend among private broadcasters, as a relief from their years of regarding radio as some species of perpetual Wurlitzer. But we would hesitate to endorse a similar approach on the part of the CBC.

Network radio, as a private concept, is largely dead. Its passing, if the result is community service where little existed before, is not much to be mourned. Public network radio is, we feel, still a vital element of the Canadian broadcasting system, and we urge the CBC not to be hasty to abandon it. The success of the news programmes *The World at Six* and *The World at Eight* are examples of fine network radio service.

We know the audiences are small, the commercial revenue is pitiful. But network radio permits experimentation where network television, because of the higher costs and the higher risks in terms of public reaction, permits far less innovation. Some steps could be taken to remedy the audience situation, and perhaps the revenue situation, as a consequence. It seems incredible that the CBC uses its television service so sparingly to promote its radio service, and that indeed the money available to promote radio through any means is so niggardly.

As we have noted before, the CBC is a national institution in a country that lacks national institutions, a national medium in a country unable to support a truly national press. CBC radio may have been called the Ugly Service; but it has been a needed counterweight to television, which has all too often been the empty-headed service. Considering how much it gives for its relatively small slice of the CBC budget, we feel it should not be tampered with wantonly because of the trend among private broadcasters. The CBC need not play their game.

Dennis Braithwaite, a Toronto journalist who used to strike terror into the hearts of CBC executives in the days when he wrote a television column, once said that he had heard for years of people who planned to reform the CBC into the great institution it could be, and that none of them had ever achieved it. His conclusion, upon reflection, was that the CBC is fundamentally unfixable. Our view is that it needs some work here and there, and these few halting words have been prepared in the hope that the work can be done.

One thing that stays firmly in our minds as a result of our explorations of Canada's mass media is that the CBC is so fundamentally a part of Canada's communications that it could not be removed or substantially weakened without a very wide ring of repercussions through the rest of the media, and through our society.

We are faced with the fact that if the CBC did not exist, we would have to invent it.

THE PRIVATE INDUSTRY

For many years, the Canadian Association of Broadcasters has been the voice of private broadcasting in Canada, and we were particularly interested in what this organization had to contribute to our study of broadcasting and its place in the fabric of Canada's mass media. With reluctance, we were driven to conclude that the private broadcasters, no matter how sophisticated their individual thought, seem by group interaction to achieve a level perhaps best described as neanderthal.

The C.A.B.'s appearance in front of this Committee was a truly remarkable performance. Equally remarkable was the C.A.B.'s action in sending the Committee a telegram reproving us for hearing Nicholas Johnson, Federal Communications Commissioner, a student of broadcasting whose refreshing views have done much to strengthen the concept of broadcasting as something other than a form of strip-mining.

There was a certain irony in being chastised by the C.A.B. for listening to a citizen of the United States, considering the extent to which private broadcasters have procured programming for Canadian stations from the United States, and the frequency with which they have held up the American broadcasting as a model.

We might consider four of the positions taken by the C.A.B. before this Committee.

On the question of concentration of ownership of broadcasting media, we were told by the C.A.B. that this is inevitable, that broadcasting in this country will be in the hands of a dozen or so groups within five years, because of the operational efficiency of this kind of ownership. One is struck in considering this position that it reflects a belief we have encountered before: the belief that operational efficiency must be served at all costs, that the system must be strengthened and perpetuated regardless of human needs or values, that the machine's needs must be satisfied. The idea that the public might not be best served by having all Canadian broadcasting owned by about a dozen groups seems simply to be considered irrelevant. The notion that some regulatory agency might refuse to allow this to happen is apparently held to be no more than proof that regulatory agencies are hopelessly out of touch with reality.

No less remarkable is the C.A.B.'s considered opinion of the Canadian Broadcasting Corporation. In the C.A.B.'s view, the CBC should get out of broadcasting – which it presumably does not understand – and instead become a production agency which would supply the private broadcasters with Canadian programmes, thereby relieving them of the responsibilities of production.

A certain proportion of these Canadian programmes would be carried by the private broadcasters – who, indeed, would be the only broadcasters – as a condition of licence. This basic service apparently would be available to the private broadcasters at no cost, since the question of their somehow paying for this Canadian content is only raised in connection with obtaining *additional* programme material.

This position is held to be the basis of Canada's having both public and private elements in its broadcasting structure, a truly unusual view expressed by the C.A.B.'s president, Raymond Crépault, to the Committee as follows:

> This is why we are one of the very few countries, perhaps the only one maybe, that has this kind of double structure, precisely in order to ensure that our cultural heritage would be safeguarded, maintained and encouraged and developed through public funds.

The notion that a private broadcaster might spend some of his *own* funds for these purposes just doesn't seem to be even thinkable.

Much as the C.A.B. likes this idea that the CBC would cease competing with the private broadcasters and simply donate programmes to them instead, it seems resigned to this not happening, and it has a fall-back position. The position the C.A.B. would accept, albeit under protest as unfair, is that the CBC stop selling commercial time, and therefore stop competing with the private broadcasters for advertising revenue.

The idea that the CBC should get out of commercial activities has some appeal at first glance. We have considered it, and it is discussed at length elsewhere. Suffice it to say that while it would undoubtedly represent an improved financial situation for private broadcasters, it would harm the CBC, and we do not recommend it.

The C.A.B.'s opinion of the Canadian-content regulations governing the broadcasting service is that the levels set are impossible and unobtainable, that they will result in bad programming, and that they are ill thought out, since they are what the C.A.B. calls "tonnage" requirements rather than requirements that high-quality programmes be made.

This Committee accepts the goals of the C.R.T.C. and its regulations. We feel there is simply not a shred of evidence to support the C.A.B.'s protestation that the private broadcasters, if left to their own devices, would produce plenty of high-quality Canadian programmes. Some private broadcasters have produced high-quality Canadian programmes. We feel this country should recognize them for what they are: persons so exceptional in the private broadcasting world as to be virtually of another species.

In private television, we have seen the accomplishments of such stations as CJOH in Ottawa, CFTO in Toronto, CFTM in Montreal, and CFPL in London, Ontario. Private radio has seen CKNW in Vancouver develop a very strong news service, CFRB in Toronto its news and public affairs, CJAD in Montreal its news service, and CFPL its general programming.

But the fact is that the vast majority of private broadcasters have done the minimum required of them by law, and no more. They have been content to let the networks fill the prime-time hours with imported programmes; they have been happy to take whatever the networks would supply free; they have filled the rest of their hours with as much syndicated material as possible, producing themselves as little as possible. They have been content, as one of the exceptions once noted, to "sit at the end of the pipe and suck."

Private broadcasting is, for the most part, quite profitable in this country. Some sections of private broadcasting are immensely profitable. One reason it is so profitable is that broadcasters have been protected by successive regulatory agencies against competition. Mr. Crépault told us of three United

States television stations that went bankrupt in one month, because of the rather different licensing policy of the Federal Communications Commission. He did not tell us of any Canadian television station going bankrupt; the fact is that none ever has.

The C.A.B. was unable to convince this Committee that there is any reason at all why some of the healthy profits of private broadcasting might not be turned into something more than the legal minimum of Canadian programmes.

The C.A.B. was unable to convince this Committee that there is any reason at all why private broadcasting's profits should be made even larger by removing the commercial competition, or the broadcasting competition, of the CBC.

The C.A.B. was unable to convince this Committee of the validity of a fourth position taken by the Association: that private broadcasters have done more for Canadian talent than the CBC. And a comparative glance at the schedules for a private television station and a CBC owned and operated station make it clear that this alleged superior aid to Canadian performers is not reflected in programmes.

Perhaps the C.A.B. feels genuinely that commercials, which earn extra income for performers, represent the finest flowering of the television art – it would be consistent with another of their representations to us. But we don't feel many performers would agree, and we are sure that almost all viewers would disagree.

The matter of commercials was the subject of a curious remark during the C.A.B.'s appearance before this Committee, a remark so odd that it was diligently pursued in the discussion since at first blush it was hard to believe that it was seriously meant. The C.A.B. believes that the more commercials there are in a programme, the more the audience likes it. This is quite distinct from the notion that a station with popular programmes will have many commercials, because it attracts audience and therefore advertisers. The C.A.B. seemed to hold that the presence or absence of commercials has a direct effect on the number of viewers.

W. D. McGregor, who since the C.A.B. appeared before us has become its president, articulated the idea. "When the station quite deliberately removes all commercials from a programme, the audience goes down," he told the Committee. Asked to produce figures to back this up, he answered by making another assertion. "What we have done, and a number of stations have done this and among them my own, is quite deliberately to put additional commercials into a programme – that is a programme that wasn't carrying or didn't have the popularity to attract advertisers, we have put commercials into those programmes in an effort to see what would happen, and the audience went up."

The Committee has research indicating something rather different: that the primary public complaint about television is about the commercials, both their content and their timing. The commercials are seen by the public as irritating interruptions in the programmes, and it is quite difficult to understand why the majority of television viewers would consider them in any other way, when they fall within a programme.

Perhaps the view expressed by Mr. McGregor is, for private broadcasters, an article of faith. Is it a closed equation? If freed of regulation, would they fill an entire programme hour with commercials, and thus achieve the most popular programme of all time? Mercifully, we may never know.

We may reflect, however, that if commercials are not the finest flowering of the television art, they at least represent one kind of pinnacle. They are, for the most part, the ultimate in presenting a totally false picture of reality. We are all familiar with examples: the toothpaste that makes people blow kisses to you; the hair oil that makes the gals pursue you; the tonic that transforms your wife from apathetic drudge to a hot-eyed temptress; the constantly screamed message that if you will only *consume* something, your pimples will vanish, your stomach and head and feet and back will cease to ache, your sexual life would be the envy of Haroun al-Raschid.

All our ills are *not* cured by consuming. Our lives are not, by consuming, transformed into a single uninterrupted flow of bliss. We have had it painfully brought home to us in recent years – and the signs were there long before that – that consumption of some things may be very bad for us; and for all our neighbours and all our descendants. The social consequences of advertising, particularly on radio and television, deserve some thoughtful study, and it may well be that the Canadian Association of Broadcasters would be a logical group to do such a study, or at least to sponsor it.

For we believe that the C.A.B., despite its current state, is potentially a most useful organization – and in ways beyond its function as a lobbyist. There is nothing wrong with the C.A.B.'s acting as a lobbyist, although its spectacular lack of success in this function of late has much to do with the organization's dwindled and depressing condition today.

Its inept attempt to bully the Canadian Radio-Television Commission led directly to the C.A.B.'s losing the membership of two of this country's most powerful and respected broadcasters, and also to its losing the support of a third private broadcaster, who decided to retain membership in the C.A.B. while dissenting from the organization's campaign against the Canadian Radio-Television Commission.

It may be that in making its attack on the regulatory agency, the C.A.B. was reflecting a belief that this Committee certainly noted among small private broadcasters: the notion that every broadcaster's licence is in jeopardy every day from the whims of an all-powerful Canadian Radio-Television Commission. We were told – by the officers of Countryside Holdings Limited, for example, and by others – that no broadcaster would dare criticize publicly the policies or proposed regulations of the C.R.T.C., because of the risk of losing his broadcasting licence. That intelligent men could be under this delusion is proof in itself that the C.A.B. has failed in its duties towards its own membership.

The lot of the small private broadcaster may be a difficult one, as he sees the best of his staff leaving for larger cities, as he realizes that the ability of his station to generate profits cannot possibly match that of the larger stations to which the best talent tends to be drawn.

We have noted, in studying Canada's newspaper world, that the small newspapers do a poorer journalistic job than the large papers. We have also noted that their relative performance is not simply proportionate to size, and that the smaller newspapers do a poorer job than one could expect, even taking their relative smallness into account. In broadcasting, this phenomenon is even more pronounced. The smaller stations offer a much lower level of service than seems reasonable, even granted that they find good staff hard to keep.

We found in our research that while broadcasting in Canada is highly profitable, profitability and size are closely related. It matters little what measure of profit is used: the bigger the station, the higher the rate of profit. In 1968, for example, there were 221 radio stations operating in Canada independently of television stations, and only 22 of these (8.4 per cent) had gross revenues of one million dollars or more. But these same 22 stations accounted for just over 68 per cent of the total net operating revenue for all 221 stations.

In television, the size-profitability relationship is even more striking. In that same year, 1968, there were 29 television stations operating independently of radio stations. Eight of them – 27.6 per cent of the total – had gross revenues of $1.5 million or more, but these eight accounted for 92 per cent of the total net operating revenue of the 29 stations in the group.

One reason why larger stations are more profitable is that they tend to be located in larger communities, where the absolute demand for advertising time is higher than in the smaller centres. Also, the larger audiences enable the big stations to maintain very high advertising rates while simultaneously offering advertisers a relatively low cost-per-thousand; so that an advertising rate that would discourage advertisers from utilizing a small station would not discourage them from buying commercial time from a very large one.

Particularly with television, the demand for advertising time on the very large stations is so strong as to constitute a forceful argument for the legal restriction of the number of advertising minutes a station may schedule in its day. Otherwise, the temptation to satisfy the demand for advertising time might lead to a sharply decreased level of service to the viewer, as programme minutes yielded to advertising minutes.

Legally limiting commercial time, however, leads in turn to an argument for licensing second and third stations, as necessary, in major centres. The consequence of not licensing such second or third stations, while at the same time limiting commercial time, is to encourage the first station to set a very high advertising rate, since he can be certain of selling all his time. The consequent revenue will not necessarily be reflected in the quality of service to the viewer, and the less affluent advertiser will be driven away.

It is noteworthy in all this discussion, however, that profitability in broadcasting is generally higher than profitability in manufacturing, which in turn is higher than the business average.

There is one area in which we feel some financial inequity is being worked upon Canadian broadcasters. It will be recalled that Section 12A of the Income Tax Act provides that Canadian advertisers may not write off as a business expense any money spent on buying space in U.S.-owned publications, a provision designed to give a measure of protection to Canadian magazines faced with the dumping of editorial material in "Canadian editions" of American magazines.

Canadian broadcasters, particularly television broadcasters, are also faced with competition from across the border. In some fairly notorious cases, the competition comes from stations deliberately created to live off Canadian advertising, and not designed to provide any service to the United States communities in which they are nominally licensed. It has been argued, and we believe correctly, that without the existence of KVOS in Bellingham, Washington, Vancouver could support a third television station. The situation with KCND in Pembina, North Dakota (population: 600) which covers the Winnipeg area is less clear; its proprietors profess to be losing money. There is also substantial penetration of the Hamilton-Toronto area by the three commercial Buffalo stations – WGR, WBEN, and WKBW – as well as the situation in Windsor, Ontario, where there are five commercial U.S. television signals available – WJBK, WKBD, WWJ, WXON, and WXYZ – from transmitters directly across the river, in Detroit.

It seems, in any case, that the growth of Canadian television service in areas penetrated by U.S. television signals is likely to be impeded unless Canadian advertisers are given some motivation to keep their money in Canada. Also, it may be noted that certain Canadian laws or regulations – those dealing with food, drugs and alcoholic beverages, for example – may be avoided if advertisements are placed with American rather than Canadian stations, a practice we feel is not in the public interest. We recommend the extension of Section 12A to cover Canadian advertising placed with American broadcasting stations.

We do not consider that, as the head of one group of radio stations told us, owning a radio station is merely a way of getting into the advertising business. We do not consider that television viewers derive pleasure and comfort from knowing that a programme contains commercials. We do believe that private broadcasters and public broadcasters alike have an interest in knowing more about the commercials that help pay for programme service, and that they are entitled to reasonable income tax provisions, and we believe the C.A.B. could be an effective instrument in research and in responsible lobbying.

This will not take place while the C.A.B. has its present constitution and its present structure. The organization needs to be overhauled. It needs to stop thinking of its role as simply that of staving off regulation, and to start developing a positive, creative policy of information and research. It will not be able to do this without the participation of the major broadcasters, because an association of small broadcasters cannot generate the funds or the influence needed.

There can be no doubt of the need for an organization to do some intelligent research in broadcasting, to help the small broadcaster keep abreast of developments, to make the large broadcaster aware of his position in the national broadcasting system. Research aimed at something other than inducing advertisers to buy time might not only yield valuable information, it might persuade broadcasters to start thinking of the audiences they serve as people or communities, rather than as "markets" – the term invariably used by broadcasters appearing before us in describing their operations.

It will be a pity if the C.A.B. declines this opportunity.

AIRING THE NEWS

People are not consistent in their ideas about the mass media. This is one of the more obvious conclusions to be drawn from our studies.

Their relationship with the media is an emotional thing, shifting, unresting, sometimes uncertain. Their attitudes to news broadcasting point this up very well. Canadians, we found, put a great deal of faith in television for national and international news, but they feel television is more likely to reflect government ideas than any other mass medium. Many feel the television camera can distort reality, but this does not much concern them; they feel they can trust the integrity of the broadcasters.

Despite this widespread faith in the integrity of broadcasters, about half the people seem to feel that television may contribute to a breakdown in moral standards and a disrespect for religion – although no one seems to feel that radio contributes to these ends.

Indeed, although radio is held to be the most immediate medium – the natural place to turn during time of crisis – it seems to be considered for the most part as simply background sound, a non-involving interior decorating for the mind, best suited to housewives and teenagers.

It is tempting to conclude from our studies that the one thing people fear most about television is that it might report news so accurately as to shake their beliefs about their lives. They recognize its ability to present news clearly, to bring stories to life – and they fear the stories it might bring, and the new reality it might expose.

For the most part, people do not seem to realize how news broadcasting comes about. It would be harder for them to hold some of the opinions they do if they knew more about it.

Radio and television really occupy opposite ends of the news spectrum. Radio can bring news faster than any other mass communications medium, while television – except in the most fortuitous or the most planned circumstances – brings it very slowly.

Many radio stations in Canada have found in recent years that they can build an audience by providing thorough local news coverage, and some stations have built well-deserved reputations for their news-gathering ability. CKNW, CJAD, CFRB are examples. Oddly, despite the enormous followings built by Gordon Sinclair, Jack Dennett, and a few other highly individual newscasters, the public seems unimpressed, preferring newspapers for local news and television for national and international news.

The key perhaps lies in the presentation of material that the public does not necessarily think of as local news – weather reports, traffic conditions – but which it seeks through radio.

Television's technology, and the curious consequences of living in a country 4,000 miles wide, lead to television being a relatively slow way of discovering the news of the day. Television news without some kind of pictures to support it – film, or at least graphics – is considered by the broadcasters an unworthy use of the medium. But film takes hours to process and edit, and in many cases is quite impossible to obtain, due to the persistent habit of news events to take place without prior warning.

Where news events occur *with* prior warning, there is a suspicion that they have been staged especially for the benefit of the television cameras, as indeed they often are.

Professor Daniel Boorstin, and others, have suggested that in this case they are pseudo-events; although it seems illogical to conclude that something that happens simply because its perpetrators wish to attract attention should therefore go unreported. Rather, the attention-seeking aspect should be made clear, and the occurrence described simply for its news value, where it has any.

Although some broadcasters have been very diligent and very successful in developing their news-gathering techniques, news remains for both radio and television a sideline. Their principal activity is not to purvey information; no matter how one considers it, their principal activity is entertaining.

It can be argued that a newspaper's principal activity is making money through advertising, but newspapers, however far from the high journalistic standards we might wish, cling to the tradition of filling the space between the advertisements mostly with news.

The CTV television network, which mounts a very creditable national news programme every evening, devotes a little over four per cent of its schedule to news. On its owned-and-operated stations, the CBC broadcasts more news, but the total amount of time involved is not an impressive portion of its schedule. Most local stations produce one or two news wrap-ups a day, and some – like the Victoria station, CHEK, which has been mentioned elsewhere – do rather less than that.

Because news is for the most part a sideline for broadcasters, the great bulk of news-gathering in this country is done by newspapers, and the bulk of distribution of news is undertaken by their co-operative wire service, the Canadian Press. CP has a division, Broadcast News, which supplies a wire service to broadcasters. Much of it is rewritten from the newspaper wire, although CP and BN buy stories from radio stations as well. The BN wire carries a handy summary of the news every hour, regional as well as national and international, and this is the standard fare for many news broadcasts.

When Charles B. Edwards, the general manager of Broadcast News, appeared before this Committee, mention was made to him of two stations in the same town which broadcast exactly the same news stories, word for word. "I would regret that that is the case if it is so," he said, "but we don't encourage them to do that."

It is hard to know what BN can do about it, if the broadcasters are satisfied simply to tear stories off the wire and read them in their summarized form without exercising even a minimum of enterprise. The remedy must lie with the broadcasters, not with BN.

For the work of Broadcast News, we have mostly respect. It provides a good basic service at modest cost, and every news broadcasting operation relies upon it at least to some extent.

We have noted with interest the development in recent times of Canadian news services other than BN, which distribute voice reports on a group basis. Contemporary News and Standard Broadcast News are examples. These services contribute to a diversity of viewpoint that is most welcome in news broadcasts, and is equally welcome in the related area of public-affairs features of the Berton-Templeton discussion type. They help in the cross-fertilization of radio information programming.

They also represent a different kind of networking, a silent kind (since the broadcast takes place after the actual transmission), which may well be the way of the future for private radio in Canada.

But we repeat: Broadcast News is the basic service, and Broadcast News is largely built on the news stories turned up by newspapers rather than by broadcasters. By the time a local news story has been transmitted from one end of the country to the other, or even to the middle, it has become a national news story. People seem to feel that television is a more reliable source of national news, yet the chances are that the television station and the local newspaper both obtained that story from the same place, CP/BN, and it is not inconceivable that the same CP man wrote them both.

The CBC is able to maintain correspondents in major centres in Canada, and in some international bureaux, and it can draw upon the resources of its owned-and-operated stations for news coverage. CTV has rather less to work with, relying on staff in Ottawa and Toronto, and also drawing upon the news operations of its affiliated stations.

Both mount creditable news broadcasts, although the CBC's overseas staff seems to contribute relatively little considering the numbers involved. Both rely on the very large news operations of the American networks to supply actuality footage that can be edited into the appropriate form for Canadian consumption. We feel that the news service of both organizations could be improved. Network news broadcasts have to be prepared in Toronto or Montreal, where the best facilities are. There are problems, necessarily, with time zones and sheer distance in trying to cover adequately a country as large as Canada.

The news and public-affairs function of these networks, however, is one of their most important functions. It should be considered as being at least as important as entertaining the population.

While no broadcaster has said he considers news unimportant – although few seemed to feel it was a primary function – we are left feeling that many broadcasters wish they did not have to be concerned with it.

Both CBC and CTV have their news operations in the hands of competent and respected newsmen, but there can be no question that there are conflicting pressures. We believe both networks should consider carefully how best to ensure that the news function is not sacrificed to something that may be more profitable but less in the public interest.

THE CABLE CONUNDRUM

Perhaps no area of Canadian broadcasting is as confusing, as variously represented, as devoid of real data, as the peculiar world of cable television. It is represented as the destroyer and as the saviour of conventional television; as the force that splits audiences while enlarging them; as the bringer-in of distant television stations and the last hope for local television programming. What makes consideration of cable television so exhausting is that all these ideas, and many more, have an element of truth to them.

In considering radio and television, we are dealing with technologies that are fairly well known and understood. We are dealing with social effects which, if not understood, have at least been described over a period of years. There is a body of knowledge upon which we can draw, even if we wish there were more research, more information. When the technology is known, and the goals are more or less clear, and the abilities of the medium – well, the basic abilities, at least – are defined, consideration of policy and performance is relatively simple.

So many things are possible with cable, so many ends could be effectively pursued by its use, so many methods involving cable can be adopted, so many levels of service could arbitrarily be declared to be basic, that cable policy has to be considered in terms of picking a way through many possible interweaving paths, rather than as finding the correct highway and then following it.

The situation in Canada has not been helped by the reluctance of government before the Broadcasting Act of 1968 to attempt realistic regulation of cable television. Nor can we look to the United States for guidance, since the Federal Communications Commission has been even more reluctant to regulate cable, has entered the field more recently, and has had to deal with an industry in a less developed stage. We realize that the Canadian Radio-Television Commission and the Department of Communications, whose jurisdiction in cable is contiguous with the bulk of responsibility being the Commission's, have had difficulties in their work to date; and we will discuss it at some length later in this section.

More than one million Canadian households are connected to co-axial cable. The rate of growth continues to be high, with a single British Columbia enterprise wiring up new subscribers at the rate of 400 per week. Relatively to population, Canada seems to be the most wired-up nation in the world.

There are insufficient data to make authoritative statements, but it seems clear that where cable television systems have been established for some years, they are (except for the smallest systems) very profitable, even though the entrepreneur must normally expect to go without much revenue while laying out substantial amounts during the initial period of wiring.

It seems fair to suggest that cable television damages the operation of a television station to the extent that it offers viewers more channels than they can receive off the air, and in so doing fragments the audience. Equally, it is fair to suggest that where cable television artificially extends the reach of a television signal beyond the station's local market, it tends to increase the size of the audience, and therefore is a benefit to the broadcaster and the advertiser. One of the major problems of cable television policy has its solution in the discovery of the extent to which these effects neutralize each other.

Another puzzling area involves the possible uses of cable television, other than as a means of delivering clear, steady television signals taken from the air. Many uses have been proposed: home computer terminals; newspaper delivery; electronic mail delivery; security surveillance; shopping by cable as a step along the road to a cashless society; dial-a-program; machine-aided teaching; and a great many others. It has been suggested that only the cautious policies of the federal agencies stand between the Canadian public and some sort of cable-assisted information millennium.

It might, in this context, be worthwhile to recall the somewhat despairing remark made before this Committee by Israel Switzer, chief technical officer of Maclean-Hunter Cable TV Limited, a major group in Canadian cable television. He told us plaintively: "I am the person in this organization who actually has to go out and do these things that other people dream of and speculate on." He went on to tell us:

> I do not see the large-scale implementation of many of the technical developments of which cable television is possible, things like 20-channel systems and switch systems which use cable for access to computers.
>
> I could have a computer terminal in my home right now. I could call up General Electric – they have a time-sharing among other users there – the Bell has a line into my house and I could run a computer right from my house from my telephone line right now. But I don't feel the need for a computer in my home. I frankly don't, and I think the marketability of many of these services has been drastically overrated.

It seems a fair question to ask whether any of us really want a computer terminal nestled next to the telephone table, desirable as some of the other services might be.

However, at a time when Toronto cable systems are undergoing a distinct feeling of crowding because of the number of television signals they must try to distribute through existing twelve-channel systems, it is difficult to understand how the current limitation to twelve channels can last much longer; we urge that it should not.

Cable policy in Canada, as it has evolved to date, seems to have five major elements: the widest possible direct community ownership; a ban on networks; a ban on advertising; a requirement that cable systems provide community and educational channels; and protection of the conventional broadcasters.

We agree strongly with the principle of the widest possible direct community ownership, but we are concerned that it does not seem to be fully working out in practice. Too many licences are being granted to major groups which already control several cable television systems or have interests in other media. Granted that the licensing agency, the Canadian Radio-Television Commission, must feel an obligation to ensure that a licensee will provide continuous service, it still seems to us that granting licences to newcomers is in the interest of building cable television into what we feel it should be: a new medium.

We are pleased that the Canadian Radio-Television Commission has, for the most part, moved to keep television broadcasters out of cable (as when it curbed the imperial dream of Bushnell Communications Limited), although one can wonder about the extent to which the Maclean-Hunter interests are involved in all phases of broadcasting. But we feel the Canadian Radio-Television Commission must be willing to give imaginative newcomers more of a chance. And they should be genuine representatives of the community, not carpetbaggers who have managed to rent a token local citizen especially to front for them during their licence application.

The question of networking, like so many aspects of cable television, is not simple. But we feel that networking has a place in cable television, particularly where a large urban area is divided among several cable systems; and we are pleased that the C.R.T.C. has made some provision for networking in such cases, even if the cable operators themselves have not been swift to take up the idea.

We agree, too, with the ban on advertising. The cable television operator obtains the bulk of his programming by taking it from the air, paying no one for it. He has an obligation to provide a community channel, but there is no reason to believe that its costs cannot be convered (at least in the case of medium-to-large systems) by subscribers' payments – and the benefit of the community channel, after all, is to the system's subscribers, not to the public at large.

The development of community programmes on cable television srikes us as a most welcome addition to the mass media in Canada, a new dimension that can dramatically improve the quality of life in our country.

One of the obstructions to true public access to the broadcasting media has been the reluctance of the broadcaster to turn over, if only very briefly, his one signal to any member of the public, except under conditions of very strict control. He has, after all, only one frequency; granting too free an access could cost him his audience, his income, and his licence.

The cable operator is in quite a different situation. He has not entered just a single horse in the race and staked his life savings on it; rather, he owns the race track, and it is the only one in town. A television viewer who is bored or irritated with his community channel can watch a variety programme or a drama instead, but he is still using the cable system, and the system's subscribers have not diminished if some of them elect not to watch the community channel. The subscriber is unlikely to cancel simply because he doesn't like the community channel. He would, after all, be losing all those other channels, and in any case it is a much greater effort to cancel the service than it is just to turn the switch.

The cable operator may be in legal difficulty, or in difficulty with the C.R.T.C., if he is wantonly perverse in his method of granting the community access to the community channel; but in granting public access, he is in a much safer position than the conventional broadcaster.

Two groups have developed ideas for easing the cable operator of some of his responsibility in this matter. Town Talk, in Thunder Bay, Ontario and Intercom, in Toronto, have suggested that responsibility for at least part of the programming on community channels might be taken over by community-based production groups, of which they are the prototypes. Intercom has suggested that, since it would link up adjacent cable systems in Toronto, it would be licensed by the C.R.T.C. as a cable network, and would therefore be answerable to the regulatory agency for the programming is distributed. These proposals are open to several objections but they seem to us to be at least worthy of study, and we urge the Commission to consider them.

It seems to us that two things are needed in connection with community programmes on cable. One is some form of regulation to encourage the cautious cable operator to grant access fairly freely – some indication that his responsibility to grant access should not be overshadowed by his responsibility for every word that is uttered on the channel. The other is some indication of the size of system that is expected to originate community programmes.

Systems in Canada vary greatly in size, from those with a few dozen subscribers to those with many thousands – the largest, Canadian Wirevision of Vancouver, having more than 100,000. To attempt to equate the financial ability of the cable giants with that of tiny operations is futile, even though the Canadian Radio-Television Commission's policy on the matter at present is simply that each system must have a channel available for community programmes.

When one considers that the minimum annual cost of community programming is in the order of $20,000, that setting up the most basic studio is in the order of $10,000, the inability of systems with a hundred or so subscribers to undertake these ventures is obvious.

Again, the cable giants tend to operate in the very large urban centres where the need for more than one community channel is clear. The C.R.T.C. has provided for this to the extent that it may require a second community channel if there is a need for programming in both official languages, but it would seem reasonable that where profitability is high and profits are substantial, a higher level of community programming – both in quality and quantity – should be demanded.

The Federal Communications Commission has established that cable systems of 3,500 subscribers or more must originate a channel, but there is not the same emphasis on community programmes with the consequent production costs. We feel that the Canadian Radio-Television Commission should state the point at which a cable system is large enough that community programming may be expected.

The whole question of protecting the conventional broadcaster seems to us an exceptionally difficult problem with which the C.R.T.C. has not, to date, been successful in dealing. For one thing, as noted earlier, it is unclear to what extent the broadcaster really needs protection. The Canadian Association of Broadcasters, following its customary solipsist philosophy, feels that the broadcaster needs protection so greatly that he should own the cable system. This Committee, considering what it has learned of concentration of ownership, has no difficulty in rejecting that idea.

There are no instances of television stations in Canada going bankrupt because of cable systems, or indeed for any other reason, although some cetrainly are losing money. Further, a recent study in the London market by the Television Bureau of Canada Inc., a creature of the private broadcasters themselves, indicated that the effects of cable television are not necessarily lethal.

The report presents four conclusions: that cable television does not significantly impair the ability of the home station to provide advertisers with total coverage of the market; that the homes lost by the home station are partially recovered by other Canadian stations; that the reach of most schedules purchased on the home station will be higher than usually anticipated; and that the audience to a community channel is not large enough to be a factor that the advertiser should consider. This report has been challenged, but so far it has not been refuted.

We feel also that even if the danger to conventional broadcasters were clear and undisputed, the techniques indicated by the Canadian Radio-Television Commission in its cable television guidelines of April 10, 1969, are not necessarily the best ones, and indeed that they contain inconsistencies and anomalies that make their effectiveness doubtful.

The Commission has chosen to suggest a restriction on the number of commercial United States signals which might be carried by a cable system, and also a requirement that a cable operator must black out on the American channel any program that is carried by a Canadian channel either at the same time, or within seven days before or after.

The difficulties for a cable operator in administering these guidelines appear to us to be considerable, and it is not surprising that the cable operators themselves, while agreeing that nothing should be done to destroy conventional broadcasting, have said they will resist these restrictions with all the means at their command.

If, as the C.R.T.C. has indicated, a primary factor in its consideration was the ability of cable television to lengthen the commercial reach of American television stations and networks, perhaps some thought might be given to blacking out the commercials rather than the programmes. This is simple to do and our research indicates that the public, despite the Canadian Association of Broadcasters' opinion to the contrary, is not fundamentally in love with commercials.

As suggested earlier, we feel there are many possible ways and combinations of ways to deal with this problem, and we urge the C.R.T.C. to continue to explore as many of these paths as possible. In particular, we would deplore the imposition of blackouts. Blacking out a programme on an American channel simply because it is also on a Canadian channel only guarantees that when the Canadian channel is broadcasting American programmes, those programmes will get all the audience; but when the Canadian channel is carrying Canadian programmes, the audience will have an alternative, non-Canadian channel to watch. We can't see how this benefits anyone.

Some thought might be given to requiring the cable system to black out programmes only at the request of the local station which claims to be affected – which would put at least some of the onus on the protected party to ascertain just what programmes really damage his position.

We have noted also the proposal that cable operators be prevented from relaying non-Canadian television signals containing programmes or commercials that are contrary to Canadian law or regulation. In off-prime time, U.S. stations carry up to sixteen minutes per hour of advertising, as well as additional messages – public service announcements or promotional announcements – which under Canadian regulations are classed as advertisements. Does the C.R.T.C. seriously expect the cable operator to monitor his non-Canadian signals constantly to make them conform with the Commission's regulation of not more than twelve minutes per hour of all such material? Is the cable operator to monitor also for possible infractions in commercials of provincial laws on alcoholic beverages, or federal regulations regarding food and drugs? This would be a massive and necessarily constant editing job.

Again, we feel that the C.R.T.C. is evolving policy as it goes along, and that its task has been very difficult. But we also feel that it must strive to make its cable television policy rather more realistic. And it must move to do this soon, because development of cable television in Canada cannot be delayed.

We must emphasize that we believe the Commission has tried very hard to bring order out of chaos. We simply feel that the cable television situation can be dealt with better, and we trust that the C.R.T.C. has not decided that it need develop its policy no further.

An aspect of cable television that has much vexed this Committee is the extent to which telephone companies are entangled in it. The vast majority of cable television operations involve leasing a portion of cable from the telephone companies. Some few cable operators have been able to make arrangements with electric utilities companies or local public utilities commissions, but most of them have had to deal with telephone companies which have stipulated that the cable operators may not own the main cable, but must simply lease a portion of it from the telephone companies.

We are uneasy about the possible effects of this. For one thing, it means that far too much of the physical plant of Canada's cable television systems is owned by one giant company: Bell Canada.

But there are other implications, complex and far-reaching, of the involvement with common carriers that give cause for concern, and at the risk of appearing to pile Ossa on Pelion we propose to consider them at some length. For some of the decisions still to be made, and urgently required, are crucial to the whole future pattern of Canadian communications.

To begin with the basics: common carriers are regulated by the Department of Communications and have been assigned the responsibility of providing, for compensation, telecommunications services to those who seek them by means of any appropriate facility or apparatus. The federal government has favoured ownership of such facilities by the common carriers because it has recognized the need for a high standard of telecommunications equipment and because systems so owned may be rented to more than one user without unnecessary duplication.

This is a reasonable philosophy, but in practice it is causing problems, and in some cases hardship, to the broadcasting system of Canada. It works this way:

Microwave systems which connect cities or span long distances are installed, maintained, and owned by the common carrier. If a broadcaster wishes to use part of an *existing* service, usually an equitable rental can be established. But if no microwave service exists, problems can arise.

Technical standards set by the Department of Communications require the installation of an elaborate system, with duplicate service in case of breakdown, with excess capacity for rent to potential future customers, and capable of delivering a very high quality signal at the receiving end. The system far exceeds the needs of most broadcasters and cablecasters, but they are compelled to use it if they wish to extend their service or to receive distant signals at their head ends. As we will explain, the broadcaster often ends by paying a rent for his use of part of the system which resembles a gift of capital to the common carrier.

Involvement with the common carrier is not confined to inter-city communication. Cable operators must hang their coaxial cables on poles or insert them in conduits owned by telephone or public utilities companies. In most provinces (there is no general rule because the carriers have not established a standard policy) the common carriers insist on owning the coaxial cable. Contracts between cable operators and common carriers call for payment of a large initial fee – often equal to the full cost of materials and construction – and then an annual rental for use of the poles or conduits.

Let us consider an imaginary but representative example, with figures based on actual experience. A cable system requires 100 miles of coaxial cable. The initial payment to the common carrier will be in the neighbourhood of $450,000, and the annual rental approximately $20,000. The service contract is for ten years, with means the cable operator's total expenditure will be $650,000. But the increase in his tangible assets will be zero. The cable operator has paid for the system, but the common carrier owns it.

If there is any kind of logic in this arrangement, it can only be in the Pickwickian sense. What makes it even more difficult to construe is that the cable operator could purchase and install the coaxial cable himself for about $350,000. He would still have to pay rental for poles or conduits, but he would own the cable and he would have a physical asset on which he could borrow money.

As we have suggested, we think the common carriers ought by now to have established a standard policy on ownership and rates for cable systems. Equally, we question the rigidity of the Department of Communications' regulations. For one thing, we wonder if it is really essential in all cases to insist on "gold-plated" systems. The likelihood of multiple requests for microwave service in northern Ontario, for example, or between Halifax and Sydney, is remote. Shouldn't the need of the public for broadcasting service in such areas override the technical equipment standards currently laid down? In these cases less costly equipment would suffice. If the common carriers and the Department of Communications find it difficult to accept responsibility for lower standards, there is an alternative. The broadcasters undoubtedly would be happy to install and maintain the system, and the Canadian Radio-Television Commission through its licensing power is able to govern the quality of signal reception.

Even if, in the end, the common carriers must own the facilities, we suggest that broadcasters and cable operators should not be charged for what they do not need and do not use. They should be charged for the share of capacity which they use, and on the basis of the value of a system which would be adequate to their needs.

One of the reasons this problem has not yet been resolved is that it lies in the hazy area of overlapping jurisdictions. We therefore recommend the creation of a joint committee, equally representative of the Department of Communications and the Canadian Radio-Television Commission but chaired by a D.O.C. member, before which the responsible common carrier and the broadcaster or cablecaster would appear. The committee's responsibility would be to recommend to the Department of Communications who should own the facilities required and, if the common carrier should be directed to own the equipment, to establish an equitable rental charge.

In the case of cable systems, we see no reason why rate standards cannot be set for head end antennas, coaxial cables, amplifiers, poles, tap units, and drop wires. This matter also could be referred to the joint committee, since the interests of both the carriers and the broadcasters must be considered.

We support the concept, which appears to be also the C.R.T.C.'s concept that cable operators should own at least part of their systems. Otherwise the common carrier could rent out spare channels for use by closed-circuit systems. We are concerned about the total lack of regulation over the kind of programming that may be used on closed-circuit systems. We would oppose, for example, the use of cable as a data retrieval system if the operator's selection of data sources was not regulated as to variety, quality, and Canadian content.

The Committee is aware, for example, of a theatre in Toronto which, by using films that have been converted onto videotape and then displaying these productions on television monitors, has successfully avoided regulation by the Ontario film censor. Since the theatre cannot be said to be a broadcasting undertaking – having neither transmitter nor head end, and being limited to paying customers – it is not regulated by the Canadian Radio-Television Commission, either.

Another example is the educational information retrieval system for schools that has been developed in Ottawa as an undertaking among the school boards, Bell Canada, and the Ontario Institute for Studies in Education. It involves a central library of some 2,500 films and videotapes, upon which the classroom teacher can draw either by spontaneous request or advance booking. These are displayed on classroom television monitors.

While education is, of course, within the jurisdiction of the provinces, it seems to us that there is an unregulated area here. It is our belief that this unregulated area should be regulated, and that this should be done through the C.R.T.C. The necessary jurisdiction could be established through an amendment to the Broadcasting Act.

We feel that the future for cable television in Canada is a bright one. We do not agree with the broadcaster who told us he considers that cable will be obsolete before long. We repeat that it will be difficult to pick the correct path from the interweaving possibilities presented by cable television, but we feel that this matter must be pursued, and that although finding a solution may be difficult, it is nonetheless possible.

THE REGULATOR

This is a report on the Canadian mass media, not on the agencies of government which deal with them. The operation of the Canadian Radio-Television Commission therefore lies in a sense outside the Committee's terms of reference. But it is patently impossible to consider the role and performance of broadcasting in this country apart from the powerful influence of the C.R.T.C., and we therefore venture some few brief comments on the part the Commission plays.

It was established by the Broadcasting Act of 1968 and given sweeping new powers to license and regulate all Canadian broadcasting, public and private. Its mandate was simple in concept – to carry out the intent of Parliament that the national broadcasting system should serve the national purpose – but frighteningly complex in interpretation and execution. (Example: the same act which gave the Commission its total authority to regulate, laid down in law the principle that "the right to freedom of expression . . . . is unquestioned.") The new agency inherited some thorny problems of jurisdiction, of earlier conflicts unresolved, and of urgently needed policy decisions which had remained undetermined while Parliament pondered its own action. This was particularly true in the burgeoning business of cablecasting, which proliferated without regulation before the regulatory body was established.

Let us say at the outset that while we have some suggestions to offer in the hope that they will prove helpful, our admiration for the Commission's performance is almost unbounded and our agreement with the principles it has enunciated for Canadian broadcasting is total. In little more than two years, grappling with issues of a complexity which few laymen (and not even all newspaper critics) can appreciate, the C.R.T.C. has produced considerable order out of considerable chaos. It has enunciated clear, consistent, coherent goals. Using suasion by preference and constraint when necessary, it has begun to move the broadcasting system into the channels defined by Parliament. With the exception of a few areas where the limiting factor has been time to research and formulate policy, broadcasters know where they stand.

The Commission could still be assisted by a little help from above in the form of more explicit legislative direction. The Committee has noted three areas in which this applies. One is the question of concentration of ownership, where the trend toward larger and larger economic groupings has already been noted. The C.R.T.C. in our view has been dealing with the pressures intelligently and properly, but it would undoubtedly be more certain and comfortable in its decisions if it had clearer guidelines to follow. This Committee would not recommend the adoption of any rigid mathematical formula; the American practice here is not applicable to Canadian conditions. Each case should be dealt with separately. Elsewhere in this report we have described the guidelines we would apply to media ownership generally (above all, the preservation of the public interest). We believe it would be useful to incorporate these guidelines in the Broadcasting Act.

A second area where clarification would be helpful is that of jurisdiction. The C.R.T.C. authority is now clear over cable systems which take signals from the air, but it is not clear that any supervision is currently possible over closed-circuit systems and information retrieval systems which select and distribute programmes. This is touchy ground (such systems do not use the public airwaves) and the Committee does not propose to tread it; but we believe the competent authorities should study first, whether these operations should come under regulation, and second whether they should, as programmers, be under the wing of the C.R.T.C.

There is also the question of where authority should be divided between the C.R.T.C. and the Department of Communications, when the interests of broadcasters collide with those of the common carriers. This subject has been touched on in the previous section; it needs to be resolved.

Finally, there is the tangled jungle of copyright law which currently bewilders and distresses everyone involved – broadcasters, writers, composers, performers, and inevitably the C.R.T.C. The Committee is aware of certain options in connection with cable policy which were considered closed because of uncertainty over copyright. We did not attempt to enter this highly technical maze because a governmental study is already under way.

Given the additional tools just outlined, we believe the C.R.T.C. will be fully equipped to discharge its mandate. It is already admirably constituted with a dedicated, firm and resourceful chairman; a vice-chairman long recognized as one of Canada's most imaginative broadcasters; a group of commissioners who contribute wide experience and varied talents; and an able staff. The Commission is notorious in Ottawa for its 16-hour working days and for the economy of its operation (less than $3,000,000 in 1969-70).

Having said this, we proceed with some temerity to suggest where it might do better.

We think the C.R.T.C. would be advised to establish, on a personal basis, closer relationships with the country's broadcasters – by which we do not mean the owners of broadcasting enterprises. (The owners are constantly on the Commission's doorstep now; it is interesting to note that many of those who complain most loudly of the C.R.T.C.'s interference in their affairs are to be seen most frequently visiting its offices unsummoned.) Whatever the owners may decree, it is the producers and directors who give us the programmes we see and hear. It is our impression that these programmers are generally sympathetic to the C.R.T.C.'s thinking, and would be most encouraged to have the Commission listen to *them*. Since the Commission chooses to work by persuasion rather than by fiat, cultivation of these people should be fruitful. What we are really urging, then, is a cunning kind of counter-lobby.

Which is not to decry consultation with the broadcast owners. We have already said that individually the broadcasters are mainly sincere and public-spirited; it is only in their collective groupings that they display the woolly-minded irrationality of the herd. We think the Commission would do well to include in its inner councils a representation of people with a background in the business of private broadcasting.

We think the Commission could improve its public relations on several fronts. In the first place, it could do more to bring the public into discussions of policy. While it protests that concerned citizens are invited, and indeed welcomed, to participate in its various hearings, that word is not really abroad and something more active will have to be done to promote public attendance. We concede that a deterrent until now has been sheer pressure of business, but as the Commission clears its decks we hope it will make room for the people.

Second, we think the C.R.T.C. could explain its decisions better, and at the same time improve the machinery by which it makes those decisions known. If some of the public debate on C.R.T.C. policies has been ill-informed, a share of the responsibility must lie with the Commission itself. There is probably no need to labour this; in the wake of the fiasco of the CHIN and CKPM announcements, we would be surprised if the subject were not already high on the C.R.T.C. agenda.

We think the C.R.T.C. could expand its research more widely into the social implications of all phases of broadcasting. This, after all, is or should be the basis of all policy. We mention two examples of the kind of research we mean. First: it would be immediately valuable to have a determination, using tested sociological methods, of the readiness of community groups (especially minority-interest groups) to engage in programming on local cable channels, of the kinds of programming that might win acceptance in the community, and of the material and human resources which the cable operators are able and ready to commit. This is at least as important as the economic considerations involved, which are what we chiefly hear about. Second: What are the effects on children of TV violence generally, and of consumption-oriented children's programming? We were told by several organizations – the Canadian Association of Consumers, the Canadian Home and School and Parent-Teachers Federation – that this information is urgently needed. No one is assembling it; we are left to the usual resort of importing American studies and hoping that they will apply in Canada.

We are aware of one small piece of volunteer research. A group of concerned people from two church congregations in Montreal monitored CBC, CTV, and CBS programmes over a 64-hour period. They found that on all channels, the prime time for killing is 10:30 a.m. to 12:30 p.m. on Saturday – the Children's Hour. In that period, there was a killing every 11.4 minutes and an act of violence every 3.4 minutes. What is *that* doing to the kids?

It may be that the C.R.T.C. has done, or is doing, research in both these areas. If so, it reinforces our conclusion that its public relations could be improved.

These are incidental criticisms. The Commission is already aware of some weaknesses in its administrative structure and is dealing with them. We endorse its interpretation of its mandate, and the combination of toughness and understanding with which it seeks to carry it out. In particular, we support its developing policy on ownership concentration and its determination to forge a broadcasting system with a truly Canadian character. We quote the eloquent words of the chairman, Pierre Juneau, when he spoke to us on March 5, 1970:

> It is like an individual, how he sees his life, how he imagines what he is driving at, where he is going.... It is the image he has of himself, the image he develops as to what he wants to make of himself....
>
> Unless you decide what you are going to do, unless you have a somewhat precise image of what you want to do, it is no use thinking that you are going to get up in the morning and do something. To get up in the morning and just do what you did the morning before, continue in a sort of pragmatic down-to-earth way – I am not saying that you are not achieving things this way; you are, but you have no hope of going very far....
>
> If a country doesn't have a lively, vital and active communications system, if all the talk, all the movement of views, ideas and opinions, and all the images come from outside, then I suggest that after a while you have no common purpose, and if you have no common purpose it is like an individual who has no personal purpose...
>
> Of course, if we think of broadcasting as a pipe system to transport goods, that is another matter altogether.... But that is not why my colleagues and myself have accepted the responsibility of this Commission, and I don't think that is why Parliament has taken all the trouble of developing this Act. If you read it carefully there are much broader and fortunately much more intelligent expectations in this Act than just providing canned entertainment.

In the view of the Committee, we can safely entrust the development of the Canadian broadcasting system to a Commission with that kind of vision.

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> If a country doesn't have a lively, vital and active communications system, if all the talk, all the movement of views, ideas and opinions, all the largest come from outside, then I suggest that after a while you have no common purpose, and if you have no common purpose, it is like an individual who has no personal purpose. ...
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V

SUPPORTS

1. (CP)

Think of news agencies, and you think of Canadian Press. This is only natural: the familiar (CP) logotype speckles the pages of Canada's newspapers like raindrops on a pond, and the breathless bulletins of the half-hourly newcasts could not go on without a ceaseless flow of flimsy from the CP tickers.

Canadian Press pervades the news scene so completely that it has become endowed with a kind of semi-official status as an arm of the public service, like the Post Office and Air Canada. Even politicians trust it. Nor is CP itself inclined to be unduly modest about its place in the scheme of things. With a fine disregard for its own tradition of objectivity, CP described itself in a Centennial-year pamphlet as "the finest news service in the world." And staffers have been heard to claim that if a news event was not reported by CP, it didn't happen.

There are, in fact, other agencies that serve the press of Canada. United Press International, with a smaller budget and fewer people, attempts to compete with CP by using more hustle and more flair. It is a commercial service, not a co-operative. Southam News Services provides a distinctive and intelligent daily file for the eleven members of its newspaper group, supplementing rather than duplicating the CP report. It is especially useful for its coverage of Ottawa, Quebec City, and foreign capitals.

A Dow Jones wire carries business news into newspaper offices. Most Canadian papers subscribe to one or more of the services, both domestic and foreign, that offer news and feature material by either mail or teletype: the syndicates of the Montreal *Star,* the Toronto *Star,* and the Toronto *Telegram;* the London *Observer,* the *Guardian,* and the *Times;* the New York *Times;* the Washington *Post*-Los Angeles *Times;* Publishers Hall; Miller Services; Religious News Service; Gallup Poll; and dozens of others. There are even public relations services (Telbec, Canadian News Wire) which pump in their offerings by teletype.

But these are frills. It is Canadian Press that carries the news load, and the newspapers could not live without it. Of Canada's 116 dailies, 103 are members of CP; the only sizeable absentee is *Montreal-Matin,* which subscribes to UPI but concentrates heavily on local news. More than 70 papers rely on CP for *all* the news they publish beyond what is written locally by their own staffs.

They get a comprehensive world news report. CP has bureaux in New York and London, and staff writers in Washington and Paris; but the bulk of its international news comes through its access to the world-wide networks of Associated Press, Reuters, and Agence France-Presse. These agencies funnel some 250,000 words a day into CP's New York office, where a staff of nine editors select and condense to produce perhaps 60,000 words for transmission on the Canadian circuit. On a big news day CP might deliver 175 columns of news over its 40,000 miles of leased wires, and 100 columns of this would be Canadian news. Even the biggest newspapers, if they published nothing else but the CP file, could carry only a portion of this volume.

Its total coverage and overwhelming indispensability give CP a clout beyond all proportion to its numbers (a mere 180 editors and writers). Its stories go into most composing rooms (79 of the 103) by teletypesetter, which virtually precludes local editing. CP standards tend to become the standards of Canadian journalism; the CP style book is the style book of the industry. Professionally, the child rules the parent.

For it is often forgotten what Canadian Press is, and why it was established. It is a non-profit co-operative owned by the members it serves. It was set up not to originate its own news coverage but to *exchange* news between papers within Canada. It does a good deal of original reporting now (notably in Ottawa and the provincial legislatures) but its primary function remains the same. CP is the Canadian news clearing house.

It does this job supremely well. Serving 103 masters, it supplies a daily news report that is fast, comprehensive, reliable, tough, and more colorful than it is often given credit for. It is kept on its toes by a steady bombardment of demands, complaints, and comments from its customers, and there are regular sessions with newspapers editors in all the regions where CP's performance is ruthlessly dissected.

The performance is in two languages. In this, and in its basic job of information exchange between the regions, CP is a strong force for national unity. By its relationship with AP, Reuters, and Agence France-Presse, it is also the main channel by which news of Canada reaches the rest of the world.

Inevitably, the Committee heard some criticisms of CP. One of these we wish to discuss at some length, but the rest can be dealt with briefly because they are for the most part inaccurate or inapplicable.

The first of these is the feeling, held by some publishers, that CP's rate structure is unfair to smaller newspapers. (Rates are set by a complicated formula based roughly on circulation, except in cities with competing newspapers where part of the charge is split evenly and the remainder pro-rated.)

The case can in fact be made that small papers pay a disproportionate share of the total. The Thomson group, for example, points out that it has only eight per cent of the total daily circulation but pays fourteen per cent of the cost of maintaining CP. We have only two comments. One is that if the smaller papers do feel unfairly treated, the remedy is in their own hands. The co-operative is governed on the basis of one paper, one vote, and there are more small papers than big ones. The second comment is that small papers need CP the most, and benefit the most from it. The point was made most clearly by J. R. H. Sutherland, publisher of the New Glasgow *News* which has a circulation under 10,000:

> Because of CP, and only because of CP, the New Glasgow *News* can have the same news report as is provided for much larger papers in Sydney and Halifax and Saint John and Moncton and Quebec and Montreal, and so on across Canada.

A second criticism is that CP is an exclusive club which keeps out prospective competitors either by black-balling or by making the cost of entry prohibitively high. We could find no evidence that this is the case, though it may have been close to the truth in former years. There is no entry fee, only a charge for service delivered. Until 1969 the assessment in a new member's first year was 25 per cent above the prevailing rate, dropping by five per cent in each of the first five years. In 1970 this provision was dropped. As a protection against financial instability, the new member must pay his first year's assessment in advance, but the advance is recoverable, with interest, over the next three years.

CP still reserves the right to refuse service if it calculates that the applicant has no solid prospect of being able to stay in business. But it appears to be extremely chary of exercising this right; although CP correctly forecast that the Vancouver *Times* would not survive, it granted service. "No applicant for membership has been turned down in the last 35 years," notes the Canadian Press brief.

We come now to complaints about the actual quality of CP service, one of which is that its very universality and vacuum-cleaner thoroughness produce a drab uniformity of newspaper reading across the country, each paper being a carbon copy of every other. We think we have made it clear that we're all for diversity, but we can't be much disturbed about this criticism. If CP does a competent job, as we believe it does, why should it not be as available to the reader in Saskatchewan as the one in Nova Scotia? Should CP be expected to write 103 versions of every news story? Most people read just one newspaper anyway; they aren't likely to be bored by reiteration. In any case, it is a criticism that should be directed to the newspapers themselves; if diversity is desirable, let them supply it.

We are somewhat more sympathetic to the argument that CP is weak in its attention to the arts and cultural matters, and to the currents of social change. We think it is somewhat too slavishly attached to the hard-news, who-what-where-why-when tradition of journalism and too little concerned with interpretation, imagination, and the stirrings of the spirit.

But we're sympathetic to CP in this too. Its assignment is to run the record and to run it complete. It is surely up to the newspapers themselves to build on that bedrock job.

There are nine CP subscribers who can fairly claim that they receive a service that is inferior to all the rest. These are the papers – seven in Quebec, one in Ontario, one in New Brunswick – which publish in French. Claude Ryan of *Le Devoir* put the case succinctly:

> Canadian Press . . . supplies at least twice as much material in English as in French. Parliament, for example, gets daily coverage by at least ten professional CP journalists producing copy in English, compared with the two or three who write in French. Similarly, the network of English-speaking CP journalists criss-crosses the whole of Canada. There are only a few groups of French-speaking correspondents. This means that the French-language papers must either (i) be satisfied with the synthetic fare offered daily in French by the CP, which hardly leaves any room for originality; or (ii) make their own translations and adaptations of the Canadian coverage that comes to them in English over the CP wire service, which is generally fresher and more complete than that available in French.

Quite frankly, we see no quick solution to this typically Canadian problem, and we commend CP for its determined efforts to give adequate service to its French-language members. Service in French was established in 1951 with a staff of six editor-translators in Montreal. It now has twenty-two staffers – twelve in Montreal, six in Quebec City, three in Ottawa, one in Toronto, and one in Paris. In 1964, the world news service of Agence France-Presse was brought in to supplement the sources available in English.

The French-language papers still receive a substantially smaller daily file than the English-language members, and they suffer from the time lag involved in translation. But as Mr. Ryan acknowledged, the difficulty involved is the harsh one of economics. "It is already felt," he observed, "that the CP's French service is subsidized to an abnormal extent in relation to the contributions of the French-language members alone."

On the plus side, CP's French subscribers do receive a balanced budget of Canadian and world news, day and night, in French. It is the world's only French-language news service delivered for automatic typesetting. The best measurement of its utility is that its subscribers believe CP is doing everything it can to meet their needs. So do we.

A glance through the preceding pages will probably persuade the reader that we hold a pretty high opinion of Canadian Press. Right; we do. It might suggest that we have no fault at all to find with the agency. Wrong; we have. We come now to an area of operation in which we think CP could be, and should be, doing a better job for the people of Canada. We think it should have more staffers abroad, reporting the world scene *as Canadians speaking to Canadians.*

In this, we may as well confess that we are going against some of the evidence. CP itself does not admit the necessity for a view of world events through Canadian eyes. (Why, then, does it put Canadian staff men in Washington, the United Nations, New York, London, and Paris?) Most of the publishers we questioned think the news we get from three foreign agencies via CP is jim-dandy. And when we asked the Canadian people, in the survey published in Volume III of this report, we appeared to get a similar response.

Seventy-two per cent of the people said they thought the balance of local and international news was good. Sixty-eight per cent are satisfied with the amount of news they are getting; twenty-nine per cent would like to see more, and two per cent want less. Of those who would like more, thirty-five per cent want more national news, thirty per cent want more local news, twenty-nine per cent want more international news.

We also commissioned a study, by Professor T. Joseph Scanlon of Ottawa's Carleton University, of the actual news content of thirty representative Canadian newspapers over a period of three months. The breakdown showed that they gave 67.1 per cent of their space to Canadian news, and 32.9 per cent to news from the rest of the world.

In terms of relative volume, this seems to us to be not a bad score. But it brings us to the heart of our very real concern: not how to get *more* international news, but how to increase its "Canadian content." In the words of John Holmes, director-general of the Canadian Institute of International Affairs, we are pleading for more and better information on international affairs in the Canadian mass media – but with "heavy emphasis on better rather than more."

By better, in this context, we simply mean more Canadian. We do not suggest that the Associated Press, for example, is not a fine news service. It is. But it is an American news service, and no amount of tinkering with AP copy in CP's New York office will give it a Canadian character. An American reporter, writing for an American audience, writes in the American idiom, which is not yet the Canadian idiom. He writes from a background of American experience and American national interest, which are not the Canadian experience and the Canadian interest. He uses American illustrations which are not Canadian illustrations, and he draws on a literature, a history, and a political tradition which are his and not ours.

To an importer of widgets, the nationality and allegiance of his supplier are not especially important. To an importer of news they are crucial.

Every reporter has a bias. We think it is immensely important that the reporters who give us our picture of the world should reflect the kind of bias that Canadians tend to share, rather than the bias that Americans or

Frenchmen or Englishmen tend to share. We think there should be more Canadian reporters abroad.

The best newspapers (is it a coincidence that they include the most prosperous?) obviously share our view. The Montreal *Star, La Presse,* and the three papers in Toronto have staff reporters stationed abroad. The Southam group has its own corps of correspondents. We find it disappointing that the Thomson chain, with thirty newspapers, cannot field a single reporter in Europe or Asia, and that the F.P. group, with the largest total circulation in Canada, has only three – who in fact belong to the *Globe and Mail,* not to the group.

It is mainly a matter of cost, of course, and this places the burden on Canadian Press where costs can be shared. Our researches put the price tag on a full-time reporter stationed in Europe at upwards of $25,000 a year.

Considerably upwards, in some cases. The cost to *La Presse* of a staff correspondent in Paris is $38,000 a year, including salary. His expenses break down like this:

Travel	$ 3,000
Entertainment	650
Telephone equipment	250
Telephone tolls	390
Subscriptions to papers, magazines, etc.	780
Cable tolls	3,029
Rent (office and toward house)	11,000
Miscellaneous	520
	19,629

The correspondent assumes the cost of his children's education in Paris. The cost of moving him and his family to Paris, borne by *La Presse,* was $2,548.

The Toronto *Star*'s men abroad, according to a *Star* executive, run from $50,000 to $80,000 each, "depending on their amenities and the travelling they do." *Star* men travel widely, and in some style. Other Canadian foreign-correspondent costs are more typical: a man based in Washington, $36,000 last year; a man in London with a local assistant, $40,000. The External Affairs department sets levels of foreign allowances for its people which are often more generous than the correspondents enjoy.

Canadian Press operates more modestly. Its budget for the Paris staffer is about $25,000 a year. He stays close to Paris. Two men in Washington cost about $25,000 each, and four in London (three of whom are Canadians) operate at a total cost of about $100,000. The CP man abroad is usually not as senior, and not as highly paid, as the newspaper staff men; he travels less and entertains less.

CP's own current view of its function in a foreign bureau is that it should provide a basic and comprehensive spot-news report from the area: in other words, that it should compete on the main news with the international agencies. It does not feel obliged to provide for all its Canadian members the kind of analytical and situational "special" writing that only the biggest papers are getting from Canadian reporters now. This limited view of the job of the national wire service means that CP men abroad spend their time watching and rewriting local news-agency files and newspapers so as to keep abreast of everything.

CP last year withdrew its Moscow correspondent on the basis that he was restricted to writing "specials" and could not really compete on the hard news with AP and Reuters. This was considered to be $25,000 a year wasted—although those "specials" may have told readers a lot more about Russia and eastern Europe than reports of diplomatic comings and goings, or the managed news announcements rewritten from TASS. For the same reasons, CP does not intend to put a man in Peking where Canada and China have succeeded in establishing diplomatic relations.

We hope CP will reconsider its policy on the kind of reporting it wants from abroad, and that the newspapers which provide it with funds will take another look at the figures. We think it would make more sense to rely on the basic news file of the international agencies and provide all Canadian papers, large and small, with more thoughtful reviews and analysis. As John Holmes pointed out, we don't really need a daily head-count from Vietnam; our understanding might be better served by a considered summary once a week. Some publishers (Mark Farrell of the Windsor *Star,* for one) told us they would be willing to pay an extra charge for this kind of service. We do not advocate, certainly, that it should be done by paring down CP's domestic service.

Let us suppose, for example, that CP added just six men to its foreign string and that each of them, travelling fairly extensively, cost the agency $40,000. If our calculations are correct this would add about $10,000 to the annual assessment of the Toronto dailies. It would add about $3,800 a year to the charge on a paper with 50,000 circulation and $1,200 to the smallest papers with 10,000 circulation. So for $100 a month, one quarter of the cost of a local reporter, every small-town newspaper in Canada would acquire six writers of international stature, explaining for its readers the trend of affairs in the world's news centres. A bargain.

We think some such programme is not only desirable but essential to Canadian understanding of the world we live in. But we really don't presume to tell the media barons how much of their money they should spend. If six men are too many, why not begin with three? Only let us begin.

2. Postal Rates

Recent research in political science has suggested that the cohesiveness of a national community depends to a large extent on the number of messages that circulate within its borders. In a country such as Canada, where a combination of small population and vast distances makes intercommunication both harder and more necessary, the government must do all in its power to facilitate the process.

In this light, the curtailment of postal services in general, and the increase in periodical rates in particular, can have only a bad effect. If, for example, the post office department must pay its own way, by the same token so should all other systems of transportation and communication. Assuming that the preservation of Canada is a valid goal, such a principle falls of its own weight. Communications are expensive, and so is the country. If the latter is to survive, the former must have constant aid. Any government action that compromises for financial reasons communications between Canadians, in print or otherwise, is to say the least short-sighted.

We subscribe to these words of Tom Sloan, who addressed the Committee as chairman of the communications program at Laval University. We regard the freest possible flow of printed information and opinion as being vital to the national unity of Canada. We regret the recent imposition of increases in postal rates on newspapers and periodicals, and the concurrent elimination of Saturday urban delivery. We have evidence that these measures have resulted in the death of a few publications, and have caused reductions in the size, frequency, and quality of many more. Whatever the accounts of the Post Office may show, we believe Canada is the poorer.

The Honourable Eric Kierans, appearing before the Committee as Postmaster-General, forecast that in 1969-70 the Post Office would lose \$24,000,000 on its handling of Canadian publications. It seems a large sum (in fact, it *is* a large sum) but it also seems reasonable to compare it with the \$166,000,000 which Canadian taxpayers contributed in 1969 to the operation of the CBC. And the Post Office deficit is incurred in the carrying of literally hundreds of millions of copies of newspapers, weeklies, magazines, business papers, religious and farm journals, scientific and medical bulletins, and a host of other publications both commercial and noncommercial.

We do not regard a Post Office deficit as a subsidy to publishers. Ralph Costello, publisher of the Saint John *Telegraph-Journal* and president of the Canadian Daily Newspaper Publishers Association, forcefully made the point that it is a subsidy to readers. The Post Office has argued that second-class rates were last increased in 1951 and that the current increases can be passed on to subscribers; in most cases it is a few cents per copy. But there seems to be a point, and some Canadian publications have now encountered it, beyond which subscribers will not go, at which they will refuse to pay an extra price however slight and legitimate. When that happens, communication suffers.

It is our view that printed communication should continue to be subsidized and that postal rates for publications should be set high enough not to attract a host of merely frivolous free-loaders but not so high as to deter a publication that serves a readers' need.

If this means a continuing loss on the carriage of second-class mail, so be it. We can think of no better way to invest $24,000,000. And if the Post Office is required to break even on its operations, the remedy is simple. Let the deficit be met by an annual grant from Parliament (which is essentially what happens anyway) and let the Post Office balance its books. This, incidentally, is the principle now adopted in the United States, and is substantially what Mr. Kierans himself suggested.

An objection to this simplistic proposal is that the Post Office does not enjoy, in the words of Mr. Kierans, "playing God to the publishers" by determining what rates they should pay on any other basis than the cost of service. But someone will have to do this, and the Post Office is the only organization with a hundred years of quite successful experience in the field. Mr. Kierans suggested some sort of committee representing the publishers and the government. We see little prospect that this could be effective: the interests of the two groups in this matter are fundamentally opposed, and the committee could be only advisory, not decisive. Nor is any committee needed to elicit the publishers' views; they will be freely offered, as they always have been.

The setting of postal rates for publications is a complex and sophisticated exercise calling for resources which this Committee was not able to command. It involves the making of social judgements as well as accounting calculations. For example, should a newspaper pay the same rate as a religious magazine if the Post Office's cost of handling them is the same? Should a publication which is paid for by subscribers be charged on the same basis as one which is circulated free? Should a magazine supported by advertising, and published for profit, pay the same postage as one which goes to members of a professional association and is paid for by their fees?

When the Post Office raised its rates in 1968 under Bill C-116, it made many judgements of this kind. It reclassified some publications to different and higher rate bases within second-class, and shifted others into third-class where they pay still higher rates. It excluded from the second-class statutory category publications circulated free, and periodicals distributed by associations, unions, co-operatives, and church congregations. The result of the rate increase plus the reclassification, plus a new minimum charge per piece of mail and other provisions, was to face some publications – small weekly newspapers, for example – with mailing costs 400 to 500 per cent higher than they had previously paid.

This Committee does not profess the competence to analyse the intricate rate structure and attempt a detailed overhaul. But our research has been sufficient to suggest two general propositions. One is that further rate increases would be severely damaging to the dissemination of news and ideas in Canada. (We do not suggest a general roll-back to the *status quo ante*. Publications which survived the 1968 increases have in the main adjusted, and the damage done will not be undone. The *United Church Observer,* for example, which reduced its frequency from 24 to 12 issues per year, would not revert even if the previous rates were restored.)

The other proposition is that some individual rates are nevertheless too high, and that there are inequities within the present structure that could be removed. We shall deal as briefly as possible with the revisions we consider most urgent.

First, it is evident that the minimum charge of two cents per piece of mail, instituted in April, 1969, works a particular hardship on the publications least able to withstand it.

Let us consider the case of a weekly newspaper with a circulation of 9,000, weighing four ounces. At the old rate of three cents per pound, it paid .75 cents per copy to mail. At the new rate of five cents per pound it would pay 1.25 cents; but under the imposed minimum it pays in fact two cents.

Suppose the same newspaper weighs 6.4 ounces. At the old rate it paid 1.2 cents; at the new rate, its weight just brings it to the minimum charge of two cents.

Now consider a weekly with 50,000 circulation, weighing four ounces per copy. The old rate was five cents per pound, the mailing charge 1.25 cents. The new rate is still five cents per pound, but again the minimum two-cents charge applies.

These examples are given to illustrate two points. First, because of the two-cents minimum, the rate increase has been relatively stiffer for light-weight publications than for heavier ones. But the lighter ones are usually those with less advertising revenue and hence less ability to absorb the higher charge. Second, the increase has been relatively higher for publications with small circulations; they have lost the favoured position they enjoyed under the previous system. But again, the low-circulation publications tend to be the least profitable and the least able to pay. And it should be noted that while we have used weekly newspapers as examples, the same point applies to *all* printed publications.

We therefore advocate removal of the two-cents-per-piece minimum charge, as a measure of assistance to those who need it most.

In the area of rates, our other major recommendation is that the complex system of categories should be simplified, and in a way that involves certain reductions below the present scale. In particular, it seems to us that publications operating on the "qualified circulation" system – that is, circulated free to a selected readership – are excessively penalized in the present rate structure as against those with paying subscribers. An argument for the present discrimination – and we concede its validity – is that controlled-circulation publications do not have the high expense of soliciting subscribers (nor do they give the Post Office the benefit of quite lucrative direct-mail solicitations at third-class rates). We do not suggest elimination of the disparity; we suggest merely that it is currently too great.

The present rate for publications with paying subscribers is five cents per pound; for controlled-circulation publications 31 cents per pound; and for association publications 47 cents per pound. As a basis for consideration, and subject to the technically detailed analysis which only the Post Office is equipped to give it, we propose tentatively the following framework:

For commercial publications with paid circulation .... 5c per pound.

For commercial publications with unpaid circulation .... 15c per pound.

For association publications with unpaid circulation .... 25c per pound.

We further suggest that these rates should apply only to publications which on an annual basis contain at least 50 per cent editorial material; to those published by a publishing company as currently defined by the Post Office; and that publications with partly paid and partly unpaid circulation should pay the rates applicable to each portion. This is an extension of the principle that operates now.

We repeat that we are not attempting to propose what the final rate structure should be in detail, but merely to put forward a frame of reference for working it out – no further increases, removal of the minimum charge, and a smoothing out of existing disparities.

The Committee heard a good deal from some periodical publishers on the subject of one claimed injustice in the rate structure. The complaint is that these publishers do much of the Post Office's work for it – pre-sorting magazines, bundling them in some cases into individual postal walks, delivering them aboard railway cars for shipment – and that the Post Office, by applying the full rate, is charging them for work which it does not perform.

We do not see how a rate formula could be structured to take these individual operations into account. The Post Office is running the equivalent of a street-car system, not a taxi service; it costs the same to ride for two blocks as for ten. The publishers are not compelled to undertake these sorting duties; they do it in their own interest, to ensure better service. We sympathise, but we are not inclined to recommend a change.

The above discussion does not refer to daily newspapers. In the main, they are not heavily dependent on the mails. We think the present charges are fair. The increase has worked a special hardship to readers in some individual cases, but we see no way to evolve a rate formula which can be tailored to meet the special situations of particular newspapers at a particular point in time.

What we do urge to assist these newspapers – and almost all weekly newspapers – is the earliest possible resumption of Saturday mail deliveries. The "lost weekend" has hit some newspapers almost as hard as the rate increases. The unhappy experience of *Le Devoir* is reported in the Hopkins, Hedlin study and we will not repeat it here. The St. John's *Telegram* Friday edition, circulated widely through Newfoundland, suffered severe losses. And this is not simply a question of financial hardship on publishers. Ottawa's *Le Droit* formerly had a wide readership among the French-speaking population of towns in northern Ontario; the combination of increased rates and Saturday non-delivery has deprived many of these readers of their French-language daily.

Elimination of Saturday urban deliveries in February, 1969 is estimated to save the Post Office $13,000,000 a year. We hope it can soon be restored – to the benefit not merely of publishers but of all who use the mails.

Finally, a note which is probably not even necessary. We hope that the Post Office will vigorously pursue the efficiency studies which it now has under way. Some publishers told us that regularity of service is as important as speed. The Post Office now has an experimental station in Winnipeg which is trying out improved methods of mechanical sorting, stamp cancellation, and weighing of mail. We hope that what is learned there will speedily be applied throughout the country, and that the unions involved will be co-operative in the introduction of new methods.

Mr. Kierans in his appearance before the Committee was typically frank about this problem, and he rightly put the responsibility where it belongs:

> This is the result of the way we, the people of Canada, have looked at Post Offices. You know, we never give them the capital equipment, the advanced mechanization to handle these tremendous problems, and we are at the stage where the provinces were fifteen or twenty years ago if they hadn't built the great autoroutes and the interchanges outside of Montreal and Toronto. Can you imagine the old Cote de Liesse Road trying to handle the traffic that goes over the Metropolitan? But we are still at the old Cote de Liesse state.

We hope to see the Post Office building its own Metropolitan Boulevard.

We do not see how a rate formula could be structured to take these factors separately into account. The Post Office, in [illegible] second class [illegible] the [illegible] publishers are not [illegible] to undertake these sorting duties; they do it in their own interest, to secure better service. The system has [illegible] but we are not inclined to recommend a change.

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Elimination of Saturday urban deliveries in February, 1969 is estimated to save the Post Office $1,000,000 a year. We suggest that sum be spent – to the benefit not merely of publishers but of all who use the mails.

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3. Advertising

This study was emphatically not an examination of Canada's billion-dollar-plus advertising industry; but studying the mass media without any reference to advertising would be like building a skyscraper without using structural steel.

Because value is received, it is unfair to describe advertising as a form of subsidy to the mass media. What is not only fair but vital to realize, however, is that advertising is the overwhelming, the first, the chief source of revenue for the media; our research indicates that 65 per cent of the gross income of all newspapers, and 93 per cent of the gross income of the private broadcasting industry comes from this source.

Table 21 is a breakdown of advertising revenue, structured to highlight the growth rate of advertising as well as comparative revenues of the various media.

About half of all the advertising in Canadian media is placed by national advertisers, usually through advertising agencies. And so it was that our Committee received briefs from the Association of Canadian Advertisers Inc., the Canadian Advertising Advisory Board, and the Institute of Canadian Advertising. Officers of the Institute of Canadian Advertising also appeared before the Committee.

Needless to say, the Committee in the first instance was concerned with the inevitable question: do advertisers control and manipulate the mass media?

It seems clear that they do not. We heard dark hints that abuses exist, but we were unable to find any cases, nor were any documented for us. It was suggested repeatedly that the tendency to yield to such pressures is especially great in the smaller media organizations; but the isolated examples we heard about tend in our opinion to confirm the rule that the Canadian media do not bend before advertisers.

TABLE 21. NET ADVERTISING REVENUES AND SHARES OF MARKET IN CANADIAN MEDIA

Year	Radio		Television		Dailies		Magazines		Business Press		Weekend Supplements	
	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
1954	31,711,000	9.4	8,596,000	2.5	116,113,000	34.3	14,280,000	4.2	15,238,000	4.5	11,566,000	3.4
56	38,820,000	9.0	27,063,000	6.3	142,409,000	32.9	17,940,000	4.1	20,642,000	4.8	14,701,000	3.4
58	43,553,000	9.0	37,752,000	7.8	152,536,000	31.4	17,798,000	3.7	23,383,000	4.8	15,457,000	3.2
60	50,354,000	9.2	49,963,000	9.1	169,928,000	30.9	21,033,000	3.8	25,760,000	4.7	17,089,000	3.1
62	53,756,000	9.0	61,718,000	10.3	184,054,000	30.8	17,875,000	3.0	25,547,000	4.1	17,018,000	2.8
64	65,121,000	9.7	80,662,000	12.0	195,894,000	29.3	17,818,000	2.7	26,400,000	3.9	17,935,000	2.7
66	80,048,000	10.0	100,392,000	12.6	234,915,000	29.4	21,872,000	2.7	29,183,000	3.6	17,391,000	2.2
68	92,000,000	10.1	118,000,000	12.9	274,200,000	30.0	22,000,000	2.4	29,500,000	3.2	16,000,000	1.8

The point, of course, is that they do not have to; because broadly speaking the advertisers, their agencies, and the media owners are all the same kind of people, doing the same kind of thing, within the same kind of private-enterprise rationale. There is nothing sinister about it, nothing conspiratorial. Advertiser pressure is not necessary because the influence is there anyway—subtly and by implication.

It is not for this report to analyse the ground rules which go right to the heart of the private-enterprise system. It will be enough for us to remind consumers of the mass media of these facts of life. The advertising industry reminds us over and over again that it "makes good things happen." Media owners accept this conclusion, but they don't often say so—at least in public.

The Committee heard a great deal, much of it critical, about how advertising meets its social responsibility. Surprisingly, one of the most articulate expressions of concern came from a Toronto advertising agency president; but Jerry Goodis has undoubtedly created something of a reputation as a conscience for his industry. He told the Committee:

> What are the results of the necessity to build an audience of affluent consumers to serve up to the advertiser a more affluent or more efficient audience than the next man? Editorial content inevitably comes to serve this end. The measure of editorial acceptability becomes how does it fit, or will it interest the affluent. As a consequence the mass media increasingly reflect the attitudes and deal with the concerns of the affluent. We don't have mass media, we have class media – media for the middle and upper classes.
>
> The poor, the old, the young, the Indian, the Eskimo, the blacks are virtually ignored. It is as if they didn't exist. More importantly, these minority groups are denied expression in the mass media because they cannot command attention as the affluent can.

Although Goodis's agency belongs to the Institute of Canadian Advertising, the I.C.A. representatives who appeared before our Committee were inclined to play down their social responsibility. Dennis Jotcham of Foster Advertising Limited clearly felt that advertising follows rather than leads public taste: "We try to go along with public taste, public demand, and fill consumer needs and they are there and they are in existence, but we follow trends rather than set them."

After agreeing with Mr. Jotcham, George Sinclair, the president of Canada's largest agency, MacLaren Advertising Company Limited, spoke about advertising's responsibility in connection with "poverty-stricken Canadians." He told the Committee: "He knows damn well that he is deprived and he doesn't need advertising to tell him so, and I think it is a sentimental point of view to put that argument forward."

But Canada's most successful private broadcasting station, CFRB, took a different approach. Several days before the I.C.A. appeared, the Toronto radio station told us:

> It is within the power of advertising agencies to exert a profound influence on the life style of the Canadian people. The advertising they create, to a considerable extent sets the standards of taste and the levels of consumer demand for a nation.

The CFRB brief went on to raise another pertinent concern about advertising:

> The degree to which our advertising industry borrows from foreign cultures and attempts to persuade listeners or viewers to alter attitudes and habits unique to Canada should be of concern in the preservation of our own way of life . . . To the greatest possible extent, such agencies should be controlled by citizens of this country. The decisions which will affect profoundly the buying habits of consumers and the marketing procedures of our industries should be taken by those who understand and wish to protect those attitudes which distinguish Canadians from other inhabitants of the North American continent.

The facts are alarmingly simple. Approximately one-quarter of I.C.A.'s member agencies are American-owned, and collectively these agencies bill an estimated 37 per cent of the industry's more than $460 million billing. The present rate of growth of such American agency billing is 1.1 per cent per year. In other words, in ten short years yet another Canadian industry – this time advertising – will be more than 50 per cent in the hands of American interests. There is no apparent reason for thinking that this trend will not continue; in fact it is likely to accelerate because the Canadian agencies most likely to be taken over by American companies are those with the largest billings. There are at least two enormous continentalist pressures in the advertising industry. Regrettably, many small Canadian agencies look to American mergers for their economic salvation; but that is only part of the story. All too frequently, especially following takeovers, American owners instruct Canadian subsidiaries to advertise through the Canadian branch of the same agency which the parent company uses in the United States.

At the 1970 I.C.A. convention Andrew Kershaw, the Canadian president of the New York-based Ogilvy & Mather Inc., told delegates that "the trend to internationalization" (i.e. Americanization) "of advertising agencies is not a plot to take over the world." He is probably correct. Anyway, we will leave his reassurance and indeed the entire debate about economic sovereignty to other times and places.

Perhaps we are too concerned about advertising's potentially lost Canadian virtue. Virtue once surrendered can hardly be abandoned a second time; and a fairly effective case can be made that Canadian advertising agencies, through constant imitation, are now capable of turning out a sales pitch as bad as the best from Madison Avenue.

But we are being unfair and just a trifle coy. The Canadian advertising industry is certainly worth saving; but it will serve us best if it is Canadian owned and operated.

Meanwhile, we wonder about the adequacy of laws compelling Canadian ownership of the mass media if the mass media's single greatest source of revenue is controlled from a foreign country, even if that country is the United States – or maybe, in the case of advertising, especially if it is the United States.

One of the controversial practices discussed before the Committee was the manner in which the media have traditionally franchised advertising agencies – a throwback to the days when an advertising agent functioned as a sales agent for a publisher. The Association of Canadian Advertisers, among others, opposes the media franchise system because the modern agency works not for the publisher or broadcaster but for the advertiser. Yet the media impose stringent restrictions which can work a special hardship on smaller agencies. The Canadian Daily Newspaper Publishers Association's franchise, for example, formerly required that an agency seeking national recognition have $50,000 working capital; that it agree to a C.D.N.P.A. probe of its financial statement; that it have at least three accounts, bill at least $150,000 a year, and agree to spend at least $20,000 of this in newspapers.

We were happy to note that the C.D.N.P.A. in April, 1970 abandoned the old practice and replaced it with a simplified, and more lenient, credit rating system. We hope other media organizations will quickly follow this lead.

As a Committee we have been impressed by the activity of the Canadian Advertising Advisory Board, both in formulating a code of standards and in informing the public of the code's provisions. The Canadian Advertising Advisory Board is composed of the various media associations and the Institute of Canadian Advertising. We applaud its initiative, and caution it against reading too much into the relative lack of public response.

Most media organizations have their own house rules. We were especially taken by the Toronto *Star*'s handbook, *Advertising Acceptability Standards.* We quote from its introduction, which really says it all:

> When the public places confidence in a certain medium, this confidence embraces the advertising in it . . . .
>
> Good advertising tells the truth, avoiding misstatement of facts as well as possible deception through implication or omission. It makes no claims which cannot be met in full and without further qualification.
>
> Advertisements must be considered in their entirety and as they would be read in good faith by those to whom they appeal.
>
> Advertisements as a whole may be completely misleading although every sentence separately considered is literally true. This may be because advertisements are composed in such a way as to mislead.
>
> Advertisements are not intended to be carefully dissected with a dictionary at hand, but rather to produce an impression upon prospective purchasers . . . .

We endorse the application of such standards. At the same time, we are concerned about the question of how far the media can go in rejecting ads. It would appear that at the present time a newspaper can turn down advertising for whatever reason it may choose; and it may do so under no obligation to offer explanations. Surely it is about time this unsatisfactory state of affairs was studied, perhaps under the restrictive trade practices provisions of the Combines Investigation Act.

Perhaps we should refer to the decision taken earlier this year by the I.C.A.'s American counterpart to allow American advertising agencies actually to purchase, own, and operate specific media organizations. We cannot believe that this practice is in the interest of the public. We hope it will not be repeated in Canada, and we would urge the I.C.A. to act against any member who sought to buy into the media.

These reflections on the state of the advertising industry, admittedly random and incomplete, lead us to one specific recommendation. Of necessity, our study could touch only the fringes of this vitally important industry. We think a thorough examination is called for, and we propose that it be made.

Our opinion was confirmed by the provocative speech made by Ron Basford, Minister of Consumer and Corporate Affairs, to the American Marketing Association in Boston in September, 1970; and by the singularly up-tight reaction of the Canadian advertising industry to the ministerial needle. (At least, we hope it was only a needle.) We think that a Parliamentary committee—perhaps a Senate committee—could usefully put our advertising industry under the microscope. Everyone would benefit: the industry, the media, and most especially the people of Canada.

We see such a study as encompassing everything from the "tyranny of ratings" to what Mr. Basford called "advertising over-kill." But the main line of inquiry would be the one which Peter Doyle of the London Graduate School of Business put neatly into perspective in the *Economic Journal*:

> The main arguments that advertising has reduced economic welfare can be grouped into three. These are: that the bulk of advertising is uninformative and misleading; that it produces monopolistic restrictions on the free play of market forces; and thirdly, that high promotional spending has raised prices and costs unnecessarily.
>
> The main lines of defence are that advertising permits economies of scale in production and distribution; that it permits cheaper newspaper and television services; and that it stimulates competition in technical progress and higher-quality goods.

In a nutshell, then, we would like to know if advertising really does "make good things happen."

4. Public Relations

The public relations business has an image problem. And that's a rather remarkable state of affairs for an industry whose self-proclaimed function is to earn public acceptance for others. One generally accepted definition of public relations is the one the Committee received in a brief from the Canadian Public Relations Society:

> Public relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or organization with the public interest, and executes a program of action to earn public understanding and acceptance.

Clearly, media relations will be an integral part of any public relations program. However, it is a commonly held misconception that media relations is all that P.R. is about. Regrettably, our Committee's interest in and concern about public relations as it relates to the media might possibly add to this misunderstanding.

In fact many public relations practitioners do little, if any, news relations work. They are more frequently involved in such diverse activities as community relations, corporate advertising, product advertising, membership recruitment, government relations, house organs, employee communications, fund raising, financial public relations, public relations counselling, and sales promotion.

But most people, if acquainted with public relations at all, tend to relate it almost entirely to its inter-activity with the mass media. The fact that to this date at least, an overwhelming majority of Canadian public relations people have a working press background, understandably contributes to this impression. But unhappily and unfairly, the image of the cigar-smoking backroom wheeler-dealer flak persists; and the industry so concerned about everyone else's public relations has not taken enough time to improve its own.

On July 7, 1969, the *Globe and Mail* editorially suggested that the Senate Committee on Mass Media would do well to "contemplate the men between the news-makers and the news." The same editorial suggested that "their opportunity to influence what the public reads, hears and sees is as great as it is subtle."

We wanted to find out if other newspapers shared the *Globe and Mail*'s concern. Apparently a great many do:

> A few public relations officers are useful; most are not. (Windsor *Star*)
>
> All material produced by public relations people (who sometimes try to disguise themselves as information officers) is suspect and only publications who care little for integrity and responsibility use it. (Ottawa *Citizen*)
>
> Perhaps nobody is as acutely aware of how much useless material is turned out by countless PR men as is a newspaper. The material arrives in floods daily and practically all of it winds up in the wastebasket. (Calgary *Herald*)
>
> There is a danger that public relations organizations become a barrier between the press and the sources of news. (Fredericton *Gleaner*)

The Montreal *Star* was somewhat more generous and perhaps more typical of the kind of response we received:

> Where public relations means easier access to reputable sources of information, then we find it useful, but much of what we receive does not meet this test.

If our Committee had to draw a conclusion based on what the newspapers told us, it would be that there is too much quantity and not enough quality received from public relations people.

As well as receiving the Canadian Public Relations Society brief, the Committee sought and received a number of briefs from leading public relations counsels from across Canada. In an introductory statement to its presentation, David Wood, President of the Canadian Public Relations Society, said: "All of our societies recognize the impact of media in influencing the public, and are therefore vitally interested in the quality and attitude of Canadian media."

The briefs we received privately were similarly indicative of solid insight into how the press functions. For example, this from the P.R. director of a large Canadian corporation:

> One hears of people saying that they have been misquoted by the news media, but the incidence of this, in the writer's experience, is minimal. Where a person is deliberately misquoted by the news media must be a matter of concern to the particular paper, magazine or whatever vehicle is involved, because it simply results in the client being more cautious in future. Generally, the media tell the story as they receive it.

And this from a P.R. man on the west coast:

> Few newspapermen may be aware of it, but an important part of a public relations man's practice of public relations is inside his organization, rather than outside. Explaining and even defending the news media's position or interest in the organization to its top executives often

occupies as much as 50 per cent of a public relations man's time. The knee-jerk reaction of the majority of businessmen when queried by the press for a statement or an interview is still "No comment." It is impossible to say how many businessmen's statements would never have been released if it were not for the advocacy of the public relations man, but the percentage must be extremely high. The quality and frankness of such statements may leave much room for improvement, since businessmen have a well-founded fear of blunt, unequivocal statements being distorted or blown up out of context by the news media. Moreover, few business matters can be reduced to simple black and white statements, a fact newsmen often find hard to accept.

It is estimated that there are about 1,350 Canadians engaged full-time in the practice of public relations. All but 400 belong to the Canadian Public Relations Society, an organization whose five stated objects add up to the pursuit of professionalism. The society is understandably proud of its recently established accreditation program. To quote their brief:

To be accredited, an applicant must undertake special studies and pass written and oral examinations. The candidate also must meet high standards of experience, character and professional reputation in the field of public relations.

The accreditation program is supervised by a three-man team of professional educators. Dr. Roby Kidd of the Ontario Institute for Studies in Education serves as chief examiner. Successful candidates are eligible to use the designation "CPRS Acc." following their names.

We hope this pursuit of excellence will one day stiffen the backbone of the Society. Certainly, it was clear from our hearings that for all kinds of seemingly practical reasons the organization has no effective way of disciplining wayward members.

The Canadian Public Relations Society has a code of ethics in which Rule 2H reads as follows: "A member shall not engage in any practice which has the purpose of corrupting the integrity of channels of public communication." What, then, of the willingness of too many newspapers to allow advertising which appears as conventional editorial material but is not identified as advertising? Agreed, this is a newspaper matter; but when a Toronto-based public relations firm produces a series of feature pages in the Toronto *Telegram* and Montreal's *Le Devoir,* identified as advertising matter by an easily overlooked small disclaimer, it should also be a matter of concern to the public relations industry.

And was the industry upset? You bet it was. The then president of the Toronto branch of the Canadian Public Relations Society said at the time – and quite accurately – that "readers would tend to lose faith in the accuracy and objectivity of newspapers and reporters if the reader cannot tell what is advertising and what is important reporting"; and there was much similar hand-wringing before our Committee. But was anything done by the Society to the offending company – Public Relations Services Limited? Nothing. Absolutely nothing.

Meanwhile the Society's quest for professionalism goes on. We applaud the initiative but can only wish that some day it will be back-stopped by a code of ethics with teeth.

Perhaps one or two footnotes in conclusion. First, the public relations industry in Canada is still lamentably weak when it comes to involvement with the new electronic media.

Second, there are times when Ottawa seems to be alive with P.R. people performing useful functions albeit with something less than spectacular impact on major decisions. We agree with the Calgary public relations consultant who suggested: "The registration of P.R. people would add a little respectability to their work, and assist the legislator in his evaluation of the people making a presentation."

Third (and this may have less to say about public relations than about the general orientation of the press), Jack Williams, director of public relations for the Canadian Labour Congress, wrote as follows in the May, 1970 issue of *Canadian Labour*: "The major weakness of our movement now is a failure to communicate effectively with both the membership and the public at large." Soon after, the Chamber of Commerce Journal observed: "Evidence of the Association's co-operation with representatives of the nation's news media in presenting industry's thinking and reporting its contributions to the Canadian economy is the excellent share of publicity achieved during the year."

Public relations people, at least those who appeared before our Committee, take exception to the word "image" – preferring "reputation." But "reputation" or "image," we agree with the Toronto P.R. man who put the public relations business – and particularly its relationship with the news media – into this perspective:

> This strange relationship is perhaps a question of defining various shades of seduction. The PR man uses his skills with the news media on a very personal basis to get his story across to or alleviate criticism. The newsmen try to use this personal relationship to dig out the stories they really want from the PR man and his masters. If the PR man falls for this and gives out the "inside" story he will probably lose his job or his client. And if the reporter is too uncritical about the material he accepts from the PR men he becomes suspect within his own management. Both parties are therefore somewhat circumspect in their relationships, circling each other warily.

And what about the public? A recent issue of the Christian Science Monitor, after suggesting that public relations is an art which is becoming more efficient and important, concluded: "Public relations is practical politics – no more manipulative of public opinion than the citizens' credulity lets it be."

VI

EPILOGUE

For one or two reasons, we conclude: First, that the public relations industry in Canada is still lamentably weak when it comes to involvement with the new electronic media.

Second, there are times when Ottawa seems to be alive with P.R. people performing useful functions, albeit with something less than spectacular impact on major decisions. We agree with the Calgary public relations consultant who suggested: "The registration of P.R. people would add a little respectability to their work, and assist the legislator in his evaluation of the people making a presentation."

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And what about the public? A recent issue of the *Christian Science Monitor*, after suggesting that public relations is an art which is becoming more refined and important, concluded: "Public relations is practical politics – far more manipulative of public opinion than the citizens' ordinary [illegible]."

1. And finally...

This has been a report to the Canadian people on the condition of the Canadian mass media, as seen by a Parliamentary committee after a year of study which we can honestly claim to have been conscientious. The Committee believes that there are a number of aspects of the media's structure and performance which are capable of improvement. We also believe that there is very little that governments can do – or even should do – to bring those improvements about. As more than one witness reminded the Committee, only the owners of the media, and the people professionally engaged in the media, can do that job; it is not a role for governments.

The report does contain some proposals for legislative and administrative action. But it contains many more recommendations (perhaps better described as exhortations, wistful wishes, and expressions of earnest hopes) for everyone else concerned: the owners of the media, their employees, their supporting services, and their audience. We thought it appropriate to end this report by briefly reviewing some of these suggestions and, to some extent, sloganizing them. The list below is *not* complete. It contains some ideas which are not spelled out explicitly in the report, and omits others which cannot be adequately summarized without distorting by over-simplification. It is a sampler rather than a summary, and we emphasize the importance of reading the report as a whole. But we believe this brief compilation fairly encapsulates the kind of thinking that has gone into the report, and consistently represents its tenor. For those who start reading at the back of any book, it is a tip-off to what may be found in the body of the report. Good hunting.

To the Government of Canada:

Set up a Press Ownership Review Board to represent the public interest in future mergers or takeovers of publications. Object: to ensure that the news business continues to be everybody's business.

Set up a Publications Development Loan Fund, so that the loudest voice in town won't inevitably become the only voice in town.

Remove the present exemptions from Section 12 A of the Income Tax Act. Somehow or other, we've arrived in the peculiarly Canadian position where our most successful magazines are American magazines, and we're moving inexorably toward the day when they'll be the *only* magazines we have. This may make sense in terms of economics; on every other basis it's intolerable.

Extend the provisions of Section 12 A to cover the placement of advertising on American-owned broadcasting stations. This will curb the pirating of commercial dollars by stations just across the border which accept Canadian money but don't play by Canadian rules.

Initiate a study of advertising in the media, to find out whether it's really true that Advertising Makes Good Things Happen.

Provide some postgraduate scholarships for journalistic specialists, so that the people who tell us what our world is like will be the best-informed people around.

Give some modest financial aid to *Canadian Scene,* which tells the Canadian story to new Canadians in fourteen languages, by way of the ethnic press. Twenty-five thousand dollars would probably fill the bill – and that's .833 cents for each person who gets the message.

Take a good look at the system of financing the Canadian Broadcasting Corporation. In particular, consider whether it wouldn't make sense to give the CBC five-year grants so that it can plan for the day after tomorrow, and remove the strait-jacket of the annual dole.

Give the Canadian Radio-Television Commission some more precise guidelines to follow on how much concentration of media ownership is tolerable. One overriding guideline: the public interest.

Give the C.R.T.C. jurisdiction over programming on closed-circuit television systems – the only form of "broadcasting" that is now under no jurisdiction at all.

Clear up the overlapping of authority between the Department of Communications and the C.R.T.C. where the interests of CATV operators run counter to the interests of common carriers. This is one of the areas where developments in technology have outrun social planning.

No more increases in second-class mail rates, on the principle that the free flow of information is vital to our national existence, and that postal-rate assistance is a subsidy to the reader, not the publisher. As soon as possible, restore Saturday deliveries.

To owners and operators of the media:

Here we indulge in some wishing.

We wish media owners, as an industry, would think again about the policy of maximizing profits by skimping on the quality of the product. The maximizing is their business. The skimping is everybody's business.

We wish the Canadian Daily Newspaper Publishers Association would put editorial quality on the Association's agenda, along with advertising sales. If ethical and professional standards aren't the business of publishers, whose business are they? Two ways to get going: support the formation of a national Press Council, and finance the establishment of some university scholarships for bright journalists.

We wish the Canadian Association of Broadcasters would re-read the Broadcasting Act of 1968, especially the part about the national broadcasting system and the place of the private broadcasters in it. Then we wish they'd get off the defensive; develop a positive policy of research and information; and keep on lobbying for what they believe in.

We wish the C.D.N.P.A. and the C.A.B. would get together with the Institute of Canadian Advertising and the Association of Canadian Advertisers on a serious study of the social consequences of advertising. Are our ills really cured by consuming?

We wish English-language broadcasters would ask French-language broadcasters why it is that the top four TV shows in French Canada are made in French Canada. Maybe they have more going for them than just the language barrier.

We wish French-language newspaper publishers would send a few staff reporters into English Canada. It's an interesting country too.

We wish all newspaper proprietors would put their names at the top of the editorial page – not just the name of the company, but who really owns the paper? The people have an interest in knowing who it is that's talking to them.

We wish broadcasting bosses, public and private, wouldn't wait to be pushed by the C.R.T.C. We wish they'd provide fuller opportunities for Canadian talent to develop in Canada – by more regional programming on the networks, by more low-budget programming everywhere. Their employees have plenty of ideas, not just for new programmes but for new *kinds* of programmes. Are the bosses listening?

To absolutely everybody in the media:

Get together and set up a Press Council; you do have something besides profits to protect.

We wish working journalists would remember that if they don't demand better newspapers and better broadcasting, no one else will. So stop griping; start organizing. This goes for editors too.

The press is an institution. Institutions resist change. But change is the constant of our time. We hope media practitioners will agree with us that their prime job is to prepare the people for the shock of change.

We hope the media will not be reluctant to embarrass the powerful. If the press is not a thorn in the side of the Establishment, it's a wart on the body politic. Try thinking of the press as the loyal opposition, or a countervailing force.

Never, *never,* NEVER print a press release intact.

To sundry friends, supporters, and sparring partners of the media:

The Canadian Press: Think some more about the advantages of direct Canadian reporting from the world's news centres, so that the news we get from abroad is told by observers who speak our language. We've calculated the costs; it is impossible to compute the benefits.

The public relations fraternity: Not surprisingly, you are held in most esteem where your real function is best understood. What's chiefly needed is a little work on your own image, which is a trifle fuzzy around the edges.

Local police forces: Reporters aren't policemen, and policemen aren't reporters; please try to keep that distinction clear.

Magistrates and public prosecutors, especially in cities with underground newspapers: Your job is to enforce the laws impartially, not to use local by-laws to muzzle newspaper editors who happen to have long hair.

The universities (at least four of them, regionally distributed): Set up full-scale faculties of journalism and television arts, and raid the upper echelons of the media for top-flight communicator-teachers. In the next few years there will be at least a thousand jobs a year in journalism and broadcasting. If those who fill them are to be professionals, they'll need professional training.

To the Canadian Broadcasting Corporation:

(Why single out the CBC? Doesn't everybody?)

Please do more to give us a genuine choice of programmes when we switch TV channels. If CTV comes up with *The Nurses,* must you respond with *The Interns*?

You *are* giving us a genuine choice on network radio; don't let anyone change that. But you might do more (on television, for example) to let the people know how good a service CBC radio is.

It now costs one dollar to give us fifty-four cents' worth of television programming. Can you thin out the overhead to provide more programme per dollar?

If you're staying in the commercial business (as we think you should) review the effectiveness of the commercial sales department and its commercial acceptance policies.

To the Canadian Radio-Television Commission:

Try every means to involve the people in policy-making. For starters, make your public hearings more hospitable to the public.

Get moving on a public-relations programme to explain what you're doing, to both the broadcasters and the people.

Match your technical research with depth research into the social implications of broadcast programming. Is there a working model of community cable-casting that can be professionally assessed? Does anyone really know whether TV violence is socially damaging? What are the kids learning from the tube, anyway?

Please re-think the cable blackout proposal.

On Canadian content, full steam ahead.

To the public:

Don't shoot the messenger – he didn't make the bad news, he just delivered it. The media really do reflect the society around them.

Tell your local newspaper publisher you'd like him to organize a Community Press Council. He might get a better idea of what his community expects from the paper – and you might find out that it's doing a better job than you think.

Tired of the same old programmes on the tube? There's a channel on your cable system that's reserved for community programming. That means you. So rally your bird-watchers' group, approach the cable owner, and go into show business. Communicate!

Remember that freedom of the press is basic to all our freedoms, and that the greatest danger to press freedom is public apathy. So if the media bore you or bother you, don't just sit there. React. How? Not just by doing what four out of ten Canadians do now, which is to talk out loud to the television set. It can't hear you. Telephone the owner. Write to the editor. Call in on the hot line. Speak to the advertiser. Praise the performer. Some newspapers and magazines are beginning to open their pages to the people. They call it "participatory journalism." So participate.

This Committee is concerned about the lengthening odds on our cultural survival. If you think this country has an identity worth preserving, you can help to shorten the odds. Again, how? By letting the owners, the artists, the writers, the producers, the editors know that you care.

Above all, maintain a healthy skepticism vis-à-vis the media. We don't mean cynicism. The media are human institutions, humanly fallible. But in our observation they're in the hands of people pretty generally devoted to doing an honest job of information. Don't expect the moon from them, but don't settle for moonshine either.

MASS MEDIA

[illegible] removed from the [illegible] [illegible]
[illegible] that its display [illegible]
[illegible] By losing the [illegible]
[illegible] Nobody knows that you [illegible]

[illegible] from a healthy skeptical [illegible] for [illegible]. It's [illegible] [illegible]. The media are human institutions, highly fallible. But in any generation they're in the hands of people pretty generally devoted to doing an honest job of information. Don't expect the moon from them. But don't write 'em off as [illegible] either.

MASS MEDIA

Volume II

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George J. McIlraith

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Report of the Special Senate Committee on Mass Media

Volume II

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The Honourable Herbert O. Sparrow
The Honourable Frank C. Welch
The Honourable Paul Yuzyk

TERMS OF REFERENCE

On Tuesday, March 18, 1969, the Senate of Canada constituted the Special Senate Committee on Mass Media by approving the following resolution:

> That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, and in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public;
>
> That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry; and
>
> That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee.

The Committee was reconstituted by the Senate during the second and third sessions of the 28th Parliament on October 29, 1969 and October 8, 1970.

PREFACE

Throughout the following volume – particularly in Part I and in Appendix I – the population figures used are those given in the *Financial Post Survey of Markets* (1969), projected population as at April 1, 1969. Where a listing for a selected community at this date was not available from this source, the figure is derived from the 1966 Census of Canada and denoted by the letter "C" (Metropolitan population figures are denoted by the letter "M.") Circulation figures for newspapers have been taken in most cases from *Canadian Advertising Rates and Data* (December, 1969). Circulation figures for radio and television stations are taken from the Bureau of Broadcast Measurement's *Coverage and Circulation Report* (October 27 to November 9, 1969). Radio data are based on the average daily circulation in daytime hours, for all persons two years and over. Television data are based on average daily circulation, in nighttime hours, for all persons two years and over. Cable television systems have no call letters and therefore the symbol "CATV" is often used, in conjunction with some more specific identification, such as location. CATV circulation figures were provided to the Committee by individual system operators; unbracketed figures indicate actual number of subscribing households at December 31, 1969 (including apartment and bulk units); bracketed figures indicate maximum potential on the same basis.

The first section of Part II, on the economics of the mass media, was prepared by Hopkins, Hedlin Limited and based on studies undertaken by Hedlin, Menzies & Associates Limited, consulting economists, assisted by Douglas McArthur of the Topecon Group. The second section of Part II, on newspapers and periodicals, was prepared by Douglas McArthur of the Topecon Group on behalf of Hedlin, Menzies & Associates Limited. Rodger Schwass, Norman Mogil, and Arvo Ray of Hedlin, Menzies & Associates Limited undertook the preparation of the sections on the radio and television broadcasting industries. The remainder of the studies in Part II – with the exception of two papers on cablevision by the Committee's research staff – were prepared by the staff of Hopkins, Hedlin Limited. The report was completed in November, 1969. Data relating to media ownership were later revised to July 31, 1970.

For obvious economies of space and sense, various abbreviations have been employed throughout the following volume. They are:

Arch	Archibald	BCT	B.C. Television Systems
BaP	Baribeau-Pratte	Beau	Beaubien
B-B	Bromley-Browne	Blk	Blackburn
B.B.M.	Bureau of Broadcast Measurement	Brl	Brillant

BsE	Bassett-Eaton	Mof	Moffat
Bsh	Bushnell	Mort	Morton
Btl	Butler	Mtl	Montreal Star
Bur	Burgoyne	Mur	Murphy
Cmb	Cambrian Broadcasting	MysL	Mystery Lake
Col	Columbian	Nath	Nathanson
Crk	Cruickshank	Par	Parisien
Crp	Crépault	Pat	Pattison
Cty	Countryside	Pel	Peladeau
Dan	Dancy Broadcasting	Plk	Pollock
Den	Dennis	Prt	Pratte
Des	Desmarais	Q Broad	Q Broadcasting
Dgl	Dougall	Rgs	Rogers
Dvs	Davies	Rly	Relay
Elp-Ke	Elphicke-Key	Rwl	Rawlinson
Fra	Francœur	S	Southam
Fin	Finnerty	Sbl	Soble
FP	F.P. Publications	Sft	Sifton
Fpl	Famous Players	Sim	Simard
Frt	Frontier Broadcasting	Skn	Skeena
Gco	Greco	Slk	Selkirk Holdings
Gou	Gourd	Snl	Snelgrove
Grn	Green	Std	Standard Broadcasting
Guif-Yu	Guifford-Yuill	Stl	Stirling
Hy	Hyland	Synd	Le Syndicat d'Œuvres Sociales Ltée.
Irv	Irving		
Lap	Lapointe	T	Thomson
Lpg	Lepage Society	Tel	Telecommunications Inc.
Lpg-Ba	Lepage-Baribeau	Tor	Toronto Star
Lvn	Lavigne	Van	Vancouver Broadcasting Associates
Lyn	Lynds		
McC	McConnell	W	Weekly
Mch	Michaud	WBC	Western Broadcasting Company
M-H	Maclean-Hunter	Western	Western Manitoba Broadcasters
Mis	Misener	Wil	Wilson
Mng	Manning		

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Part I

CONCENTRATION

Chapter 1:

CONCENTRATION, A NATIONAL POLICY DILEMMA

INTRODUCTION

In the White Paper on Broadcasting published in 1966, the federal government of the day foreshadowed new regulations to restrict further foreign control of Canadian mass media. But the White Paper also touched on another, still unresolved aspect of media ownership:

> Within Canada, ownership or control of one medium of communication by another is equally a matter of concern if it tends to develop into a monopoly. There is a growing number of cases where either ownership or control extends to both the local newspaper and the local radio or television facilities. The Board of Broadcast Governors will be required to investigate and report on public complaints or representations about situations of this kind.
>
> Parliament will be asked to authorize the Government to give guidance to the Board of Broadcast Governors, aimed at preventing foreign control of Broadcasting facilities, the domination of a local situation through multiple ownership, or the extension of ownership geographically in a manner that is not in the public interest.

Since the publication of the White Paper, concentration of mass media ownership – mainly in the hands of Canadian interests – has proceeded at what appears to be a quickening pace. There has been, however, still no guidance from the federal government in this situation, nor has the new regulatory authority in broadcasting, the Canadian Radio-Television Commission (C.R.T.C.), yet developed clearly discernible guidelines of its own.

A variety of forces have combined to produce a growing concentration of media ownership. Economics and technology may be the dominant forces, since they undoubtedly favour the development of increasingly large units of both newspapers and broadcasting outlets – although not necessarily multiple ownership of both media or even of either medium. But a number of other elements have also played important parts. These include laws and regulations involving income tax and succession duties and, in a negative way, the apparent ineffectiveness of existing legislation governing mergers, trusts, and monopolies. The mounting power in the marketplace of public companies – together with their constant thrust to grow and expand – has contributed in an important way to public companies' increasingly dominant role in the communications media.

It is conceivable that some of these trends could be moderated, or even reversed, if it were considered desirable to do so. Over time, economics and technology tend to work in an inexorable way. In many countries, however, there is an underlying belief that the development of the communications media must be governed by more than economics alone because of the vital part they play in the life of the nation itself. In the introduction to its report in 1961, the Royal Commission on Publications observed that it had been urged to base its inquiry on purely economic considerations, but that:

> This has not been possible because, while many of the problems faced by Canadian periodicals are economic, the nature of modern communication is such that its effects carry enormous social and political, as well as economic, implications. Like the two sides of a coin, the "cultural" and economic are virtually inseparable, and neither can provide a complete perspective in itself.[1]

In its report on its inquiry into the joint publishing arrangement between the Vancouver *Sun* and *Province*, the Restrictive Trade Practices Commission pointed out that the democratic conduct of affairs at both local and national levels is dependent upon the formation of public opinion:

> If the public cannot get the significant facts about what is going on, if it cannot get them sorted out in a significant way, if it is not enlightened by discussion that points out the possible consequences of the alternative courses of action before the community, too many opinions will be ill-formed and muddled and likely to be temporary and unstable.
>
> If well-informed public opinion is an essential of sound public policy, then the channels through which information flows to the members of the public have an importance which cannot be overemphasized.[2]

Judge Learned Hand of the U.S. Supreme Court once reflected a similar outlook. The press, he said,

> serves one of the most vital of all general interests: the dissemination of news from as many different sources, and with as many different facets and colours as is possible. That interest is closely akin to, if indeed it is not the same as, the interest protected by the First Amendment; it presupposes that the right conclusions are more likely to be gathered out of a multitude of tongues, than through any kind of authoritative selection. To many this is, and always will be folly; but we have upon it staked our all.

In a decision in 1945, the U.S. Supreme Court concluded that the First Amendment, guaranteeing the maintenance of a free press,"rests on the assumption that the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public."

In Canada, the Royal Commission on Publications suggested that the very decline in the number of diverse and antagonistic sources of communication might

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[1] Page 3, Royal Commission on Publications, Queen's Printer, 1961.
[2] Page 164, Report Concerning the Production and Supply of Newspapers in the City of Vancouver and Elsewhere in the Province of British Columbia, Queen's Printer, 1960.

require some impingement by government on the traditional autonomy of the press:

> It is not inconceivable that new limitations may be necessary in the future, seeing that with the increased importance and mounting power of mass communications, there must be a corresponding gain in the power and importance of the relatively few people who control the media, and, therefore, a decrease in certain rights of other individuals in the community.[3]

The growing concern evident in Canada over increasing concentration of media ownership has its parallel in the United States, where the same trend toward multiple-media interests is clearly evident. In March, 1968, the Federal Communications Commission (F.C.C.) gave notice of its proposal to consider a new rule that would extend its present restrictions on multiple broadcasting interests. This provides that no single individual may own more than seven AM radio licences, seven FM radio licences, and seven television licences, of which only five may be for VHF stations and the remaining two for UHF stations. The F.C.C. also prohibits common ownership of two stations of the same medium (television, AM or FM radio) that reach into a single market with overlapping signals. Through its announcement in March, 1969, the F.C.C. proposed to extend this rule by providing that in future there could be no common ownership of multiple broadcasting stations of any kind in the same market.

On August 1, 1968, the U.S. Department of Justice intervened to advance its own proposal that the new restriction contemplated by the F.C.C. not only be extended to prohibit common ownership of a newspaper or newspapers and broadcasting facilities in the same community, but that the restriction be applied retroactively as existing licences came up for renewal:

> The clear effect of combined ownership of similar broadcast media in the same local market is to reduce the diversity of news and information sources available, and to lessen the degree of competition for advertising between these alternative media. This consequence is all the more unfortunate because a striking concentration of facilities in many major markets has already occurred. Moreover, combined ownership may facilitate undesirable competitive practices by which the "combined" owner seeks to exploit his advantages over the single-station owner. These practices may include granting special discounts for advertisers utilizing more than one medium or cumulative volume discounts covering advertising placed in more than one medium.

On December 12, 1968, the F.C.C. took its own proposal one step further by suggesting that a television station should be prohibited from owning a cable television system in the same market. The Justice Department endorsed this approach in a submission on April 7, 1969, but supplemented it with its own proposal that newspapers should also be prohibited from owning cable television systems in the same community.

Not waiting for the F.C.C. to act on its earlier submission urging prohibition of common newspaper and broadcasting interests in the same community, the Justice Department broke new ground when it moved to force the Gannett newspaper

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[3] Ibid. Page 8.

group to divest itself of the ownership of a television station in Rockford, Ill. On December 5, 1968, it filed a consent decree with a U.S. District Court.

One of the most outspoken opponents of media concentration in the United States has been Nicholas Johnson, who has been one of seven members of the F.C.C. since 1966. Recently, Mr. Johnson asserted:

> If we are serious about the kind of society we have undertaken, it is clear to me that we simply must not tolerate concentration of media ownership – except where concentration creates actual countervailing social benefits. These benefits cannot be merely speculative. They must be identifiable, demonstrable and genuinely weighty enough to offset the dangers inherent in concentration.

The essential nature of the problem confronting Canada (and many other countries) as a result of the growing concentration of media ownership was once outlined by Dr. Andrew Stewart, then Chairman of the B.B.G. in testimony before the Senate Committee on Transport and Communications:

> I think there is a dilemma in this matter. Everybody is conscious of the dangers of concentration of expression of opinion. This is what we want to avoid. We want plurality of expression, and multiple ownership can go against this. On the other hand, there are considerable advantages to grouping of stations; economies that can be effected by larger scales of operation and through multiple ownership. It is certainly our view that in some of the cases of multiple ownership an improved level of service does in fact follow as a result of the economies.[4]
>
> In this country we have a limited market. We have limited capacities in comparison, say, with the United States and, therefore, there is a case for our taking advantage of the economies which can help to maintain and improve the service. So, one is faced with this dilemma: there are gains, and there are dangers in the process.

Dr. Stewart's contention was echoed a little more than a year later by the Chairman of the new regulatory broadcasting agency, the C.R.T.C., Pierre Juneau:

> Many of the decisions that the Commission had to make during the year have forced it to think about the question of possible concentration of ownership
>
> This problem is a particularly difficult one in Canada. It seems to me that we need some groups in Canada that will be large enough to be able to compete in the entertainment, the cultural, the informational and educational fields with the enormous entities that are being created in other parts of the world and particularly by our neighbours.
>
> These groups should be able to compete or to co-operate in the production of material and in distribution of such material; on the other hand, you also want to maintain some pluralism in Canada in order to have competition within Canada. You also want to maintain as often as possible some identification by the owners with the regions in which they operate. You want to avoid situations where concentration of media ownership is such that a complete area risks being dominated exclusively or to a very large degree by one owner. I suppose you also might want to avoid ownership patterns where one operator is in such a vastly superior position vis-à-vis his competitors that this situation becomes unfair to those competitors.

As both Dr. Stewart and Mr. Juneau suggested, those responsible for governing the affairs of the country are confronted by a basic conflict between the desirability of widespread mass media ownership and the extreme danger of

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[4] Pages 49-50, Reports of The Committee, February 20, 1968.

excessive concentration on the one hand, and the economic benefits and improved service sometimes offered by large-scale operations on the other. In the final analysis, what is involved is a fundamental judgment about the relative weight that should be given to each consideration.

Although the B.B.G. was not unaware of the problems of concentration, Dr. Stewart himself indicated that the former regulatory authority placed the higher value on the benefits it considered would flow from large-scale operations. The B.B.G., he once noted, had never felt that concentration of media ownership had developed to the point that it should have called a halt to it:

> ? We are conscious of the problems of multiple ownership, but we have never rejected an application on the basis that it has gone too far. We keep saying it can go too far, and it should be stopped, but we have not tried to devise a formula for this purpose. -- It what?

As will be discussed at greater length later, the C.R.T.C. has at times voiced a greater measure of concern than the B.B.G. about the problems of ownership concentration, a concern that occasionally has been reflected in its decisions. As suggested earlier, the shape of its policy in this regard can still be only dimly seen, although some recent decisions of the C.R.T.C. could be viewed as the evolutionary beginnings of a broad policy.

On July 10, 1969, for example, Rogers Cable TV Limited and Co-Axial Colourview were granted two-year licences to serve the Toronto area. The licences were granted contingent on Glen-Warren Productions Ltd.'s disposing of a 50 per cent ownership interest in Rogers Cable TV Ltd., which owned 90 per cent of Co-Axial Colourview Ltd. This condition was made because the share ownership of Glen-Warren Productions Ltd. was the same as Baton Broadcasting Ltd., licensee of CFTO-TV, Toronto, and because the Telegram Corporation Ltd. owns approximately 53 per cent of Glen-Warren Productions Ltd. cc/BC

Concern over a balance of ownership in the communications media in a particular region was indicated again by the C.R.T.C. when it granted cable licences for Calgary and Edmonton on July 23, 1970. Community Antenna Television Ltd. was granted a three-year licence in Calgary contingent upon F.P. Publications disposing of its shares in the company before expiration of the licence. In Edmonton, Capital Cable Television Co. Ltd. was given a three-year licence contingent upon Mr. G.R.A. Rice disposing of his shares in the company in the same time period.

An application by Maclean-Hunter Cable TV Ltd. to acquire the assets of Hamilton Co-Axial (1958) Ltd. was denied by the C.R.T.C. on July 27, 1970. Maclean-Hunter's effective ownership and control of 17 cable systems and five radio stations in Ontario was cited as the reason for the denial. The Commission felt approval of the application would result in a concentration of ownership in Southern Ontario to an extent not in the public interest.

Bushnell Communications Ltd. in applications to the C.R.T.C. proposed to purchase effective ownership and control of an additional 17 cable television systems, 4 TV stations, 7 AM stations, 4 FM stations, and 1 short-wave station. The Commission denied all but one of the cable applications because it thought approval would create excessive concentration of media ownership. Bushnell was told to transfer as rapidly as possible its interests in the one cable television system it was allowed to purchase.

Proprietors of newspaper groups are particularly sensitive to any suggestion that they constitute a threat either to a community or to the nation. Their sensitivity stems in part from the very heavy degree of concentration among Canadian newspapers generally. It also relates in an important way to the special nature of the medium. The Restrictive Trade Practices Commission once remarked that:

> Among [the] channels of communication, the press remains the prime medium of communication for the purpose of assisting in the formulation of public opinion. For this purpose, radio and television are less effective because of the impermanence of their messages, the restricted number of channels available and the limitations of the periods during which information can be conveyed.

The same point was made a dozen years before by the Royal Commission on the Press in Britain. It is not surprising, therefore, that large group-interests seek to allay concern that concentration of daily newspaper ownership might produce a comparable concentration of political power.

As long ago as 1951, Roy Thomson, stung by protests about his continued accumulation of newspapers, purchased an advertisement in the Globe and Mail to explain his "creed" as a publisher. His explanation read, in part:

> I can state with the utmost emphasis that no person or group can buy or influence editorial support from any newspaper in the Thomson Group. It has often been asked, "Why does the Thomson Company buy newspapers? " My answer to that is to say that the business I know best is publishing newspapers. . . . I can state, with the utmost sincerity, that each and every one of the newspapers associated with the Thomson Company has the interest of its community at heart, and equally that of Canada too. Each newspaper may perceive this interest in its own way, and will do this without advice, counsel or guidance from the central office of the Thomson organization. This is, and will continue to be, my policy.

For some years, Southam Press Ltd. has reiterated its own particular "creed" in its annual report. It reads:

> In an industry as important to the growth and maturity of Canadian public opinion as newspaper and magazine publishing, the company has pursued a number of basic policies, all of which are intended to assure objectivity of the printed word.
>
> These are:
>
> 1 The company will have no financial interests in enterprises outside the communications field.
>
> 2 Officers of the company or its subsidiaries and senior publishing executives may not act as directors of other unrelated firms operated for profit unless the company has an interest in such firms to be served thereby.
>
> 3 The company's newspapers and magazines are operated under individual management and develop independent editorial policies. There is no "Southam" editorial policy.
>
> 4 Officers, editorial personnel, and all other key employees of the company are expected to remain free from political and other outside activities when such activities might influence or appear to influence the editorial freedom or independence of any of the company's publications.

For a number of years, Southam Press also has held extensive interests in broadcasting both in its own right and through its 30 per cent share of the voting stock of Selkirk Holdings Ltd., a company with extensive broadcasting interests. In 1959, Southam adopted a policy of divesting itself of any majority holdings of a broadcasting station. "This followed from our conclusion, reached after careful consideration, that we should not control broadcasting stations in cities in which we publish newspapers," the company said in its annual report of 1960. In its annual report of 1969, Southam Press noted that it no longer was responsible for the management or operation of any broadcasting property. The company also announced a further change in its position:

> We have now adopted a policy of consolidating, where possible, our broadcasting investments. A specific objective is to eliminate those situations in which both this company and Selkirk hold interests in the same properties. Agreement in principle has been reached with Selkirk to this end. Any changes in ownership which result will require the approval of the Canadian Radio-Television Commission.
>
> A first application has already gone before the C.R.T.C. in connection with the shareholdings of Wentworth Radio and Niagara Television in Hamilton. If approved, this application will be a step toward the separation of ownership between Southam and Selkirk in these two properties.

This application was approved and further applications to consolidate broadcast holdings within Selkirk holdings have been filed with C.R.T.C.

It may very well be that the attitude expressed by some of the large newspaper groups with regard to independence of editorial policy enjoyed by their several constituents can and should be accepted at face value. This acceptance may be tempered somewhat by the awareness that head office is able to influence, at least within certain limits, editorial approach through its power over the appointment of individual publishers and its control over their operating and capital budgets. These considerations apart, however, it is necessary to weigh the possibility that no matter how benign and enlightened the approach of present owners, there exists a very real potential for power to be concentrated in other, less benevolent hands to an extent commensurate with the concentration of media ownership. In an age of the "take-over," this is a particular danger for widely held public companies. Nor can it be readily assumed that, because the owner of a newspaper does not control a broadcasting outlet in the same or another community, his minority interest deprives him of all significant influence – actual or potential.

In October, 1969, Stuart W. Griffiths, President and Managing Director of Bushnell Communications Ltd., appeared before a hearing of the C.R.T.C. in Vancouver to argue against blanket maintenance of a ruling in 1966 by the B.B.G. prohibiting multiple ownership of CTV network affiliate stations, an issue that will be touched on later. Mr. Griffiths, whose company operates CJOH-TV in Ottawa, was seeking to acquire a number of other radio and television stations, including CFCF-TV in Montreal. He contended in his brief that there was strong economic pressure for the amalgamation of existing broadcasting stations into larger units. At the same time, Mr. Griffiths maintained that not all mergers were desirable:

> Clearly some kinds of amalgamation will not well serve the audience. If choices are reduced as a result of amalgamation, if the useful check-and-balance between, for example, print and electronic media is removed because of amalgamation, then the audience may be less well served.

Where the owner of a newspaper also has a controlling interest in broadcasting facilities in the same community, the kind of "check-and-balance" about which Mr. Griffiths spoke is very unlikely to exist. It is certainly open to question how effective this counter-balance is likely to be if the owner of the newspaper has a substantial minority interest in community broadcasting facilities – even more questionable if he controls them.

THE DISAPPEARING DAILY

Writing in the *Canada Year Book* of 1959,[5] W. H. Kesterton pointed out that daily newspapers in Canada (as elsewhere) have undergone a marked "mutation" during this century:

> Extensive gains in circulation, a great increase in timeliness, a remarkable enlargement of the mechanical plant and business operation, and innovations of newspaper production and news presentation were the essential features of the transformation.
>
> These striking changes were caused by the interaction of two factors – a remarkable economic and population growth and revolutionary developments in the technology of journalism.
>
> The hand-in-hand growth in circulation and technology has had a vicious circle quality. To serve vastly increased readership, newspapers require elaborate and costly equipment; to pay for elaborate and costly equipment, publishers must secure vastly enlarged readership. Under such conditions, many an entrepreneur has found himself caught up in a situation in which he has had to gain all or nearly all the potential subscribers of his area if his enterprise is to continue. Thus in many communities there has no longer been room for two newspapers as there had been in the days of Mackenzie and Howe and rival journals have given no quarter in publishing battles that have ended only when all but one contestant has been driven from the field. . . . This process has brought about a trend toward what Oswald Garrison Villard has called, in reference to the United States, "the disappearing daily." Today the one-newspaper city has become the rule, the multi-newspaper city the exception.

What Professor Kesterton wrote is as true today as it was a decade ago and, if anything, there has been an intensification of the forces of economics and technology that have led to the decline of newspaper competition. It is often said that one of the great differences between publishing and broadcasting is that anyone can start a newspaper, while the number of frequencies available for broadcasting is limited and must be made subject to government control. In fact, it is probably more possible today to start a radio or television station than a newspaper, at least in a major city.

In its inquiry into the newspaper situation in Vancouver, the Restrictive Trade Practices Commission noted that all attempts in the years immediately prior to 1960 to establish a major new daily newspaper in cities already served by an existing paper had failed.[6]

There have been few attempts since. In 1961, *Le Nouveau Journal* was begun in Montreal, but folded the following year. The *Metro Express* of Montreal and the Vancouver *Times* both began publication in 1964. The Times folded in 1965, and

[5] "A History of Canadian Journalism, (Circa) 1900-1958." (Canada Year Book, 1959). p. 883.

[6] Ibid, Page 6.

the *Metro Express* in 1966. The only exception to this rule of failure for newspapers in cities with existing dailies is *Le Journal de Montréal,* which came on the street in 1964 and today has a circulation of 48,350 and its companion paper, *Le Journal de Québec,* which begain in Quebec City in 1967, and has a circulation of some 20,000.

In all, a total of thirty papers have been started in Canada since 1957, and, with the exceptions already noted, they have been started in smaller communities lacking an existing daily, often as a result of a growth of population making it feasible to transform a weekly newspaper into a daily newspaper. Of those thirty newspapers that were started, twelve subsequently ceased publication. During the same period, five other previously established dailies passed out of existence, including such newspapers as the Montreal *Herald,* the Vancouver *News-Herald, La Patrie,* and Quebec *L'Événement Journal.*

In a discussion paper in an issue of the *Anti-Trust Bulletin,* Charles D. Mahaffie, Jr., Chief of the General Litigation Section of the Anti-Trust Division of the U.S. Department of Justice, applauded the development of the new competition in some metropolitan centres from the growth of suburban or community dailies:

> I think that one of the most important jobs facing the Anti-Trust Division is to see to it that this trend continues. In the area of newspaper mergers, we are and will continue to be particularly concerned with mergers which may eliminate the actual and potential competition afforded by the suburban, small-city and community newspapers.

In Canada, the owners of some metropolitan dailies – most notably of the Toronto *Star* and of the *Telegram* – have clearly moved to head off, if possible, the development of the kind of competition from suburban and community papers that has become such a notable feature of the newspaper industry in the United States. Through Inland Publishing Co., the Telegram Corporation Ltd. wholly owns seven weekly newspapers around the Toronto area with a total circulation of nearly 100,000, equivalent to 40 per cent of the *Telegram*'s daily circulation. These papers (circulation in parentheses) are: *Bramalea Guardian* of Brampton (12,000); Burlington *Post* (19,850); Mississauga *News* (24,119); Newmarket *Era* (8,158); Oakville *Beaver* (16,200); Stouffville *Tribune* (6,106); Ajax-Whitby *News Advertiser* (11,000).

The Toronto *Star* last year revealed that it has had an interest in fourteen weekly newspapers in and around Metropolitan Toronto for some years. The disclosure was made at the time the *Star* announced that it was taking over full ownership of the Oakville *Daily Journal-Record*, and the *South Peel Weekly* of Port Credit, in which it previously shared ownership on a fifty-fifty basis with the Thomson Group. At the same time, the *Star* disposed of the half-interest it previously shared with Thomson in the Brampton *Daily Times and Conservator,* a daily newspaper, and the Georgetown *Herald,* a weekly. The net result was to leave the *Star* with controlling interest in eleven weeklies and the Oakville daily. The circulation of the Oakville daily paper is 7,792. The weeklies (circulation in parentheses) are: Aurora *Banner* (5,143); Burlington *Gazette* (9,085); Etobicoke *Advertiser-Guardian* (4,900); The Lakeshore *Advertiser* (approximately 10,000 as reported by the *Advertiser*); Mississauga *Times* (13,202); Toronto *Mirror* with its two editions, the North York edition (53,512) and the Scarborough edition (37,992) (total 91,434); Richmond Hill *Liberal* (7,435), Weston-York *Times* (4,149); Willowdale *Enterprise* (13,472) and Woodbridge and Vaughan *News* (3,010). The combined circulation of these weeklies amounts to 161,800 with the Oakville daily bringing the total circulation of suburban and community newspapers controlled by the *Star* to about 170,000, almost 44 per cent of the total circulation of the *Star* itself, the largest newspaper in Canada.

Announcing the transaction involving Thomson, Beland Honderich, President and Publisher of the *Star*, said that the acquisition of the two papers was in line with the company's established policy of investing in the development of suburban community newspaper. "What we needed to find was some way to provide detailed local coverage that would complement the metropolitan, national and foreign news in the Daily *Star*" he said. "We decided that the answer was to move directly into suburban areas and provide capital to establish local newspapers to develop and improve their news coverage." Mr. Honderich took pains to emphasize the editorial independence of each of the newspapers: "In each case, these newspapers are edited by and for the people resident in the suburban communities, and we are now considering the practicability of establishing local boards of directors to supervise the editorial operation of each newspaper."

In addition to acquiring newspapers in surrounding communities that form part of its major market area, the Toronto *Star* has also been experimenting with a special zone edition of the newspaper that is aimed at holding, if not increasing, the circulation of the daily in that area.

Through its Fairway Press Division the Kitchener-Waterloo *Record* owns six weeklies in surrounding communities. They are the Elmira *Signet*, the Fergus *News-Record,* the New Hamburg *Independent,* the Preston *Times,* the Hespeler *Herald,* and the Waterloo *Chronicle.* Their combined circulation is almost 25,000.

The Restrictive Trade Practices Commission maintained in its report on Pacific Press that a further decline in the number of independent dailies would be prejudicial to the public interest. At the same time, the Commission welcomed the trend as it had developed to that point:

> To serve the public in the way we consider the public should be served, a newspaper must reach a large public and bring to it news and views of comprehensive nature on a world-wide scale. A daily of this character must be a newspaper of many pages with extensive sources of information and a well-balanced editorial staff. To pay for the news and other ingredients of a large daily paper and bring it to a wide public at a price the public can and will pay, the publisher needs large revenues from advertising, which are dependent upon a large circulation. To print a large newspaper every day for a wide circulation requires. . . heavy capital investment in plant and machinery. Big newspapers with big circulation in the larger cities, with a corresponding decrease in the number of dailies, are not only inevitable but desirable in providing the type of newspaper required in our present circumstances.

There are massive economies to be gained from large-scale newspaper operations. In the major metropolitan centres, economic viability is related in an important way to the scale of operation and the competitive conditions that exist. This is not to deny, however, that in a number of less populous communities there are many smaller newspapers today that are financially sound, particularly if – as is usually the case – they face no other daily newspaper competition. While there are evident economies of scale in the operation of a single newspaper, it is far less clear that substantial economies result from the multiple ownership of any type of newspapers by a single group. taxes

Given the more stringent financial circumstances facing smaller dailies because of their inability to obtain the full advantages of the economies of scale, it can be argued that group control provides important offsetting advantages. The combined operation of such a group may make available common news services at a price well below what each paper would otherwise be compelled to pay. Each paper may gain a price advantage through the bulk purchase of supplies, as well as provide an agency for soliciting national advertising that otherwise might be unavailable to papers of that size. Collectively, they may acquire an access to capital that would never be available individually.

Perhaps most important of all, the head office of a group of this nature is in a position to provide to each paper expertise in management that in such an operation can be particularly crucial, spelling the difference between profit and loss.

But a critical question that deserves serious consideration is whether group ownership of a large metropolitan daily is necessary because of compelling financial and economic considerations, and whether it provides any decisive advantages in the form of improved services to the public. Because of its size and financial capacity, such a paper is generally in a position to maintain a competent management of its own without being forced to look to the headquarters of a group for executive expertise. Nor is there any evidence that a large, independently owned newspaper is likely to lack reasonable access to capital on acceptable terms, or to be at any marked disadvantage in the acquisition of supplies or equipment.

At the same time, it must be acknowledged that if one independent newspaper in a community has been taken over by powerful group-interests, there may be compelling reasons for the owner of a competing independent to sell out to another group. This is particularly true if the latter is already in a weak position, making the owner fearful of being driven to the wall because of the very large resources that might now be mustered by the new owners of the competing daily. Past experience suggests that major group-owners of newspapers competing in the same community tend strongly to reach an early *détente.*

It might be argued that larger newspapers that form part of a group are able to secure important economies through their access to a common source of news, such as that available to member papers from Southam News Services. It appears significant, however, that there is relatively far less pooling of news resources by F.P. Publications. F.P. Publications for example, does not maintain a common news service for the coverage of parliamentary and government affairs in Ottawa. Although office space is jointly shared in the National Press Building, correspondents of each of the F.P. Publications dailies primarily serve their own newspapers – an arrangement that recognizes the different news requirements of each.

In this context, the rationale advanced by the directors of Southam Press in 1968 for the two acquisitions set in motion that year is of some interest:

> The addition of the Montreal *Gazette* and the Owen Sound *Sun-Times* to the company's group of newspapers will strengthen our operations in a number of ways. First, both papers have been competently managed for some years by teams of men who have joined Southam as willing supporters of the ownership changes. Second, both papers will be using and helping to pay for the company's joint advertising and news services; these, in turn, will be expanded and improved. Third, the *Gazette* gives the company and all its newspaper people a direct link with the intricate and vitally important national unity crisis that centres in the Province of Quebec. Your directors hope that an increase in understanding of national problems of executives of the company spread from Quebec to British Columbia will result from the normal contacts between our newspaper divisions.

BROADCASTING

Many of the considerations about scale of operation and multiplicity of ownership of daily newspapers are considerations in the field of broadcasting. A number of smaller radio and television stations are financially precarious operations, and may gain particular benefit – both in financial terms and in terms of the service they are able to provide – through group ownership or other co-operative arrangements. At the same time, many of the larger radio and television stations are highly profitable as independent operations, and under today's conditions very viable economically.

A number of factors that enter the broadcasting picture, however, are not present, or at least not to the same degree, in combined newspapers and broadcasting operations. Informed and experienced broadcasters argue with some force that considerable economic benefits are to be derived from the common ownership and operation of a radio and a television station. Many overhead costs may be spread out over both enterprises, such as accounting, engineering, administration, and purchasing. Extensive joint use may be made of personnel in both operations, which makes it possible to obtain more qualified staff members at lower cost than would otherwise be the case. These considerations are of greater importance for smaller broadcasting operations than larger ones.

To what extent present economic conditions will continue to prevail, however, is an open question. Both the former and present chairmen of the regulatory authority over broadcasting have emphasized the advantages which they consider to flow from large group-owned operations.

Stuart W. Griffiths, President and Managing Director of Bushnell Communications, strongly argued this position when he appeared before the C.R.T.C. at its Vancouver hearing in October 1969, to support multiple ownership of CTV affiliated stations: "Looking at Canadian broadcasting in all its manifestations, we see growing an inescapable pressure towards amalgamations of various kinds."

As noted earlier, Mr. Griffiths acknowledged that not all kinds of amalgamations should be regarded as acceptable, particularly if they resulted in a reduction of choice; where motivated only by profit without any commensurate increase in service to the public; or involved an extension of mixed-media ownership:

> But most broadcasters whose interest is in making a profit by improving their service, will have to turn to amalgamations of some kind in order to achieve their

objectives. The economic survival of small stations is already in jeopardy with the increased costs of programming due to higher standards and higher expectations from the audience, including the expectation of colour.

Larger stations face a larger number of pressures towards joining with other stations. The demands for improved technical and program production standards are greater. They move inevitably into increased community involvement. They must deal with the program needs of cablecasting. The exigencies of mobilizing blocks of Canadian capital large enough to lead to substantial development of broadcasting in this country, and the economies that inevitably derive from a larger base of operations all point to amalgamation.

The widespread installation of cable television, increased programming by cable television systems, and their ultimate introduction of commercials – all could conceivably have an adverse impact on smaller television stations, particularly those that lack the resources to adjust to radically changed conditions.

The introduction of new competition from establishment of an alternate Canadian station in a community is another variable element in the whole economic picture. Second stations have been established in a number of centres of Canada, and virtually all of those in the larger cities appear to be in a sound financial position, although this is less true generally of stations in smaller cities. In a city such as Lethbridge, with a population of around 37,000, two of the major broadcasting enterprises – Selkirk Holdings and Maclean-Hunter – are confronted by financial problems despite the fact they share facilities for operation of stations that serve partially as relays for their primary outlets in Calgary. The situation can become very much more difficult for an independent station owner operating in a relatively small community if his market becomes divided as the result of the installation of a satellite transmitter to relay the broadcasts of another and larger Canadian station based in a major city.

One alternative that has been suggested in such a situation is that the local television broadcaster be allowed to operate two transmitters, one broadcasting the network programmes of the CBC and the other of CTV. During non-network time, however, the station would broadcast only its own programming and commercials to the area it serves. But some authorities within the industry argue that most small, independent broadcasters lack the resources to finance such an undertaking. The only alternative they consider practical is for one of the major groups to establish such a "twin-stick" operation or for the large stations operating in the nearest metropolitan city to extend CBC and CTV network programming through installation of their own partial satellite stations, each originating only a limited amount of local programmes.

WIDER CONSIDERATIONS

While the pressures towards amalgamation about which Mr. Griffiths spoke undoubtedly exist, it is difficult if not impossible to determine in any precise way the extent to which they stem from the cold logic of economics and technology, and to what extent they stem from other factors discussed in the following section. In the end, it may be possible to do no more than arrive at a judgment based more on instinct than on hard facts. Even then it is necessary to bear in mind the importance of other, non-economic factors, that affect our society in an important way.

Even assuming for the sake of argument that a case could be made for the common ownership of a number of outlets in each of the media of mass communications, other important questions would remain. What justification can be advanced for the common ownership of newspapers and broadcasting stations? Our inquiry does not provide any evidence that there are substantial or even significant economic advantages to be derived from mixed media ownership and, indeed, one owner of a daily newspaper and radio and television stations in the same community readily acknowledged as much privately during the course of an interview. Although quality of media content has not entered into our considerations, it seems equally open to question whether mixed media ownership leads to any significant improvement in the service offered to the public by either medium.

Many of the same issues relating to groups whose business is confined to the mass media might also be raised in connection with the media interests of conglomerates having extensive financial interests in a number of other industries. But another important question arises in the case of conglomerates that involves the public interest in a vital way.

It is apparent that it is possible in the communications media for conglomerate owners to be employed – either directly or indirectly – to further or protect the other interests of the conglomerate. In Canada, there are a number of such conglomerates with extensive interests in the mass media. In some instances, particularly in the case of conglomerates made up of a number of private companies, the extent of these non-media interests is not even fully known, with the result that the public has no way of discerning if or when "an axe is being ground."

The following examples are only illustrative of the potential for conflict of interests and are not intended to imply that related media and non-media interests are improperly used.

M. Paul Desmarais of Montreal owns over 80 per cent of Gelco Enterprises Ltd. which in turn owns *La Presse,* the largest French-language daily in Quebec, and owns 46.6% of Trans-Canada Newspapers Ltd., which publishes three French dailies and a number of weeklies. At the same time, M. Desmarais owns 35.6 per cent of Power Corporation of which he is Chairman and Chief Executive Officer. Power Corporation has widespread non-media interests, including Shawinigan Industries Ltd., Canada Steamship Lines Ltd., Imperial Life Assurance Company, Dominion Glass Company Ltd., Show Mart Inc., Blue Bonnets Raceway Inc., Chemcell Ltd., Laurentide Financial Corporation Ltd., and Argus Corporation (which itself is a holding company with other extensive industrial interests that also controls Standard Broadcasting Corporation Ltd). Power Corporation also has a significant holding in the Investors Group, which in turn holds shares in virtually every sector of the Canadian economy. Argus, which among other broadcasting holdings controls radio stations CFRB (Toronto) and CJAD (Montreal), has extensive interests in B.C. Forest Products, Dominion Stores, Domtar, Hollinger Mines, and Massey-Ferguson.

One of the most diverse conglomerate operations is that controlled by K.C. Irving of New Brunswick, who also has extensive newspapers and broadcasting holdings in the province. In the case of most of the non-broadcasting properties, the full extent of the Irving interest is unknown. The section of this report dealing with the Irving holdings, however, contains a list of all the provincial and inter-provincial companies registered with the New Brunswick Provincial Secretary in which Mr. Irving or members of his family are listed as officers and/or directors. These include oil refining, service stations, machinery, pulp and paper, shipping, highway transportation, construction, mining, fishing, lumber, and dry dock facilities.

The McConnell family, which through Commercial Trust Co. Ltd. controls the Montreal *Star* and Montreal Standard Publishing Company, which publishes *Weekend, Perspectives* and *Perspectives/Dimanche,* and which has applied to the C.R.T.C. to purchase Cable TV Ltd. in Montreal from Famous Players, has indicated non-media interests in SLSR Ltd. (previously St. Lawrence Sugar Refineries Ltd.), Aero-Hydraulics Corp., Canada Cement Co., and Belding-Corticelli Ltd.

disclosure rule?

James Pattison, who controls radio station CJOR (Vancouver), also controls Neonex International Ltd., a recently-created conglomerate with interests in a supermarket chain, a paint company, a finance company, distribution of sporting goods and equipment, a magazine and paperback distributing company, a large trailer manufacturing company, two trucking firms, a helicopter charter service, a large General Motors dealership, a sign company, a major floor-covering distributorship, and a milling and food products enterprise.

Through the Telegram Corporation Ltd., the Bassett-Eaton interests control CFTO-TV (Toronto), the *Telegram* of Toronto, Glen-Warren Productions Ltd. – which produces shows and commercials for television – and Israel Canada Productions (based in Tel Aviv) which produces 80 per cent of Israeli television. The Telegram Corporation also owns seven weekly newspapers through its subsidiary, Inland Publishing Co. Ltd. Another subsidiary of the Telegram Corporation Ltd., the Telegram Publishing Co., holds 19.7 per cent of the common shares of Maple Leaf Gardens Ltd. and 31 per cent of the common shares of Argonaut Football Club Ltd. The non-media interests of the Eaton family are very extensive. According to the D.B.S. report on intercorporate ownership as of 1965, they include Eaton's (Canada) Ltd., The T. Eaton Co. Ltd., Berkley Contracting Ltd., Eaton Centre Ltd., T. Eaton Acceptance Co. Ltd., T. Eaton Drug Co. Ltd., T Eaton House Furnishings Co. Ltd., T. Eaton Realty Co. Ltd., Franklin Manufacturing Co. Ltd., Greenwich Canadian Co. Ltd., Guelph Stove Co. Ltd., International Realty Co. Ltd., Mace Development Ltd., Spencer David Ltd., and Trail Mercantile Co. Ltd.

RKO Distributing Corp. (Canada) Ltd. owns two radio stations in Windsor which are subject to divestiture under the foreign ownership regulation. This company is controlled by RKO General Inc. of the United States which in turn is controlled by the General Tire and Rubber Co., a leading American conglomerate. RKO Distributing also controls Fleetwood Corp. in Canada according to the D.B.S. record of inter-corporate holdings for 1965. Among other interests in this country, General Tire owns the General Tire and Rubber Co. (Canada) Ltd.

Famous Players Canadian Corporation Ltd., which is in the process of divesting itself of widespread holdings in the broadcasting and cable television field to comply with foreign-owner restrictions, has long had extensive interests in other fields. It is the largest owner and operator of motion picture theatres in Canada and has interests in bowling centres, confection distribution, hotels, and the Ontario Muzak franchise.

The principal shareholders and officers of F.P. Publications Ltd., whose daily newspapers have the largest combined circulation of any group in Canada, have widespread financial interests in other non-media areas. They are G. Maxwell Bell, Chairman, and R. Howard Webster, Deputy Chairman of the Board of Directors. The extent of their non-media interests is not known with any precision. However, Mr. Bell, who is understood to have extensive holdings in the petroleum industry, is listed in the Directory of Directors for 1968 as a member of the boards of The Jockey Club, Canadian Pacific Railway Co., The Bank of Nova Scotia, and Northern Electric, as well as those of a number of newspapers that form part of the F.P. group. Mr. Webster is listed as chairman of The Globe and Mail Ltd., Windsor Hotel Ltd., Lord Simcoe Hotel Ltd., and the Penobscot Building, Detroit, and president of Detroit Marine Terminals, Inc., Canadian Fur Investments Ltd., Durand Corp. and Annis Furs (Detroit). He is also a director of Sun Publishing Co. Ltd., which forms part of the F.P. group.

Without further belaboring the obvious potential for conflict of interest that can arise within conglomerates with media holdings, it may be worth recalling that for some years it has been the expressed policy of Southam Press to maintain no financial association with enterprises outside the communications field. Officers, editorial personnel, and other key employees of the company are also expected to remain free from political and other outside activities if they "might influence or appear to influence the editorial freedom or independence of any of the company's publications."

THE URGE TO GROW

If most of the larger Canadian dailies and, equally, most of the larger radio and television stations are at present capable of being economically viable as independent operations, the question then arises why there has been such a marked trend toward their absorption by large groups. The answer may have been provided in part years ago by Roy Thomson: the normal human spirit of acquisitiveness. "I am in the business of making money and I buy more newspapers in order to make more money to buy more newspapers to make more money to buy more newspapers. . ." he once declared.[7]

In 1965 (when this remark appeared), Lord Thomson was estimated to control more than 100 newspapers, 200 magazines, twenty-five printing companies, seventeen television stations, twelve radio stations, two book publishing companies, two airlines, and a number of other interests.

In *The First Freedom,* Bryce W. Rucker observed:

> America's large publishers, despite inflated production costs, are riding their non-competitive newspapers to ever higher profits during these prosperous times.

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[7]Page 321, Roy Thomson of Fleet Street, by Russell Braddon. New York: Walter, 1965.

Their lavish incomes stake them to more monopoly papers, which further enrich them. If you doubt the formula, listen to William Randolph Hearst, Jr., editor-in-chief of Hearst newspapers. He said that if one were to merge independent morning and evening papers which earned $100,000 a year, the profits under monopoly ownership would be $500,000. Is it any wonder chain operators try to drive competition out of business? Or that. . .few competitive dailies remain?

Among the groups, whether public or private, there is a strong and deep-seated compulsion toward constant growth and expansion.

In the annual report of 1968 of Selkirk Holdings Ltd., already one of the largest broadcasting groups, President J.S. MacKay noted that the company continued its policy of acquisition because, "While we recognize the importance of a continuing review of our holdings, we also recognize the necessity of Selkirk continuing to grow in order to maintain our position as a leading publicly owned broadcast communication company."

In the annual report, of 1969, Mr. MacKay stated: "A basic policy of your company is to pursue a balanced diversified expansion of its investments with due regard to the public interest as expressed in legislation and interpreted by the Canadian Radio-Television Commission."

To provide for its own future growth, another major public broadcasting company, CHUM Ltd. announced in September, 1969, that it was seeking shareholder approval at a special meeting of an extensive reorganization of the capital structure in order to facilitate the company's expansion plans.

The propensity for growth was also underlined in the statement of President Donald F. Hunter to Maclean-Hunter shareholders in the annual report of 1969. He wrote:

Your company set new records in revenue and income during 1969, with virtually all divisions and subsidiaries contributing to the increases. These results are particularly gratifying after the slow-down in 1968.

Revenue increased to $58,500,000 from $47,669,000 and consolidated net income to $3,335,000 (83.4¢ per share) from $1,946,000 (48.7¢ per share) in the previous year.

Maclean's magazine, which began 1969 with its new, standard magazine page size, showed an increase of 25% in total number of advertising pages . . .

Chatelaine, for the first time in history, recorded press runs of over one million copies in every month . . .

The general outlook for Maclean-Hunter business publications is healthy and encouraging. . .

Careful attention is being given to the new technologies of communicating business information so that when they become practical they can be utilized as an extension of our existing services.

In the printing division . . . we are continuing to expand out facilities. . .

A major step taken during the year was the refinancing of our community television antenna operations with the public issue of debentures and stock in Maclean-Hunter Cable TV Ltd., with your company retaining control with 60.4% of the common shares.

A total of $14,520,000 was raised through the arrangements which were completed in January 1970, and after paying off the substantial bank loans which have been necessary to finance our cable TV expansion to date, there was a cash surplus of about $3,200,000. This is being used to complete the new systems we are developing in the Toronto and St. Catharines areas in the next two years.

The major additions to our Cable TV operations during the year were the purchase of systems in Hamilton, London and Peterborough, and the approval of new licenses for the city of St. Catharines, the towns of Ajax, Pickering and

Streetsville, and certain areas in the Township of Mississauga, near Toronto. Maclean-Hunter Cable TV Ltd. now has 90,000 subscribers in seventeen systems in Ontario and we anticipate that it will generate a good return over the long term. At the same time, we will be watching with interest the pronouncements of the Canadian Radio-Television Commission with regard to the content of programming, microwave distribution and the possibilities of advertising on Cable TV.

While part of this growth and expansion of the group media owners may take the form of establishing new services, their future appears to rest heavily on the acquisition of existing media outlets either from independents or other groups. It seems evident that the consequence of such acquisitions can only be the continued concentration of media ownership during the coming years.

As later sections will indicate in more detail, there are a number of other factors that serve to facilitate this development in varying degrees. The federal regulations restricting foreign ownership of broadcasting stations, for example, may be desirable in themselves, but the forced divestiture of foreign-held shareholdings is resulting in a substantial proportion of these interests being gathered into the hands of already large Canadian groups, particularly those that are public companies. It has been estimated by some knowledgeable authorities that around $100 million in broadcasting assets will be forced on the market by the foreign-ownership provisions.

à la NEP

Concern among many independent owners about the consequences of succession duties, while not necessarily founded on fact, appears to have provided a significant incentive to sell. A further incentive to sell has developed in recent years from a desire to avoid the impending imposition of capital gains taxes feared by many media owners.

Quite apart from any innate instinct for growth, the income tax also appears to provide a substantial incentive for groups to become eager buyers in the marketplace. *Proposals For Tax Reform,* the federal government's White Paper on Taxation made public in November, 1969, outlined the nature of the encouragement provided by the present tax structure:

> If a corporation which earns a large profit distributes that profit to its shareholders, the present system classifies those distributions as income and levies an income tax on them, just as it does on wages and salaries. On the other hand, if the corporation does not distribute the profits the value of shares in the corporation will almost certainly increase. If a shareholder realizes on his share of that increase by selling his shares at a profit, the present system usually classifies that profit as a capital gain and it is tax-exempt.

but not corp sales tax double taxn

Many of the media groups generate substantial profits from their operations. For example, one of the largest, Southam, reported net income after tax in 1969 of $8.07 million, up $450,000 from the previous year. This represented 15.3 per cent of total assets and a profit of $.077 on every dollar of operating revenue. Out of net income of $8.07 million, Southam paid out $4.18 million in dividends and charged an amount of $5.49 million against retained earnings, representing the excess of cost of properties acquired during the year over the value attributed to their net tangible assets. This reduced consolidated retained earnings at year-end, 1969, to $27.9 million from $29.5 million at year-end, 1968.

The Southam annual report of 1969 notes that:

> New records were established for revenue and profits; the former exceeding $100,000,000 for the first time . . . Although operating revenues increased 33.5 per cent, inflationary pressures on wages and material costs produced a 37.2 per cent rise in operating expenses. The end result was a 13.3 per cent increase in profits before capital losses.

The net profit of the company, from which the retained earnings were derived, represented the balance left from earnings after the payment of federal and provincial corporation taxes. The dividends paid in cash, $4.185 million, were, of course, liable to personal taxation in the hands of the shareholders. The retained earnings, however, were not liable to further taxation so long as they were not paid out as dividends. They might, however, be used to purchase additional newspapers or other assets. The management might well have every reason to hope and expect that in time these new acquisitions would contribute to an appreciation of the capital value of the company, which in turn would produce a tax-free capital gain in the value of the shares owned by its stockholders. The same effect might be achieved by acquiring new assets in whole or in part through the distribution of company shares to the seller, the amount of cash involved in the transaction being reduced commensurately.

by selling to non-shareholders what current ones c. too

The issue is more than academic, since the newspaper industry generally has a substantial volume of retained earnings ready for profitable investment.

In its annual report of 1967, Southam said that it had acquired a substantial minority interest (49 per cent) in the Brandon *Sun* at a cost of $586,000. The company's investment in Selkirk Holdings was increased by 77,000 class A shares to a total of 257,000, partly by purchase in the open market and partly by the exchange of Southam's 20 per cent interest in Calgary Television Ltd., for Selkirk shares. In November, 1968, the company acquired a 50 per cent interest in Greater Winnipeg Cablevision Limited. "The funds necessary to finance the company's capital expenditures and investments were provided mainly by retained earnings and depreciation," the directors reported. Despite these acquisitions, working capital of the company increased that year by $1.289 million.

The annual report of 1968 noted that early in 1969 Southam completed the purchase of the Owen Sound *Sun-Times* for $950,000 in cash. The Gazette Printing Company Limited comprising the daily newspaper and a weekly which it owned, were acquired for $3.710 million in cash and 100,000 Southam shares, which, at the then-current market price, would have been worth approximately $6.0 million.

On May 1, 1969, Southam purchased the *Citizen,* a daily newspaper published in Prince George with a circulation of approximately 12,000, for $2 million. The Southam annual report of 1969 noted that: "The funds for these acquisitions and for the additions to plant and equipment were provided from operations, by bank credit and by the issue of 100,000 common shares [as partial consideration for the *Gazette* purchase]. Working capital at year end was $4,626,000, down $557,000 on the year, but adequate for our requirements."

In the view of a number of senior management officials, public companies, particularly those with shares listed on one or more of the major stock exchanges, often enjoy a significant advantage over private groups in bidding for the purchase of existing media outlets. They point out that in relation to current earnings, the shares of a publicly-listed company are usually valued at a considerably higher multiple than that commanded by the shares of private companies. The *Financial Post's* Corporation Service estimated the market value of the outstanding shares of Southam Press as of April 25, 1969, was 25.1 times current earnings. It has been suggested to us that a price/earnings ratio of 10/15 would be a reasonable norm for private companies.

One senior executive, whose company is in the process of disposing of substantial interests in broadcasting and cable television, contended that public companies were usually able to outbid private companies for facilities being offered for sale because of this important difference in the multiple of price to earnings. By way of illustration, he pointed out that a private company whose own shares were likely to command no more than ten to twelve times earnings if they were offered for sale would be extremely reluctant to pay a price that would represent a significantly higher multiple for a new acquisition. On the other hand, a public company whose shares were traded at a multiple of, say, twenty times earnings would have no hesitation in paying a price that represented eighteen times the current earnings of the asset being purchased because the effect would be to improve its own relative earnings position. It is this kind of arithmetic that has accounted for the upsurge of many public companies, particularly the mammoth conglomerate corporations that have sprouted on both sides of the border.

In addition to the increasingly dominant position assumed by a number of groups individually in the field of mass communications, there appears to be an emerging trend toward the development of common interests between various major groups.

This is evident in the eight-year partnership of the Thomson group and the Toronto *Star* in the ownership of a limited number of small daily and weekly newspapers, recently abandoned, and the closely intertwined interests of Southam and Selkirk. It was reflected also in the proposed partnership of the Bassett-Eaton and Maclean-Hunter interests attempting to purchase the RKO television station in Windsor, and in the long-standing common interest of Southam and F.P. Publications in the Vancouver *Sun* and *Province*.

The joint venture launched by the Toronto *Star* and Southam in forming Southstar Publishers Limited, which publishes and distributes the *Canadian* and *Canadian Homes* to thirteen papers as weekend supplements and also sells the *Canadian Star Weekly* on newsstands, is another example.

If additional evidence of this trend were required, it was furnished by the announcement, in 1969, that the Southstar papers would henceforth be printed by the Montreal Standard Publishing Company in Montreal. Montreal Standard publishes *Weekend* and is a direct competitor of Southstar in the weekly supplement field. The two competitors also joined forces to form MagnaMedia Limited, a new company whose function is to sell advertising for the publications of both companies.

CONCENTRATION, COMPETITION, AND THE ROLE OF GOVERNMENT

The first newspaper established in Canada (the Halifax *Gazette,* founded in 1752) was forced to close its doors in 1766 when the displeased government of the day withdrew its patronage. Since those early days, governments have become considerably more chary of dealing in such a high-handed way with newspapers. Certainly there has been no inclination displayed by any modern-day ministry to interfere in the accelerating concentration of daily newspaper ownership. The only instrument of policy available for such intervention, even if only in a limited way, might have been the Combines Investigation Act. As suggested earlier, and discussed at greater length later, this statute has played no part in stemming the tide.

For a number of years, however, the federal government had the power to control the extent of ownership concentration in the broadcasting industry, and the extent of mixed-media ownership, through its authority to issue operating licences. While the ultimate control rested in the hands of the government, the regulatory authority, first the CBC and later the B.B.G.,was in a strong position to influence policy through its recommendations to the Cabinet. With the exception of a residual authority relating to the CBC, the C.R.T.C. is now vested with the power to control the licensing of broadcasting operations.

As the former chairman indicated in his testimony to the Senate Committee on Transport and Communications, the B.B.G. was not unduly concerned about the degree of ownership concentration in broadcasting, nor about mixed-media ownership. In the White Paper on Broadcasting of 1966, however, the federal government for the first time voiced its own misgivings about this trend and this concern has been reflected to a greater degree in the statements of the new regulatory authority.

In its annual report for 1968-69, the C.R.T.C. outlined various cases in which it had touched upon the question of ownership concentration throughout the year:

> Internally, the C.R.T.C. has been investigating ownership and control through the analysis of the corporate structure of broadcasting corporations. The continuing studies provide necessary background information and guidelines in considering applications and licensing of radio, television and CATV operations. Studies conducted in this area include analyses of ownership and control of licensee companies and of companies that control licensee companies. These studies are not restricted to the Canadian practice. There is also a concern for foreign ownership. Comparative studies of the regulation of ownership, control and support in the United States and the United Kingdom have also been initiated.

The C.R.T.C. has not reached any definitive conclusions about the nature of its approach to the problem of ownership concentration. Nor, given the character of its pronouncements and actions to date, does it appear that the C.R.T.C. will quickly arrive at a generally applicable policy. It continues to examine each situation on an *ad hoc* basis.

The C.R.T.C. has continued to enforce one of the few policies of the B.B.G. relating to ownership concentration, namely that of refusing to approve multiple holdings of AM radio stations broadcasting in the same language in the same community.

The Commission has reconsidered the policy adopted by the B.B.G. in March, 1966, of prohibiting multiple interests in CTV-affiliated stations, other than those existing at the time. The factors resulting in this policy issued in December, 1969, are important.

The B.B.G. directive stipulated:

> It will be the policy of the Board not to approve (a) any transfer of shares referred to it which would result in one person holding shares directly or indirectly in more than one company licensed to operate an affiliated station; or (b) any arrangement subsequent to this approval whereby any person may in any other way, participate in the control or management of more than one company licensed to operate an affiliated station.

Notwithstanding this policy, control of CJCH-TV in Halifax had already been allowed to pass from the hands of Finlay MacDonald, a local resident, to that of CTV Atlantic Ltd., in which the CTV network had a 50 per cent interest, at the time the C.R.T.C. came into existence. Through a decision announced on March 21, 1969, the Commission approved an application which had the effect of authorizing the CTV network, which is controlled on an equal share basis by each of the affiliated stations, to increase its interest in CJCH-TV to 75 per cent.

The C.R.T.C. offered the cryptic explanation that it approved the share transfer "because it appears to be the most practical solution in the interest of the station's performance and the network at this moment." The Commission added that it would be "interested in the methods used by the licensee to ensure community participation and safeguard community interests." Similar expressions of interest in maintaining community participation have accompanied a number of other C.R.T.C. decisions approving the complete takeover of local financial holdings by major broadcasting groups.

As a condition of the CJCH share transfer, the Commission stipulated that the stock of the Halifax station in the CTV network should not be voted. It further provided that Mr. MacDonald would represent the station on CTV's board of directors "and that he will discharge his duties independently in the interests of the Halifax TV station."

Given the fact that Mr. MacDonald's share interest had been reduced to a nominal position, the responsibility imposed on him would appear to be at odds with the realities of corporate power.

On July 23, 1969, the C.R.T.C. announced its intention to reconsider the policy concerning ownership of shares in affiliates of the CTV network established by the B.B.G. At the same time it authorized Selkirk Holdings and the Western Broadcasting Co. to acquire all the shares of Canastel Broadcasting Corporation. Canastel, in turn, owned a substantial minority of the shares of British Columbia Television Broadcasting Systems, operator of CHAN-TV in Vancouver – a CTV affiliate – and CHEK-TV in Victoria – a CBC affiliate.

Both Selkirk Holdings and Western Broadcasting have a strong minority interest in British Columbia Television. The effect of the decision, therefore, was to give them a significant minority interest as well in a second CTV affiliate, CJCH-TV.

Having approved this move, the Commission filed the *caveat* that it would defer a decision on the disposal of the shares owned by Canastel in CJCH Limited until after its review of the B.B.G. policy on multiple ownership of the network. This reservation, however, clearly failed to cover the breach of the former B.B.G. policy.

The C.R.T.C. explained that it was reviewing the B.B.G. directive because "recent developments in broadcasting, such as the extension of second English-language television service and the Order-in-Council on foreign ownership, have brought about several applications which relate to this policy established by the Board of Broadcast Governors."

In October, 1969, at the C.R.T.C. hearings in Vancouver, opportunity to express opinions on CTV multiple ownership was given to broadcasters. Reference was made earlier to the arguments in favour of dropping the blanket rule against multiple ownership of CTV affiliates advanced by Stuart Griffiths, the Bushnell spokesman. Bushnell Communications had at the time applied for C.R.T.C. approval of the purchase of CFCF in Montreal, three other television and four other radio stations owned by the Thomson and Davies interests. Bushnell already owned CJOH-TV of Ottawa.

During his testimony, Mr. Griffiths made a point of denying press reports that Bushnell's purchase of these stations, together with a number of cable television companies, represented part of a power struggle with the Bassett-Eaton interests, who through CFTO-TV in Toronto have a major stake in the financing and programming of the network. However, he left open the possibility that the move could portend a struggle in other areas, since he suggested that cable television was "rapidly overtaking the two networks now."

E. A. Goodman, representing the Bassett-Eaton broadcasting interests, agreed with Mr. Griffiths that the Commission should consider the ownership of CTV affiliated stations on the merits of each case: "We submit there are advantages to allowing certain larger groups to grow up in broadcasting in Canada." While asserting that the Bassett-Eaton Group had no present negotiations for the acquisition of an interest in another CTV station, he acknowledged that it was negotiating for the purchase of two television stations affiliated to the CBC network.

Mr. Goodman advanced these arguments in support of multiple CTV ownership:

> The first is that if CTV is to effectively compete both with its American competition and with the Canadian Broadcasting Corporation, it is essential that the network maintains a national outlook with an ever-increasing degree of program excellence. This can best be achieved by allowing national growth in those broadcasting groups which have significant investments in Canadian broadcasting. At the present time, almost 60 per cent of the households that receive the CTV signal are also able to receive a signal from at least one, and often two or three, American networks.
> The percentage of CTV households that receive the CBC signal is, of course, almost 100 per cent. This requires CTV to expend significant sums of money both in the production and in the purchase of program packages. The history of the network is that those stations that have the most resources are both willing and able to spend larger sums on programming, even on a pro rata basis.
>
> The next argument is that allowing certain broadcasting groups to have either regional or national holdings will not denigrate from the standard of local coverage that is given by their individual stations but will increase it. We believe that an examination of the news, public affairs and community service provided on a local basis will show that the stations with more resources are just as interested in doing local broadcasting as smaller stations and more able to do so.

> If Canadian programs are to compete with the best American programs, it is necessary that the programs produced be of international stature with international sales. This again requires large resources. The allowing of larger broadcasting holdings will facilitate higher standards of production and will assist not only the broadcasting industry but individual Canadians in the industry. Under the existing corporate structure of CTV, there is available the means to allow legitimate expansion of broadcasting interest and still offer protection to the smaller stations of the network and prevent control being assumed by any one group or combination of groups.

Two reservations about a change in the B.B.G. policy were filed with the C.R.T.C. Central Ontario Television Ltd., which owns CKCO-TV in Kitchener-Waterloo, a CTV affiliate, contended a company with an interest in one affiliate should be permitted to hold a minority interest in another, but not to exercise control or management of more than one network station.

While the CTV network operated on the principle of "one station, one vote," experience had suggested that some votes were more equal than others, the company said. Those stations that carried the largest share of the financing load and responsibility for programming tended to have unequal influence:

> If there was any significant reduction of varying viewpoints through combination amongst the middle-level stations or if, conversely, one organization were in a position to have a vote representing a half, or almost half, of the total cost of any program under discussion, it would seem apparent that decisions could be influenced by the lack of breadth amongst the participants, or by the concentration of effective voting power represented by such a large proportion of the cost.

The National Association of Broadcast Employees and Technicians suggested that no interest should be permitted to have effective control of more than two stations affiliated to a single network and that a limit be placed on the total number of television stations controlled by a single interest.

On December 23, 1969, the C.R.T.C. announced its revised policy on CTV multiple ownership. The policy supports the C.R.T.C.'s applied philosophy to examine and evaluate each situation on its own merit "taking into account policies established by the Commission, circumstances surrounding each application and factors likely to affect the overall development of the CTV network."

The first major opportunity to see this policy applied came in the Bushnell Communications decision. On July 6, 1970, it was announced that Bushnell could acquire CFCF-TV in Montreal and CKWS-TV in Kingston – both CTV affiliates – together with CHEX-TV in Peterborough and CFCH-TV in North Bay. The decision also granted to Bushnell eleven radio stations in seven cities, and Cablevue (Belleville) Limited.

Among the conditions for licence, the C.R.T.C. included the following concerning its reasons for permitting multiple ownership of the CTV affiliates:

> 1. that the ownership of CFCF-TV and CJOH-TV, both member stations of CTV, would permit more creative representation of the Montreal scene to the rest of the country and bring the Montreal area a more immediate and comprehensive service regarding events taking place in other parts of Canada;
>
> 2. that Quebec City, as the capital of Quebec, will be more regularly reflected in the radio and television news of CFCF and CFCF-TV Montreal;
>
> 3. that there will be more programs exchanged between Montreal and Ottawa;

4. that CFCF Radio Montreal will give an added emphasis to community involvement;

5. that advertisers shall not be obligated to buy advertising on both CJOH-TV and CFCF-TV;

6. that Bushnell Communications Limited will only exercise one vote as a member of CTV Television Network Limited;

7. that CFCF-TV Montreal and CJOH-TV Ottawa will take their normal share in any cost-sharing plans agreed upon in the CTV network.

It is apparent that such decisions concentrate broadcasting ownership. At issue is the basic problem of conflicting values, the value of large-scale operation, and the value of widespread diversity of ownership of the communications media. By limiting Bushnell Communications to one vote as a member of the CTV network, the C.R.T.C. has attempted to limit the power of concentrated ownership.

One area in which the present regulatory agency has opened the door to a possible increase in competition among existing broadcasting media is through its reversal on February 3, 1969, of a former B.B.G. ruling against the licensing of new AM radio stations in communities that already had radio and television broadcasting facilities. "The policy," the B.B.G. explained in 1966, "was designed to ensure that commercial revenue which might otherwise be available to support alternative television service will not be diverted to less important broadcasting services."

The reversal of this policy is of particular interest when set against an observation in the Toronto Stock Exchange's *Monthly Review* (February, 1969). An article dealing with CHUM Limited, a company listed on the Exchange, noted that to understand fully the impact of radio in Canada it was necessary to compare the broadcasting industry with that in the United States.

> The Canadian industry is fundamentally stronger financially. There are fewer stations per capita, making it a better "buy" for advertisers. In the United States, the audience tends to be "splintered" among many stations.
> In U.S. markets the size of Toronto, there are usually four or five times as many stations. In 1954, radio in Canada accounted for 9.4 per cent of advertising dollars. In 1968, its share had increased to 10.2 per cent. That is a significant increase if it is recognized that the gross advertising revenues in Canada are now in the order of one billion dollars. In the United States, radio takes only 6 per cent of total advertising revenue.

Presumably as a result of this limitation on the number of outlets in Canada, the profitability of the average radio station north of the border is also significantly higher than in the United States. The granting of greater freedom of entry into the market could conceivably result in increased competition and also somewhat wider diversity of ownership, presuming that the proportion of group-owned stations newly licensed is not large.

It is worth noting in passing that the kind of protective attitude toward broadcasting reflected in the B.B.G. decision on AM radio, as well as in a number of its other licensing recommendations, is quite different than that in the United States. In a paper reproduced in the fall issue for 1968 of the *Anti-Trust Bulletin,* Rosel H. Hyde, at the time Chairman of the Federal Communications Commission in the United States, observed that freedom of entry into broadcasting – within technical limits – provided a stimulus to competition. While he probably overstated the case, Mr. Hyde maintained that the F.C.C. "does not protect an existing station against competition from newcomers, leaving both to succeed or fail upon the basis of their service to the public. The Commission had consistently sought free and open competition and refused to consider economic injury in any aspect as being a factor in the public interest." This position, he subsequently admitted, had been somewhat modified as a result of a court decision decreeing that economic injury had to be taken into account when it would result in the reduction or elimination of service to the public.

One of the elements that need to be taken into consideration in relation to ownership concentration is cable television. At present, the vast majority of these systems are employed in a passive way to relay the signals of existing television stations. The C.R.T.C. has made it clear, however, that it expects cable systems to begin playing an increasingly active role by undertaking an increasing volume of programming of their own.

The C.R.T.C.'s stated policy of favouring local ownership of cable systems, while at the same time remaining unwilling to give cable licences to other media owners in the same community, suggests that herein lies a method of diversifying media ownership. However, this seems to be in conflict with the Commission's desire to license operators capable of producing, in time, high quality cable programming, which implies that these owners should have some experience in broadcasting.

The cable systems, therefore, offer the opportunity for provision of increased diversity of programming and of ownership. In its submission to the C.R.T.C. in October, 1969, on the question of microwave relay systems in conjunction with cable television, the Canadian Association of Broadcasters suggested that the dual ownership of a television station and a cable television system should not be regarded as producing excessive concentration of ownership because the latter would only be assisting the former in extending its service in keeping with the provisions of the Broadcasting Act.

a) Recover Rev
?
b) Cut Costs

Considering the fact that many cable television systems are, in fact, the instrument of increased competition for many local television stations, this is a rather dubious argument. It becomes even more so when the possibility of cable systems becoming increasingly involved in their own programming is taken into account. To date, the C.R.T.C. – as indicated later – has been inclined to frown on such dual ownership. It has not, however, adopted any overall policy in this regard. In Ottawa, for example, Ottawa-Cornwall Broadcasting Limited (previously Bushnell Communications), which operates CJOH-TV in Ottawa, also holds 75 per cent of Laurentian Cablevision Limited in Hull and a minority interest in Skyline Cablevision Limited in Ottawa. However, the C.R.T.C. refused to allow a complete takeover of Skyline in its decision of July 6, 1970. More common is the C.R.T.C.'s refusal to permit owners of other local media to participate in the ownership of community cable systems.

Two types of ownership concentration have been more favourably received by the C.R.T.C. These are: first, multiple ownership of cable systems by corporations not involved in other media operations; and second, ownership of cable systems by corporations involved in media operations not adjacent to the cable operation(s).

Jarmain Cable Systems Limited has restricted its operations to date to cable. Currently it owns five systems extending to London, Oshawa, Chatham, Paris, Bowmanville, Bradford, and Holland Landing. David R. Graham, through three separately incorporated companies, holds interests in three systems in Winnipeg, Toronto, and Calgary.

With the increasing attractiveness of cable, many of the major media corporations started collecting systems. Famous Players, best known for its widespread interests in motion picture theatres, held, at the end of 1969 at least partial ownership of nineteen cable systems. At the same time, it shared ownership in eight television and two radio stations. Famous Players, because it is American-controlled, is now disqualified and is endeavouring to sell its holdings.

Southam Press Limited directly or indirectly holds interests in six cable systems. Southam plans to consolidate its broadcasting interests in Selkirk Holdings, subject to C.R.T.C. approval. Selkirk has interests in seven television and five radio stations.

Maclean-Hunter Limited, Canada's leading publisher of consumer magazines and business publications, has purchased and received licences for seventeen cable systems in Ontario operated by three companies; Maclean-Hunter Cable TV Limited, Peterborough Cable Television Limited, and Huron Cable TV Limited.

Some of the earlier C.R.T.C. decisions reflect concern over too much concentration of ownership regionally among broadcast holdings and between broadcast and cable holdings. One involved an application by British Columbia Television to authorise Famous Players' and Selkirk's increasing of their minority holdings in the company. In rejecting the application, the Commission said that it was

> concerned about excessive concentrations of ownership in communications media. Two aspects of excessive concentration are apparent in this application. One is the ownership of the CTV Network through its affiliated stations. The other aspect is the general matter of ownership of broadcasting stations and CATV systems.

Recalling the pronouncement of the B.B.G. with regard to multiple interests in CTV affiliates, the Commission noted that Famous Players already was a shareholder in CKCO-TV, Kitchener, and CHAN-TV through its holdings in British Columbia Television. "The Commission confirms the policy statement of the B.B.G. and will not now authorize a transfer of shares which would increase the participation of any person or party in the ownership, control or management of more than one company licensed to operate an affiliated station of the CTV Network."

The C.R.T.C. further opposed the application because it would result in a further increase in the 26.7 per cent of the company shares already held by Selkirk: "With respect to the proposal by Selkirk Holdings Ltd. to purchase shares in British Columbia Television Broadcasting System Ltd., the Commission notes that Southam Press Ltd. is a shareholder in Selkirk Holdings Ltd." The announcement continued:

> Southam Press Ltd. and Selkirk Holdings Ltd. have direct or indirect interests in several other Canadian FM, AM and television stations, as well as in CATV systems. Concentration of ownership is a complex problem which is made more difficult by the distribution of the population of Canada. The Commission realizes that the development of communication in Canada may sometimes require the participation of large entities. However, considering the facts before it at this time the Commission has decided to deny this application.

In March, 1969, the Commission authorized Western Broadcasting Co. to increase its minority holdings in B.C. Television substantially through the purchase of shares from another company, although Western Broadcasting had extensive broadcasting interests at that time.

> The Commission has taken into account the existence of a preemptive rights agreement amont the shareholders, but decided that other factors, such as balance of ownership and the need to clarify a complicated ownership situation in the interests of the station's performance were of greater importance in these circumstances. [Again without further explanation.]

On July 23, 1969, the Commission, as previously pointed out, permitted Selkirk and Western to acquire a share interest for the first time in Halifax's CJCH-TV, another CTV station, and to increase their holdings in British Columbia Television through the purchase of Canastel. This decision not only conflicted with the B.B.G. ruling regarding CTV affiliates, but also conflicted with the position previously taken by the C.R.T.C. with regard to increasing the holding of Selkirk in British Columbia Television because of its already extensive interests in broadcasting and the large minority share holding of Southam in this company.

The C.R.T.C. also raised the problem of ownership during 1968 in connection with an application for the renewal of the licence of radio station CHSJ in Saint John. This station, as well as CHSJ-TV in Saint John, is owned by the Irving group, which includes among its media holdings the ownership of all five of the English-language daily newspapers in New Brunswick. The C.R.T.C. announced that it was renewing the licence for a period of only one year, to March 31, 1970, and explained: "The Commission is developing a licensing policy which will take into account concentration of ownership in the media serving a community. The Commission will reconsider this licence in the light of the new policy."

The new policy has yet to be disclosed, nor, it appears, may it ever be handed down in a single policy statement per se. As the annual report of the Commission in 1969 states:

> The Commission's continuing concern about concentration of ownership of broadcasting undertakings and the evolution of policy in this sphere can be traced in decisions taken throughout the year. Conditions relating to concentration of ownership were attached to decisions on licence applications by the following: Express Cable Television Limited, British Columbia; Surrey Cablevision Limited, British Columbia; British Columbia Television Broadcasting System Ltd., B.C.; Rogers Cable Television Limited, Ontario; Baton Broadcasting Limited, Ontario; New Brunswick Broadcasting Limited, N.B.

Many of these decisions have been herein discussed.

In a separate decision, the Commission also denied an application for renewal of the licence previously granted by the Department of Transport to Saint John Cablevision Ltd. to maintain a broadcasting undertaking in the city. Ownership of this company, which never went into operation, was equally divided between Irving and Famous Players. "In its announcement of June 13, 1968, the Canadian Radio-Television Commission expressed its concern about excessive concentration of ownership in communication media. In view of this concern, the Commission will not approve this application in the public interest."

On December 20, 1968, the Commission announced its decision regarding extension of first service French-language and second service English-language television in the Maritimes. The decision affiliated CKCW-TV of Moncton to the CTV network, and gave it rebroadcasting rights to Saint John. It provided that CHSJ-TV of Saint John remain affiliated to the CBC, rebroadcast to Moncton and carry a stipulated amount of national and regional CBC programmes. It stated that the CBC should establish both English and French production services in Moncton. It extended the broadcast coverage area of CJCH-TV in Halifax to southern Nova Scotia counties. CJCB-TV of Sydney was to become a CTV affiliate with rebroadcasting rights to cover Prince Edward Island. The CBC, on the other hand, was to rebroadcast to the CJCB Cape Breton coverage area. French service was to be offered in Yarmouth, the Saint John-Fredericton area, Halifax, and Cape Breton.

Among other considerations, the Commission said it was concerned

> to arrive at a flexible solution that could permit further developments if the need and possibilities arise and to maintain the possibility of a CBC-owned and-operated station in the Saint John-Fredericton area if and when such a station becomes possible and indispensable.

The Commission said it wished also to avoid increasing unnecessarily the number of stations in this area, since the existing number of stations was already higher than anywhere else in the country in relation to geographic size, population and market figures.

The announcement recalled that under the Broadcasting Act, broadcasting licences were not deeded in perpetuity and added: "The Commission will continue to study the problem of concentration of ownership of the broadcasting media and will review in the coming year the situation in New Brunswick."

One of the major aspects of this far reaching order was a directive to Moncton Broadcasting Company Limited, licensee of CKCW-TV (Moncton), previously a CBC affiliate, to become affiliated with the CTV Network and to establish a satellite, or rebroadcasting station, in Saint John. At the same time, the Commission also directed that CHSJ-TV (Saint John) remain affiliated to the CBC Network and establish a satellite station in Moncton.

The decision clearly indicates the reservations of the C.R.T.C. to any expansion of the Irving interests into additional media enterprises. Currently, Irving interests control all the English-language newspapers in New Brunswick and a Saint John radio and television station. The decision specified that "No person with an ownership interest in New Brunswick Broadcasting Company Limited may have direct or indirect ownership or control of any shares of capital stock in Moncton Broadcasting Limited."

As part of a series of decisions on March 21, 1969, the C.R.T.C. approved applications which had the effect of permitting Maclean-Hunter Ltd. to buy out the remaining minority shares of local residents who previously controlled CFCN Television Ltd., which has a station in Calgary and full or partial satellites in a number of other Alberta communities, including Lethbridge. The same circumstances, and the same parties, were also involved in the case of The Voice of the Prairies Ltd., operator of CFCN-AM and CFVP-SW, Calgary. In both instances, the announcement recalled the C.R.T.C. desire to safeguard community interests.

"However, the Commission approves of this share transfer because it appears to be the most practical solution in the interest of the station's performance at this moment. The Commission will be interested in the methods used by the licensee to ensure community participation and safeguard community interests." The decision did not disclose why the station's performance suffered because Maclean-Hunter, while having a majority interest, fell short of complete ownership of all outstanding shares. The C.R.T.C. never indicated subsequently what methods have been adopted by the licensee "to ensure community participation and safeguard community interests," nor whether these methods are to its satisfaction. Judgment will not likely come until application for licence renewal is made two years hence.

A similar situation arose in the case of Great Lakes Broadcasting System Ltd., a licensee of radio stations in Chatham, Orillia, and Kitchener. In this instance, the C.R.T.C. authorized Maclean-Hunter to increase its percentage of ownership from 50 per cent to 100 per cent. Again the C.R.T.C. maintained it was the most practical solution in the interests of the station's performance and again expressed interest in the arrangements for safeguarding community interests and providing community participation.

In its decision of July 6, 1970, the C.R.T.C. openly expressed its concern over another type of media concentration – mixed-media ownership. The decision granted Bushnell Communications Ltd. the right to purchase and operate all of the Thomson-Davies broadcasting interests. It noted that: "These applications lead to the separation of a group of broadcasting stations from a significant newspaper group. The Commission thinks this separation is desirable. Under the circumstances, the Commission accepts the arrangement which results in the entire broadcasting group being transferred to the applicant."

The decision resulted in a reduction of the Thomson-Davies newspaper and broadcasting concentration but increased considerably the broadcasting ownership concentration of Bushnell Communications Limited. This suggests that the C.R.T.C. prefers broadcasting concentration to mixed-media concentration, while of course retaining reservations about concentration of any kind. Presumably the same concern over mixed-media ownership acted in the request that F.P. Publications dispose of its shares in Community Antenna Television Limited, which is licensed to operate in Calgary.

One of the strangest cases involves the decision, in August, 1968, by the C.R.T.C. approving the sale by Roy G. Chapman and Mrs. A. M. Chapman of approximately one-third interest in Okanagan Valley Television Company Limited, operator of a primary television station in Kelowna and satellite stations in eight other communities, including Penticton, to British Columbia Television Broadcasting System Limited. British Columbia Television operates television stations in Vancouver and Victoria, and its control is divided among Western Broadcasting, Selkirk, and Famous Players – all of which have other extensive broadcasting interests. At the time British Columbia Television acquired its one-third interest in Okanagan, Selkirk held one-third directly, through a wholly-owned subsidiary, the remaining one-third being held by the Bromley-Browne family.

The C.R.T.C. advanced the following reasons for the approval of this share exchange, and, in the process, sought to develop something of its own philosophy with regard to ownership:

> The C.R.T.C. maintains concern regarding concentration of ownership of communications media. It is convinced that equitable balance of ownership is a form of guarantee for safeguarding community interests and sustaining the presentation of vital news and informational services.
>
> In addition to criteria already expressed by the B.B.C. in various licensing decisions, the C.R.T.C. has four points of consideration used in making decisions regarding ownership of broadcasting outlets:
>
> 1. The balance between shareholders from the community and shareholders from outside the community to be served by the station.
>
> 2 The balance on the Board of Directors of the company between members of the community to be served by the station and other members of the Board.
>
> 3 The capacity of the company – as demonstrated by the structure of ownership and by the composition of the Board of Directors – to understand the characteristics of the community to be served and to meet the various needs of that community.
>
> 4 Extent of ownership of other commercial undertakings which might influence the performance of broadcasting stations.
>
> The Commission recognizes, as well, the need for adequate economic resources in the natural development and expansion of broadcasting.
>
> The decision to allow the transfer of shares of CHBC-TV, Kelowna, B.C., to British Columbia Television Broadcasting System Ltd., is directly related to a normal need for expansion and improvement of general broadcasting service as well as assurance of the continued capacity of local participation as a safeguard for community interests.

Having set out some of the factors considered, the C.R.T.C. indicated that in its opinion economic and financial considerations outweighed those relating to community participation or concentration of ownership. However, the C.R.T.C. provided no insight for the public into the lack of adequate economic resources that resulted from the one-third Chapman ownership, nor did it suggest how any prospective deficiency would be better overcome by the one-third participation of British Columbia Television.

This decision by the C.R.T.C. provided for Mr. Chapman to retain one share in Okanagan to continue qualifying as a director of the company. In October, 1969, however, the C.R.T.C. had before it applications for new television stations from B.C. Television and Mr. Chapman which not only were directly competitive, but which also would provide extensive direct competition for Okanagan if either was approved.

British Columbia Television, which now holds a one-third interest in Okanagan, applied for permission to establish stations in Kamloops and Kelowna (the site of Okanagan's primary station) to relay broadcasts of British Columbia Television's CHAN-TV in Vancouver. British Columbia Television further proposed that the Kelowna station be employed to further relay CHAN signals to relays in Vernon and Penticton (where Okanagan also has a relay station.)

Mr. Chapman, the sale of whose interests in Okanagan to British Columbia Television was related to the future financing of the company's growth, applied for a licence on behalf of a company to be incorporated. He proposed to establish a new primary television station at Kelowna and satellites in Penticton and Vernon, which presuppose some substantial financial backing.

At the C.R.T.C. hearing in Vancouver in October, 1969, Mr. Chapman withdrew his application in favour of the competing proposal of British Columbia Television. The latter company argued that the move would enable it to secure additional national advertising revenue not available to the competing American television station KVOS, in Bellingham, just south of the British Columbia border. The company undertook to guarantee the independently owned television station in Kamloops and Okanagan, in which British Columbia Television has a one-third interest, that it would make up the difference if their national advertising revenues did not increase by 10 per cent a year. Approval of this proposal would result in British Columbia Television's CTV station in Vancouver competing with two CBC affiliates, in one of which it has a one-third interest, while at the same time guaranteeing them a specific annual increase in national advertising revenue.

Both the report of the Fowler Committee and the federal government's White Paper on Broadcasting contended that, in addition to establishing certain minimum national standards, the new regulatory authority should be expected to impose additional programming requirements on the more prosperous broadcasting stations related to their ability to pay. The White Paper said that standards of quality and public service should not be formulated on a universally applicable basis.

> Private broadcasters operating in the larger and more profitable markets can afford to provide a greater variety and higher quality of programming than those in less favoured areas, and it is therefore logical to relate regulatory requirements to the profit-potential of individual stations.

The Fowler Committee had this further observation with regard to the disclosure of financial information relating to broadcasting stations:

> The Canadian Broadcasting Authority should report annually to Parliament, in considerable detail, on all aspects of the broadcasting system – for the private sector as well as the public sector. Parliament should be given a complete picture of the purpose and performance of the broadcasting system so that it can be viewed as a whole. The annual report should deal in detail with the year's program performances by both public and private broadcasters. It should assess performance against the standards laid down by the Authority, and against any undertakings that may have been given by broadcasters. It should also report on the financial position of all broadcasters. For the CBC, the Authority's annual report to Parliament will necessarily cover details of the financial results and administration of the CBC, but Parliament and the public also have the right to know about the financial health of the private broadcasters, since they are essential elements of the Canadian broadcasting system. There is a need to standardize the form of accounting by the CBC and the private stations, so that their achievements and their failures can be accurately compared by Parliament and the public.

While the report of the Committee was not precise, it appeared to suggest that information relating to the financial position of each of the private broadcasting stations should be made public. All stations are now required to report financial information in considerable detail to both the C.R.T.C. and D.B.S. This information, however, is regarded as confidential and not available for public scrutiny.

To date, the Commission has not moved to implement the proposal of the Fowler Committee and the federal government with regard to programming requirements based on ability to pay. Whether the C.R.T.C. itself is prepared to follow such a course remains unknown, but the fact that it has not done so to date is at least understandable in terms of the very heavy load of other problems confronting it and the lack of complete information available on which to base such decisions.

If and when the C.R.T.C. does move to implement the policy of the government, there may be further justification for the disclosure of financial information beyond that advanced by the Fowler Committee. It can be argued that if the regulatory agency is to impose special programming requirements on stations according to ability to pay, then the public has the right to scrutinize the financial data that provide the basis for the Commission's judgment. Failing that, the public lacks any means of reaching a judgment of its own about the manner in which the regulatory agency performs its public trust.

CABLE OWNERSHIP*

Cable ownership has been separated for study from daily newspapers, radio and television ownership because it is less developed as an industry, because the size of each system is more limited than for other media due to its restriction to a licensed area, and because in 1970 cable is primarily a programme-transmitting service rather than a programme-producing industry. It is analyzed primarily as it exists within the 103 communities included in Appendix 1 – those in which a daily newspaper is published, or where there is a primary television station.

Table 1 shows that in the 103 communities there were ninety-five separate cable systems approved by the C.R.T.C. as of July 31, 1970. These systems were not necessarily operational. However, conditions of each licence specify that cables must be laid throughout the area within the two year term of licence. The ninety-five cable systems compare to 116 daily newspapers, ninety-seven television and 272 radio stations in the same communities.

These cable systems occur in sixty-one of the 103, or 60 per cent of the communities. Cable has developed fastest in those areas which can pick up off-the-air American television networks. This means the Prairies and the Maritimes have been slower to establish cable systems. By July, 1970, eight of the 19 (42 per cent) Prairie communities under study and three of the 12 (25 per cent) Maritime communities had licensed cable systems. Four of the cable systems in Edmonton and Calgary were not yet laying cable as they were licensed only in July. On the other hand, 79 per cent of the Ontario, 61 per cent of the Quebec and 60 per cent of the British Columbia communities have at least one cable system.

Of the ninety-five systems, 61 or 64 per cent are group-owned and 34, or 36 per cent are independently-owned. This means there is a slightly lower proportion of group ownership in cable than among daily newspapers (64 per cent as against 66.4 per cent) but considerably more than among television and radio stations (64 per cent as against 47.9 per cent).

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*This summary of cable ownership patterns was prepared by the Committee's research staff.

Table 1. Cable Systems Approved By the C.R.T.C. in Surveyed Communities as at July 31, 1970.

Province	Number of Communities	Number with Cable System(s)	Number of Cable Systems	Number Group Owned	Number Independently Owned	Independents with Interests in Other Media in Same Community
British Columbia	15	9	16	11	5	0*
Alberta	6	5	7	4	3	2
Saskatchewan	7	1	1	1	0	0
Manitoba	6	2	3	2	1	1
Ontario	45	34	51	37	14	0*
Quebec	12	7	12	5	7	1
New Brunswick	3	1	1	0	1	0
Nova Scotia	5	2	4	1	3	0
Prince Edward Island	2	0	0	0	0	0
Newfoundland	2	0	0	0	0	0
TOTAL	103	61	95	61	34	4

*However, two cable systems in same city owned by same interests.

Source: Appendix 1

Of the thirty-four independently-owned cable systems, four are owned by individuals or corporations which have other media interests in the same community. Four more are controlled by interests which own two cable systems in the same community but own no other media. This leaves twenty-six systems which exist entirely independently of other media holdings in the same or another community.

Table 2 examines development of cable by community size. Larger communities are more likely than smaller communities to have cable although a surprisingly large number of towns with populations of less than 30,000 do have cable. Just over 76 per cent of metropolitan areas (population over 100,000) have at least one cable system and about half have more than one. About 69 per cent of cities with 30,000 to 100,000 population and about 50 per cent of those under 30,000 have cable.

The C.R.T.C. has followed a policy of dividing major metropolitan centres for licensing among a number of cable operators. Toronto has the most systems – eleven. Hamilton follows with seven systems; Montreal and Vancouver have six, and Ottawa-Hull has three. The twenty-one communities with populations of over 100,000 account for forty-nine of the ninety-five systems.

The five metropolitan areas currently without cable are Regina, Saskatoon, Sudbury, Saint John and St. John's. Metropolitan areas with one cable system are Victoria, Kitchener-Waterloo, St. Catharines, Thunder Bay, Windsor and Quebec City.

Up to this point cable ownership has been discussed in terms of numbers of systems regardless of size. The influence of a cable system can extend only to the extremities of the licensed area. In metropolitan areas, the licensed area is usually only a section of the city. In smaller communities where there may only be one system, the licensed area covers only the more-densely-populated parts where the system can operate profitably. Cable does not usually extend to rural areas as do the other media.

Hence it does not seem appropriate to assess cable ownership on the basis of communities penetrated. Rather it should be examined on the basis of proportion of households reached by a particular owner in a city, in an area, in a province or in Canada as a whole.

By pro-rating 1966 D.B.S. census data, it is estimated that at December 31, 1969, there were approximately 5,600,000 households in Canada. Of these, the C.R.T.C. estimates, 2,495,200, or 45 per cent, were in cable-serviced areas and 1,013,300, or 18 per cent subscribed to cable. The C.R.T.C. projected the subscription from 1,013,300 to 1,070,900 by March 31, 1970, an increase of 5.7 per cent in a period of three months. In contrast to these figures for cable television, the Committee's Media Usage study (conducted by Canadian Facts Co. Ltd.) indicates that 99 per cent of households have at least one radio, 98 per cent have at least one television set, and 90 per cent of individuals claim to read a daily newspaper.

Table 2. Cable Systems By Community Size

Province	Total			Under 30,000			30,000 – 100,000			Over 100,000		
	Number of Communities	Communities with Cable	Communities with 2 or more systems	Number of Communities	Communities with Cable	Communities with 2 or more systems	Number of Communities	Communities with Cable	Communities with 2 or more systems	Number of Communities	Communities with Cable	Communities with 2 or more systems
British Columbia	15	9	1	13	7	0	0	0	0	2	2	1
Alberta	6	5	2	2	1	0	2	2	0	2	2	2
Saskatchewan	7	1	0	4	1	0	1	0	0	2	0	0
Manitoba	6	2	1	4	1	0	1	0	0	1	1	1
Ontario	45	34	4	18	13	0	16	13	0	9	8	4
Quebec	12	7	1	4	1	0	6	4	0	2	2	1
New Brunswick	3	1	0	1	1	0	1	0	0	1	0	0
Nova Scotia	5	2	2	3	1	1	1	0	0	1	1	1
Prince Edward Island . .	2	0	0	2	0	0	0	0	0	0	0	0
Newfoundland	2	0	0	1	0	0	0	0	0	1	0	0
TOTAL	103	61	11	52	26	1	28	19	0	21	16	10

Source: Appendix 1.

Table 3 provides cable circulation data by province at December 31, 1969. This information was computed by the C.R.T.C. from information submitted by cable operators. It should be noted that the D.B.S. annual *Report on Community Antenna Television* for 1969 gives the number of actual subscribers (individual plus commercial and bulk contract outlets) for the same date as 923,811. The C.R.T.C. compilation was made a short time after that of D.B.S. Hence the discrepancy in the number of subscribers.

Table 3. Cable Circulation By Province, December 31, 1969.

Province	Number of Households in Cabled Areas	Number of Subscribing Households	Subscribing as % of Area Households
			%
British Columbia	464,000	278,100	60
Alberta	27,300	12,700	46
Saskatchewan . . . . and Manitoba	152,000	29,100	19
Ontario	1,126,500	471,700	42
Quebec	703,400	211,500	30
Maritimes	22,000	10,200	46
Total Canada	2,495,200	1,013,300	41

Source: CRTC records, December, 1969.

In this study, actual circulation represents all subscribing households, including outlets from commercial and bulk contracts, such as apartments, hospitals etc. Potential circulation is the circulation that would be achieved if all households subscribed. Subscriber acceptance varies from region to region, but as a rule of thumb cable operators usually expect that an average of 65-70 per cent of homes in cabled areas are likely to subscribe.

Table 3 shows the maximum potential number of households in cable-serviced areas, the number of actual subscribing households at December, 1969 and the penetration of cable provincially at this time. In total, 41 per cent of households in cable-serviced areas were subscribing. According to a province-by-province breakdown, penetration was greatest in British Columbia at 60 per cent, followed by Alberta and the Maritimes at 46 per cent, then by Ontario at 42 per cent. In terms of potential, the lowest penetration has occurred in Saskatchewan and Manitoba with only 19 per cent of possible households subscribing.

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Quebec	705,400	211,500	30
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Total Canada	2,495,200	1,013,700	41

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Chapter 2:

A PROFILE OF OWNERSHIP CONCENTRATION

This section is concerned to draw a profile of the mass media in Canada and to show the extent of common interests within each medium and between media, as well as the communications interests held by conglomerate organizations with far-reaching holdings in other industries. It concentrates primarily on the ownership of daily newspapers and radio and television stations in Canada.

For the purposes of analyzing ownership patterns, the study has confined itself to those communities in which a daily newspaper is published or in which a primary television station is located. A few additional communities have been included where major group companies have an interest in one or more radio stations. Television stations that operate in these communities completely or partially as satellites of a primary station located elsewhere have been included.

This section uses the terms "group" and "independent" in a special way. For purposes of the study, "group" has been taken to mean two or more media units under common ownership operating in more than one community, whether or not these media units are of the same kind. "Independent" ownership may include two or more media units, but confined to one community.

A list of all the daily newspapers, radio and television stations and cable systems for each community covered in this survey is to be found in Appendix I. This survey includes all changes in ownership up to July 31, 1970.

The survey includes 103 communities in which there are 116 daily newspapers, ninety-seven television stations, 272 radio stations (AM and FM counted separately) and ninety-five cable operations.

The extent of common interests among and between the mass media in Canada today varies from region to region. In part, because of the complexities arising from the tangled threads of intercorporate holdings, the extent of concentration is not easily measured.

Even the nature of a group is not easily defined. For our purposes, an organization has been identified as a group if it has multiple interests in different communities in one medium or more, or if it is a conglomerate with major interests in other non-media industries. Since multiple holdings are not readily traced in all cases, some of the smaller organizations that come within the definition may have been excluded.

Undertaking what represents the first comprehensive analysis of mass media ownership in Canada has been somewhat hampered by the fact that the ownership of newspapers in Canada is not a matter of public record, as it is in the United States. While the ownership of most newspapers is common knowledge and is recorded in the case of most public companies, the source of control occasionally remains unknown for some time. A notable example is the case of the Fredericton *Gleaner,* which passed into the control of K.C. Irving several months before its acquisition was acknowledged. A more recent example was provided by the Toronto Daily *Star,* which in announcing that it had acquired complete ownership of the Oakville *Daily Journal-Record* disclosed for the first time that it had previously shared control of the paper with the Thomson group. Through the transaction, the Toronto *Star* also acquired total ownership of the *South Peel Weekly* in Port Credit (now the *Mississauga Times*) and the announcement of the transaction disclosed for the first time the *Star's* ownership of twelve other weeklies in communities in and around Metropolitan Toronto. It is only in recent years that the ownership of broadcasting stations and cable television systems has become a matter of public record by decision first of the Department of Transport and later of the regulatory authority. Up-to-date information on current ownership is, however, not compiled or maintained in a way that makes it readily available for public scrutiny.

Table 4 provides a rough measure of one aspect of common ownership. It indicates that out of a total of 485 units of mass communication in Canada – newspapers, AM and FM radio stations and television stations – groups have a significant, although not necessarily a controlling interest, in 251, or 51.8 per cent.

A total of seventy-seven out of 116 daily newspapers, or 66.4 per cent, are group owned; one company, Southam Press Limited, has a substantial minority interest in three others that are listed as independent.

Out of a total of ninety-seven television stations, including relay stations located in some of the communities that form part of this study, forty-seven, or 48.5 per cent are group-owned or are stations in which groups have a substantial minority interest.

By media outlet, there is a similar proportion of concentration among radio stations. Of the total number of 272 located in the selected communities, groups have a significant interest in 129, or 47.4 per cent.

By province the greatest degree of concentration is found in Quebec, followed closely by British Columbia. Groups have interests in forty-seven out of seventy-two media outlets, or 65.3 per cent in Quebec and forty-four out of sixty-eight, or 64.7 per cent in B.C. In Quebec groups control 64.3 per cent of the newspapers, 70.7 per cent of the radio and 64.7 per cent of the television stations. In B.C. group ownership controls 83.3 per cent of the newspapers, 58.3 per cent of the radio and 47.1 per cent of the television stations.

Table 4 shows that at the other end of the scale, there is a relatively smaller degree of concentration in the Atlantic provinces, and in Manitoba.

Table 4. Ownership by Media in Selected Communities

	Group Ownership by Media Units												Multiple Group and Independent Ownership									
	Media Units			Newspapers			Radio			Television			Multiple Interests				Radio		Radio & Television		Mixed Media	
	Total	Group	%	Total	Group	%	Total	Group	%	Total	Group	%	Number Communities	Total*	Group	Independent	Group	Independent	Group	Independent	Group	Independent
British Columbia	68	44	64.7	18	15	83.3	36	21	58.3	14	8	57.1	15	11	11	4	6	3	7	2	2	0
Alberta	40	19	47.5	7	6	85.7	23	9	39.1	10	4	40.0	6	5	4	5	1	4	3	3	2	0
Saskatchewan	28	12	42.9	4	4	100.0	15	5	33.3	9	3	33.3	7	4	2	2	0	0	2	2	1	0
Manitoba	30	10	33.3	7	2	28.6	16	7	43.8	7	1	14.3	6	3	3	2	3	1	1	2	0	0
Ontario	183	93	50.8	48	30	62.5	109	50	45.9	26	13	50.0	45	23	20	18	15	16	8	4	2	3
Quebec	72	47	65.3	14	9	64.3	41	29	70.7	17	11	64.7	12	9	13	0	8	0	8	0	1	0
New Brunswick	20	11	55.0	6	5	83.3	9	2	22.2	5	4	80.0	3	2	2	0	0	0	1	0	2	0
Nova Scotia	23	7	30.4	6	2	33.3	13	4	30.8	4	1	25.0	5	3	1	2	1	2	0	1	0	0
Prince Edward Island	7	2	28.6	3	2	66.7	3	0	0	1	0	0	2	0	0	0	0	0	0	0	0	0
Newfoundland	14	6	42.9	3	2	66.7	7	2	28.6	4	2	50.0	2	1	1	0	0	0	1	0	0	0
TOTAL	485	251	51.8	116	77	66.4	272	129	47.4	97	47	48.5	103	61	57	33	34	26	31	14	10	3

*Total number of communities in which multiple interests exist. This may not correspond to the total of multiple group and independent interests because more than one multiple interest may exist in one community.

Note: Total Media Units does not include cable television systems or shortwave radio.

The table also provides an overview of the extent to which groups or independents have common interests in two or more of the media in the communities analyzed. Out of a total of 103 communities across Canada, there are multiple common interests in sixty-one. Groups have multiple holdings in fifty-seven communities, independents in thirty-three. (The total of group and independent common interests does not necessarily coincide with the total number of communities because of multiple holdings by more than one interest – groups or independents – in some centres.)

Groups have interests in two or more radio stations in thirty-four of these 103 communities, independents in twenty-six. In thirty-one communities, groups have common radio and television interests, independents in fourteen.

In eleven communities, group owners of daily newspapers also have mixed-media ties through interests in broadcasting stations and the same is true for independent newspaper owners in three communities. It should be noted that as of July, 1969, twenty-three communities had common ownership between the newspaper and a broadcasting interest. The C.R.T.C. approved sales of the Power broadcast holdings to Beaubien and the Thomson-Davies interests to Bushnell have reduced this number with common print-broadcast interests by more than half.

Tables5, 5a, 6 and 6a provide a listing of multi-media interests in metropolitanareas and in communities of less than 100,000 population respectively. Table 7 contains a summary of aggregate multiple holdings for all communities surveyed in Canada.

Table 5. Mixed Media and Common Radio and Television Broadcasting Interests in Metropolitan Areas

(total 19 communities)

Metropolitan Areas	Total	Group	Multiple Group Interests by Communities	Independent	Multiple Independent Interests by Communities
Total Mixed Media Interests .	10	8	Toronto, Vancouver, Ottawa, Hamilton, Edmonton, Calgary, Regina, Saint John	2	London, St. Catharines
Total, Newspaper And Television .	7	6	Toronto, Vancouver, Hamilton, Calgary, Regina, Saint John	1	London
Total, Newspaper, Radio And Television . . .	5	4	Vancouver, Calgary, Regina, Saint John	1	London
Total, Radio And Television Interests	15	12	Montreal, Vancouver, Winnipeg, Quebec, Calgary, Victoria, Regina, Kitchener-Waterloo, Sudbury, St. John's, Saint John, Thunder Bay	3	Edmonton, London, Saskatoon

Table 5a. Mixed Media and Common Radio and Television Broadcasting Interests in Metropolitan Areas

Area	Group Interests Npr.	Radio	Television	Independent Interests Npr.	Radio	Television
Montreal M2,600,000	–	3 Bsh	1 Bsh	–	–	–
Toronto M2,300,000	1 BsE *(Telegram)*	–	1 BsE	–	–	–
Vancouver M978,000	1 S *(Province)*	2 Slk 2 WBC	1 {WBC Slk Fpl}	–	–	–
Ottawa-Hull M527,000	1 S *(Citizen)*	1 Wil-S	–	–	–	–
Winnipeg M529,000	–	2 Mof	1 Mof-Mis	–	–	–
Hamilton M479,000	1 S *(Spectator)*	–	1 S-Slk	–	–	–
Quebec M425,000	–	4 Prt-Bar-Lpg	2 {Fpl Prt-Bar-Lpg}	–	–	–
Edmonton M438,000	1 S *(Journal)*	2 S-Slk	–	–	2 Rice	1 Rice
Calgary M373,000	1 S *(Herald)*	2 M-H 1 S-Slk	1 M-H 1 Slk	–	–	–
London M224,000	–	–	–	1 Blk	2 Blk	1 Blk
Kitchener-Waterloo M205,000	–	2 Plk	1 Plk	–	–	–
Victoria M181,000	–	1 Slk	1 {WBC Slk Fpl}	–	–	–
Regina M136,000	1 Sft *(Leader-Post)*	1 Sft	1 Sft	–	–	–
Saskatoon M133,000	–	–	–	–	1 Mur	1 Mur
Sudbury M121,000	–	2 Cmb	1 Cmb	–	–	–
St. John's M108,000	–	1 Stl	1 Stl	–	–	–
St. Catharines M106,000	–	–	–	1 Bur	2 Bur	–
Saint John M102,000	2 Irv *(Telegraph Journal, Times-Globe)*	1 Irv	1 Irv	–	–	–
Thunder Bay M106,000	–	2 Dgl	1 Dgl	–	–	–

Table 6. Mixed Media and Common Radio and Television Broadcasting Interests in Communities Under 100,000 Population

(Total 33 Communities)

	Total	Group	Multiple Group Interests by Communities	Independent	Multiple Independent Interests by Communities
Total Mixed Media Interest . .	4	3	Moncton, Granby, Nelson	1	Belleville
Total, Newspaper And Television . .	1	1	Moncton	0	
Total, Newspaper Radio And Television	0	0		0	
Total, Radio And Television Interests.	28	18	Sherbrooke, Sault Ste Marie, Kingston, Peterborough, North Bay, Lethbridge, Jonquière, Timmins, Prince Albert, Barrie, Prince George, Rimouski, Terrace-Kitimat, Kelowna, Rouyn, Vernon, Rivière du Loup, Matane	10	Sydney, Brandon, Red Deer, Medicine Hat, Kamloops, Pembroke, Dawson Creek, Lloydminster, Wingham, Thompson

Table 6a. Mixed Media and Common Radio and Television Broadcasting Interests in Communities Under 100,000 Population

	Group Interests			Independent Interests		
Area	Npr.	Radio	Television	Npr.	Radio	Television
Sherbrooke 83,000	–	3 Beau	1 Beau	–	–	–
Sault Ste Marie 78,000	–	2 Hy	1 Hy	–	–	–
Kingston 63,000	–	2 Bsh	1 Bsh	–	–	–
Peterborough 58,000	–	1 Bsh	1 Bsh	–	–	–
North Bay 51,000	–	1 Bsh	1 Bsh	–	–	–
Moncton 47,000	2 Irv	–	1 Irv	–	–	–
Lethbridge 39,000	–	1 Slk	1 Slk	–	–	–
Granby 37,000	1 Des, Par, Fra	1 Des, Par, Fra	–	–	–	–
Belleville 33,000	–	–	–	1 Mor	2 Mor	–
Sydney 32,500	–	–	–	–	3 Nath	1 Nath
Brandon 31,000	–	–	–	–	2 West M	1 West M

Table 6a. Mixed Media and Common Radio and Television Broadcasting Interests in Communities Under 100,000 Population (Continued)

Area	Group Interests Npr.	Radio	Television	Independent Interests Npr.	Radio	Television
Jonquière 31,000	–	1 Lpg-Ba	1 Lpg-Ba	–	–	–
Timmins 29,000	–	1 Lvn	1 Lvn	–	–	–
Red Deer 30,000	–	–	–	–	2 Flock	1 Flock
Prince George 30,000	–	1 Q Broad	1 Q Broad	–	–	–
Prince Albert 27,000	–	1 Rwl	1 Rwl	–	–	–
Medicine Hat 27,000	–	–	–	–	1 Guif-Yu	1 Guif-Yu
Barrie 26,000	–	1 Snl	1 CHUM Snl	–	–	–
Kamloops 26,000	–	–	–	–	2 Clark	1 Clark
Rimouski 21,000	–	2 Beau	1 Beau	–	–	–
Terrace-Kitimat C 18,000	–	2 Skn	1 Skn	–	–	–
Kelowna 20,000	–	2 B-B	1 B-B Slk BCT	–	–	–
Rouyn Noranda 19,000	–	1 Gou	1 Gou	–	–	–
Pembroke 16,000	–	–	–	–	1 Arch	1 Arch
Dawson Creek 14,000	–	–	–	–	1 Mch	1 Mch
Vernon 13,000	–	1 Slk	1 B-B Slk BCT	–	–	–
Rivière du Loup 12,000	–	1 Sim	1 Sim	–	–	–
Matane 12,200	–	1 Lap	1 Lap	–	–	–
Nelson 9,000	1 Grn	1 Grn	–	–	–	–
Lloydminster 7,000	–	–	–	–	1 Shortell	1 Shortell
Wingham 3,000	–	–	–	–	1 Crk	1 Crk
Thompson C 1,522	–	–	–	–	1 MysL	1 MysL

These tables show, for example, that in eight communities, owners of newspapers also have a financial interest in a television station; in four communities, the owners of one or more of the local newspapers have financial interests not only in a local television station, but also one or more of the radio stations; while there are only fourteen communities in which there are mixed-media interests owned commonly, there are forty-three communities with at least one radio and one television station whose owners are the same.

Tables 7 and 7a show the mixed-media and multiple ownership in July, 1969, or one year before Table 7. It is interesting to note that the number of communities with mixed-media holdings has been reduced from twenty-three to fourteen. This lends credence to the supposition that the C.R.T.C. views broadcasting concentration with less disfavour than mixed-media concentration.

Table 7. Mixed Media and Common Radio and Television Broadcasting Interests in all Listed Communities as of July 31, 1970

All Listed Communities	Total	Multiple Group Interests	Multiple Independent Interests
Total Mixed Media Interests	14	11	3
Total, Newspaper and Television	8	7	1
Total, Newspaper, Radio and Television	5	4	1
Total, Radio and Television Interests	43	30	13

Table 7a. Mixed Media and Common Radio and Television Broadcasting Interests in all Listed Communities as of July 31, 1969

All Listed Communities	Total	Multiple Group Interests	Multiple Independent Interests
Total Mixed Media Interests	23	18	5
Total, Newspaper and Television	11	10	1
Total, Newspaper, Radio and Television	8	7	1
Total, Radio and Television Interests	46	28	18

Tables 8, 9 and 10 provide a listing of all general interest daily newspapers in Canada, in metropolitan areas, in communities with 30,000 to 100,000 population and those with less than 30,000 population. They indicate whether the newspaper is group or independently owned and, where known, the source of control. The tables also indicate those owners of newspapers that also have radio or television broadcasting interests – or both – in the same community.

Table 8. Distribution of Daily Newspapers According to Size, Nature of Ownership and Mixed-Media Interests
Metropolitan Areas

Community	Population	Newspaper	Ownership		Number of		Broadcasting Interests		Total Mixed Media
			Group	Independent	Group	Independent	Radio	Television	
Montreal	2,600,000	*Le Devoir*	–	Co-op.	–	1	–	–	–
		Gazette	S	–	1	–	–	–	–
		Star	McC	–	1	–	–	–	–
		Le Journal de Montréal	Pel	–	1	–	–	–	–
		Montréal-Matin	–	Diverse	–	1	–	–	–
		La Presse	Des-Par	–	1	–	–	–	–
Toronto	2,300,000	*Corriere Canadese*	–	Ianuzzi	–	1	–	–	–
		Globe & Mail	FP	–	1	–	–	–	–
		Star	Diverse	–	1	–	–	–	–
		Telegram	BsE	–	1	–	–	1	2
Vancouver	978,000	*Columbian Group*	Col	–	4	–	–	–	–
		Province	S *	–	1	–	1	1	3
		Sun	FP *	–	1	–	–	–	–
Ottawa	528,000	*Citizen*	S	–	1	–	1	–	2
		Journal	FP	–	1	–	–	–	–
		Le Droit	–	Le Syndicat d'Œuvres Sociales	–	1	–	–	–
Winnipeg	527,000	*Free Press*	FP	–	1	–	–	–	–
		Tribune	S	–	1	–	–	–	–
Hamilton	479,000	*Spectator*	S	–	1	–	–	1	2

*Jointly published by Pacific Press, in which each has a 50% interest.

Table 8. Distribution of Daily Newspapers According to Size, Nature of Ownership and Mixed-Media Interests Metropolitan Areas (Continued)

			Ownership		Number of		Broadcasting Interests		Total Mixed
Community	Population	Newspaper	Group	Independent	Group	Independent	Radio	Television	Media
Quebec	437,000	*Chronicle-Telegraph*	T	–	1	–	–	–	–
		L'Action	–	L'Action Sociale	–	1	–	–	–
		Le Journal de Québec	Pel	–	1	–	–	–	–
		Le Soleil	–	Gilbert	–	1	–	–	–
Edmonton	429,000	*Journal*	S	–	1	–	2	–	3
Calgary	372,000	*Albertan*	FP	–	1	–	–	–	–
		Herald	S	–	1	–	1	1	3
Windsor	223,000	*Star*	–	Graybiel	–	1	–	–	–
London	224,000	*Free Press*	–	Blackburn (25% S)	–	1	2	1	4
Halifax	206,000	*Chronicle-Herald*	–	Dennis	–	1	–	–	–
		Mail-Star	–	Dennis	–	1	–	–	–
Kitchener-Waterloo	204,000	*Record*	–	Motz (48% S)	–	1	–	–	–
Victoria	181,000	*Colonist*	FP	–	1	–	–	–	–
		Times	FP	–	1	–	–	–	–
Regina	136,000	*Leader-Post*	Sft	–	1	–	1	1	3

Saskatoon	123,000	*Star-Phoenix*	Sft	–	1	–	–	–	–
Sudbury	121,000	*Star*	T	–	1	–	–	–	–
St. John's	107,000	*Daily News*	–	Bonnell	–	1	–	–	–
		Telegram	T	–	1	–	–	–	–
Thunder Bay	106,000	*Times-Journal*	T	–	1	–	–	–	–
		News-Chronicle	T	–	1	–	–	–	–
St. Catharines	103,000	*Standard*	–	Bur	–	1	2	–	3
Saint John	103,000	*Telegraph-Journal* and *Times-Globe*	Irv	–	2	–	1	1	4

Table 9. Distribution of Daily Newspapers According to Size, Nature of Ownership and Mixed-Media Interest
Communities of 30,000 – 100,000

Community	Population	Newspaper	Ownership		Number of		Broadcasting Interests		Total Mixed Media
			Group	Independent	Group	Independent	Radio	Television	
Oshawa	87,000	*Times*	T	–	1	–	–	–	–
Sherbrooke	83,000	*La Tribune*	Des, Par, Fra	–	1	–	–	–	–
		Record	–	Black, Radler, White	–	1	–	–	–
Sault Ste. Marie	78,000	*Star*	–	Sault Star Ltd.	–	1	–	–	–
Brantford	63,000	*Expositor*	–	Preston	–	1	–	–	–
Kingston	63,000	*Whig-Standard*	–	Dvs	–	1	–	–	–
Welland – Port Colborne	61,000	*Tribune*	T	–	1	–	–	–	–
Niagara Falls	61,000	*Review*	–	Leslie	–	1	–	–	–
Trois-Rivières	60,000	*Le Nouvelliste*	Des, Par, Fra	–	1	–	–	–	–
Sarnia	59,000	*Observer*	T	–	1	–	–	–	–
Peterborough	58,000	*Examiner*	T	–	1	–	–	–	–
Guelph	57,000	*Mercury*	T	–	1	–	–	–	–
Oakville	53,000	*Daily Journal-Record*	Tor	–	1	–	–	–	–

North Bay	51,000	*Nugget*	S	–	1	–	–	–	–
Cornwall	47,000	*Standard-Freeholder*	T	–	1	–	–	–	–
Moncton	47,000	*L'Évangéline*	–	L'Évangéline Ltée	–	1	–	–	–
		Times and *Transcript*	Irv	–	2	–	–	1	3
Brampton	41,000	*Daily Times* and *Conservator*	T	–	1	–	–	–	–
Lethbridge	39,000	*Herald*	FP	–	1	–	–	–	–
Granby	37,000	*La Voix de L'Est*	Des, Par, Fra	–	1	–	1	–	2
Galt	34,000	*Evening Reporter*	T	–	1	–	–	–	–
Belleville	33,000	*Intelligencer*	–	Morton	–	1	2	–	3
Moose Jaw	33,000	*Times-Herald*	T	–	1	–	–	–	–
Chatham	33,000	*News*	T	–	1	–	–	–	–
Sydney	33,000	*Cape Breton Post*	–	Duchemin	–	1	–	–	–
Brandon	30,000	*Sun*	–	Sun Publication Ltd. (49% S)	–	1	–	–	–
Red Deer	30,000	*Advocate*	–	Liverpool Post & Echo (UK)	–	1	–	–	–

Table 10. Distribution of Daily Newspapers According to Size, Nature of Ownership and Mixed-Media Interests
Communities Under 30,000

Community	Population	Newspaper	Ownership Group	Ownership Independent	Number of Group	Number of Independent	Broadcasting Interests Radio	Broadcasting Interests Television	Total Mixed Media
Prince George	29,000	*Citizen*	S	–	1	–	–	–	–
Timmins	29,000	*Press*	T	–	1	–	–	–	–
Corner Brook	29,000	*Western Star*	T	–	1	–	–	–	–
Medicine Hat	28,000	*News*	S	–	1	–	–	–	–
Prince Albert	27,000	*Herald*	T	–	1	–	–	–	–
Kamloops	27,000	*Daily Sentinel*	T	–	1	–	–	–	–
Barrie	26,000	*Examiner*	T	–	1	–	–	–	–
Woodstock	25,000	*Sentinel-Review*	T	–	1	–	–	–	–
Fredericton	24,000	*Gleaner*	Irv	–	1	–	–	–	–
Stratford	24,000	*Beacon-Herald*	Dingman Estate	–	1	–	–	–	–
St. Thomas	24,000	*Times-Journal*	Dingman Estate	–	1	–	–	–	–
Orillia	21,000	*Packet & Times*	T	–	1	–	–	–	–
Brockville	20,000	*Recorder & Times*	–	MacNaughton in trust	–	1	–	–	–
Kelowna	20,000	*Courier*	T	–	1	–	–	–	–

Charlottetown	19,000	*Guardian*	T	–	1	–	–	–	–
		Patriot	T	–	1	–	–	–	–
Thompson	*19,000*	*Citizen*	–	Precambrian Press	–	1	–	–	–
Owen Sound	18,000	*Sun-Times*	S	–	1	–	–	–	–
Nanaimo	17,000	*Free Press*	T	–	1	–	–	–	–
Penticton	17,000	*Herald*	T	–	1	–	–	–	–
Prince Rupert	17,000	*News*	–	Northwest Publica-tions	–	1	–	–	–
Pembroke	16,000	*Observer*	T	–	1	–	–	–	–
Kirkland Lake	16,000	*Northern News*	T	–	1	–	–	–	–
Truro	13,000	*News*	Bowes	–	1	–	–	–	–
Portage La Prairie	13,000	*Daily Graphic*	–	Vopni	–	1	–	–	–
Grande Prairie	13,000	*Herald Tribune*	Bowes	–	1	–	–	–	–
Trail	13,000	*Times*	Grn	–	1	–	–	–	–
Lindsay	12,000	*Post*	–	Wilson	–	1	–	–	–
Flin Flon	10,000	*Reminder*	–	Dobson	–	1	–	–	–
Wallaceburg	10,000	*News*	Bowes	–	1	–	–	–	–
Simcoe	10,000	*Reformer*	–	Diverse	–	1	–	–	–

Table 10. Distribution of Daily Newspapers According to Size, Nature of Ownership and Mixed-Media Interests Communities Under 30,000 (Continued)

Community	Population	Newspaper	Ownership Group	Ownership Independent	Number of Group	Number of Independent	Broadcasting Interests Radio	Broadcasting Interests Television	Total Mixed Media
Nelson	10,000	*Daily News*	Grn	–	1	–	1	–	2
Dauphin	9,000	*Bulletin*	Bulletin Publications Ltd.	–	–	1	–	–	–
Port Hope	9,000	*Guide*	–	Murray	–	1	–	–	–
Cranbrook	8,000	*Daily Townsman*	–	Atkinson	–	1	–	–	–
Kimberley	6,000	*Daily Bulletin*	–	Taylor	–	1	–	–	–
Fort Frances	5,000C	*Daily Bulletin*	–	Diverse	–	1	–	–	–
Sioux Lookout	3,000C	*Daily Bulletin*	–	Houston	–	1	–	–	–

There are 116 general-interest daily newspapers published in Canada, 118 if the *Daily Racing Form* and *Daily Construction News* are included. Of the 116, forty-six are published in metropolitan cities, twenty-eight in communities with a population between 30,000 and 100,000 and forty-two in communities with less than 30,000 population.

According to Professor W. H. Kesterton[1] sixty-six dailies were published in eighteen towns or cities with more than two newspapers around the turn of the century. By 1958, only fourteen out of ninety-nine general-interest dailies were published in four cities with more than two newspapers.

Today there are five cities in which more than two newspapers are published, representing a total of twenty-three dailies. There are six in Montreal, (four of which are French-language), six in Vancouver (if the four relatively small suburban dailies of the Columbian group are included); four in Toronto (including the new Italian-language daily); four in Quebec (one English-language and three French-language), and three in Ottawa, (one of them French-language).

Professor Kesterton estimates there were eighteen communities with more than two papers in 1900. In 1958, there were four and today there are five, if the suburban papers of Vancouver are included. In 1900, there were seventeen communities with two dailies and, by 1958, this total had declined to eleven. Today there are ten communities with two daily newspapers, a number of which are jointly owned.

There are fifteen Canadian communities in which two or more dailies are published, but only ten in which two or more are published by separate owners.

The fifteen communities in which two or more dailies are published are: Victoria, Vancouver, Calgary, Winnipeg, Thunder Bay, Toronto, Ottawa, Montreal, Sherbrooke, Quebec City, Moncton, Saint John, Halifax, Charlottetown, and St. John's.

In five of these communities – Halifax, Victoria, Thunder Bay, Saint John, and Charlottetown – the two papers are published by the same owner. In Moncton and Sherbrooke, there is only limited competition between the two papers because in each community one is published in French and the other in English.

Out of eleven of the largest cities in Canada, groups have a monopoly in seven – Hamilton, Edmonton, Victoria, Regina, Saskatoon, Sudbury, and Saint John.

In three of the fifteen cities with two or more papers, competition exists only between group-owned newspapers – Ottawa, Winnipeg and Calgary. In Vancouver, the Columbian Group provides only limited competition for the Vancouver *Sun* and *Province,* respectively controlled by F.P. Publications and Southam Press, which are jointly published by Pacific Press, in which the two groups share ownership equally.

In the ten communities with two or more papers published by separate owners, groups control one of the papers in seven communities. There are only three cities in Canada in which there is major competition involving at least one independent paper – Montreal, Quebec City, and St. John's.

There are seventy-two Canadian communities in which one daily is published compared to sixty-seven communities in 1958. There are fifty-six communities with

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[1] Cited above.

populations exceeding 10,000 which have no daily newspapers and four communities with populations between 30,000 and 100,000 without a daily.

For the purpose of this analysis, the Toronto *Star,* the *Telegram* of Toronto, and the Montreal *Star* are regarded as groups. The Toronto *Star* is included because of its ownership of the Oakville daily and eleven weekly newspapers and also because of the interest it shares with Southam in Southstar Publishers Limited. The latter publishes *The Canadian Magazine,* which is distributed by thirteen daily newspapers as a weekend supplement, *The Canadian Star Weekly* and *Canadian Homes.*

The *Telegram* has been included because of the widespread interest of its two principals – John Bassett and John David Eaton (through trusts created for their respective children) – in other non-media enterprises and a number of suburban weeklies around Toronto. Station CFTO-TV, and CKLW-TV, which are also controlled in the same way, have also been classified as part of a group operation for the same reason.

The Montreal *Star* comes within the definition of a group because of its interest in *Weekend* and *Perspectives,* two weekly supplements, the latter distributed by a number of French-language newspapers which also share ownership in the publishing company. The Montreal *Star* also qualifies because of the conglomerate interests of the McConnell family, which controls the newspaper.

Out of the total of 116 daily newspapers published in Canada, seventy-seven are controlled by groups, thirty-nine by independents. Table 11 shows the number of dailies published by each group owner. It includes those which are defined as forming part of this category because of media interests in more than one of the selected communities, or interests of a conglomerate nature, even though they may publish only one daily newspaper.

Table 12 shows the number of papers owned by groups in each province. It also lists the number of papers controlled by each group by province, together with total group ownership, the total circulation of the papers published by each group by province and the proportion it represents of the total circulation for all daily papers published in the province.

Table 11. Number of Papers Published by Group Owners

Thomson	30
Southam	11*
F.P. Publications	8
Desmarais Parisien, Francœur	4
Irving	5
Columbian	4
Toronto Star	2
Sifton	2
Peladeau	2
Telegram	1
Green	2
Montreal Star	1
Bowes	3
Dingman Estate	2
	77

*Also has substantial minority interest in the London *Free Press,* Kitchener-Waterloo *Record,* and Brandon *Sun.*

Table 12. Number of Newspapers Owned by Groups by Province

Total Number Papers	Total Group			Total Paid Circulation	Per Cent of Total Paid Circulation
		British Columbia		534,808	
		4	Thomson Newspapers	33,267	6.2
		2	Southam Press	122,764	23.0
18	15	3	F.P. Publications	327,631	61.3
		4	Columbian	26,525	5.0
		2	Green	15,142	2.8
					98.3
		Alberta		330,178	
7	6	3	Southam Press	258,959	78.4
		2	F.P. Publications	56,226	17.0
		1	Bowes	4,628	1.4
					96.8
		Saskatchewan		133,292	
4	4	2	Thomson Newspapers	17,507	13.1
		2	Sifton Newspapers	115,785	86.9
					100.0
		Manitoba		240,510	
7	2	1	Southam Press	78,024	32.4
		1	F. P. Publications	134,409	55.9
					88.3
		Ontario		2,024,928	
		18	Thomson Newspapers	276,970	13.7
		4	Southam Press	254,683	12.6
48	30	2	F. P. Publications	336,904	16.7
		2	Toronto Star	395,210	19.6
		1	Telegram	242,805	12.0
		1	Bowes	3,000	0.2
		2	Dingman Estate	21,298	1.1
					75.9
		Quebec (French)		750,723	
		4	Desmarais, Parisien, Francoeur	319,770	42.6
		2	Peladeau	60,045	8.0
					50.6
		Quebec (English)		343,739	
		1	Thomson Newspapers	4,523	1.3
14	9	1	Southam Press	134,934	39.3
		1	Montreal Star	195,696	56.9
					97.5
		New Brunswick		112,622	
6	5	5	K.C. Irving	104,442	92.7
		Nova Scotia		165,148	
6	2	1	Thomson Newspapers	10,055	6.1
		1	Bowes	4,859	2.9
					9.0
		Prince Edward Island		28,790	
3	2	2	Thomson Newspapers	20,892	72.6
		Newfoundland		46,127	
3	2	2	Thomson Newspapers	37,401	81.1

Groups account for just over 95 per cent of the total circulation in British Columbia and Alberta, 100 per cent in Saskatchewan, 88.3 per cent in Manitoba, 75.9 per cent in Ontario. In Quebec, group newspaper circulation represents 50.6 per cent of the total for all French-language newspapers in the province and 97.5 per cent of the English-language newspapers. In New Brunswick, 92.7 per cent of the circulation is accounted for by the five English-language dailies controlled by K.C. Irving. In P.E.I., the two Thomson papers account for 72.6 per cent of the circulation. In Nova Scotia groups represent only 9.0 per cent of the provincial circulation. Two out of three dailies in Newfoundland are group-owned and account for 81.1 per cent of total circulation in the province.

In 1958, the three major groups that dominated the newspaper field – Southam, Sifton, and Thomson – controlled papers with a combined circulation of 950,000 which was about 25 per cent of daily newspapers in Canada at the time. In 1959 the Sifton daily newspapers split into F.P. Publications and Sifton under the separate management of two branches of the Sifton family.

Eleven years later, the circulation under the control of these now four groups has increased from 950,000 to about 2,221,000 and the proportion from 25 per cent to 47.2 per cent. The three major groups – Thomson, Southam, and F.P. Publications – account for over 2,000,000 and 44.7 per cent of this circulation derived from owning forty-nine of the 116 dailies in Canada.

This increase in the proportion of circulation controlled by these three major groups alone during a period of only eleven years sharply underlines the nature of the accelerating trend toward increasing concentration of daily newspaper ownership.

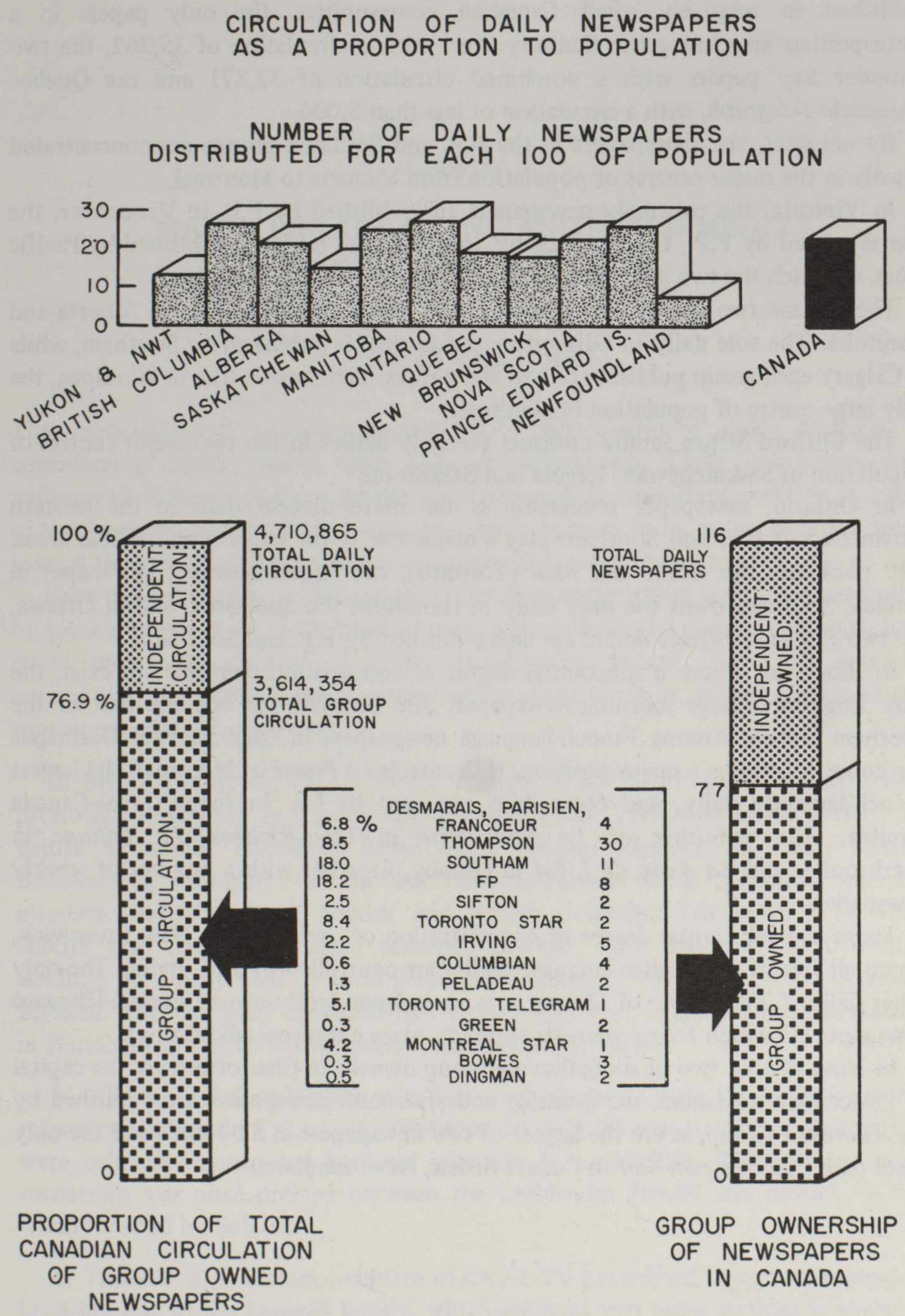
The proportion of daily newspaper circulation controlled by all groups as defined in this study is listed in Table 13. The total of 77.0 per cent under group control brings into graphic relief the extent to which the newspaper industry has become dominated by groups with multi-media interests, conglomerate interests – or both. Chart 1 relates numbers of group-owned papers to circulation.

Table 13. Proportion of Daily Newspaper Circulation

Group	Circulation	Per Cent of Canadian Total
Desmarais-Parisien-Francoeur	319,770	6.8
Thomson	400,615	8.5
Southam	849,364	18.0
F. P.	855,170	18.2
Sifton	115,785	2.5
Toronto Star	395,210	8.4
Irving	104,442	2.2
Columbian	26,525	.6
Péladeau	60,045	1.3
Telegram	242,805	5.2
Green	15,142	.3
Montreal Star	195,696	4.2
Bowes	12,487	.3
Dingman Estate	21,298	.5
Total Group Circulation:	3,614,354	77.0
Total Canadian Circulation:	4,710,865	

Chart 1

CIRCULATION OF DAILY NEWSPAPERS IN PROPORTION TO POPULATION.



Although the Thomson group has by far the largest number of daily newspapers in Canada, thirty, the total circulation of these papers is less than half that of both the Southam and F.P. groups. Generally speaking, the Thomson papers are published in relatively small Canadian communities, the only papers in a metropolitan area being the Sudbury *Star,* with a circulation of 35,362, the two Thunder Bay papers with a combined circulation of 32,871 and the Quebec *Chronicle-Telegraph,* with a circulation of less than 5,000.

By contrast, the newspapers in the F.P. and Southam groups are concentrated heavily in the major centres of population from Victoria to Montreal.

In Victoria, the two daily newspapers are published by F.P. In Vancouver, the *Sun* is owned by F.P., the *Province* by Southam, and both are published by Pacific Press, in which the two groups share ownership on a fifty-fifty basis.

These same two groups also dominate the newspaper field in both Alberta and Manitoba. The sole daily in Edmonton, the *Journal,* is published by Southam, while in Calgary each group publishes one of the papers. The same is true in Winnipeg, the only large centre of population in Manitoba.

The Clifford Sifton family controls the only dailies in the two major centres of population in Saskatchewan, Regina and Saskatoon.

In Ontario, newspaper ownership is far more diverse than in the western provinces, but F.P. and Southam play a major role in the larger metropolitan areas. F.P. publishes the *Globe and Mail* (Toronto), the largest morning newspaper in Canada. Southam owns the only daily in Hamilton, the *Spectator,* and in Ottawa, the two English-language dailies are also published by F.P. and Southam.

In Montreal, where a substantial degree of competition continues to exist, the only English-language morning newspaper, *The Gazette,* has become part of the Southam Group. Among French-language newspapers in Quebec, Paul Desmarais has come to assume a major position. He controls *La Presse* of Montreal, the largest French-language daily, and owns 46.6 per cent of Les Journaux Trans-Canada Limitée, the publisher of *Le Nouvelliste* in Trois-Rivières, *La Tribune* in Sherbrooke, and *La Voix de L'Est* in Granby, together with a number of weekly newspapers.

There is a substantial degree of concentration of ownership in New Brunswick, where all five of the English-language dailies are controlled by K.C. Irving. The only other daily, *L'Évangeline* of Moncton, is an independently-owned French-language newspaper (in which Irving interests regularly place extensive advertising).

In Nova Scotia, two of six dailies are group owned. In Charlottetown, the capital of Prince Edward Island, the morning and afternoon newspapers are published by the Thomson Group, as are the largest of two newspapers in St. John's and the only other daily, the *Western Star* in Corner Brook, Newfoundland.

Chapter 3:

MAJOR BROADCASTING AND MIXED-MEDIA OWNERSHIP PATTERNS

INTRODUCTION

The ownership of broadcasting interests, particularly of radio stations, is considerably more diverse than that of newspapers. Large companies with widespread interests in broadcasting have assumed an important position in many of the larger communities, however, and there appears to be an accelerating trend toward the increased concentration of ownership within these groups.

Over the last decade, nearly a dozen television stations that were once controlled by local interests or in which local interests had a substantial minority interest, have come under the control of major broadcasting groups. Table 14 lists, by community, television stations under group control or in which groups have a substantial ownership interest.

In British Columbia, CHAN-TV in Vancouver and CHEK-TV in Victoria, both previously separately and independently controlled, have been taken over by the British Columbia Television Broadcasting System Limited, in which Western Broadcasting Company, Selkirk and Famous Players divide individual minority interests. Between them, Selkirk and British Columbia Television – in which Selkirk also has a substantial minority interest, have assumed the two-thirds holdings previously held by local persons in Okanagan Valley Television Company Limited. This company operates CHBC-TV in Kelowna, which has satellite stations in Penticton and seven other British Columbia communities.

In Alberta, Maclean-Hunter and Selkirk have taken over control of the two television stations in Calgary, CFCN-TV and CHCT-TV respectively, both of which were originally controlled by local interests. In Lethbridge, CJLH-TV, in which ownership was once divided between the Lethbridge *Herald* and Selkirk, is now wholly owned by Selkirk.

In Thunder Bay, Ontario, control of CKPR-TV has shifted from an independent local interest to the Dougall family, which controls two radio stations in the same community and also has an interest in radio stations in Dryden, Kenora, and Fort Frances. CFCH-AM and CFCH-TV in North Bay shifted from local ownership to control by Thomson and then to Bushnell communication Ltd.

Table 14. Television Stations Under Group Control or in Which Groups Have Substantial Interest

Province	Total Stations (Including Satellites)	Total Group Stations	Community	Station	Indicated Control	Circulation	Per Cent of Provincial Circulation	Per Cent of Total Circulation Controlled by Group
British Columbia	14	8	Kelowna	CHBC-TV	B-B, Slk, BCT	152,100	11.8	57.4
			Penticton	CHBC-TV	B-B, Slk, BCT	(This circulation		
			Vernon	CHBC-TV	B-B, Slk, BCT	figure also includes CFRC-TV Kamloops)		
			Prince George	CKPG-TV	Van	58,900	4.6	
			Prince Rupert	CFTK-TV	Skn			
			Terrace-Kitimat	CFTK-TV	Skn	53,400	4.1	
			Vancouver	CHAN-TV	WBC, Slk, Fpl, BCT	375,900	29.1	
			Victoria	CHEK-TV	WBC, Slk, Fpl, BCT	101,000	7.8	
Alberta	10	4	Calgary	CFCN-TV	M - H	314,300	21.5	40.6
				CHCT-TV	Slk	206,000	14.1	
			Lethbridge	CJLH-TV	Slk	72,400	5.0	
				CFCN-TV	M-H (Partial relay from M-H Calgary)			
Saskatchewan	9	3	Prince Albert	CKBI-TV	Rwl	91,700	10.0	30.8
			Regina	CKCK-TV	Sft	191,100	20.8	
			Moose Jaw	CKMJ-TV (Satellite CKCK)	Sft			
Manitoba	7	1	Winnipeg	CJAY-TV	Mof-Mis	325,000	33.9	33.9
Ontario	26	13	Barrie	CKVR-TV	CHM-Snl	219,200	3.6	57.6
			Hamilton	CHCH-TV	S-Slk	819,800	13.5	
			Kingston	CKWS-TV	Bsh	139,600	2.3	
			Timmins	CFCL-TV	Lvn	129,000	2.1	

			Thunder Bay	CKPR-TV	Dgl	87,000	1.4	
			North Bay	CFCH-TV	Bsh	60,400	1.0	
			Ottawa	CJOH-TV	Bsh	338,300	5.6	
			Cornwall	CJSS-TV (Satellite CJOH)	Bsh			
			Peterborough	CHEX-TV	Bsh	119,800	2.0	
			Sault Ste Marie	CJIC-TV	Hy	67,000	1.1	
			Sudbury	CKSO-TV	Cmb	174,500	2.9	
			Toronto	CFTO-TV	BsE	1,222,200	20.1	
			Windsor	CKLW-TV	BsE-CBC	121,400	2.0	
Québec (Eng. and French)	17	11	Carleton	CHAU-TV	Des-Prt-Brl	122,500	1.9	
			Jonquière	CKRS-TV	Lpg-Ba	151,800	2.4	35.3
			Chicoutimi	CKRS-TV (Satellite)	Lpg-Ba			
			Montreal	CFCF-TV	Bsh	559,000	8.7	
			Quebec City	CFCM-TV (Fr)	Fpl-BaP	537,500	8.3	
				CKMI-TV	Fpl-BaP	54,700	0.8	
			Matane	CKBL-TV	Lapointe	104,700	1.6	
			Rimouski	CJBR-TV	Beau	128,400	2.0	
			Rivière du Loup	CHRT-TV	Sim	82,700	1.2	
			Sherbrooke	CHLT-TV	Beau	411,200	6.4	
			Rouyn-Noranda	CKRN-TV	Gou	126,600	2.0	
New Brunswick	5	4	Moncton	CKCW-TV	Lyn	208,600	39.2	94.9
				CHMT-TV (Satellite CHSJ)	Irv			
			Saint John	CHSJ-TV	Irv	296,200	55.7	
				CKLT-TV (Satellite CKCW)	Lyn			
Nova Scotia	4	1	Halifax	CJCH-TV	CTV Network (Slk-WBC minority interest)	236,100	38.1	38.1
Prince Edward Island	1	0	Charlottetown	CBCT-TV				
Newfoundland	3	1	St. John's	CJON-TV	Stl	184,400	46.2	46.2

In Barrie, CKVR-TV, originally controlled by Ralph Snelgrove, has come under the control of Allan Waters of CHUM, with Snelgrove retaining only a minority interest.

In Quebec, CHLT-TV in Sherbrooke, CJBR-TV in Rimouski, both came under the control of the Power Group and then were transferred to Télémédia (Québec) Limitée (Beaubien).

CJCH-TV in Halifax, originally controlled by local interests, is now under the control of the CTV Network, with Selkirk and Western Broadcasting sharing a 25 per cent interest.

The present pattern of ownership is infinitely more tangled in broadcasting than in daily newspapers – in part because of the substantial number of stations involved, in part because ownership is frequently divided among a number of individuals and/or corporate interests.

There are a number of groups with widespread interests in broadcasting, some of which also have extensive publishing interests – such as Southam and Maclean-Hunter. Until July of 1970, Thomson and Power Corp. also had extensive broadcast interests but these have been sold with the C.R.T.C.'s approval to Bushnell Communications Limited and Télémédia (Québec) Limitée.

A number of public companies have been moving aggressively in recent years to increase their broadcasting holdings. These include the Western Broadcasting Company, controlled by Frank Griffiths, Maclean-Hunter, Selkirk Holdings (in which Southam has 30 per cent voting interest), CHUM Limited and Bushnell Communications.

Standard Broadcasting, with major radio stations in Toronto and Montreal (CFRB and CJAD, respectively), continues its long struggle for permission from the regulatory authority to establish a television station in Toronto, as well.

Famous Players Canadian Corporation Limited has massive interests in radio and television and cable TV, but it has been ordered to divest itself of much of its broadcasting holdings to comply with federal foreign ownership regulations.

Starlaw Investments Limited, the beneficial owner of the Montreal *Star* and Montreal Standard Publishing Co. Ltd., has applied for the licence to operate Cable TV Ltd., a Famous Players system in Montreal.

In addition to the public companies, there are also a number of private family groups with major broadcasting interests throughout Canada. They include Bromley-Browne, Moffat, Dougall, Rawlinson, the Clifford Siftons, Rogers, Stirling, Flock, Baribeau et Fils, Inc., La Societe Lepage Inc., Pratte, Lavigne, Tietolman and Irving.

A later section will include a listing of the media interests of each of the major groups.

A SYNOPTIC VIEW OF MEDIA OWNERSHIP PATTERNS IN THE MAJOR CENTRES OF EACH PROVINCE

BRITISH COLUMBIA

Between them, a number of groups play a leading role in broadcasting in British Columbia. Among the most important are Selkirk Holdings Limited, (in which Southam Press holds 30 per cent of the voting stock to give it the largest single interest), and Western Broadcasting Company, controlled by Frank Griffiths. Southam controls the Vancouver *Province* and has a half-interest in Pacific Press which publishes both the *Province* and the Vancouver *Sun,* controlled by F. P. Publications. The latter owns the two Victoria dailies.

Selkirk controls radio stations in Vancouver, Vernon and Victoria, while Western Broadcasting has two radio stations in Vancouver. As indicated earlier, Famous Players, Selkirk and Western Broadcasting control British Columbia Television Broadcasting System Limited, which owns the two private television stations in Vancouver and Victoria. British Columbia Television and Selkirk independently each share a substantial minority interest with the Bromley-Browne family in Okanagan Valley Television Co. Ltd., which owns the television stations in Kelowna and Penticton.

Skeena Broadcasters Limited has a primary television station in Terrace-Kitimat, a relay in Prince Rupert and a number of other smaller British Columbia communities and radio stations in Prince Rupert, Kitimat and Terrace.

Between them, the eight group-owned television stations – of a total of fourteen – accounted for 57.4 per cent of the daily night-time circulation of B.C. stations estimated by the Bureau of Broadcast Measurement for the survey period in November, 1969.

ALBERTA

Southam-Selkirk, Maclean-Hunter and Moffat Broadcasting Limited, together with the Rawlinson family, dominate radio and television in Alberta.

Southam, which publishes one of two papers in Calgary and the only daily in Edmonton and in Medicine Hat, has a direct 40 per cent interest in CFAC-AM (Calgary) and CFRN-AM and CFRN-FM (Edmonton) and the remaining 60 per cent of these stations is held by Selkirk Holdings in which Southam has a 30 per cent interest. Selkirk also controls radio stations in Grande Prairie and Lethbridge and one of the two television stations in both Calgary and Lethbridge. The other television station in both these cities is controlled by Maclean-Hunter, which also has a radio station in Calgary.

In all, four out of ten television stations in the listed communities are controlled by these groups, which had 40.6 per cent of the circulation in the BBM survey period.

SASKATCHEWAN

In Saskatchewan, the Sifton group has major holdings in the two major daily newspapers and broadcasting, with the Rawlinson family forming the other predominant interest in broadcasting.

The Sifton family owns the only newspaper in Regina, one of five radio stations and one of two television stations, the other having been acquired from Moffat Broadcasting Limited by the CBC early in 1969 at the direction of the C.R.T.C. In addition, the Sifton family owns the only daily newspaper in Saskatoon, the *Star-Phoenix,* and CKMJ-TV (Moose Jaw), a satellite of CKCK-TV (Regina).

The Rawlinson family controls a radio station in Regina and the single radio station and television station in Prince Albert.

The three group-owned television stations, out of a total of nine in the province, accounted for 30.8 per cent of the total daily night-time circulation in the BBM survey.

MANITOBA

Ownership of newspapers and broadcasting stations is widely dispersed among independent interests throughout most centres in Manitoba. Groups, however, play a leading part in Winnipeg. The two daily newspapers are owned by F.P. and Southam. In Brandon, Southam has a 49 per cent interest in the Brandon *Sun*. Western Broadcasting and Moffat each control two radio stations and Sifton owns one of a total of sixteen in the province. The only private television station in Winnipeg is 50 per cent owned by Moffat Broadcasting, the other two – one English and one French – by the CBC. Although there are seven primary television stations in Manitoba, the one station controlled by Moffat accounts for 33.9 per cent of the total daily night-time circulation.

ONTARIO

Ownership of the mass media in Ontario is so widely dispersed among so many communities that it defies any attempt to summarize its nature succinctly. What follows is a brief summary of the situation in 20 Ontario cities with populations of 50,000 or more.

Toronto

Three of the four daily newspapers are group-controlled – the Toronto *Star,* a publicly-owned company, through the share holdings of the present directors and Atkinson-Hindmarsh interests, the *Telegram* by John Bassett and John David Eaton through trust arrangements, and the *Globe and Mail* by F. P. Publications Limited. The only independent is the recently established Italian-language daily.

Seven out of 15 radio stations are group-controlled, two by Standard Broadcasting Corporation (which in turn is controlled by Argus Corporation), two by Rogers Broadcasting, two by CHUM (controlled by Allan Waters) and one by Maclean-Hunter.

The only private television station is also controlled by the Bassett-Eaton interests.

Ottawa-Hull

The two English-language dailies are group-owned by F.P. and Southam, the latter having a 38 per cent interest in two of the radio stations. *Le Droit* is an independent French-language newspaper. Five out of the eleven radio stations are controlled by groups – two by CHUM; two by Télémédia (Québec) Limitée; and one by Raymond Crépault. The only private television station, CJOH-TV is owned by Bushnell Communications Limited.

Hamilton

The only daily newspaper is owned by Southam which also has a substantial indirect minority interest through Selkirk Holdings in the only television station, CHCH-TV, a non-network operation. Southam used to own 35 per cent of CHCH while Selkirk held 15 per cent. In keeping with its policy to consolidate its broadcast holdings in Selkirk, Southam sold its share. Selkirk also bought the remaining 50 per cent of other outstanding shares to gain 100 per cent control. One radio station each is owned by Rogers and Sifton and two by the Soble estate.

Windsor

The only newspaper, the Windsor *Star*, is independently owned. Four of the five radio stations are owned by groups – two by RKO, and two by Stirling. The television station was also controlled by RKO until it divested itself of its holdings to comply with the foreign ownership regulations of the federal government. The Bassett-Eaton group has acquired 75 per cent and CBC 25 per cent of the station, but the CBC is to buy out Bassett-Eaton in five years. RKO will, of course, have to sell its radio holdings as well. Recently it was announced that Baton Broadcasting (Bassett) had purchased these radio stations subject to C.R.T.C. approval.

London

The only daily, the London *Free Press*, two radio stations, and the only television station in the city are all controlled by the Blackburn family. Southam has a 25 per cent interest in London Free Press Holdings Limited, which has virtually all the shares of the broadcasting stations. Of the two other radio stations, one is 50 per cent owned by the Jeffery family and managed by the Thomson Group and one is controlled by H. J. McManus.

Kitchener-Waterloo

The single daily serving this community is independently owned by the Motz family, although Southam has a 48 per cent interest. Two of the four radio stations are owned by Maclean-Hunter, two by Carl Pollock – Mr. Pollock also controls the television station.

Sudbury

The Sudbury *Star* is controlled by Thomson. Two of the four radio stations and the television station are owned by Cambrian Broadcasting Limited, which is controlled by the Cooper, Miller and Plaunt families. J. C. Lavigne has been authorized to launch a new television station which will become operational in 1971.

St. Catharines

The only daily and two of the four radio stations are controlled by the Burgoyne family, the other two radio stations being controlled by other independent interests.

Thunder Bay

The two dailies published in this amalgamated community are owned by Thomson. Two of the four radio stations are owned by the Dougall family, which also controls the television station.

Oshawa

The daily newspaper is owned by Thomson and the two radio stations are commonly owned by local interests.

Sault Ste. Marie

The Sault Ste. Marie *Star* is independently owned. Two of the radio stations are controlled by Greco, a small group owner with other radio stations at Blind River and Elliot Lake, and two radio stations and the television station are independent and controlled through the Hyland estate.

Brantford

The daily, the *Expositor*, is independently owned, as are two radio stations.

Kingston

The Kingston *Whig-Standard* is owned by the Davies family, which used to share an interest in two out of six radio stations and the Kingston television station. These were sold together with other Davies-Thomson broadcast holdings to Bushnell Communications Limited in July 1970.

Welland – Pt. Colborne

The daily newspaper, the *Evening Tribune* is owned by the Thomson group. The single radio station is independently owned.

Niagara Falls

The one daily newspaper and one radio station in this city are independently and separately owned.

Sarnia

The single daily is owned by Thomson; one radio station is independently controlled and the other is owned by the Ivey family of London.

Peterborough

The Peterborough *Examiner* is Thomson-owned. CHUM and Snelgrove share control of one radio station. Davies-Thomson interests in the two other radio stations and the television station were bought by Bushnell Communications Limited.

Guelph

The newspaper, the *Mercury*, is owned by the Thomson group; the one radio station independently owned.

Oakville

The only newspaper, the *Daily Journal-Record*, is wholly owned by Toronto Star Limited, ownership having formerly been shared with Thomson. The single radio station is independently owned.

North Bay

The North Bay *Nugget* is owned and operated by Southam Press Limited. One radio station and the television station are owned by Bushnell Communications Limited at present but the C.R.T.C. has instructed Bushnell to sell these interests as soon as possible. One radio station in the community is independently owned.

QUÉBEC

Only fourteen daily newspapers are published in Quebec – compared to forty-eight in Ontario – and those fourteen papers are published in only five communities: Granby, Montreal, Quebec City, Sherbrooke, and Trois-Rivières. Nine of the total are group-owned. Paul Desmarais with Jean Parisien, through Gelco Enterprises, owns the largest French-language daily, *La Presse,* in Montreal. Les Journaux Trans-Canada Limitée, in which Mr. Desmarais has the largest shareholdings, also owns the only daily newspapers in Granby and Trois-Rivières and the only French-language paper in Sherbrooke. Two dailies are published by the Peladeau Group, one in Montreal and one in Quebec City. The Montreal *Star*, the Montreal *Gazette* (a Southam paper), and the Thomson-owned *Chronicle-Telegraph* (Quebec City) are the other group-owned dailies.

A total of twenty-nine of the forty-one radio stations in the surveyed communities in Quebec are group-owned, the highest proportion of any province in Canada. Seven of these stations are controlled by the newly formed Télémédia (Québec) Limitée which is controlled by Philippe de Gaspé Beaubien; five by Crépault; four by a combination of Baribeau-Pratte interests; two each by Standard Broadcasting, Stirling, Tietolman and Bushnell; one by a combination of Baribeau and the Lepage Société. Single stations are also owned by Desmarais-Parisien-Francœur, Simard, Gourd, and Lapointe. There are only six private, independently-owned stations, the remaining six being owned by the CBC.

Power

The degree of concentration among groups is less in television. Eleven of seventeen stations are group controlled. Beaubien controls the television stations in Sherbrooke and Rimouski through Télémédia (Québec) Limitée. Desmarais has a substantial minority interest in CHAU-TV at Carleton, Quebec as does the Pratte group. The Lepage Société and the Baribeau interests control the station at Jonquière; Famous Players and Baribeau-Pratte control two television stations in Quebec City (one French, one English); and Bushnell, in July 1970, obtained C.R.T.C. approval to purchase CFCF-TV in Montreal.

The eleven group-controlled television stations accounted for 35.3 per cent of the total daily nighttime circulation in the BBM survey period.

NEW BRUNSWICK

As indicated previously, K. C. Irving has a dominant interest in the mass media of New Brunswick. He owns five of the six dailies, the sixth being the French-language *L'Evangeline* of Moncton. He owns one of four radio stations in Saint John. CHSJ-TV in Saint John, also Irving owned, has long covered a substantial part of New Brunswick, including Fredericton, the capital. CHSJ-TV recently installed a satellite in Moncton at the direction of the C.R.T.C., further extending the coverage of this station substantially. At the same time, the C.R.T.C. also ordered the installation in Saint John of a satellite of television station CKCW-TV in Moncton. The effect of the move is to make available alternative television service for the first time in a substantial part of the province, with the Moncton station becoming an affiliate of the CTV Network and CHSJ-TV remaining an affiliate of CBC. There is one French CBC-owned television station in the province. During the BBM survey period, CHSJ-TV had an estimated 55.7 per cent of the total daily nighttime circulation of the two stations then in operation and CKCW-TV had 39.2 per cent.

NOVA SCOTIA

There is only a relatively small degree of concentration of ownership of the mass media in Nova Scotia. Thomson's New Glasgow *News* and Bowes' Truro *News* are the only group-owned papers. The Dennis family controls the two Halifax dailies. Four of 13 radio stations are group owned, three of them by the Manning family, with one station in Amherst and two in Truro. The other group station is CJCH in Halifax, which is wholly owned by CHUM Ltd. CTV has the controlling interest in CJCH-TV, the only affiliate station controlled by the CTV Network with Selkirk and Western Broadcasting having significant minority shareholdings.

CJCH-TV, one of four television stations in the province, accounted for 38.1 per cent of the total daily nighttime circulation in the BBM survey.

PRINCE EDWARD ISLAND

The two daily newspapers in Charlottetown are Thomson-owned and a third, in Summerside, is independent. Of the three radio stations in the communities surveyed, two are independents and one is owned by the CBC. The only television station has recently been taken over by the CBC.

NEWFOUNDLAND

Two of the three Newfoundland dailies were acquired by Thomson from the Herder family in 1970 – the St. John's *Evening Telegram* and the Corner Brook *Western Star.* Two of seven radio stations in the communities surveyed are group owned, one by Butler, who has radio stations also in Grand Falls, Marystown and Gander, and the other by Stirling. Stirling also controls the only private television station in the province, CJON-TV (St. John's), the other two stations being owned by the CBC. CJON-TV had 46.2 per cent of the total daily night-time circulation during the BBM survey period.

IN PERSPECTIVE

The extent of ownership concentration of the mass media should not be regarded as a Canadian phenomenon. It is a reflection of a trend that has been evident in a number of other countries. This is particularly true of the United States. In fact, the trend may not have progressed as far in Canada as the United States, in part because of the ownership of a number of publicly owned radio and television stations by the CBC.

As of 1967, there were only five American cities, according to Arthur B. Hanson, General Counsel of the American Newspaper Publishers Association,[1] in which three or more dailies were published. (There were fifteen newspapers published in New York at the turn of the century; today there are three.) There are the same number of cities in which this is true today in Canada. Mr. Hanson told the U.S. Senate Sub-committee there were thirty-seven cities in which two separately-owned newspapers were published, which compares favourably with the 10 cities in which two or more separately-owned dailies are published in Canada today. Out of some 1,600 cities with dailies, 96 per cent were controlled by a single newspaper management.

In twenty-three American cities, there were two papers published under a joint publishers' arrangement in late 1967, a situation that in Canada exists today only in Vancouver.

In *The First Freedom* by Bryce W. Rucker,[2] it is estimated that chains (companies with interests in two or more of the same mediums in different communities) controlled 871 out of 1,761 daily newspapers in the United States as of mid-1967, 49.3 per cent. This is a narrower definition than has been adopted here for a group and so is not directly comparable to the situation in Canada.

Rucker calculated that in 1960 the rate of growth of chain ownership amounted to 12.5 per cent per annum. By 1962, the rate had increased to 33 per cent and by 1967 amounted to 46.2 per cent. As of that year, he calculated that the chains controlled 61.8 per cent of the total daily newspaper circulation of the United States and owned 19 out of the twenty-five largest newspapers south of the border.

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[1] Testimony before Sub-Committee on Anti-Trust and Monopoly of the Committee on the Judiciary of the U.S. Senate, Ninetieth Congress, July 1967, Part 1. p. 43.

[2] Cited above.

As in Canada, there are also extensive multiple interests in broadcasting. Rucker estimated that 373 chains in 1967 controlled 1,297 AM radio stations out of a total of 4,130, a total of 31.4 per cent and 31 per cent of the FM stations, as well.

He maintained that chains controlled 73.6 per cent of all commercial television stations and the average number of stations held by each chain amounted to 3.9. In early 1967, newspapers held interests in one-third of the VHF television stations and 22 per cent of the UHF stations, according to Rucker. There was a newspaper-television monopoly in twenty-seven cities and in another twenty-seven cities the owner of the only daily newspaper had a financial interest in the only TV station. In another seventeen cities the owner of the only daily had an interest in one of two television stations. In sum, 81.3 per cent of American VHF television stations and 62.8 per cent of UHF stations were owned by broadcasting chains, newspaper interests or both. Out of 156 VHF stations in the top fifty markets in the United States, representing 75 per cent of all television households, 81.5 per cent were controlled by chains. Only 5.13 per cent were owned by broadcasters with no other media or other special interests. In March, 1969, the New York *Times* reported that 155 publishers had a financial stake in 260 out of 496 commercial television stations. Of these, 160 were wholly owned by publishing interests.

According to the Federal Communications Commission, there were seventy-three communities in late 1967 in which one person or company controlled all of the local newspaper and broadcasting outlets.

While it is by no means exhaustive, nor even directly comparable with the Canadian experience, the brief survey of the situation in the United States makes it clear that the extent of ownership concentration among the media and the problems this may generate is by no means unique to Canada.

Chapter 4:

PROFILES OF MULTI-MEDIA OWNERS

INTRODUCTION

This chapter contains brief profiles, arranged alphabetically, of twenty groups holding extensive media interests in Canada. In some cases, non-media interests are also included.

Those groups studied are: Bassett-Eaton; Bushnell Communications Limited; CHUM Limited; Raymond Crépault; Desmarais-Parisien-Francoeur; Dougall Family; F.P. Publications Limited; K. C. Irving; Maclean-Hunter Limited; McConnell Family; Moffat Broadcasting Limited; Pratte-Baribeau-Lepage; Rogers Broadcasting Limited; Sifton; Southam-Selkirk; Standard Broadcasting Corporation Limited; Télémédia (Québec) Limitée; Thomson; Toronto Star Limited; Western Broadcasting Company Limited.

In September, 1968, the Governor General in Council issued a direction to the Canadian Radio-Television Commission which had the effect of limiting foreign ownership in any broadcasting undertaking to 20 per cent. The effective date of the order has twice been extended to allow ample opportunity for companies with foreign investors to comply.

Two groups with sizeable holdings are still in the process of divesting: Famous Players Canadian Corporation which is controlled by Gulf and Western Industries Inc. of Houston, Texas; and Columbia Broadcasting System which with a number of Canadian associates, has considerable holdings in cable.

Profiles on these two groups have not been included in this study because while both groups are in the process of divesting themselves of some or all of their Canadian broadcasting holdings, the process involves many separate transactions which must be approved by the C.R.T.C. Until this process is complete, the ownership of these holdings is unclear.

This information was obtained from a variety of official public sources and in some cases from group owners themselves. Circulation figures for publications are drawn from *Canadian Advertising Rates and Data* (December, 1969). Newspaper circulation represents daily average excluding bulk. Magazine and weekly newspaper information includes paid and non-paid circulation.

Broadcast circulation data are drawn from the 1969 BBM Coverage and Circulation Report of the survey conducted October 27 to November 9. They represent the number of people two years and over listening/viewing on an average daily basis. In the case of radio, day-time rates were used and for television night-time rates were used.

Cable circulation indicates the actual number of subscribing households and maximum potential number (in parentheses) in each licensed system. It should be noted that "maximum" indicates 100 per cent of current number of households and that this degree of penetration is extremely unlikely for a given system. This information was supplied to the Committee by the individual cable operators since the Official Secrets Act forbade its extraction from DBS annual reports, but it is the same as the information in these reports.

THE PROFILES

THE BASSETT-EATON GROUP

The Bassett-Eaton group is represented by the Telegram Corporation Limited. Shares are held in trust for the three sons of Toronto publisher John W.H. Bassett and the four sons of John David Eaton, recently retired head of Canada's largest retailer.

Through its wholly owned subsidiary, the Telegram Publishing Co. Limited, the corporation publishes the Toronto *Telegram.* Another subsidiary, Inland Publishing Co. Ltd., publishes seven weekly newspapers in the Toronto area, which have a total circulation of nearly 100,000.

The corporation owns 53.17 per cent interest in Baton Broadcasting Limited which operates CFTO-TV, Toronto's only private television station. It also controls 75 per cent of the shares of CKLW-TV in Windsor, the remaining interest being held by the CBC. Baton Broadcasting will be bought out by the CBC in 5 years by C.R.T.C. ruling.

Telegram Corporation Limited owns 50.52 per cent of the common shares of Glen-Warren Productions Limited, a company whose principal activity is the production of shows and commercials for television.

Glen-Warren Productions Limited used to hold 50 per cent of the common shares of Rogers Cable TV Limited. However, the C.R.T.C. ruled that the cable television licence held by Rogers Cable TV Limited would be renewed only on condition that Glen-Warren Productions Limited dispose of its shareholding. These shares have since been sold to the Rogers family.

Baton Broadcasting Limited also controls Israel Canada Productions, based in Tel Aviv and responsible for producing 80 per cent of Israeli television.

The corporation, through the Telegram Publishing Co. Limited, also holds a 19.7 per cent interest in Maple Leaf Gardens Limited, a company which owns Maple Leaf Gardens and the Toronto Maple Leaf Hockey Club, as well as a 31 per cent interest in Argonaut Football Club Limited which owns the Toronto Argonaut Football Club.

The non-media interests of the Eaton family are extensive, including a number of companies associated with the retail operations, as well as manufacturing and real estate.

Table 15. Media Interests of the Bassett-Eaton Groups

Media Interests	*Circulation*	*Extent of Interest*
Newspapers		
Dailies		
Telegram (Toronto, Ont.)	242,805	100%
Weeklies		
Guardian (Brampton, Ont.)	12,000	100%
Post (Burlington, Ont.)	19,850	100%
News (Mississauga, Ont.)	24,119	100%
Era (Newmarket, Ont.)	8,158	100%
Beaver (Oakville, Ont.)	16,200	100%
Tribune (Stouffville, Ont.)	6,106	100%
News Advertiser (Ajax-Whitby, Ont.)	11,000	100%
Broadcasting		
Television		
CFTO-TV (Toronto, Ont.)	1,222,200	53.17%
CKLW-TV (Windsor, Ont.)	121,400	75%

BUSHNELL COMMUNICATIONS LIMITED

On July 6, 1970 the C.R.T.C. gave approval to Bushnell Communications Limited to become one of the giants of Canadian broadcasting. The company's president is Stuart W. Griffiths.

Previously, the company's direct broadcasting interests were confined in the main to CJOH-TV in Ottawa and CJSS-TV in Cornwall. CJOH-TV is one of the prime producers of CTV network Canadian programming and is itself a CTV affiliate. It also had a minority interest in Skyline Cablevision Limited in Ottawa and held 75 per cent of Laurentian Cablevision Limited with a system in Hull.

In addition, Bushnell owned Carleton Productions Limited, which produces television commercials and programmes, and VTR Productions Limited, which provides television production facilities, and a sales representative company, Independent Canadian Television Sales Limited.

The C.R.T.C. decision approved Bushnell's purchase of the broadcasting holdings of Canadian Marconi – a pioneer of Canadian broadcasting – for a reported price of $22,700,000. These include CFCF-AM, CFQR-FM, CFCX (short-wave) and CFCF-TV in Montreal. Sale of these interests by the British-controlled company was precipitated by the federal order-in-council limiting foreign ownership of any broadcast undertaking to 20 per cent.

The approval was very important, apart from any other consideration, because it placed two major CTV affiliates and programme-production centres under the same direct control. This required the C.R.T.C. to overlook the policy laid down in 1966

Table 16. Media Interests of Bushnell Communications

	Circulation	Extent of Interest
Broadcasting		
Radio		
CFCF-AM (Montreal)	113,000	100%
CFCH-AM (North Bay)	42,400	100%[1]
CFCX (sw) (Montreal)		100%
CFQR-FM (Montreal)	87,100	100%
CHEX-AM (Peterborough)	41,400	100%
CHEX-FM (Peterborough)		100%
CJKL-AM (Kirkland Lake)	28,200	100%
CJTT-AM (New Liskeard)		100%
CKGB-AM (Timmins)	33,400	100%
CKGB-FM (Timmins)		100%
CKWS-AM (Kingston)	61,400	100%
CKWS-FM (Kingston)		100%
Television		
CFCF-TV (Montreal)	559,000	100%
CFCH-TV (North Bay)	60,400	100%[1]
CHEX-TV (Peterborough)	119,800	100%
CJOH-TV (Ottawa)	338,300	100%
CJSS-TV (Cornwall)		100%
CKWS-TV (Kingston)	139,600	100%
Cable		
Through Synrock Cablevision Limited		
CATV (Rockland)		100%
Through Skyline Cablevision Limited		
CATV (Ottawa)		23.9%
Through Laurentian Cablevision Limited		
CATV (Hull)		75%
Through Cablevue (Belleville) Limited		
CATV (Belleville)		50%[1]

[1] Requested by C.R.T.C. to dispose of holdings as rapidly as possible.

by the BBG prohibiting any further multiple interests in CTV. The C.R.T.C. gave as their rationale for approval the need to comply with the Canadian ownership regulations issued by the Governor-in-Council on September 20, 1968, and the opportunity for improved programming, offered by dual ownership. They safeguarded themselves by stating that advertisers cannot be obliged to purchase space in both CJOH-TV and CFCF-TV (Bushnell hoped to operate the stations as a mini-network during certain periods) and by stating that Bushnell could exercise only one vote as a member of CTV Television Network Limited.

The decision also granted to Bushnell all the broadcasting interests held separately and jointly by Thomson and Davies. These include CFCH-AM and CFCH-TV in North Bay, CKWS-AM and CKWS-FM and CKWS-TV in Kingston, CHEX-AM, CHEX-FM and CHEX-TV in Peterborough, CKGB-AM and CKGB-FM in Timmins, CJKL in Kirkland Lake, and CJTT in New Liskeard. However, although the C.R.T.C. indicated approval of separating these broadcasting interests from a newspaper publishing corporation, the C.R.T.C. was concerned about the extensive holdings this brought under the control of Bushnell. It specified that as rapidly as possible, Bushnell should dispose of CFCH and CFCH-TV in North Bay to a person acceptable to the Commission. It is thought that under new ownership the television station will form part of a system for second service to the north.

Bushnell also applied for permission to purchase and operate Cablevue (Belleville) Limited, Metro Cable TV Limited, Cornwall Cable Vision 1961 Limited, Community Video (Montrose-Fruitvale) Limited, Community Video Limited (Rossland and Trail), Community Video (Nanaimo) Limited, Community Video (Red Deer) Limited, North West Community Video Limited (Vancouver, Nelson, Castlegar, Kinnaird), Aurora Cable TV Limited, Northumberland Cable TV Limited, Smiths Falls Cablevision Limited, and an additional 61.57 per cent of the common shares of Skyline Cablevision. Of all these twelve applications, only a 50 per cent purchase of Cablevue (Belleville) Limited was approved, as part of the Thomson, Davies transaction, and here Bushnell was requested to sell again as soon as possible. The decision clearly reflects C.R.T.C. reservation in allowing broadcast ownership concentration in a system which could lead to a broad cable network.

Control of Bushnell Communications Limited, will be exercised through a voting trust agreement involving 78.5 per cent of the outstanding voting shares. The trustees are E. L. Bushnell, G. E. Beament, and A. Martineau. Bushnell is a public company, the shares of which are traded over-the-counter.

The Bushnell media holdings are shown in Table 16.

CHUM LIMITED

CHUM Limited, controlled by Allan F. Waters, was incorporated under Ontario charter on October 2, 1944, as York Broadcasters Limited. In 1959, the company's name was changed to Radio Chum-1050, and in 1969 the name was changed to the present one.

Before 1957, the company owned only one radio station, CHUM-AM, which was licensed to broadcast with a power of 1,000 watts from sunrise to sunset. Subsequently it received permission to broadcast twenty-four hours a day with a power of 50,000 watts. In May, 1962, the company became a partner in Peterborough Broadcasting Co., a joint venture operating station CKPT-AM in Peterborough. In September, 1963, radio station CHUM-FM Toronto commenced broadcasting. In July, 1965, the company acquired a 50 per çent interest in Radio CJCH 920 Limited which operates radio station CJCH-AM in Halifax, Nova Scotia. In October, 1965, the company acquired a 33.3 per cent interest in Ralph Snelgrove Television Limited which operates television station CKVR-TV in Barrie, Ontario. In 1967 the company arranged to sell this interest to Western Broadcasting Limited, but that transaction was not completed. Ralph Snelgrove, president of Ralph Snelgrove Limited, indicated at the time that because of certain other broadcasting acquisitions by Saturna Properties Limited, a wholly owned subsidiary of Western Broadcasting, it was not possible to complete the purchase of CKVR-TV under the conditions stipulated in the original agreement.

On January 1, 1967, the company acquired all the outstanding shares of Radio Station CFRA Limited, which operates CFRA-AM and CFMO-FM in Ottawa. On

June 19, 1967, the company was changed from a private to a public company. In 1968 the company negotiated the acquisition of another 33.3 per cent interest in Ralph Snelgrove Television Limited, thereby giving it control of CKVR-TV, Barrie. In the same year CHUM Limited made application to acquire a 70 per cent interest in the Montreal radio station CFMB but the application was rejected by the C.R.T.C. In September, 1969, CHUM Limited announced its intention to acquire all the outstanding shares of Associated Broadcasting Corp., 50 per cent of which are held by Famous Players Canadian Corporation Ltd., and 50 per cent by Allan F. Waters. Associated Broadcasting operates the Ontario Muzak franchise.

On September 30, 1969, company shareholders approved changes in the share structure which had the effect of splitting present shares and creating a new class of non-voting common shares. The new class of shares was created to provide a greater degree of flexibility in the company's acquisition program. In the information circulated to shareholders the company indicated the new shares might be used to finance the acquisition of CKGM Montreal and the remaining 50 per cent interest in radio station CJCH Halifax. The purchase of CKGM has not taken place, but CJCH was acquired early in 1970.

Allan Waters also has a direct 4.3 per cent interest in CKLC and CKLC-FM Kingston.

Early in 1969 CHUM Limited organized Canadian Contemporary News System, involving an exchange of national news among fourteen Canadian centres. The System operates a full-time bureau in Ottawa.

Market

According to the February, 1969, issue of the Toronto Stock Exchange *Monthly Review* the extension of cable service in the Metro Toronto area, coupled with the rapidly increasing population in such prime coverage communities as Newmarket, Richmond Hill, and Aurora, the viewing audience of CKVR-TV is growing at an accelerated rate. CKVR-TV is carried on thirty-eight cable systems of which seven are in Metropolitan Toronto. BBM surveys show that CKVR audience has doubled since the spring of 1968.

CHUM properties now have an average daily audience of about 1,200,000. Major increases have occurred in CKVR-TV, CHUM, and CFRA.

Financial Position

The company's fiscal year-end was changed in 1968 from September 30 to August 31, resulting in an abbreviation of the 1968 fiscal year to an eleven month period.

Broadcasting revenue for the twelve months ended August 31, 1969, was $5,891,012 compared with $4,124,999 for the eleven months ended August 31, 1968. Consolidated net profit for the twelve months ended August 31, 1969, amounted to $699,302 against $578,245 for the eleven months ended August 31, 1968.

Table 17. Media Interests of CHUM Limited and Allan Waters

	Circulation	Extent of Interest
Broadcasting (CHUM Limited)		
Radio		
CFMO-FM (Ottawa, Ont.)	52,000	100%
CFRA-AM (Ottawa, Ont.)	210,400	100%
CHUM-AM (Toronto, Ont.)	554,600	100%
CHUM-FM (Toronto, Ont.)	53,600	100%
CJCH-AM (Halifax, N.S.)	78,600	100%
CKPT-AM (Peterborough, Ont.)	18,600	50%
Television		
CKVR-TV (Barrie, Ont.)	219,200	66.66%
Broadcasting (Allan Waters)		
Radio		
CKLC-AM (Kingston, Ont.)	32,700	4.3%
CKLC-FM (Kingston, Ont.)		4.3%

THE CRÉPAULT GROUP

Mutual Broadcasting Limited is the holding company for a group of radio stations under the control of Raymond Crépault. The company is unique in that it is licenced by the C.R.T.C. to operate the only permanent private AM radio network in Canada. This decision may well foreshadow further developments along the same line affecting other broadcasting stations.

The stations are CJMS-AM (Montreal), CJRP (Quebec City), CJRS (Sherbrooke), CJTR (Trois-Rivières), and CJRC (Ottawa). CJMS-FM (Montreal), although controlled by Mr. Crépault, is not part of the network.

Table 18. Media Interests of Raymond Crépault

Broadcasting	Circulation	Extent of Interest
Radio		
CJMS-AM (Montreal)	394,300	100%
CJMS-FM (Montreal)	26,000	100%
CJRC-AM (Ottawa)	78,700	72.25%
CJRP-AM (Quebec)	88,500	100%
CJRS-AM (Sherbrooke)	54,400	64%
CJTR-AM (Trois-Rivières)	51,800	100%

PAUL DESMARAIS, JEAN PARISIEN, AND JACQUES FRANCŒUR

Paul Desmarais is Chairman and Chief Executive Officer of Power Corporation. Power Corporation used to own extensive publishing and broadcasting interests. However, it sold its publishing companies in September, 1969, and its broadcast companies in July, 1970, following a policy decision to disengage itself from involvement in communications media.

The publishing interests comprised four daily, five weekend, and eleven weekly newspapers. In addition, a long-standing bond had prevented the sale of CHEF radio in Granby by *La Voix de l'Est* to Power Corporation's broadcast company Québec Télémédia Inc. Hence the sale of the publishing interests also included the sale of this station.

La Presse, the largest French daily newspaper in Quebec with a circulation of 222,184, is published by La Compagnie de Publication La Presse Limitée. 100 per cent of the common shares of the publishing company is owned by Gesca Limitée, a wholly owned subsidiary of Enterprises Gelco Limitée, the common stock of which is 75 per cent owned by Paul Desmarais and 25 per cent by Jean Parisien. Mr. Desmarais also holds 100 per cent of the voting preferred shares in La Compagnie de Publication La Presse Limitée.

The remaining newspapers – both daily and weekly – are controlled by Les Journaux Trans-Canada Limitée. Les Journaux Trans-Canada is owned 46.6 per cent by Paul Desmarais, 33.3 per cent by Jacques Francœur, 15.56 per cent by Jean Parisien, and 4.45 per cent by Pierre Dansereau.

Through wholly-owned affiliates, Les Journaux Trans-Canada publishes three dailies – *La Voix de l'Est* in Granby, *La Tribune* in Sherbrooke and *Le Nouvelliste* in Trois Rivières – with a total circulation of 97,586. It also owns several weekend and weekly newspapers and CHEF radio. The weekend newspapers include *Dimanche-Matin, Le Petit Journal, La Patrie, Photo-Journal,* and *Dernière Heure* – which account for a total circulation of over 800,000.

Jacques Francœur, who has a one-third interest in Les Journaux Trans-Canada and who is President of the company, personally owns 100 per cent of a weekly, *Le Guide du Nord* in Montreal (circulation 16,500). The publisher of this weekly, Irving Mandel, is also publisher of seven of the weeklies owned by Les Journaux Trans-Canada.

In July, 1970, the C.R.T.C. approved the sale by Power Corporation of the assets of Québec Télémédia Inc., its broadcast holding corporation, to Philippe de Gaspé Beaubien. With the sale, Power Corporation divested itself of all ownership and management responsibility in broadcasting. Mr. Beaubien formed a new company, Télémédia (Québec) Limitée, which is discussed under the profile of the media interests of Philippe de Gaspé Beaubien.

Paul Desmarais also owns just over 30 per cent of Power Corporation, a widely diversified corporation. Its major subsidiary companies are Canada Steamship Lines (50.5 per cent), Dominion Glass Company (62.7 per cent), Campeau Corporation (54 per cent) – a large real estate development company – The Investors Group (50.3 per cent directly and a further 7.04 per cent through Imperial Life of which Power controls 51 per cent). Power Corporation also holds 54 per cent of Laurentide Financial Corporation. Major nonsubsidiary companies include Consolidated Bathurst and Northern and Central Gas.

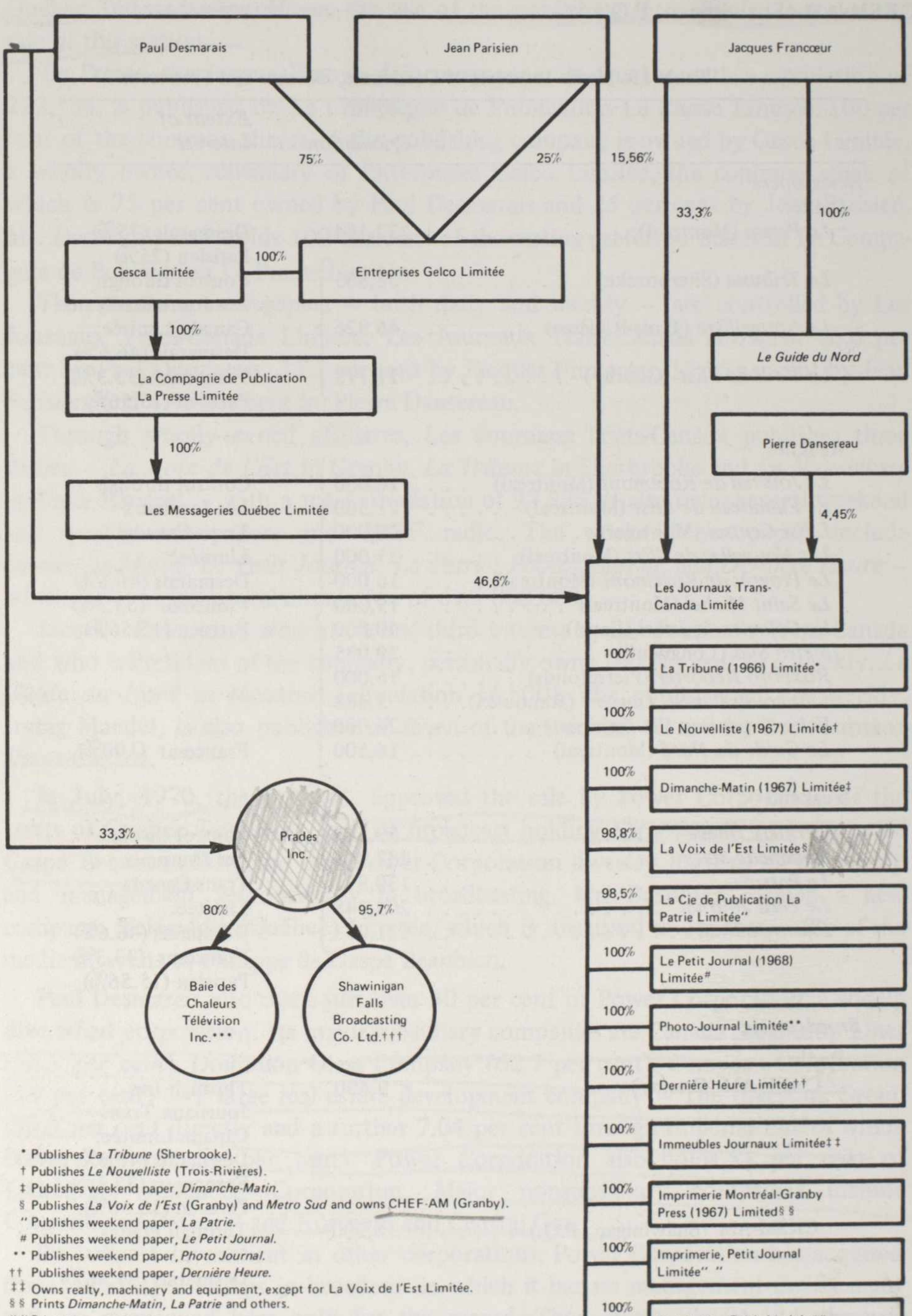
By indirect investment in other corporations, Power Corporation has acquired three minority holdings in broadcast in which it has no management involvement and are mentioned here only for the record. They are in CHUM Ltd. through Imperial Life Assurance, Standard Broadcasting through a 10 per cent interest in Argus Corporation, and Skyline Cablevision through Campeau Corporation.

Mr. Desmarais also retains a 33.3 per cent interest in Prades Inc. in equal partnerships with Messrs. C. Pratte and J. Brillant. This corporation owns 80 per cent of CHAU-TV, (Carleton, P.Q.) with its nine satellites and 95.7 per cent of CKSM-AM (Shawinigan, P.Q.).

Table 19. Media Interests of Desmarais, Parisien and Francœur

	Criculation	*Extent of Interest*
Newspapers		
Dailies		
La Presse (Montreal)	222,184	Desmarais (75%) Parisien (25%)
La Tribune (Sherbrooke)	38,885	Control through Les Journaux Trans-Canada Limitée: Desmarais (46.6%) Francœur (33.3%) Parisien (15.56%)
Le Nouvelliste (Trois-Rivières)	46,926	
La Voix de l'Est (Granby)	11,775	
Weeklies		
Le Journal de Rosemont (Montreal)	16,000	Control through Les Journaux Trans-Canada Limitée: Desmarais (46.6%) Francœur (33.3%) Parisien (15.56%)
Le Flambeau de l'Est (Montreal)	21,500	
L'Est Central (Montreal)	20,000	
Les Nouvelles de l'Est (Montreal)	21,000	
Le Progrès de Rosemont (Montreal)	16,000	
Le Saint Michel (Montreal)	19,000	
Le Courrier de Laval (Laval)	40,000	
Métro Sud (Longueuil)	29,035	
Roxboro Reporter (Pierrefonds)	16,000	
L'Echo du Bas St. Laurent (Rimouski)	5,668	
Echo Expansion (St. Lambert)	24,000	
Le Guide du Nord (Montreal)	16,500	Francœur (100%)
Weekend		
Dernière Heure	59,541	Control through Les Journaux Trans-Canada Limitée: Desmarais (46.6%) Francœur (33.3%) Parisien (15.56%)
Dimanche-Matin	287,745	
La Patrie	130,874	
Le Petit Journal	208,348	
Photo-Journal	131,273	
Broadcasting		
Radio		
CHEF-AM (Granby)	9,400	Through Les Journaux Trans-Canada Limitée: Desmarais (46.6%) Francœur (33.3%) Parisien (15.56%)
CKSM-AM (Shawinigan, P.Q.)	16,300	Through Prades Inc. Desmarais (31.86%)
Television		
CHAU-TV (Carleton, P.Q.)	122,500	Through Prades Inc. Desmarais (26.64%)

Chart 2
Organization Chart of the Desmarais, Parisien and Francœur Companies.



* Publishes *La Tribune* (Sherbrooke).
† Publishes *Le Nouvelliste* (Trois-Rivières).
‡ Publishes weekend paper, *Dimanche-Matin*.
§ Publishes *La Voix de l'Est* (Granby) and *Metro Sud* and owns CHEF-AM (Granby).
" Publishes weekend paper, *La Patrie*.
\# Publishes weekend paper, *Le Petit Journal*.
** Publishes weekend paper, *Photo Journal*.
†† Publishes weekend paper, *Dernière Heure*.
‡‡ Owns realty, machinery and equipment, except for La Voix de l'Est Limitée.
§§ Prints *Dimanche-Matin*, *La Patrie* and others.
" " Prints three weekend papers.
\#\# Distributed *Petit Journal*, *Photo Journal*, *Dernière Heure*, *La Semaine*, *La Patrie*, *TV Hebdo*, *Dimanche-Matin*, *Sports Illustrés*, and others.
*** Owns CHAU-TV (Carleton).
††† Owns CKSM-AM (Shawinigan).

THE DOUGALL FAMILY

The Dougall family, through private companies, controls a number of stations in northwestern Ontario. They include: CKPR-AM (Dryden); CFOB-AM (Fort Frances); CJRL-AM (Kenora); CKPR-AM, CKPR-FM, and CKPR-TV (Thunder Bay). The family was ordered by the C.R.T.C. to dispose of its minority interest in CJLX-AM (Thunder Bay) because of its interests in the other Thunder Bay radio stations. Thunder Bay Electronics, which owns CKPR-TV, is interested in developing a second service for this area.

Table 20. Media Interests of the Dougall Family

	Circulation	Extent of Interest
Broadcasting		
Radio		
CFOB-AM (Fort Frances, Ont.)	11,100	75%
CJRL-AM (Kenora, Ont.)	9,600	100%
CKDR-AM (Dryden, Ont.)	9,200	100%
CKPR-AM (Thunder Bay, Ont.)	67,500	100%
CKPR-FM (Thunder Bay, Ont.)	9,100	100%
Television		
CKPR-TV (Thunder Bay, Ont.)	87,000	100%

F. P. PUBLICATIONS LIMITED

F. P. Publications Limited, a private company, is the largest of all Canadian newspaper groups in terms of circulation. It owns and controls eight daily newspapers and one weekly.

The combined circulation of its newspapers – the Ottawa *Journal,* the Toronto *Globe and Mail,* Winnipeg *Free Press,* the Calgary *Albertan,* the Lethbridge *Herald,* the Vancouver *Sun,* Victoria *Daily Times* and the Victoria *Daily Colonist* is 855,170.

The company also publishes the *Free Press Weekly,* aimed primarily at the Canadian rural community.

Through its subsidiary, The Sun Publishing Company Limited, F. P. Publications Limited is in equal partnership with Southam Press Limited in the ownership of Pacific Press Limited which prints the *Sun* and the Vancouver *Province.*

Unlike some other newspaper groups, F. P. Publications Limited is not actively engaged in the broadcasting field. It does have a12.5 per cent interest in Victoria Cablevision Limited, and a 16.7 per cent interest in Community Antenna Television Ltd., Calgary. Community Antenna was just granted its first licence to operate in Calgary. With the decision, the CRTC requested that within three years, being the duration of the licence, F. P. dispose of its share in Community Antenna.

History

F. P. Publications was formed in 1959 as a result of a three-way deal by the principals which consisted of a purchase of shares of The Journal Publishing

Company of Ottawa Limited; the acquisition by an exchange of shares of Free Press Weekly Ltd., with its subsidiary Winnipeg Free Press Company Limited from the Victor Sifton family; and the acquisition by an exchange of shares of The Albertan Publishing Company Limited, The Lethbridge Herald Company Ltd., and Victoria Press Limited from G. Maxwell Bell.

In 1961, F. P. Publications acquired an interest in the Sun Publishing Company Limited from the Cromie family, and two years later a further acquisition of shares made Sun Publishing a subsidiary of F. P. Publications.

In 1965 the company entered into a merger with The Globe and Mail Limited.

The Free Press Weekly activities were expanded in 1965 when the company purchased the mailing list of *Farmers Advocate,* which ceased publication. In 1968 the *Free Press Weekly* agreed to service the mailing list of the *Family Herald,* which ceased publication.

The company's interest in Calgary Television Limited was discharged in 1967 through an exchange of shares with Selkirk Holdings Limited, of which Southam Press Limited is the largest single shareholder. The company's interest in Lethbridge Television Limited was discharged in a similar exchange with Selkirk in 1968.

Table 21. Media Interests of F.P. Publications Limited.

	Circulation	*Extent of Interest*
Newspapers		
Dailies		
Sun (Vancouver, B.C.)	256,806	control
Daily Times (Victoria, B.C.)	31,667	100%
Daily Colonist (Victoria, B.C.)	39,158	100%
Albertan (Calgary, Alta.)	35,382	100%
Herald (Lethbridge, Alta.)	20,844	100%
Free Press (Winnipeg, Man.)	134,409	100%
Journal (Ottawa, Ont.)	81,171	99.885%
Globe and Mail (Toronto, Ont.)	255,733	100%
Farm Publication		
Free Press Weekly	550,931	100%
Broadcasting		
Cable		
Through Victoria Cablevision Limited CATV (Victoria, B.C.)		12.5%
Through Community Antenna Television Limited CATV (Calgary, Alta.)		16.7%

THE IRVING GROUP

The greatest regional concentration of mass-media ownership in Canada is to be found in New Brunswick. All five of the English-language daily newspapers in the province are controlled by companies controlled by K. C. Irving.

Through the New Brunswick Publishing Co., Mr. Irving owns *The Telegraph-Journal* and the *Times-Globe* of Saint John and the Moncton *Times* and *Transcript.* Through Brodie & Co., Mr. Irving has a majority of the voting shares of University

Press of New Brunswick Ltd., which publishes *The Daily Gleaner* of Fredericton. The only other daily in the province is the French-language independent, *L'Évangeline* of Moncton.

CHSJ and CHSJ-TV in Saint John, which also cover the Fredericton area, and the CHSJ-TV satellite in Bon Accord are all controlled by a related Irving interest, New Brunswick Broadcasting Co. Ltd. At the direction of the C.R.T.C., CHSJ-TV – a CBC affiliate – recently established a second satellite in Moncton, extending coverage of this station to one of the last major sections of the population previously beyond its reach.

The only other television stations in the province are CBAFT-TV, a French-language CBC station, and CKCW-TV, both of which are located in Moncton. By the same order of the C.R.T.C. extending the service of the Saint John station to Moncton, CKCW-TV was directed to establish a satellite station in Saint John and to switch its affilitation to the CTV Network. At the same time, the Commission stipulated that the three satellite stations of CKCW-TV were to continue to remain affiliated to the CBC.

In all, eight of twenty media outlets in the surveyed communities are controlled by Irving interests – five newspapers, one radio station, and two television stations.

In addition to the media outlets which it controls, the K. C. Irving Group has probably the most diverse non-media interests of any conglomerate organization in Canada. Because virtually all of these interests are in private companies, up-to-date information as to their extent is not available on the public record.

The report of DBS on Inter-Corporate Ownership for 1965, the most recent compilation available of information filed in compliance with the Corporations and Labour Unions Returns Act, provides some insight into the range and extent of the non-media Irving interests as of that year. The summary for Irving holdings is shown in Table 22.

A further indication of the extent of Irving interests is provided from the list of provincial and extra-provincial companies in which Mr. Irving and/or members of his family serve as officers, directors – or both. Taken from returns filed as of August, 1969, with the Department of the Provincial Secretary of New Brunswick, they are as shown in the following table.

By any standard, the interests of the Irving family are very large. They assume gigantic proportions, however, in a province that lags behind many other parts of the country in industrial development. These interests represent an important factor in terms of the income they generate in New Brunswick and in terms of the employment dependent upon them.

Intra-Provincial Companies in which Irving Group Associated

Atlantic Towing Ltd.; Atlantic Truck and Trailer Ltd.; Boston Brook Enterprises Limited; Brunswick Motors Limited; Canada Veneers Limited; Charlotte Pulp and Paper Co. Ltd.; City Transit Limited; Courtenay Apartments Limited; Engineering Consultants Limited; General Realty Company Limited; Ferro-Chemi-Crete Engineering Limited; Grand Lake Timber Ltd.; Harbour Development Limited; Highland Hardwoods Limited; Industrial Security Limited; J. D. Irving, Limited; K. C. Irving, Limited; Irving Oil Terminals Limited; Irving Oil Transport Limited;

Table 22.

Corporation	Holding Corporation	% Owned by Holding Corporation
Brunswick Mining & Smelting Corp. Ltd.	K.C. Irving, Ltd.	12.9
Canada Veneers Ltd.	K.C. Irving, Ltd.	97.0
D'Auteuil Lumber Co. Ltd.	K.C. Irving, Ltd.	84.6
Irving Oil Co. Ltd.	K.C. Irving, Ltd.	32.2
Irving Refining Ltd.	K.C. Irving, Ltd.	49.0
Key Anacon Mines Ltd.	K.C. Irving, Ltd.	12.3
L'Auberge du Boulevard Laurier Inc. . .	K.C. Irving, Ltd.	46.0
New Brunswick Railway Co. Ltd.	K.C. Irving, Ltd.	91.7
Ocean Finance Ltd.	K.C. Irving, Ltd.	99.4
Ocean Steel and Construction Ltd.	K.C. Irving, Ltd.	80.0
S.M.T. (Eastern) Ltd.	K.C. Irving, Ltd.	26.1
St. George Pulp and Paper Ltd.	K.C. Irving, Ltd.	32.0
St. Simeon Timber Products Ltd.	K.C. Irving, Ltd.	50.0
United Sales Ltd.	K.C. Irving, Ltd.	99.4
Canada Veneers (Quebec) Co. Ltd.	Canada Veneers Ltd.	98.0
Kent Line Ltd..	Canada Veneers Ltd.	34.1
Irving Pulp & Paper Ltd.	New Brunswick Railway Co. Ltd.	41.4
S.M.T. (Eastern) Ltd.	Ocean Finance Ltd.	13.3
Mace Ltd.	Ocean Steel & Construction Ltd.	49.7
Strescon Ltd.	Ocean Steel & Construction Ltd.	100.0
Charlotte Pulp & Paper Co. Ltd.	St. George Pulp & Paper Ltd.	99.8
Brunswick Motors Ltd.	United Sales Ltd.	97.1
Commercial Equipment Ltd.	United Sales Ltd.	99.8
Universal Sales Ltd.	United Sales Ltd.	99.4
Kent Line Ltd.	Brunswick Motors Ltd.	44.8
Chinic Inc.	Commercial Equipment Ltd.	94.9
Commercial Equipment Inc.	Commercial Equipment Ltd.	100.0
Lewis Bros. Ltd.	Commercial Equipment Ltd.	83.6
Thornes Hardware Ltd.	Commercial Equipment Ltd.	99.9
Lewis Bros. Hardware Ltd.	Lewis Bros. Ltd.	100.0
Wragge F. Ltd.	Lewis Bros. Ltd.	100.0

Irving Pulp & Paper Limited; Irving Refining Limited; Irving Steamships Limited; Kent Homes Limited; Kent Line Limited; Mace Limited; Maritime Tire Plant Ltd.; Millican Bros. Limited; New Brunswick Railway Company; North End Service Stations Limited; Quisibis Dam Company Limited; St. George Pulp & Paper Limited; St. John Iron Works, Limited; St. John Motor Line Limited; St. John Pulp & Paper, Limited; St. John Sulphite Sales Limited; Strescon Limited; Sulphite Towing Limited; Terminal Realties Limited; Thorne's Industrial Division Limited; United Sales Limited; Universal Constructors & Engineers Limited; Universal Sales Limited; Irving Oil Company Limited – Dominion Charter.

Extra-Provincial Companies in which Irving Group Associated

Commercial Equipment, Limited; Interprovincial Coach Lines Limited; Irving Oil Company Limited; Marque Construction Limited; Ocean Finance Limited; Ocean Steel & Construction Limited; Saint John Shipbuilding & Dry Dock Co., Ltd.

The C.R.T.C. has indicated its concern at the extent to which the communications media in New Brunswick are dominated by the Irving Group. In 1968 the

C.R.T.C. extended to March 31, 1970 – the licence of CHSJ-TV in Saint John. In so doing the C.R.T.C. stated: "The Commission is developing a licensing policy which will take into account concentration of ownership in the media serving a community. The Commission will consider this license in the light of the new policy."

The license to operate CHSJ-TV was renewed in 1970 on the condition that no member of the Irving family would be allowed to hold shares in Moncton Broadcasting Co. Ltd., the company operating the second TV station in Saint John.

In addition, the Commission refused to renew the licence previously granted by the Department of Transport to Saint John Cablevision Ltd., a CATV company established to serve the city of the same name, in which the Irving group shared a fifty-fifty interest with Famous Players. "In its announcement of June 13, 1968, the Canadian Radio-Television Commission expressed its concern about excessive concentration of ownership in communications media," the Commission noted in connection with the application for renewal of the cable system's licence. "In view of this concern, the Commission will not approve this application in the public interest."

In an announcement December 20, 1968, the C.R.T.C. laid down a policy under which CHSJ-TV in Saint John was to establish a relay station in Moncton, while remaining affiliated to the CBC, and CKCW-TV in Moncton was to establish a relay station in Saint John. CKCW-TV was directed to switch its primary station and the Saint John relay to the CTV network from the CBC, while continuing to carry the network programs of the latter on its satellite stations.

As part of its overall Maritime coverage plan, the C.R.T.C. noted that the approach it proposed would "maintain the possibility of a CBC-owned and operated station in Saint John-Fredericton area if and when such a station becomes possible and indispensable."

Table 23. Media Interests of the Irving Group

	Circulation	*Extent of Interest*
Newspapers		
Dailies		
Gleaner (Fredericton)	16,758	control
Times (Moncton)	16,241	100%
Transcript (Moncton)	17,044	100%
Telegraph-Journal (Saint John)	29,229	100%
Evening Times-Globe (Saint John)	25,170	100%
Broadcasting		
Radio		
CHSJ-AM (Saint John)	52,700	100%
Television		
CHMT-TV (Moncton)	296,200	100%
CHSJ-TV (Saint John)		100%

MACLEAN-HUNTER LIMITED

Maclean-Hunter Limited, established for many years as Canada's leading publisher of national magazines and business publications, has been moving quickly and with considerable impact into the broadcasting field.

With its diversification of interests in printing and design, industrial and trade shows, information services outside Canada, Maclean-Hunter is now a major mass-communications conglomerate. In 1969 the company reported net sales of $58,500,000 and net income of $3,335,000. It was a record year for the company, with its net sales up nearly $11 million and profit by about $1.4 million.

Maclean-Hunter Ltd. is a public company in which more than 50 per cent of the common shares are owned by the public. The largest single block of stock is held by the Hunter family.

The Company's main publishing interests in Canada include three English-language and two French-language consumer periodicals, with a total circulation of 2,262,800; a weekly, the *Financial Post,* with a circulation of 154,000; forty-six English-language and ten French-language business periodicals with a total circulation of approximately 516,000; and twenty-one annuals.

Outside Canada, Maclean-Hunter publishes ten business papers in the United Kingdom, five business periodicals in the United States, and several business periodicals in France, Germany, and Italy.

In the broadcasting field, Maclean-Hunter Limited owns outright one FM and five AM radio stations in Alberta and Ontario, and has a 50 per cent interest in one other AM station. It owns outright CFCN-TV in Calgary and Lethbridge, together with three satellites.

Cable television represents a new major investment by Maclean-Hunter Limited. In January, 1970, the cable operations of Maclean-Hunter Limited were refinanced with the public issue of debentures and stock in Maclean-Hunter Cable TV Limited. The parent company retains control through 60.4 per cent of the common shares. Its president, Frederick T. Metcalf, personally controls 6.7 per cent and the public 32.9 per cent of the common shares.

Maclean-Hunter Cable TV Limited controls seventeen cable systems in Ontario. It itself is licenced to operate fourteen of these seventeen systems (four in the Toronto area). As well, the Company holds 75 per cent of Peterborough Cable Television Limited which operates a cable system in Peterborough and 66.6 per cent of Huron Cable TV Limited which owns two systems, one in Sarnia and one in Wallaceburg.

History

The company was originally incorporated in 1891 as The J. B. Maclean Publishing Company of Toronto (Limited) to succeed an unincorporated business founded by John Bayne Maclean whose first publication, *Canadian Grocer,* was introduced in 1887. Other publications followed, including *Maclean's Magazine* in 1905 (originally known as *Busy Man's Magazine)* and *The Financial Post* in 1907.

In 1919 the name of the company was changed to The Maclean Publishing Company, Limited, and in 1945 to Maclean-Hunter Publishing Company Limited. A final change, in 1968 made it Maclean-Hunter Limited.

In 1895 a branch office was opened in London, England, eventually becoming the wholly owned subsidiary Maclean-Hunter Limited. In 1927 the company acquired a subsidiary in the United States, and its first American publication, *Inland Printer.* In 1930 it acquired its first British publication, *British Printer.*

Between 1920 and 1949 the company started or acquired seventeen new Canadian publications and two were merged or sold. From 1950 to the end of 1964, a total of thirty new Canadian publications, not including annual publications, was added by the company. Five were discontinued, merged, or sold.

In 1965 the company purchased Design Craft Limited, a firm of designers and exhibit builders, and acquired several new business publications. The following year Eastern Canada Exhibitions Inc., Montreal, merged its interests in the three Better Home Builders' Shows of Montreal, Ottawa, and Quebec City with the shows division of Maclean-Hunter.

In 1967 the company acquired two French-language publications and a translation service. That same year Trans Canada Expositions Limited was formed in equal partnership with Southam Business Publications Ltd. The company also acquired the remaining minority interest in two more English-language publications and later introduced a new national magazine, *Hostess,* with English- and French-language editions. Later acquisitions included a travel industry newspaper and directory.

Maclean-Hunter Limited moved into the broadcasting field in a major way in 1966 when it acquired all the outstanding shares of Shoreacres Broadcasting Co. Ltd., operators of Radio Station CKEY Toronto, as well as a controlling interest in the Voice of the Prairies Limited and CFCN Television Ltd., of Calgary. In order to comply with a Board of Broadcast Governors requirement that no person might have an interest in more than one station on the CTV television network, Maclean-Hunter sold a minority interest in CJCH-TV Halifax.

In April, 1967, Maclean-Hunter expanded into cable television by entering a three-way partnership in Huron Cable TV Limited serving Sarnia, Ontario. Later in the year the company acquired cable television systems in seven other Ontario communities from Metronics Corporation Ltd. Terms of the agreement included an additional one-third interest in Huron Cable TV.

In April, 1968 the company, which held a 50 per cent equity in Greatlakes Broadcasting System Limited, acquired the remaining interests. Greatlakes Broadcasting operates radio station CFCO Chatham and CHYM-AM and FM in Kitchener/Waterloo.

In the same year the company acquired the remaining equity in CFCN Television Limited and The Voice of The Prairies Ltd. (radio station CFCN). Six additional cable television systems were acquired in Ontario in 1969, by the company's subsidiary, Maclean-Hunter Cable TV Limited.

Table 24. Canadian Media Interests of Maclean-Hunter Limited

	Circulation	Extent of Interest
Consumer Publications		
Maclean's	732,591	100%
Chatelaine	960,094	100%
Miss Chatelaine	131,094	100%
Le Magazine Maclean	174,154	100%
Châtelaine	264,897	100%
The Financial Post	154,010	100%
Financial Post Annuals		
Directory of Directors	4,142	100%
Financial Post World Wide	80,569	100%
Survey of Industrials	29,101	100%
Survey of Markets	8,803	100%
Survey of Mines	25,418	100%
Survey of Oils	17,216	100%
Survey of Investment Funds	11,153	100%
Business Publications		
Bâtiment	4,863	100%
Building Supply Dealer	5,750	100%
Bus & Truck Transport	17,978	100%
Canadian Advertising Rates & Data	5,310	100%
Canadian Automotive Trade	30,369	100%
Canadian Aviation	9,300	100%
Canadian Building	17,200	100%
Canadian Controls & Instrumentation	9,550	100%
Canadian Datasystems	12,000	100%
Canadian Electronics Engineering	11,073	100%
Canadian Grocer	14,640	100%
Canadian Hotel & Restaurant	22,519	100%
Canadian Interiors	6,783	100%
Canadian Jeweller	4,053	100%
Canadian Machinery and Metalworking	9,278	100%
Canadian Packaging	9,423	100%
Canadian Paint and Finishing	5,030	100%
Canadian Photography	6,593	100%
Canadian Printer & Publisher	6,139	100%
Canadian Pulp and Paper Industry	7,160	100%
Canadian Research & Development	7,376	100%
Canadian Red Book		100%
Canadian Shipping and Marine Engineering News	2,647	100%
Canadian Travel Courier	8,069	100%
Canadian University & College	4,352	100%
Cités et Villes	6,305	100%
Civic Administration	13,609	100%
Design Engineering	7,688	100%
Drug Merchandising	7,105	100%
Electrical Contractor and Maintenance Supervisor	13,093	100%
Electron	14,444	100%
Food in Canada	7,922	100%
Hardware Merchandising	10,035	100%
Heavy Construction News	14,987	100%
Home Goods Retailing	13,664	100%
L'Acheteur	4,886	100%
L'Épicier	7,662	100%

Table 24. Canadian Media Interests of Maclean-Hunter Limited (Continued)

	Circulation	Extent of Interest
Business Publications–Cont'd		
Le Bureau	6,331	100%
Le Pharmacien	2,685	100%
Le Quincaillier	4,153	100%
Marketing	8,652	100%
Materials Handling in Canada	8,003	100%
Men's Wear of Canada	5,549	100%
Modern Power & Engineering	11,148	100%
Modern Purchasing	8,524	100%
Office Equipment & Methods	15,040	100%
Oilweek	8,755	100%
Plant Administration/Engineering	12,080	100%
Progressive Plastics	7,747	100%
Québec Industriel	7,948	100%
Revue-Moteur	9,500	100%
School Progress	6,958	100%
Style	10,540	100%
Teaching Aids Digest (semi-annually)	8,314	100%
The Medical Post	21,806	100%
Transport Commercial	4,512	100%
Business Publications – Annuals		
Buyer's Guide to Plastics	7,709	100%
Canadian Controls & Instrumentation Buyers' Guide	9,275	100%
Canadian Industry Shows & Exhibitions	7,340	100%
Canadian Service Data Book	22,000	100%
Canadian Special Truck Equipment Manual	9,670	100%
Civic Administration's Municipal Reference Manual and Purchasing Guide	13,609	100%
Directory of Canada's Travel Industry		100%
Fraser's Canadian Shoe and Leather Directory	3,233	100%
Fraser's Canadian Textile Apparel and Variety Goods Directory	1,920	100%
Fraser's Canadian Trade Directory	10,025	100%
Hardware Merchandising's Hardware Handbook	8,971	100%
Materials Handling Handbook	8,159	100%
School Progress, Reference Directory and Buyers' Guide	6,958	100%
The National List of Advertisers	4,478	100%
Broadcasting		
Radio		
CFCN-AM (Calgary)	76,900	100%
CFCO-AM (Chatham)	47,700	100%
CFOR-AM (Orillia)	16,700	50%
CHYM-AM (Kitchener)	41,700	100%
CHYM-FM (Kitchener)		100%
CKEY-AM (Toronto)	233,500	100%
Television		
CFCN-TV (Calgary)	282,900	100%
CFCN-TV (Lethbridge)	17,200	100%

Table 24. Canadian Media Interests of Maclean-Hunter Limited (Continued)

	Circulation	Extent of Interest
Cable		
Through Maclean-Hunter Cable TV Limited		
CATV (Guelph)		100%
CATV (Owen Sound-Meaford)		100%
CATV (Collingwood)		100%
CATV (Midland-Penetanguishene)		100%
CATV (Huntsville)		100%
CATV (North Bay)		100%
CATV (Toronto area: Etobicoke		100%
Parkdale		100%
Streetsville-Malton		100%
Ajax-Pickering)		100%
CATV (St. Catharines)		100%
CATV (Hamilton)		100%
CATV (London)		100%
Through Peterborough Cable Television Limited		
CATV (Peterborough)		75%
Through Huron Cable TV Limited		
CATV (Sarnia)		66.6%
CATV (Wallaceburg)		66.6%

THE McCONNELL FAMILY

The media interests of the McConnell family, built up by the late J.W. McConnell and left to his children, include the Montreal *Star*, published by The Montreal Star (1968) Ltd. and The Montreal Standard Publishing Company, which publishes *Weekend* and has a 24.7 per cent interest in Perspectives Inc., which publishes *Perspectives* and *Perspectives-Dimanche*. The Montreal Standard also undertakes commercial printing.

Weekend is distributed as a supplement in thirty-nine daily newspapers with a combined circulation of 1,805,839. *Perspectives* is a French-language weekend supplement distributed in six Quebec dailies with a total circulation of 828,430. *Perspectives-Dimanche* is distributed as part of *Le Dimanche-Matin*, a French-language tabloid with a circulation of around 290,000 that forms part of the Desmarais-Parisien-Francœur group.

Weekend is wholly owned by The Montreal Standard Publishing Company. That company contracts with member newspapers to distribute the weekly supplement. The contract provides for profit sharing on the part of members.

Just over three-quarters of the shares of Perspectives Inc. are held by distributing member papers in proportion to their contribution to total circulation. The remaining 24.7 per cent of shares are held by The Montreal Standard Publishing Company.

The share distribution which results is shown in Table 25.

Table 25. Share Distribution of Perspectives Inc.

Name	Number of Common Shares
Le Soleil, Limitée (Quebec City)	2,598
La Tribune (1966) Ltée (Sherbrooke)	576
La Voix de l'est Limitée (Granby)	191
Le Syndicat D'Oeuvres Sociales Ltée (Le Droit) (Ottawa)	576
Dimanche-Matin (1967) *Ltée* (Montreal)	576
Le Nouvelliste (1967) *Ltée* (Trois-Rivières)	576
La Compagnie de Publication de La Presse Limitée (Montreal)	2,598
The Montreal Standard Publishing (Montreal)	3,298

As printer of *Weekend Magazine,* the Montreal Standard Publishing Company is in competition with Southstar Publishers Limited, publisher of *The Canadian Magazine, Canadian Homes* and *The Canadian Star Weekly.* While *The Star Weekly* is sold on newsstands, *The Canadian* and *Canadian Homes* vie with *Weekend Magazine* for distribution as a supplement in other daily newspapers.

Late in 1969, it was announced by Southstar Publishers Limited, which is jointly owned by The Toronto Star and Southam Press, that *The Canadian* and *Canadian Homes* would be printed by the Montreal Standard Publishing Company.

It was also announced that Southstar and The Montreal Standard have joined forces to establish MagnaMedia Limited to act as the advertising sales agency for *The Canadian, Canadian Homes, Weekend, Perspectives,* and *Perspectives-Dimanche.*

At the apex of the McConnell family holdings are 88 per cent of the shares of the Commercial Trust Company Limited held by the Montreal Trust Company as part of a voting trust agreement under which the shares are voted at the direction of J.G. McConnell and Mrs. P.M. Laing during their lifetimes.

The Commercial Trust Company in turn, holds virtually all the shares in The Montreal Star (1968) Ltd. as a trustee for Starlaw Investments Ltd., the beneficial owner. Commercial Trust also holds all of the shares of The Montreal Standard Publishing Co. Ltd. and of Canada Wide Feature Service Ltd. and Infocor Limited, as a trustee for Starlaw, which again is the beneficial owner.

Starlaw Investments Ltd. is owned by SLSR Holdings Limited (previously St. Lawrence Sugar Refineries Limited) and Montreal Star Holdings Limited (previously The Montreal Star Company Limited), which it should be noted is a different corporate entity from that which publishes the daily newspaper.

The circle is completed with ownership in trust by the Commercial Trust Company of virtually all of the outstanding shares of the companies that control Starlaw Investments – SLSR Holdings Limited and Montreal Star Holdings Limited. The Commercial Trust Company is the registered owner of the shares of these two companies as the sole trustee on behalf of the descendents of the late Mr. McConnell.

Currently Starlaw Investments have before the C.R.T.C. an application to purchase Cable TV Limited from Famous Players, but approval has not yet been given.

Table 26. Media Interests of the McConnell Family.

	Circulation	Extent of Interest
Dailies		
Star (Montreal, P.Q.)	195,696	control
Weekend Magazines		
Weekend Magazine	1,805,839[1]	control
Perspectives	828,430[2]	24.7%
Perspectives-Dimanche	290,000	24.7%

[1] Represents total circulation of thirty-nine newspapers in distribution. *Weekend* is also distributed free to approximately 70 per cent of the households in London, Hamilton, Regina, Saskatoon, and Edmonton.

[2] Represents total circulation of seven newspapers in distribution.

MOFFAT BROADCASTING LIMITED

Moffat Broadcasting Limited, a private company long established in the broadcasting business, has interests stretching across the western provinces.

The company wholly owns CKLG-AM and CKLG-FM in Vancouver, CKXL in Calgary, CHAB in Moose Jaw, and CKY-AM and CKY-FM in Winnipeg. It shares an interest in CHED, Edmonton, with the Rawlinson group and CJAY-TV, Winnipeg, with the Misener family. Moffat also has a 38.75 per cent interest in Metro Videon Ltd., a cable company with systems in Winnipeg and Pinawa.

In 1968, the C.R.T.C. approved an application for the transfer of the outstanding majority of shares in CHAB Ltd., licencee of CHAB and CHAB-TV in Moose Jaw and CHRE-TV in Regina – the latter being CTV affiliates, to Moffat Broadcasting, which already held a substantial minority interest. The transfer was conditional, however, on Moffat disposing of its interest in the television stations within a year. The Commission laid down this condition because Moffat's interest in CJAY-TV, another CTV affiliate, conflicted with the old BBG rule against multiple interests in CTV affiliated stations.

On July 18, 1969, the C.R.T.C. stipulated that Moffat was to enter negotiations for the sale of the television stations to the CBC, despite an offer to purchase from

Table 27. Media Interests of Moffat Broadcasting Limited.

	Circulation	Extent of Interest
Radio		
CHAB-AM (Moose Jaw)	47,300	100%
CHED-AM (Edmonton)	170,600	45%
CKLG-AM (Vancouver)	220,100	100%
CKLG-FM (Vancouver)	13,400	100%
CKXL-AM (Calgary)	112,100	100%
CKY-AM (Winnipeg)	132,900	100%
CKY-FM (Winnipeg)	5,500	100%
Television		
CJAY-TV (Winnipeg)	325,000	50%
Cable		
CATV (Winnipeg)		38.75%
CATV (Pinawa)		38.75%

Western Broadcast Management Ltd. at what appeared to be a higher price than the CBC was prepared to pay. Very shortly afterwards, the Commission disclosed that the whole B.B.G. policy on multiple CTV ownership would be reconsidered during a hearing in the fall of 1969, and the recent Bushnell decision would suggest multiple ownership may be allowed if the benefits thereof warrant it.

ROGERS BROADCASTING LIMITED

Rogers Broadcasting Limited is a private company controlled by shares held in two Rogers family trusts, its president being Edward S. Rogers.

The Rogers group controls CHFI-AM and CHFI-FM (Toronto), CHAM-AM (Hamilton), and CHYR-AM (Leamington) through Sun Parlour Broadcasters Limited. Rogers Broadcasting has agreed to sell CHAM-AM in Hamilton to Dancy Broadcasting Limited which operates a Sarnia radio station. This sale is subject to C.R.T.C. approval.

It used to hold a 13.4 per cent interest in Baton Broadcasting controlled by the Bassett-Eaton group and operator of CFTO-TV (Toronto). Through Glen-Warren Productions, the Bassett-Eaton group in turn owned 50 per cent of Rogers Cable TV Limited. Licences for cable systems were granted to Rogers Cable TV Limited only on condition that Glen-Warren dispose of its shares in the cable company. Hence the two parties sold their interests in the other's operations.

Rogers Cable TV Limited, which is 100 per cent owned by Rogers Broadcasting Limited, operates one system in Toronto, one system in Brampton, and also owns 90 per cent of Coaxial Colourview which operates a second cable system in Toronto. Recently Rogers applied for a cable licence in Detroit, the first application by a Canadian Company in the United States. The FCC decision has not yet been issued.

Rogers Broadcasting through Sun Parlour Broadcasters Limited also owns Essex Cable TV Limited, which serves Leamington and Kingsville, Ontario.

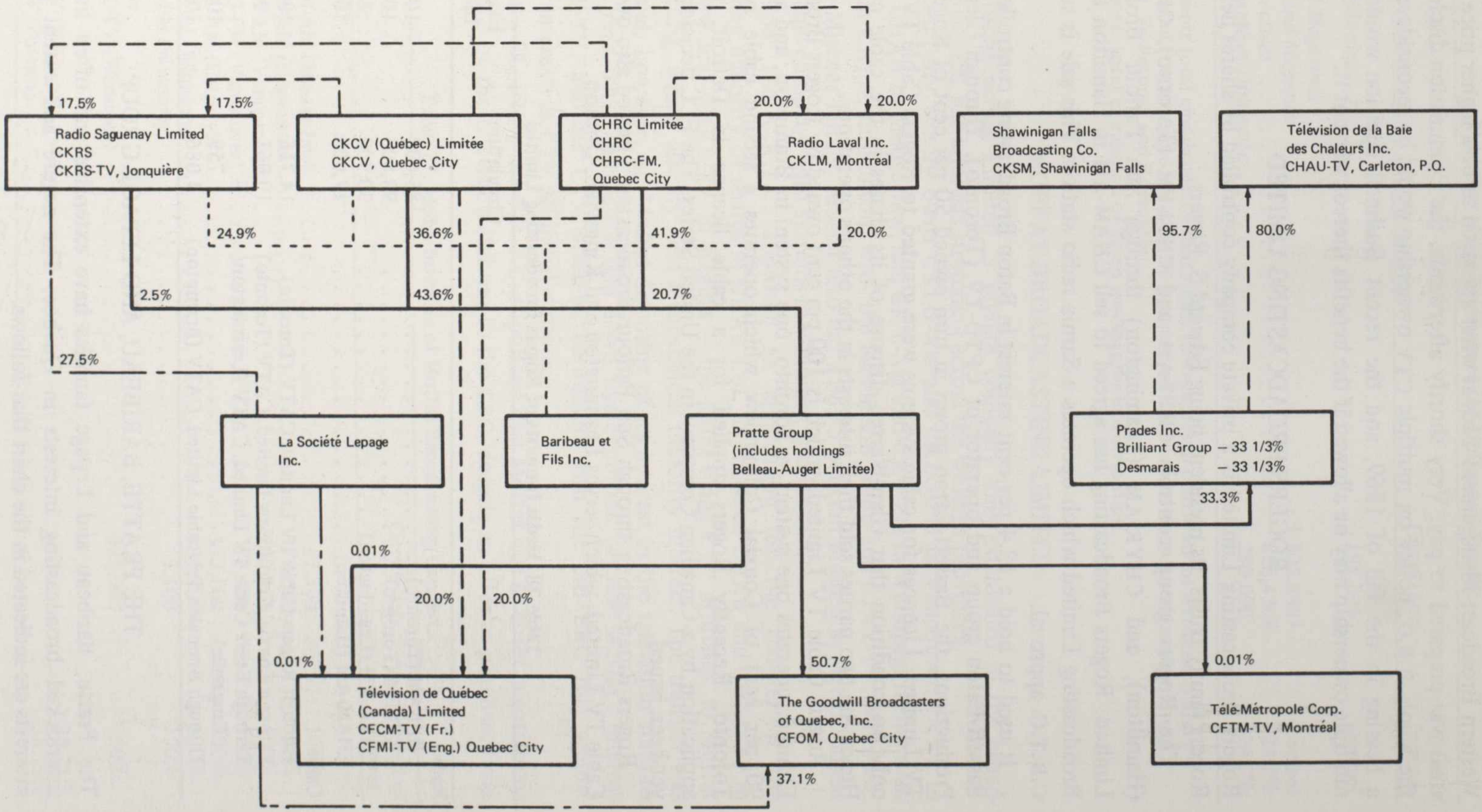
Table 28. Media Interests of Rogers Broadcasting Limited

	Circulation	Extent of Interest
Radio		
CHFI-AM (Toronto).	185,600	100%
CHFI-FM (Toronto).	93,800	100%
CHYR-AM (Leamington)	30,900	82.7%
CHAM-AM (Hamilton)	17,600	100%
Cable		
Through Rogers Cable TV Limited, CATV (Toronto)	14,715	100%
Through Coaxial Colourview Limited, CATV (Toronto)	10,065	90%
Through Essex Cable TV Limited, CATV (Leamington/ Kingsville)	759	100%
Through Bramalea Telecable Limited, CATV (Brampton)	4,086	100%

THE PRATTE, BARIBEAU, AND LEPAGE GROUP

The Pratte, Baribeau and Lepage families have extensive and often intricately interlocked broadcasting interests in Quebec. The nature and extent of these interests are indicated in the chart that follows.

Chart 3
ORGANIZATIONAL CHART OF THE PRATTE, BARIBEAU, AND LEPAGE COMPANIES.



THE SIFTON GROUP

The Sifton group has deversified interests in the news media in Saskatchewan and Ontario, being actively engaged in newspaper, magazine, television, and radio projects. The group functions through Armadale Company Limited, which was incorporated as a private company in Ontario on December 19, 1961.

Through its media holding company, Armadale Enterprises Limited (formerly Phoenix Management Limited), the group owns the Regina *Leader-Post* and the Saskatoon *Star-Phoenix* in Saskatchewan, and *Toronto Life* magazine.

The holding company, through Armadale Communications Limited (formerly Transcanada Communications Limited), in which it has a 98 per cent interest, controls radio stations CKOC (Hamilton), CKRC (Winnipeg), and CKCK (Regina), as well as CKCK-TV (Regina), together with three re-broadcasting stations serving Saskatchewan areas and has a 25 per cent interest in CFJR (Brockville).

Outside its media interests Armadale owns Jonquil Limited, a real estate firm, has a 50 per cent interest in Toronto Airways Limited, as well as an 11 per cent interest in Quality Records Limited.

History

The Sifton group represents one branch of a well-known publishing family. The major participants in Armadale Co. Limited are Clifford Sifton and his son Michael. Clifford Sifton is the son of the late Sir Clifford Sifton, former owner of the Winnipeg *Free Press,* who first acquired that paper in the late 1890s.

In 1928, the Siftons acquired the Regina *Leader-Post,* the Saskatoon *Star-Phoenix,* the *Saskatchewan Farmer,* and radio station CKCK (Regina). In 1940, they purchased station CKRC (Winnipeg), CKRM (Regina) and a one-third interest in All Canada Radio. In 1941, the Siftons purchased a 50 per cent interest in CKOC (Hamilton). In 1947, they acquired an interest in Quality Records.

The family sold Station CKRM in 1950. In 1953/54, Clifford Sifton and his late brother Victor divided their interests – with Victor retaining the Winnipeg *Free Press,* and Clifford holding the other properties.

At this time Wentworth Broadcasting, a Sifton Company, acquired a one-third interest in CHCH-TV (Hamilton). The following year Clifford Sifton acquired a licence to operate CKCK-TV (Regina).

In 1957, Wentworth Broadcasting reduced its interest in CHCH-TV to 25 per cent. The following year, the *Saskatchewan Farmer* ceased publication.

CKCK-TV satellites were established at Willowbunch and Colgate, Saskatchewan in 1962. A third satellite, CKMJ-TV (Moose Jaw) was established in 1964.

In 1963, Armadale Co. Limited acquired a one-third interest in Toronto Airways Limited.

In 1965, Armadale sold its interest in *All Canada* and in 1967, it acquired *Toronto Life* magazine.

In 1968, Armadale's interest in Toronto Airways was increased to 50 per cent and at the same time the company acquired its interest in CFJR (Brockville).

In July 1969, the Siftons severed their interests in CHCH-TV (Niagara Television Limited) and acquired the other 50 per cent of radio station CKOC (Hamilton) from Southam Press and Selkirk Holdings.

In 1970, reorganization brought the broadcasting holdings under Armadale Communications Limited (formerly Transcanada Communications Limited), and the Saskatoon *Star-Phoenix* and *Toronto Life* under Armadale Publishers Limited. At the same time, the group's media holding company changed its name from Phoenix Management Limited to Armadale Enterprises Limited.

Table 29. Media Interests of the Sifton Group

	Circulation	*Extent of Interest*
Newspapers		
Leader-Post (Regina)	65,197	100%
Star-Phoenix (Saskatoon)	50,588	100%
Broadcasting		
Radio		
CFJR-AM (Brockville)	20,300	25%
CKCK-AM (Regina)	165,200	98%
CKOC-AM (Hamilton)	139,000	98%
CKRC-AM (Winnipeg)	188,500	98%
Television		
CKCK-TV (Regina, Sask.)	191,100	98%
CKMJ-TV (Moose Jaw, Sask.)		98%
Magazines		
Toronto Life	32,000*	100%

*Provided by publisher.

THE SOUTHAM-SELKIRK GROUP

Southam Press Limited, the oldest of the media companies with a history dating back to 1877, has the largest and most diversified interests in Canadian mass media and related fields of all media groups in Canada.

The combined circulation of the eleven daily newspapers that it controls amounts to 849,364 and represents 18.0 per cent of the total Canadian circulation, making it a close second behind F.P. Publications. In addition, Southam has a 49 per cent interest in the Brandon *Sun,* a 48 per cent interest in the Kitchener-Waterloo *Record* and a 25 per cent interest in the London *Free Press.* It shares a 50 per cent interest in Pacific Press Limited, which publishes the F.P.-owned Vancouver *Sun* and the Vancouver *Province,* part of the Southam group.

The Toronto Star and Southam each own a 50 per cent interest in Southstar Publishers Limited, which publishes *The Canadian Magazine* and *Canadian Homes* for distribution as a supplement in thirteen daily newspapers, and *The Canadian Star Weekly* for newsstand distribution. Recently this group liaison was further extended by an agreement to have the Southstar publications printed by the Montreal Standard Publishing Company Limited, owned by the McConnell family interests, and publisher of the competing newspaper supplement, *Weekend.* Southstar and the Montreal Standard have also joined forces to form MagnaMedia Limited to handle advertising sales, marketing and research for the publications of both companies.

Southam has extensive broadcasting interests directly and as the largest single shareholder in Selkirk Holdings Limited (30 per cent of voting and just over 30 per cent of non-voting stock) it has a further indirect interest in a number of radio and television stations, cable television systems, television programming, and commercial production and in advertising sales representation for several broadcasting companies.

Southam has mixed-media interests either directly or through Selkirk Holdings in Ottawa, London, Hamilton, Winnipeg (cable), Edmonton, Calgary, and Vancouver.

In addition to its daily newspapers, Southam wholly owns a national weekly newspaper dealing with economic and financial matters, *The Financial Times of Canada,* and the *News and Chronicle,* a weekly in Pointe Claire, Quebec, with a circulation of approximately 17,500. Through another wholly-owned subsidiary, Southam Business Publications Limited, the company produces thirty-four trade magazines and fifteen industrial annuals. It has a 50 per cent interest in C.O. Nickle Publishing Company, which publishes magazines relating to the petroleum field, and a 7.9 per cent interest in *Homemakers' Digest.* [1]

Through its Southam-Murray Division, the company maintains a very large printing operation, while another subsidiary produces continuous business forms. Through a variety of companies, including Trans-Canada Expositions Limited, in which it and Maclean-Hunter each own 50 per cent, Southam has extensive interests in a wide variety of trade shows. Whitehold Investments Limited of Montreal is another wholly-owned interest of Southam Press, which also has a 10.7 per cent interest in Quality Records Limited. It has an 84 per cent share of Panex Inc., a designer and producer of exhibits and displays.

Southam Press Limited is a public corporation. Its outstanding three million common shares are listed on the Montreal, Toronto, and Vancouver stock exchanges and are estimated to be held by some 2,500 individuals and corporations. While it is estimated that no single interest holds more than 3.6 per cent, control over the company is exercised by a large number of persons related to the Southam family by birth and marriage.

With a gross operating revenue in 1969 of $104.7 million and a net profit of $8.07 million, Southam stands out as the giant in the field of communications and related areas in Canada. With gross operating revenue in the same year of $105 million and net profit of $11.9 million, Thomson Newspapers Limited, represented an even larger media operation than that of Southam. But the Thomson figures include the operating results of the company's extensive media holdings in the United States. If these were excluded the remaining totals would be substantially less than those for Southam.

Southam's after-tax profit in 1969 represents 7.7 per cent of gross revenue, 7.6 per cent of operating revenue, 15.3 per cent of total assets, 31.4 per cent of fixed assets.

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[1] It was announced on August 20, 1970, that Southam Business Publications had acquired National Business Publications of Gardenvale, Quebec. The Quebec company published the following monthly and annual publications: *Canadian Doctor, Canadian Food Industries, Canadian Industrial Equipment News, Canadian Mining Journal, Canadian Pit & Quarry, Modern Dairy, Monetary Times, Pulp & Paper Magazine of Canada, Sea Harvest & Ocean Science, Shop, Canadian Mining Manual, Canadian Ports & Seaway Directory, Pulp & Paper Directory of Canada, Pulp & Paper Manual of Canada.*

Southam's Broadcasting Interests

Southam's extensive and long-standing interests in broadcasting properties fall into three categories: those in which it has a direct interest not shared by Selkirk Holdings; those in which it shares a direct interest with Selkirk; those in which its interest is only indirect as the largest single shareholder of Selkirk, a broadcasting holding company established in 1959 that had as its base the former holdings of Taylor, Pearson and Carson (Canada).

Direct Southam Broadcasting Interests Not Shared With Selkirk

Southam has a 25 per cent interest in CFPL-AM, CFPL-FM, and CFPL-TV in London, Ontario, owned by CFPL Broadcasting Limited. This interest evolves through its ownership of 25 per cent of London Free Press Holdings Limited which owns virtually all of the outstanding common shares of CFPL Broadcasting Limited. Southam also owns directly approximately 25 per cent of the outstanding preferred shares of the company. Control of the broadcasting property, as with the daily newspaper, rests with the Blackburn family.

Southam also has a 38.1 per cent interest in CKOY Limited, licencee of CKOY-AM and CKBY-FM (Ottawa). CKOY Limited in turn has a 4.9 per cent interest in Ottawa Cablevision Limited, which has a CATV system in Ottawa and one in Hazeldean. Southam has a further indirect interest through a Selkirk subsidiary, Castleton Investment, which holds a 34.3 per cent interest in Ottawa Cablevision. Pembroke Cablevision Limited is wholly-owned by Ottawa Cablevision.

Direct Southam Broadcasting Interests Shared With Selkirk

Southam has a 40 per cent voting interest in Edmonton Broadcasting Company Limited, operator of CJCA-AM and CJCA-FM, and in Calgary Broadcasting Limited, operator of CFAC-AM. In each case, Selkirk holds the remaining 60 per cent interest.

Southam also holds 25 per cent directly of Greater Winnipeg Cablevision Limited, in which Selkirk has a similar share.

Indirect Southam Broadcasting Interests Through Selkirk

Selkirk received gross revenues in 1968 of $7,037,347, on which it earned $591,754 after taxes. This represented 8.05 per cent of gross revenue, 39.9 per cent of the depreciated value of its fixed assets, which totalled $1,300,567.

In addition to the Selkirk interests already mentioned above, Selkirk wholly owns the following broadcasting properties: Niagara Television Limited which operates CHCH-TV (Hamilton) and broadcasts into Toronto; Calgary Television Limited, operator of CHCT-TV (Calgary) and satellites in Drumheller and Banff; Lethbridge Television Limited, operator of CJLH-TV (Lethbridge), a partial satellite of the Calgary station, with relays of its own in Coleman and Burmis, Alberta; Lethbridge Broadcasting, operator of CJOC; Island Broadcasting Company, operator of CJVI (Victoria); CKWX Radio Limited, operator of CKWX and CKFX (Vancouver); Interior Broadcasting Limited, operator of CJIB (Vernon).

Selkirk has a 38 per cent direct interest in Northern Broadcasting Corp. Limited, operator of CKGP (Grande Prairie, Alberta). J. S. MacKay, President of Selkirk, has a further 12 per cent voting interest in the company personally and a retired associate of the Selkirk Group, Gerald Gaetz, holds an additional 24.4 per cent.

Directly and indirectly, Selkirk has an interest of about 36 per cent in the British Columbia Television Broadcasting System Limited. This includes direct holdings of Selkirk, the holdings of a wholly-owned subsidiary, Castleton Investments, and a 44.9 per cent interest in Canastel Broadcasting Corporation Limited. (The remaining 55.1 per cent of Canastel is owned by Western Broadcasting Company.) The largest shareholder in B. C. Television with an interest of about 44.4 per cent is Western Broadcasting. B. C. Television operates CHAN-TV (Vancouver), together with a number of satellites, and CHEK-TV (Victoria). It also has a one-third interest in Okanagan Valley Television Company Limited, operator of CHBC-TV (Kelowna) and eight satellites including one in both Penticton and Vernon. Selkirk has an additional interest (33.3 per cent) in Okanagan through its subsidiary, Interior Broadcasting. Through Lethbridge Television Limited, Selkirk has a 25 per cent interest in Cablevision Lethbridge Limited. Through Canastel, Selkirk and Western Broadcasting share a 25 per cent interest in CJCH-TV (Halifax).

All-Canada Radio Television Limited, another wholly-owned Selkirk subsidiary, acts as a media representative selling advertising time for more than seventy radio and television stations across the country. An All-Canada subsidiary, ZIT Programs (Canada) Limited, provides programming services.

Selkirk holds a 50.49 per cent interest in Robert Lawrence Productions (Canada) Limited, which is engaged in production of television commercial and programmes and distribution and production of motion picture films.

Table 30. Media Interests of Southam and Selkirk

	Circulation	*Extent of Interest*
Southam Interests Unrelated to Selkirk		
Newspapers		
Dailies		
Citizen (Prince George, B.C.)	12,087	100%
Province (Vancouver, B.C.)	110,677	Control
Herald (Calgary, Alta.)	100,907	100%
Journal (Edmonton, Alta.)	150,130	100%
News (Medicine Hat, Alta.)	7,922	100%
Tribune (Winnipeg, Man.)	78,024	100%
Sun-Times (Owen Sound, Ont.)	14,739	100%
Spectator (Hamilton, Ont.)	127,195	100%
Nugget (North Bay, Ont.)	17,942	100%
Citizen (Ottawa, Ont.)	94,807	100%
Gazette (Montreal, P.Q.)	134,934	100%
Sun (Brandon, Man.)	14,145	49%
Record (Kitchener-Waterloo, Ont.)	52,619	48%
Free Press (London, Ont.)	123,488	25%
Weeklies		
Financial Times of Canada	46,633	
News and Chronicle (Pointe Claire P.Q.)	17,500	100%

Table 30. Media Interests of Southam and Selkirk (Continued)

	Circulation	Extent of Interest
Southam Interests Unrelated to Selkirk (Continued)		
Weekend Magazines		
The Canadian (Weekly)	2,025,664	50%
Canadian Homes (monthly)	2,025,664	50%
The Canadian Star Weekly (weekly)	400,000+	50%
Business Publications		
Architecture-Concept	3,049	100%
British Columbia Lumberman	6,664	100%
Canadian Architect	5,008	100%
Canadian Chemical Processing	8,630	100%
Canadian Consulting Engineer	5,093	100%
Canadian Farm Equipment Dealer	7,163	100%
Canadian Forest Industries	11,005	100%
Canadian Metalworking Production	8,923	100%
Canadian Petroleum	9,131	100%
Canadian Plastics	8,407	100%
Canadian Transportation & Distribution Management	6,195	100%
Canadian Wood Products Industries	4,298	100%
Daily Oil Bulletin		50%
Electrical Equipment News	18,930	100%
Electrical News & Engineering	8,466	100%
Electronics & Communications	11,310	100%
Engineering & Contract Record	14,384	100%
Equipment Industriel	6,307	100%
Executive	13,736	100%
Furniture & Furnishings	8,702	100%
Genie Construction	4,048	100%
Good Farming	109,192	100%
Heating, Plumbing, Air Conditioning	19,565	100%
Hospital Administration in Canada	6,343	100%
Industrial Products & Equipment	21,884	100%
Journal of Commerce	9,079	100%
L'Agriculteur Progressif[1]	18,000	100%
Mining in Canada	7,369	100%
Office Administration	15,812	100%
Opérations Forestières	4,605	100%
Plomberie Chauffage et Climatisation	5,010	100%
Shoe & Leather Journal	4,914	100%
Southam Building Guide	19,807	100%
Water & Pollution Control	8,140	100%
Business Publications – Annuals		
B. C. Forest Industry Year Book		100%
Canadian Architect Yearbook	4,938	100%
Canadian Oil Register	3,593	100%
Canadian Shoemaking	4,914	100%
Chemical Buyers Guide	8,381	100%
Chemical Processing Laboratory Guide	6,081	100%
Construction Industries Directory	14,384	100%
Electronics Procurement Index for Canada	11,310	100%
Farm Equipment Directory/Annuaire	7,163	100%
Forest Industries Directory		100%
Genie Construction Annuaire		100%
Heating, Plumbing, Air Conditioning Annual	19,565	100%
Plastics Directory of Canada	8,404	100%
Plomberie, Chauffage et Climatisation Annuaire	5,010	100%
Water & Pollution Control Directory	8,004	100%

Table 30. Media Interests of Southam and Selkirk (Continued)

	Circulation	Extent of Interest
Southam Interests Unrelated to Selkirk (Continued)		
Broadcasting		
Radio		
CFPL-AM (London, Ont.)	136,100	25% (Through London Free Press Holdings Ltd.)
CFPL-FM (London, Ont.)	20,000	
CKOY-AM[2] (Ottawa, Ont.)	90,600	38.1%
CKBY-FM (Ottawa, Ont.)		38.1%
Television		
CFPL-TV (London, Ont.)	355,300	25% (Through London Free Press Holdings Ltd.)
Broadcasting (Shared by Southam and Selkirk)		
Radio		
CFAC-AM (Calgary, Alta.)	64,600	40%S-60%Slk
CJCA-AM (Edmonton, Alta.)	141,500	40%S-60%Slk
CJCA-FM (Edmonton, Alta.)		40%S-60%Slk
Cable		
Through Greater Winnipeg Cablevision Ltd.		
CATV (Winnipeg, Man.)		25%S-25%Slk
CATV (Pinawa, Man.)		25%S-25%Slk
Broadcasting (Selkirk)		
Radio		
CFGP-AM (Grande Prairie, Alta.)	25,700	38% (an additional 36% is held by associated interests)
CJIB-AM (Vernon, B.C.)	18,900	100%
CJOC-AM (Lethbridge, Alta.)	72,400	100%
CJVI-AM (Victoria, B.C.)	32,200	100%
CKFX (sw) (Vancouver, B.C.)		100%
CKWX-AM (Vancouver, B.C.)	107,700	100%
Television		
CHAN-TV (Vancouver, B.C.)	375,900	36%
CHBC-TV (Kelowna, B.C.)	152,100	45.2% (33.3% direct and 11.9% through B.C. Television)
CHCH-TV (Hamilton, Ont.)	819,800	100%
CHCT-TV (Calgary, Alta.)	206,000	100%
CHEK-TV (Victoria, B.C.)	101,000	36%
CJCH-TV (Halifax, N.S.)	236,100	11.2% (through Canastel Broadcasting Corp. Ltd.)
CJLH-TV (Lethbridge, Alta.)	72,400	100%

Table 30. Media Interests of Southam and Selkirk (Continued)

	Circulation	Extent of Interest
Broadcasting (Selkirk) (Continued)		
Cable		
Through Ottawa Cablevision Limited		
CATV (Ottawa, Ont.)		34.3%
CATV (Hazeldean, Ont.)		34.3%
Through Pembroke Cablevision Limited		
CATV (Pembroke, Ont.)		34.3%
Through Cablevision Lethbridge Limited		
CATV (Lethbridge, Alta.)		25%

[1] First issue November 1969. Circulation figure provided by publisher.

[2] CKOY Limited owns 4.9 per cent of Ottawa Cablevision Limited which has CATV systems in Ottawa and Hazeldean.

STANDARD BROADCASTING CORPORATION LIMITED

Standard Broadcasting Corporation Limited is a holding company which, through subsidiaries, owns and operates radio broadcasting stations in Toronto and Montreal, operates background music services in Quebec and the Maritimes and hourly news services across Canada, and acts as a time-sales representative for radio and TV stations.

The company is controlled by Argus Corporation, one of Canada's major holding companies; shareholders holding 5 per cent or more of Argus' common (voting) shares as at July 31, 1969, were: The Ravelston Corporation Limited; Shawinigan Industries Limited; Windfields Farm Limited; Gormley Investments Limited.

Argus Corporation also has controlling interest in Dominion Stores, Domtar Limited, and Massey-Ferguson Industries Limited, as well as large shareholdings in British Columbia Forest Products and Hollinger Mines.

The flagship of Standard Broadcasting Corporation Limited is radio station CFRB (Toronto). CFRB's listening audience is estimated to equal that of all other Toronto stations combined, with more than one million people listening to the station every week.

History

The company was incorporated under Dominion charter on May 30, 1925, as the Standard Radio Manufacturing Corporation, Limited. In 1929 capitalization was altered and the name changed to Rogers-Majestic Corporation Limited.

In 1934, assets of Consolidated Industries Limited were acquired, including shares of De Forest Radio Corp. Limited; Norge Corp. of Canada Limited; Hammond Company of Canada, Limited; and Consolidated Industries Products Limited.

In 1941, all the assets of Rogers-Majestic Corporation Limited, except shares and bonds of Rogers Radio Broadcasting Company and shares of Canadian Radio Artists Bureau Limited, were sold to Small Electric Motors (Canada) Limited for $645,000 net. In 1941, the name of the company was changed to Standard Radio Limited.

In 1959, the company made an unsuccessful bid to obtain a licence to operate the first private commercial television station in the Toronto area.

Late in 1960, the company purchased all the outstanding shares of CJAD Limited, a leading English-language radio station in Montreal, Radio Time Sales (Quebec) Limited, and Radio Time Sales (Ontario) Limited.

Subsequent to this acquisition Radio Time Sales (Quebec) Limited was taken over by CJAD Limited, while Radio Time Sales (Ontario) Limited was accounted for as a dormant subsidiary.

In December, 1960, the company incorporated Standard Broadcast Sales Limited as a time-sales representative company for radio.

On July 1, 1961, CKFM, CFRB's FM station began separate broadcasting. CJFM, CJAD's FM station commenced operations in October, 1962.

In December, 1962, Standard Broadcast Sales Limited and Radio Time Sales (Ontario) Limited were amalgamated to form Standard Broadcast Sales Company Limited.

In 1963, CJAD, a Background Music Service, using the transmission facilities of CJFM (Montreal) was introduced. A similar service, using the transmission facilities of CKFM (Toronto) was formed in 1966.

Early in 1966 the company formed Canadian Standard Broadcast Sales Inc., incorporated in New York as an American sales organization. The company acquired the business of the American sales representative which formerly handled Standard Radio Limited time sales in the United States.

In June, 1966, the company formed a new, wholly-owned subsidiary, Standard Broadcast Productions Limited to produce and distribute syndicated Canadian programme material for radio stations.

Standard Broadcast Productions subsequently launched Standard Broadcast News, a service which delivers news reports from both Canada and abroad to subscribing stations in some fifteen localities across Canada.

Included in the company's operations is the Canadian Talent Library, a non-profit trust which distributes recordings by Canadian artists to 172 Canadian stations.

In the 1967-68 fiscal year the company formed Standard Sound Systems Company Limited as a wholly-owned subsidiary to take over the background music services in Toronto and Montreal. The Toronto operation was sold in October, 1968, with the acquisition of the Muzak franchise for Montreal, Quebec and the Maritimes.

In July, 1968, the corporate name of the company was changed to the present title.

Standard Broadcasting has tried unsuccessfully for years to obtain a television licence for a third VHF channel in Toronto. At one point the company had arranged with CKCO-TV (Kitchener-Waterloo) and WOKR-TV (Rochester, N.Y.), both using Channel 13, to take over that channel for themselves, with CKCO-TV moving to Channel 6 when the CBC's CBLT moved to Channel 5. However, the C.R.T.C. chose to make Channel 6 available in the London area for the CBC and in the Kingston-Belleville area for a new television station.

Standard Broadcasting has also bid for a UHF channel for the Toronto area against three others, including a partnership composed of Toronto Star Limited and The Montreal Star Company Limited, and Canadian Film Industries. The fourth bidder is Niagara Television Limited, licencee of CHCH-TV (Hamilton), which is owned by Selkirk Holdings.

Financial Position

Consolidated net income for the year ended March 31, 1969, increased by 17 per cent to $2,247,234. Gross revenues were 18 per cent higher at $10,660,936 against $8,984,543 for the previous year.

Table 31. Media Interests of Standard Broadcasting

	Circulation	*Extent of Interest*
Radio		
CFRB-AM (Toronto, Ont.)	852,500	100%
CFRX (sw) (Toronto, Ont.)		100%
CJAD-AM (Montreal, P.Q.)	310,000	100%
CJFM-FM (Montreal, P.Q.)	27,000	100%
CKFM-FM (Toronto, Ont.)	81,600	100%

TÉLÉMÉDIA (QUÉBEC) LIMITÉE

Philippe de Gaspé Beaubien came to broadcasting in 1968 following four years as Chief Administrator of Expo facilities. For about two years he was the President of Québec Télémédia Inc., the broadcast holding company owned by Power Corporation. In 1970, Power Corporation determined to separate itself from all involvement in communications media. Beaubien agreed to purchase all the holdings of Télémédia Inc. and its name and gained C.R.T.C. approval on June 17, 1970. In addition, he bought with approval, CKCH-AM and CKCH-FM in Hull, previously owned by La Compagnie Radiodiffusion CKCH de Hull Ltée.

The Québec Télémédia holdings were extensive and valuable. Mr. Beaubien's new holding company, Télémédia (Québec) Ltée, financed the transaction by giving back to Télémédia Inc. and Trans Canada Corporation Fund, notes totalling $7.25 million. These companies do not have any ownership of or management involvement with Télémédia (Québec) Ltée.

The holdings of Télémédia (Québec) Ltée are:

1 CHLT Télé 7 Ltée and CHLT Radio Sherbrooke Ltée
(CHLT-TV, with rebroadcast to Edmundston, N.B.;
CHLT-AM, with rebroadcast to Causapscal; and
CHLT-FM in Sherbrooke only)

2 CKTS in Sherbrooke, sold some years ago by the Bassett family to Power Corporation

3 CJBR-TV Ltée and CJBR Radio Ltée
(TV, AM and FM radio in Rimouski with television rebroadcast to Edmundston, N.B. and AM radio to Causapscal)

4 CKAC Ltée, AM radio in Montreal
5 Radio Trois Rivières Inc.; CHLN-AM radio
6 CKCH-AM in Hull

The purchase of CKAC and CHLN had been completed by the previous Power Corporation company, but had not received C.R.T.C. approval. The companies were transferred directly to Télémédia (Québec) Ltée. The approval of this transfer of ownership was granted with some reservation on the part of the C.R.T.C.:

> The Commission is satisfied that acceptance of these proposals will clarify a series of complicated situations and may enable the new owner to maintain or improve the service provided by these stations. It is concerned, however, about the concentration of ownership of both radio and television to the extent proposed in these applications and about the large financial interests of a corporation whose principals own a considerable interest in other media.
> The Commission is developing licensing policies which will take into account concentration of ownership in the media. After such policies are established, the Commission may examine this matter with the new company.

Table 32. Media Interests of Télémédia (Québec) Limitée

	Circulation	*Extent of Interest*
Radio		
CHLN-AM (Trois-Rivières)	59,800	100%
CHLT-AM (Sherbrooke)	34,900	100%
CHLT-FM (Sherbrooke)	10,000	100%
CJBR-AM (Rimouski)		100%
CJBR-FM (Rimouski)	96,100	100%
CJBR-AM (rebroadcast Causapscal)		100%
CKAC-AM (Montreal)	264,900	100%
CKCH-AM (Hull)	33,400	100%
CKCH-FM (Hull)		
CKTS-AM (Sherbrooke)	18,600	100%
Television		
CHLT-TV (Sherbrooke)	411,200	100%
CJBR-TV (Rimouski)	128,400	100%
CJBR-TV (rebroadcast Edmundston)		

THE THOMSON GROUP

Lord Thomson has world-wide media interests. His North American interests are linked in a highly complex corporate structure. These interests are operated, in the main, by Thomson Newspapers Limited, which is 72.6 per cent controlled by Lord Thomson's Woodbridge Company Limited. Woodbridge's wholly-owned subsidiary O.B.G. Holdings, through Home Newspapers Limited owns the Brampton *Daily Times and Conservator* (which in turn is managed by Thomson Limited), and the Georgetown *Herald.* The Thomson Corporation, which has a token direct interest in Thomson Newspapers Limited, owns the Kirkland Lake *Northern Daily News,* which is also managed by Thomson Newspapers Limited.

The Peterborough Examiner Company Limited has a 1.85 per cent interest in Thomson Newspapers Limited. Petex Publishing Limited, in which Thomson Newspapers Limited has 99 per cent control, publishes the Peterborough *Examiner,* a paper formerly owned by the late Senator W. Rupert Davies.

Thomson Newspapers Limited, directly and through subsidiaries, publishes thirty daily newspapers in Canada – eighteen in Ontario, four in British Columbia, two in Saskatchewan, two in Prince Edward Island, two in Newfoundland, one in Nova Scotia and one in Quebec. They have a combined circulation of 400,615, or 8.5 per cent of the Canadian total. In addition, the company publishes eleven weeklies, three bi-weeklies and one triweekly. These publications have a total circulation of 72,275.

The company also runs commercial printing establishments in conjunction with sixteen of these papers, as well as a retail stationery and office equipment business in Kamloops.

Petex Publishing Limited owns a 50 per cent interest in a Peterborough photo-engraving firm.

Thomson Newspapers Inc., a wholly-owned subsidiary of Thomson Newspapers Limited, publishes directly and through subsidiaries some forty-four daily and weekly newspapers throughout the United States. The Thomson group has world wide publishing interests – two of which are *The Sunday Times* and *The Times of London.*

Until July, 1970, Thomson, both alone and in conjunction with the Davies family who publish the Kingston *Whig-Standard,* had broadcast interests in a number of Ontario communities. The C.R.T.C. approved the transfer of these holdings to Bushnell Communications Limited stating that "the separation of a group of broadcasting stations from a significant newspaper group" was, in the eyes of the Commission, "desirable."

History

Under letters patent dated June 30, 1947, the Thomson Company Limited was formed through amalgamation of Thomson Publishing Company Limited and Northern Broadcasting and Publishing Limited.

Northern Broadcasting and Publishing Limited was originally incorporated August 30, 1932, and in 1939 acquired the assets and publishing rights to the *Daily Press,* Timmins, a newspaper founded by Lord Thomson in 1934. In 1947, before the amalgamation, Northern Broadcasting sold its broadcasting rights and acquired the assets and publishing rights to the Guelph *Daily Mercury* and the Chatham *Daily News.*

The Thomson Publishing Company was incorporated June 6, 1944, to acquire the assets and publishing rights to the Sarnia *Observer, The Evening Tribune* (Welland-Port Colbourne), *The Daily Sentinel Review* (Woodstock), and *The Evening Reporter* (Galt). Subsequently, Thomson Publishing purchased all outstanding stock of Northern News Limited, which owned and operated the Kirkland Lake daily newspaper.

On October 3, 1958, the name of the company was changed from The Thomson Company Limited to Thomson Newspapers Limited.

In November, 1965, the company made an initial offering of its common stock to the Canadian public through the sale of 720,000 shares at $15.50 per share. Following the sale, some 80 per cent of the outstanding common shares were held through holding companies or trusts by Lord Thomson's family.

In December, 1967, the company, through its American subsidiary, Thomson Newspapers Inc., acquired the Brush-Moore Newspapers, Inc. Later Canadian newspaper acquisitions included the Peterborough *Examiner,* in 1968, purchased from the Davies interests. The latest takeovers were the St. John's *Telegram* and the Cornerbrook *Western Star* from the Herder family of St. John's, Newfoundland.

Financial Position

Thomson Newspapers Limited for the year ended December 31, 1968 had a consolidated net profit of $9,107,290, an increase of 59.7 per cent over the previous year. Gross operating revenue for the year ended December 31, 1968 amounted to $92,861,000, compared to $50,986,000 in 1967.

Table 33. Media Interests of the Thomson Group

	Circulation	*Extent of Interest*
Newspapers		
Dailies		
Daily Sentinel (Kamloops)	9,493	100%
Daily Courier (Kelowna)	8,115	100%
Daily Free Press (Nanaimo)	9,342	100%
Herald (Penticton)	6,317	100%
Times-Herald (Moose Jaw)	9,318	100%
Daily Herald (Prince Albert)	8,189	100%
Examiner (Barrie)	10,183	100%
Daily Times & Conservator (Brampton)	7,863	100%
Daily News (Chatham)	15,129	100%
Standard-Freeholder (Cornwall)	14,447	100%
Evening Reporter (Galt)	13,824	100%
Mercury (Guelph)	17,519	100%
Northern Daily News (Kirkland Lake)	6,460	100%
Daily Packet and Times (Orillia)	7,953	100%
Times (Oshawa)	24,452	100%
Observer (Pembroke)	7,861	100%
Examiner (Peterborough)	23,026	99%
Observer (Sarnia)	18,603	100%
Star (Sudbury)	35,362	100%
Daily Times-Journal (Thunder Bay)	17,105	100%
News-Chronicle (Thunder Bay)	15,766	100%
Daily Press (Timmins)	11,779	100%
Evening Tribune (Welland)	19,409	100%
Daily Sentinel-Review (Woodstock)	10,229	100%
Chronicle-Telegraph (Quebec)	4,523	100%
Evening News (New Glasgow)	10,055	100%
Guardian (Charlottetown)	16,414	100%
Evening Patriot (Charlottetown)	4,478	100%
Western Star (Corner Brook)	7,884	99.9%
Telegram (St. John's)	29,517	99.9%
Weeklies		
Enterprise (Yorkton)	7,578	100%
Chronicle (Arnprior)	2,828	100%
Enterprise-Bulletin (Collingwood)	4,485	100%
Chronicle (Dunnville)	3,521	100%
Standard (Elliot Lake)	2,500	100%
Standard (Espanola)	2,159	100%
Herald (Georgetown)	4,589	100%

Table 33. Media Interests of the Thompson Group (Continued)

	Circulation	Extent of Interest
Post (Hanover)	3,271	100%
Post and News (Leamington)	5,158	100%
Banner (Orangeville)	4,523	100%
Northern Light (Bathurst)	5,296	100%
Bi-weeklies		
News (Vernon)	6,617	100%
Sun (Swift Current)	6,589	100%
Free Press Herald (Midland)	5,848	100%
Tri-weeklies		
Trentonian (Trenton)	7,313	100%

Source: Canadian Advertising Rates and Data, December, 1969

TORONTO STAR LIMITED

Toronto Star Limited was originally founded in 1892 as the Star Printing & Publishing Company Limited. Control was acquired by J. E. Atkinson in the early 1900s, and in 1933 it sold all its realty to Toronto Star Realty Limited and all undertakings and other assets to The Toronto Star Limited.

Upon the death of Mr. Atkinson in 1948 his will provided that the shares in the capital stock of the two companies should ultimately belong to The Atkinson Charitable Foundation. The Charitable Gifts Act passed by the Ontario Legislature made it impossible to carry out the terms of the will, and, early in 1958, the Supreme Court of Ontario granted approval for the newly-formed Hawthorn Publishing Company Limited to purchase the predecessor companies. The name of the company was changed to Toronto Star Limited by Supplementary Letters Patent as of April 30, 1958.

Under letters patent of almalgamation dated April 3, 1967, the former company Toronto Star Limited and Charth Investment and Publishing Company Limited amalgamated to form a new company under the corporate name of Toronto Star Limited. Charth Investment was incorporated as a private company by letters patent of Ontario dated May 8, 1958, and operated as an investment company whose sole holding, at the time of the merger, consisted of the majority of the common stock of Toronto Star Limited.

The purpose of the amalgamation was to provide a suitable share structure for the future sale of nonvoting shares to the public, if so required.

Total revenue for the 1968-1969 fiscal year increased to $52,275,000 from $48,535,000 for the previous fiscal year. Consolidated net income for the year ended September 30, 1969, amounted to $11,559,000 (including profit on sale of land and equipment of $8,790,000) compared with $1,523,000 (after deducting severance pay of $120,000) for the year ended September 30, 1968.

A 2-for-1 split of Class B, C, D, and common shares was effected by S.L.P. dated March 2, 1970. Earnings per share based on the new combined Class B, C, D, and common shares, after giving effect to the 2-for-1 split in March, 1970, were $4.81

in 1968-69 and 63 cents in 1967-68; the 1968-69 figure includes an extraordinary gain of $3.66 per combined share, against an extraordinary loss of 5 cents per combined share in 1967-68.[2]

Toronto Star Limited publishes the Toronto *Daily Star,* Canada's largest daily newspaper with a circulation of 387,418.

Toronto Star Limited has had an interest in a significant number of weekly newspapers in and around Metro Toronto for some years. This information was not generally known until last year when the company announced that it had acquired full ownership of the Oakville *Daily Journal-Record,* a daily newspaper published in suburban Oakville, and the *South Peel Weekly* of Port Credit.

The company previously shared equal partnership in the two papers with the Thomson Group. At the same time, the Thomson Group acquired full ownership of the Brampton *Daily Times and Conservator,* a daily newspaper, and the Georgetown *Herald,* a weekly. These two papers had also been previously jointly owned by the two groups.

Toronto Star Limited was one of the unsuccessful applicants for the first private television licence issued in the Toronto area. Recently, the company joined with Infocor, a sister company of The Montreal *Star,* to file application with the C.R.T.C. for an UHF television licence in Toronto. The application was denied. The company has filed an application to purchase York Cablevision which owns a system in Toronto and is currently controlled by the Columbia Broadcasting System and S. W. Welsh. This application is still pending.

Southstar Publications Limited

In 1965 Toronto Star Limited entered into a fifty-fifty partnership with Southam Press Limited to form a new company, Southstar Publishers Limited for the purpose of publishing a new weekly magazine supplement, *The Canadian,* and a monthly supplement, *Canadian Homes.*

The Canadian, with a combined circulation of 2,025,664 is distributed in nine Southam papers – Vancouver *Province,* Edmonton *Journal,* Calgary *Herald,* Medicine Hat *News,* Winnipeg *Tribune,* Hamilton *Spectator,* Ottawa *Citizen,* North Bay *Nugget,* and Montreal *Gazette;* two Sifton group papers – Saskatoon *Star-Phœnix* and Regina *Leader-Post;* the London *Free Press* and the Toronto *Daily Star.*

Canadian Homes is distributed with *The Canadian* in these same papers.

In October, 1968, the ailing *Star Weekly,* whose circulation dropped from 860,127 in 1958 to 685,739 in 1966 was replaced by *The Canadian Star Weekly* which is sold on newsstands and by carrier boys throughout the country.

President B. H. Honderich indicated in the 1968 annual report of Toronto Star Limited that the new publication had relieved the strain on production capacities at its Toronto harbour plant and improved the competitive position of *The Canadian.*

One year later it was announced by Southstar Publishers Limited that *The Canadian* and *Canadian Homes* would be printed in Montreal by the Montreal

[2]*The Financial Post Corporation Service,* August 4, 1970.

Standard Publishing Company Limited, the company which publishes *Weekend,* a direct competitor to *The Canadian. Weekend,* which has a combined circulation of 2,848,000 is distributed in thirty-nine newspapers across Canada and by controlled circulation in five other cities.

At the same time it was announced that Southstar Publishers Limited and the Montreal Standard Publishing Company Limited, had formed a new company, MagnaMedia Limited, for the purpose of advertising sales, marketing and research for the weekly supplements published by the holding companies.

Table 34. Media Interests of Toronto Star Limited

	Circulation	*Extent of Interest*
Newspapers		
Dailies		
Daily Journal-Record (Oakville)	7,792	100%
Star (Toronto)	387,418	100%
Weeklies		
Gazette (Burlington)	9,085	100%
Times (Mississauga)	13,202	100%
Metropolitan Toronto area:		
Aurora Banner	5,143	100%
Richmond Hill Liberal	7,890	100%
Willowdale Enterprise	13,472	100%
Scarborough Mirror	37,922	50%
Don Mills Mirror	53,512	50%
The Lakeshore Advertiser	10,000*	75%
Weston-York Times	4,149	75%
Woodbridge and Vaughan News	3,010	75%
The Etobicoke Advertiser-Guardian	19,443	75%
Weekend Magazines		
The Canadian (weekly)	2,025,664	50%
Canadian Homes (monthly)	2,025,664	50%
The Canadian Star Weekly (weekly)	400,000+	50%

*Report by publisher to Committee

WESTERN BROADCASTING COMPANY LIMITED

Formed as a public corporation in 1965, Western Broadcasting Company Limited has rapidly expanded its holdings in the broadcasting field.

Western Broadcasting took over the broadcasting interests formerly held by its principal shareholders at the time of incorporation. These are station CKNW-AM (New Westminster, B.C.) and CJOB-AM and CJOB-FM (Winnipeg, Man.), along with the minority interest in British Columbia Television Broadcasting System Limited held by a subsidiary, Saturna Properties Limited.

Over the last few years, Western Broadcasting has substantially increased its interest in B. C. Television, which operates CHAN-TV (Vancouver) and CHEK-TV (Victoria) and has a one-third interest in Okanagan Valley Television Company Limited, which owns CHBC-TV (Kelowna). Recently B. C. Television has been given authority by the C.R.T.C. to undertake a major expansion of its system through establishment of new relay transmitters.

Western Broadcasting is now the largest single shareholder in B. C. Television. In addition, the company has indirect holdings in the company together with Selkirk through the shares held by Canastel Broadcasting Corporation Limited. Therefore, Western's total beneficial ownership in B. C. Television is about 44.4 per cent.

Through its interest in Canastel, Western also shares a 25 per cent interest in CJCH-TV (Halifax) with Selkirk. The remaining shares in the Halifax station are owned by the CTV Network.

Western recently has also acquired a 100 per cent interest in Express Cable Television Limited in North Vancouver.

In the fiscal year ending March 31, 1969, Western had gross earnings of $1,439,000 and a net income of $678,000 on total assets of $7,313,000.

Shares of the company are listed on the Toronto and Vancouver Stock Exchanges. Effective control is exercised by Frank A. Griffiths, President, through a voting trust agreement.

Table 35. Media Interests of Western Broadcasting Company Limited

	Circulation	*Extent of Interest*
Broadcasting		
Radio		
CFMI-FM (New Westminster)		100%
CHQR-AM (Calgary)	62,700	100%
CJOB-AM (Winnipeg)	141,300	100%
CJOB-FM (Winnipeg)	14,800	100%
CKNW-AM (New Westminster)	236,500	100%
Television		
CHAN-TV (Vancouver)	375,900	44.4%
CHBC-TV (Kelowna)	152,100	14.8% (Through B.C. Television Ltd.)
CHEK-TV (Victoria)	101,000	44.4%
CJCH-TV (Halifax)	236,100	13.8% (Through Canastel Broadcasting Corp. Ltd.)
Cable		
Through Express Cable Television Ltd.		
CATV (North Vancouver)		100%

Part II

ECONOMICS OF THE MASS MEDIA

Section One : ADVERTISING

Chapter 1:

THE ECONOMIC IMPORTANCE OF ADVERTISING

INTRODUCTION

No clear understanding of the structure and role of mass media in Canada today is possible without a clear understanding of the relationship between advertising and non-advertising content of a newspaper or radio or television programming. Publishing a newspaper or operating a private broadcast station is a business, and the owners must receive more revenue than they spend if the enterprise is to survive. The major source of that revenue is advertising, and the economics of advertising ultimately determine all other decisions basic to the operation of a newspaper or broadcast station. Without an audience, advertising is useless; thus the number of readers, listeners, or viewers helps directly to determine how much advertising a newspaper or station can get, and how much it can charge for it.

It is in the area of the *real* relationships between audience, non-advertising content, and advertising that confusion most often arises in respect to the structure and role of mass media. Non-advertising content – news, information, and entertainment – is the primary means of attracting readers, listeners, and viewers. Advertisements, *in the strict content sense,* are of secondary importance and interest to the vast majority of the audience, although advertisements also contribute to informing (and, to a lesser degree, to entertaining) the audience. But, in the strict economic sense, media require an audience primarily to provide customers for the firms that buy advertising in the media in order to sell their goods and services.

No free-enterprise broadcast station or newspaper can survive indefinitely if too large a proportion of its audience does not respond to its advertisements; the medium must either change its content to attract an audience that is more responsive to advertising or lose advertising to another medium. Newspapers and broadcast stations devote the largest part of their promotion and research effort to attempt to prove to advertisers and advertising agencies that their particular audience is large, strategically located, affluent, and responsive to advertisements by buying the goods and services being advertised.

This description of the financial objectives of the mass media in no way questions or denigrates the importance and sincerity of their other, equally basic objectives – to entertain tastefully, to educate, to inform objectively, or to stimulate public discussion. It merely recognizes that the simple facts of life in a free-enterprise economy ultimately dictate all other policies and actions in the media industries, just as they do in all other profit-motivated industries.

The historic union between the media and advertising can be attributed primarily to a communality of purpose: each is concerned with the dissemination of information, in the broadest sense of the word information. Publishers, broadcasters, and advertisers have a "message" they undertake to distribute to a large portion of the public. Given this common purpose, it is not unexpected that they have found the means used by the one are also suited to the other. It is nevertheless conceivable that publishers and broadcasters could undertake to inform and entertain independently of those who inform for the purpose of advertising. In order to do so, the former would have to meet their costs of production by charging consumers directly for services rendered. In publishing, this would result in a much higher direct price to the consumer than that which now prevails for newspapers and periodicals. In broadcasting, it would require a completely different distribution system. Closed circuits would have to be utilized so that charges could be assessed to those using the services – and, again, the direct price to the consumer would be much higher than it is under the present system.

Pay TV
Radio
Press

There are slightly over five million households in Canada today. Each of these households is an active or potential consumer of consumer goods produced by Canadian industry. Any effort to inform these households of the kinds of consumer goods available is a gigantic marketing endeavour. The mass media are well suited to this marketing operation. It is no exaggeration to suggest that there is no other marketing technique known today that would make it economically feasible to mass-market consumer goods.

Free Press is not cons'd Qlty; yet Free TV is commodity

THE ECONOMICS OF ADVERTISING

Advertising constitutes approximately 55 per cent of the gross income of the Canadian broadcasting industry, 65 per cent of the gross income of the newspaper publishing industry, and 70 per cent of gross income accruing to publishers of periodicals. (The figure for broadcasting appears low because of grants from the federal government to the CBC. In the private broadcasting sector, advertising accounts for 93 per cent of gross revenues.)

The demand for advertising depends on three things: first, the nature of the product to be advertised; second, the size of the firm advertising; and, third, the nature of the market for the product. The most important aspect of the demand for advertising is, of course, the nature of the product. Heavy advertising occurs in oligopolistic markets with non-price competition among slightly differentiated products – for example, soaps, gasoline, and cigarettes.

The rapid growth of advertising revenues in recent years can be attributed to several factors: first, to technological advances which create new wants; second, to highly specialized markets; third, to technological advances in selling techniques; fourth, to increased competition in all markets; and, finally, to the growth in number of media outlets, in population, and in the numbers of media users.

Since 1950, total net advertising has more than tripled in Canada. In 1950, total expenditure was $227.9 millions; by 1956, expenditures had nearly doubled, to $448.4 millions, and, by 1968, they had more than doubled again, to $1,010.1 millions (Table 36). Broadcasting, of course, has seen the greatest growth in advertising revenue (See Chart 4), largely because of the commercial introduction of television. Television's phenomenal growth can be accounted for by the fact that it reaches the entire cross-section of the nation more continuously and more intensively than any other medium. Although the advertising cost per unit is highest in television because television is the most influential medium, the return from investment in television advertising, although not quantifiable, is believed to be the highest for many products.

Table 36. Total Advertising Expenditures, Canada, 1950-1968.

	Total Advertising Expenditures	Change From Year Previous
	Dollars	Per Cent
1950	228,000,000	
51	254,300,000	11.6
52	285,000,000	12.1
53	323,500,000	13.5
54	356,200,000	10.1
55	395,600,000	11.1
56	448,400,000	13.3
57	477,500,000	6.5
58	504,400,000	5.6
59	541,100,000	7.3
60	573,600,000	6.0
61	609,000,000	6.2
62	642,600,000	5.5
63	677,200,000	5.4
64	725,700,000	7.2
65	800,000,000	10.2
66	868,000,000	8.5
67	933,600,000	7.6
68*	1,010,000,000	8.2

*Estimated
Source: D.B.S., Catalogue No. 63-216.

ADVERTISING EXPENDITURES AND EXPENDITURES ON GOODS AND SERVICES

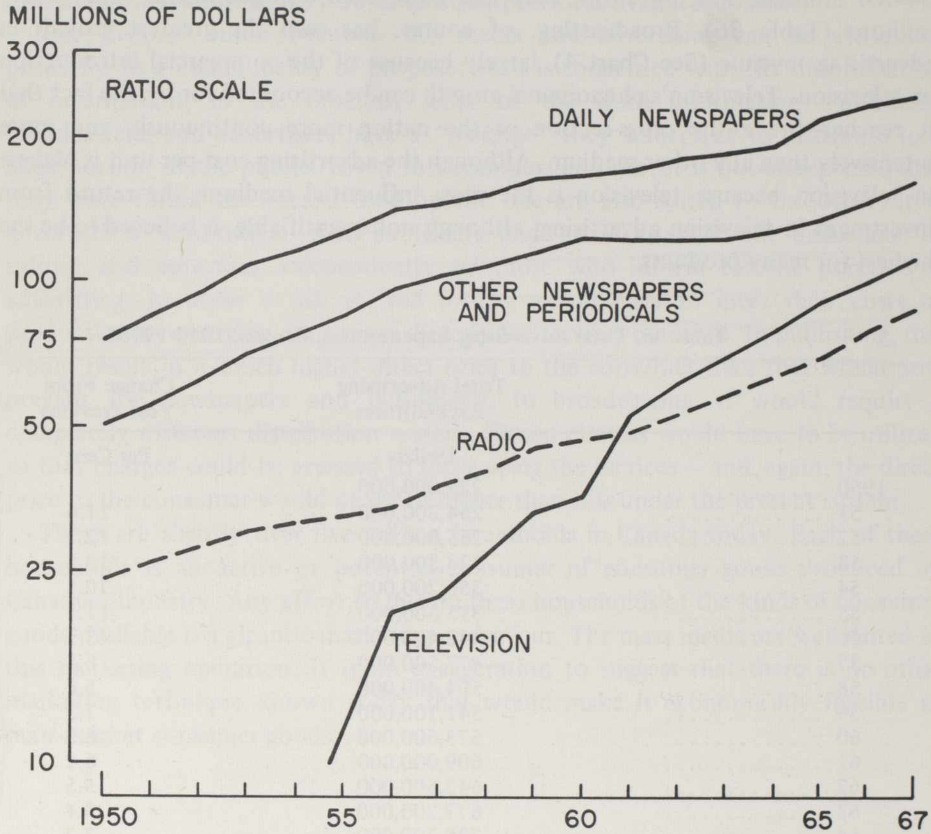
In Table 36, three distinct trends can be noted in the rate of growth of total advertising expenditures during the period 1950-68.

The first notable trend is to be found between the years 1950 and 1956, when advertising expenditures increased at a rate considerably faster than the over-all trend for the period as a whole.

The second trend is to be found between the years 1956 and 1963, when the rate of growth slowed considerably, relative to the period 1950-56.

Chart 4

GROWTH OF MEDIA ADVERTISING, BY MEDIUM, 1950–1967.



The third trend can be found in the period 1963-68, when the rate of growth of advertising expenditures was faster than that prevailing in the period 1956-63 but not so fast as that prevailing between 1950 and 1956.

The data in Table 37 indicate the relationship between total advertising expenditures in Canada and gross national expenditures, expenditures on consumer goods, and retail sales.

As can be seen from Table 37, movements in advertising expenditures have been closely related to movements in expenditures on consumer goods and services. Changes in advertising expenditures follow the pattern of changes in consumer expenditures much more closely than changes in either gross national expenditures or retail sales. This result was not unexpected, since consumer products receive the greatest emphasis in advertising programmes. But while rates of change in advertising expenditures have corresponded closely to rates of change in expenditures on consumer goods and services, the two have not completely paralleled each other. Column 5 in table 37, indicates total advertising expenditures as a percentage of expenditures on,consumer goods and services.

Table 37. Advertising Expenditures, Gross National Expenditures, Consumer Expenditures & Retail Sales Canada, 1950-1968

Year	Advertising Expenditures	Gross National Expenditures	Advertising Expenditures As Per Cent of G.N.P.	Expenditures On Consumer Goods and Services	Advertising Expenditures as Per Cent of Consumer Spending On Goods and Services	Retail Sales	Advertising Expenditures As Per Cent of Retail Sales
	Dollars		Per Cent	Dollars	Per Cent	Dollars	Per Cent
1950	227,959,000	17,955,000,000	1.27	11,991,000,000	1.90	9,620,000,000	2.37
51	254,345,000	21,060,000,000	1.21	13,399,000,000	1.89	10,693,000,000	2.37
52	285,053,000	24,042,000,000	1.19	14,818,000,000	1.93	11,532,000,000	2.47
53	323,565,000	25,327,000,000	1.40	15,717,000,000	2.06	12,128,000,000	2.67
54	356,223,000	25,233,000,000	1.41	16,561,000,000	2.15	12,066,000,000	2.95
55	395,628,000	27,895,000,000	1.42	17,902,000,000	2.21	13,112,000,000	3.02
56	448,498,000	31,374,000,000	1.43	19,466,000,000	2.30	13,299,000,000	3.37
57	477,578,000	32,907,000,000	1.45	20,886,000,000	2.29	13,670,000,000	3.49
58	504,417,000	34,094,000,000	1.48	22,211,000,000	2.27	14,795,000,000	3.40
59	541,101,000	36,266,000,000	1.49	23,620,000,000	2.29	15,381,000,000	3.51
60	573,684,000	37,775,000,000	1.52	24,705,000,000	2.32	15,527,000,000	3.71
61	609,063,000	39,080,000,000	1.56	25,120,000,000	2.43	16,073,000,000	3.78
62	642,613,000	42,353,000,000	1.52	26,636,000,000	2.41	17,137,000,000	3.75
63	677,213,000	45,465,000,000	1.49	28,364,000,000	2.39	18,207,000,000	3.71
64	725,711,000	49,783,000,000	1.46	30,647,000,000	2.37	19,493,000,000	3.72
65	800,064,000	54,897,000,000	1.46	33,134,000,000	2.42	21,155,000,000	3.78
66	868,047,000	61,421,000,000	1.41	36,057,000,000	2.41	22,678,000,000	3.82
67	933,682,000	65,608,000,000	1.42	38,998,000,000	2.39	23,785,000,000	3.92
68*	1,010,000,000	71,454,000,000	1.41	42,360,000,000	2.38	25,412,000,000	3.97

*Estimated
Source: D.B.S.

The period between 1950 and 1956 was one in which there was a marked increase in the intensity of advertising relative to consumer expenditures. This intensification can be attributed partially to the large increase in circulation of the mass media during the previous decade, and partially to the reaction of business to profitable advertising results during the take-off in consumer spending which occurred during the 1940s.

The period 1957-60 was one of relative stability in advertising expenditures, with growth in spending on advertising pretty well paralleling the growth in spending on consumer products. However, by 1960 the impact of television had made itself felt in two ways. First, by 1960, television coverage had reached sufficient size to make television appealing as a form of mass advertising coverage. Second, by 1960, advertisers were becoming aware that television advertising was more effective for some products than advertising through the other, older media. These realizations led to a significant spurt in total advertising spending from a level of approximately 2.30 per cent of consumer spending in 1960, to a new level of approximately 2.40 per cent in 1961. Since 1961, total advertising expenditures as a percentage of consumer expenditures have remained relatively constant in the range of 2.40 per cent.

Column 3 contains the results of advertising expenditures calculated as a percentage of Canadian G.N.P. And column 7 contains the results of advertising expenditures calculated as a percentage of total retail sales in Canada. As can be seen, there is a great deal more variability in these percentages than in the percentages found in column 5.

Note: gov't is largest advertiser in Canada

As has been already stated, spending by business on advertising tends to be related much more directly to spending on consumer goods and services than to either G.N.P. or retail sales. For this reason, care must be taken in drawing conclusions concerning trends in advertising expenditures. For instance, the fact that the ratio of advertising expenditures to G.N.P. is falling has led some to conclude that the emphasis on advertising in the Canadian economy is declining. In fact this is simply a reflection of the fact that sales of consumer goods and services are declining as a proportion of G.N.P. in Canada. Advertising expenditures appear to have stabilized in the range of approximately 0.03 percentage points on either side of 2.40 per cent of expenditures on consumer goods and services.

COMPARISON OF ADVERTISING EXPENDITURES IN CANADA AND THE UNITED STATES

Table 38 shows advertising expenditures in the United States for selected years by type of medium.

Table 38. Advertising Expenditures in the United States, 1950-1968

Year	Total Advertising Expenditures	G.N.P.	Advertising Expenditures as a per cent of G.N.P.	Expenditure on Consumer Goods and Services	Advertising Expenditures as a per cent of expenditure on Consumer Goods and Services
	Dollars		Per Cent	Dollars	Per Cent
1950 ...	5,710,000,000	284,600,000,000	2.01	195,000,000,000	2.92
51 ...	6,426,000,000	329,000,000,000	1.95	209,800,000,000	3.06
52 ...	7,156,000,000	347,000,000,000	2.06	219,800,000,000	3.25
53 ...	7,809,000,000	365,400,000,000	2.14	232,600,000,000	3.35
54 ...	8,164,000,000	363,100,000,000	2.25	238,000,000,000	3.42
55 ...	9,194,000,000	397,500,000,000	2.31	256,900,000,000	3.57
56 ...	9,905,000,000	419,200,000,000	2.36	269,400,000,000	3.67
57 ...	10,311,000,000	442,800,000,000	2.33	284,400,000,000	3.62
58 ...	10,302,000,000	444,500,000,000	2.32	292,900,000,000	3.51
59 ...	11,117,000,000	482,700,000,000	2.30	313,500,000,000	3.54
60 ...	11,932,000,000	503,700,000,000	2.37	325,200,000,000	3.67
61 ...	11,845,000,000	518,700,000,000	2.28	337,300,000,000	3.51
62 ...	12,381,000,000	556,200,000,000	2.23	356,800,000,000	3.47
63 ...	13,107,000,000	583,900,000,000	2.24	375,000,000,000	3.49
64 ...	14,155,000,000	632,400,000,000	2.24	401,200,000,000	3.53
65 ...	15,255,000,000	684,900,000,000	2.23	432,800,000,000	3.52
66 ...	16,601,000,000	747,600,000,000	2.22	465,500,000,000	3.57
67 ...	16,866,000,000	789,700,000,000	2.14	492,200,000,000	3.43
68 ...	17,930,000,000	860,900,000,000	2.08	533,800,000,000	3.36

Source: Statistical Abstracts of the United States, 1964 and 1969.

As can be seen from the table, advertising expenditures form a greater proportion of G.N.P. and of personal expenditures on consumer goods and services in the United States than in Canada. This greater proportion can be attributed to a number of factors. On the production side, the presence of a significant public sector in Canadian broadcasting which does not finance itself solely from advertising revenues tends to restrict the amount of advertising.

supply side

On the side of the demand for advertising space, a number of factors make the demand stronger in the United States than in Canada. The market for consumer products is much larger in the United States than Canada. In trying to realize their full, market-growth potential, firms in the United States invest more in advertising programmes than do those in Canada. As a result of the latter factor, national advertising is emphasized much more in the United States than Canada. In addition, firms in the United States tend to realize greater benefits from a spill-over of domestic advertising into foreign markets as a result of the wide foreign distribution of many of the products marketed through the American media. It is also probably true that the battle for market shares through brand-name promotion has escalated further in the United States than in Canada, leading to greater expenditures on this kind of advertising.

PROJECTIONS OF ADVERTISING EXPENDITURES TO 1975

The Economic Council of Canada recently made projections of the G.N.P. of Canada to 1975, and of the expected changes in consumer expenditures as a proportion of G.N.P.[1] These projections were made taking into consideration the underlying trends and forces in the economy, including changes in the world outlook, levels of income-per-capita, and increases in urbanization and in the formation of new families and households. Taking these considerations into account, the E.C.C. predicted that consumer expenditures in constant dollars will increase by 5.3 per cent a year between 1968 and 1975, while G.N.P. will grow by 6.0 per cent a year. Levels of inflation have been estimated at 2.0 per cent a year for G.N.P. and at 1.6 per cent a year for consumer goods. In projecting advertising expenditures, the E.C.C. assumed that advertising expenditures and consumer expenditures will maintain approximately the same relationship as was evident between 1962 and 1968. Table 39 contains the results of the projections of advertising expenditures to 1975. An increase of over 60.0 per cent is expected between 1968 and 1975 in total advertising expenditures.

Table 39. Projections of G.N.P., Consumer Expenditures and Advertising Expenditures to 1975

Year	G.N.P.	Consumer Expenditures	Advertising Expenditures	Advertising Expenditures As Per Cent of G.N.P.
	Dollars			Per Cent
1969 ..	76,860,000,000	45,280,000,000	1,086,000,000	1.41
70 ..	82,620,000,000	48,400,000,000	1,161,000,000	1.41
71 ..	88,810,000,000	51,730,000,000	1,241,000,000	1.41
72 ..	95,470,000,000	55,290,000,000	1,326,000,000	1.39
73 ..	102,630,000,000	59,100,000,000	1,418,000,000	1.38
74 ..	110,327,000,000	63,170,000,000	1,516,000,000	1.37
75 ..	118,600,000,000	67,520,000,000	1,620,000,000	1.37

Source: E.C.C. estimation.

TYPES OF ADVERTISING

There are two basic types of advertising: national, embracing primarily nationally distributed brand-name goods and services, and retail (sometimes called "local") which embraces local or regional advertisers. (Newspapers have a third category – classified advertising – which is basically local advertising.)

TV?!

Relative media shares of national and local advertising expenditures have changed significantly in recent years. National advertising as a proportion of total advertising has been declining for daily newspapers and increasing for television during the 1960s. Between 1963 and 1968, as Table 40 shows, television increased its national advertising revenue by 70 per cent; radio, by 49.0 per cent; and newspapers, by 25.1 per cent.

BC →
Teletex
Non Pay Soft Cable

[1] E.C.C., Sixth Annual Review, Ottawa, 1969

Table 40. National and Local Advertising Rates by Medium, 1963-1968

Medium	1963	1965	1968*	1963-68
Radio				
National	$24,941,000	$ 29,186,000	$ 37,300,000	–
% Change	–	17.0%	21.0%	49.0%
Local	34,186,000	41,454,000	54,700,000	–
% Change	–	27.8%	31.0%	60.0%
TV				
National	55,112,000	72,808,000	94,000,000	–
% Change	–	31.1%	29.1%	70.0%
Local	15,120,000	18,751,000	24,000,000	–
% Change	–	24.0%	27.0%	58.0%
Dailies				
National	51,126,000	58,393,000	64,000,000	–
% Change	–	14.0%	17.0%	25.1%
Local	96,419,000	113,294,000	147,000,000	–
% Change	–	17.5%	29.0%	52.4%

*Estimated
Source: D.B.S.

It should be noted, however, that recently newspapers have been waging a more aggressive campaign, through the Canadian Daily Newspaper Publishers Association, to win back national advertisers, and early results indicate some initial marginal success. Retail advertising revenues of newspapers have increased greatly in recent years. There are five main reasons for this increase:

1 the increase in national advertising through local advertising – national manufacturers share the cost of advertising with the local distributor (the so-called "co-op" dollars);

2 more rapid increase in advertising rates for local advertising;

3 the increased pressure for promotional sales, especially by the competitive food chains in the local area;

4 the competition between downtown shopping areas and shopping centres in the suburbs;

5 increased advertising by public authorities.

The nature of the products being advertised by the advertiser strongly influences the medium to be used. (See Table 41.) Thus, until now department stores have tended almost exclusively to use newspapers because large ads in the papers allow them to advertise a host of goods simultaneously at a lower cost than in the other media. Independent stores have found television rates far too high, given the individual store's budget, and have thus concentrated most of their advertising in newspapers.

Table 41. Distribution of Advertising Expenditures by Type of Retail Outlet and Medium in 1965

Type of Retail Outlet	Publications	T.V.	Radio	Other
	Per Cent			
Independent Stores	55.0	7.8	17.6	19.5
Chain Stores	53.7	4.4	13.8	28.2
Department Stores	94.1	1.5	1.9	2.5
Discount Stores	66.0	3.5	9.0	21.6

Source: D.B.S. Cat. No. 63-216.

Table 42 shows media allocation used by a number of industries. More detailed discussion of advertising rates and practices are to be found in subsequent sections.

Table 42. Distribution of Advertising Expenditures by Medium for Selected Industries in 1965

Industry	Advertising Expenditures	Publications	TV	Radio	Other
	Dollars	Per Cent			
Manufacturing	403,509,592	35.66	36.80	8.73	18.81
Retail trade, independent stores	52,405,173	55.01	7.81	17.64	19.54
Retail trade, chain stores	46,116,621	53.65	4.42	13.77	28.16
Retail trade, department stores	52,731,556	93.32	1.51	2.16	3.01
Wholesale trade	41,103,388	62.37	6.07	6.55	25.01
Transportation & other public utilities except telecommunication	23,341,483	60.90	7.56	9.09	22.45
Telecommunication	8,226,446	59.30	16.69	3.54	20.47
Hotels	7,775,026	44.59	5.49	9.01	40.91
Restaurants	4,969,216	44.85	8.13	26.41	20.61
Banks	8,663,933	63.66	0.06	0.36	35.92
Insurance	6,961,344	64.30	8.22	0.90	26.58
Trust & Finance companies	6,455,936	45.95	4.70	16.88	32.47
Other (advertising agencies, power laundries & dry cleaning plants, film distributors, theatres, motion picture production, funeral directors, construction companies, government departments and misc.)	18,705,486	55.10	9.30	14.29	21.31
TOTALS	680,965,200				

Source: D.B.S. Cat. No. 63-216.

Chapter 2:

THE ADVERTISING AGENCIES

Individually, Canadian media operators are independent people, defenders of the free-enterprise system under which they function. Collectively, they have established a complex network of associations and relationships to protect and serve their interests. By establishing various criteria for recognition within their ranks, they have sought to establish standards and raise the level of recognized professionalism within their industry. Toronto is the centre of the English-speaking media in Canada and is headquarters for most of the nationwide associations that have emerged in various related fields.

THE MEDIA EQUATION

Three major elements constitute the media equation: the media themselves and their trade associations (print, radio, television); the advertiser; and the advertising agency.

MEDIA TRADE ASSOCIATIONS

Canadian Daily Newspaper Publishers Association, 250 Bloor Street East, Toronto 285, represents almost all daily newspapers in Canada. Its purpose is to elevate the standard of newspaper publishing in Canada, to foster business and business interests of its members. The C.D.N.P.A. formerly controlled the franchises of advertising agencies and the commission system through which advertising agencies are paid for their services. Since April, 1970, they have restricted themselves to providing a credit listing service to member newspapers, which decide themselves whether or not to do business with agencies.

Canadian Association of Broadcasters (L'Association Canadienne des Radiodiffusers), 85 Sparks Street, Ottawa 4, represents 286 radio, 54 television stations, and the CTV network, or nearly all the private sector of broadcasting in Canada. Established in 1926, as a voluntary trade association, the C.A.B.'s aims and objectives are to foster and develop, protect and serve the interests of broadcasting. C.A.B.'s head office is in Ottawa, with branches in Montreal and Toronto.

The C.A.B. controls the franchise and commission system in radio and television.

Association Canadienne de la Radio et de la Télévision de Langue Française Inc., 1454 Mountain Street, Montreal 25, represents the majority of French radio and television stations in promoting, encouraging and developing interest towards French radio and television broadcasting.

Periodical Press Association, 100 University Avenue, Toronto 116, represents three sectors of the print media: Agricultural Press Association of Canada, Canadian Business Press, and the Magazine Publishers Association of Canada. The Periodical Press Association stipulates no capital requirements for agencies seeking franchises to place national advertising in member publications. The disappearance of agricultural magazines over the years has reduced membership in the Agricultural Press Association to two: the *Country Guide* and *Le Bulletin des Agriculteurs.*

The Magazine Publishers Association of Canada also has a membership of two: Chatelaine (English and French) and Maclean's (English and French). Although some 400-500 business publications exist in Canada, the circulations of only 50 per cent are audited. Publications audited by the Canadian Circulations Audit Board are eligible for membership in the Canadian Business Press Association. The greater number of publications represented in the C.B.P.A. are produced by Maclean-Hunter Ltd., Southam Business Publications Ltd., and National Business Publications Ltd.[1] To prevent domination of the Association by member publications from these groups, each group is allowed a maximum of five votes at the annual meetings of the C.B.P.A. C.B.P.A. publications come under direct competition from American business publications in seeking advertising dollars, particularly in such specialized fields as oil and mining.

Canadian Weekly Newspapers Association, 2 Bloor Street East, Toronto 285, represents 454 member newspapers across Canada. Its purpose is to maintain high standards of newspaper writing and publishing, and to promote the business and business interest of members.

French Weeklies Association of Canada (Hebdos du Canada), Saint-Jean, Quebec, represents 100 French-language newspapers. The association provides services to help develop information and culture in French-speaking Canada.

Outdoor Advertising Association of Canada, 250 Bloor Street East, Toronto 285, represents 50 members operating in 181 market areas in Canada. The OAAC awards franchises to companies on a regional basis. Regional sales representatives, or "solicitors," sell national advertising in their franchise areas.

Transit Advertising–Trans-Ad Division, Warnock Hersey International Ltd., 1220 Yonge Street, Toronto 290, represents 40 member companies in providing advertisers and advertising agencies with research data on transit advertising.

Radio Sales Bureau, 321 Bloor Street East, Toronto 285, created by the Canadian Association of Broadcasters in 1961, operates independently in the promotion of radio as an effective advertising medium. The Bureau is concerned only with the promotion of national advertising. It represents 114 stations, of which 12 are outside the C.A.B.

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[1] Purchased by Southam in August, 1970.

Television Bureau of Advertising of Canada, 500 University Avenue, Toronto 101, created by the C.A.B. in 1961 as well, promotes television as an effective advertising medium on a local, regional and national scale. Membership 45 stations.

Magazine Advertising Bureau of Canada, 11 King Street West, Toronto 105, promotes magazines as an effective advertising medium. Membership ten, representing consumer magazines.

Canadian Industrial Advertisers, 53 Gibson Avenue, Hamilton, promotes industrial advertising. Membership seventy, representing major industrial advertisers. (See A.I.A. below.)

Graphic Arts Industries Association, 75 Albert Street, Ottawa, advances the interest of printing and allied industries. Membership 553.

Packaging Association of Canada (Association Canadienne de l'Emballage), 45 Charles Street East, Toronto 189, promotes the study, knowledge and understanding of improved techniques for packaging, packing, shipping and storing of merchandise, and the use and development of graphic arts in the packaging industry. Membership 1,200.

Canadian Direct Mail Association, 4102 Hingston Avenue, Montreal 28, promotes the use of direct mail as an effective means of advertising. Membership 100.

ADVERTISING AGENCIES' ASSOCIATION

Institute of Canadian Advertising, 8 King Street East, Toronto 210, promotes and protects the interests of advertising agencies and the advancement of the profession. Membership forty-eight; about 40 per cent of agencies in Canada. Member agencies placed about 85 to 90 per cent of all national advertising in 1969.

Ardiel Advertising Agency
Limited,
4 Lawton Boulevard,
Toronto 195, Ontario.

Baker Advertising Limited,
20 Toronto Street,
Toronto 210, Ontario.

Bozell & Jacobs of Canada Ltd.,*
797 Don Mills Road,
Don Mills 402, Ontario.

Leo Burnett Company of Canada
Limited, 165 University Avenue,
Toronto 110, Ontario.

Camp Associates Advertising
Limited,
43 Eglinton Avenue East,
Toronto 315, Ontario.

Canadian Advertising Agency
Limited,
630 Sherbrooke Street West,
Montreal 111, Quebec.

Cardon, Rose Limited,
1411 Crescent Street,
Montreal 107, Quebec.

Chapman, Morris Advertising
Limited,
Suite 303,
71 Emereld Street South,
Hamilton, Ontario.

Chisholm & Basford Limited,
48 St. Clair Avenue West,
Toronto 195, Ontario.

Cockfield, Brown & Company
Limited,
200 Canada Cement Building,
Montreal 111, Quebec.

Crombie Advertising Company
Limited,
355 St. James Street West,
Montreal 126, Quebec.

Doyle Dane Bernbach (Canada)
Limited, *
250 Bloor Street East,
Toronto 285, Ontario.

Dunsky Advertising Limited,
Suite 400,
5165 Queen Mary Road,
Montreal, Quebec.

Foote Cone & Belding
Advertising Limited,*
10 St. Mary Street,
Toronto 189, Ontario.

Foster Advertising Limited,
3 Place Ville Marie,
Montreal 113, Quebec.

Freeman, Mathes and Milne
Limited,
2 Carlton Street,
Toronto 200, Ontario.

Goodis, Goldberg, Soren
Limited,
23 Prince Andrew Place,
Don Mills 403, Ontario.

F. H. Hayhurst Co. Limited,
55 Eglinton Avenue East,
Toronto 315, Ontario.

Gordon Hill Advertising
Limited,
130 Bloor Street West,
Toronto 181, Ontario.

Imperial Advertising Limited,
5670 Spring Garden Road,
Halifax, Nova Scotia.

Industrial Advertising Agency
Limited,
1500 Stanley Street,
Montreal 110, Quebec.

Albert Jarvis Limited,
1000 Yonge Street,
Toronto 289, Ontario.

Russell T. Kelly Co. Limited,
627 Main Street East,
Hamilton 22, Ontario.

Kenyon & Eckhardt Limited,*
8 King Street East,
Toronto 210, Ontario.

Kert Advertising Limited,
99 Avenue Road, Suite 904,
Toronto 180, Ontario.

James Lovick Limited,
800 Bay Street,
Toronto 181, Ontario.

MacLaren Advertising Co.
Limited,
111 Richmond Street West,
Toronto 110, Ontario.

MacManus, John & Adams of
Canada Limited,*
250 Bloor Street East,
8th Floor,
Toronto 285, Ontario.

McCann-Erickson Advertising
of Canada Limited,*
151 Bloor Street West,
Toronto 181, Ontario.

McConnell Advertising
Limited,
234 Eglinton Avenue East,
Toronto 315, Ontario.

McKim/Benton & Bowles Limited,
151 Bloor Street West,
Toronto 181, Ontario.

Muter, Culiner, Frankfurter
& Gould Limited,
89 Avenue Road,
Toronto 180, Ontario.

Needham, Harper & Steers of
Canada Limited,*
101 Richmond Street West,
Suite 300,
Toronto 191, Ontario.

Norman, Craig & Kummel
(Canada) Limited,*
1129 Leslie Street,
Don Mills 403, Ontario.

O'Brien Advertising Limited,
1030 West Georgia Street,
Vancouver 5, British Columbia.

Ogilvy & Mather (Canada)
Limited,
88 University Avenue,
Toronto 116, Ontario.

Paul, Phelan and Perry
Limited,
33 Bloor Street East,
Toronto 285, Ontario.

Ronalds-Reynolds & Company
Limited,
154 University Avenue,
Toronto 110, Ontario.

Spitzer, Mills & Bates
Limited,*
790 Bay Street,
Toronto 101, Ontario.

Stone & Hand Limited,
120 Eglinton Avenue East,
Toronto 315, Ontario.

Sturman, Buckstein & Co. Limited,
801 York Mills Road,
Don Mills 404, Ontario.

Tandy Advertising Limited,
2 Carlton Street,
Toronto 200, Ontario.

J. Walter Thompson Company Limited,*
102 Bloor Street West,
Toronto 289, Ontario.

Thornton Purkis Limited,
P.O. Box 64,
Toronto-Dominion Centre,
Toronto 111, Ontario.

Vickers & Benson Limited,
980 Yonge Street,
Toronto 285, Ontario.

Mel Walsh Advertising Limited,
55 York Street, Suite 1605,
Toronto 116, Ontario.

Whitehead, Titherington & Bowyer Limited,
696 Yonge Street,
Toronto 285, Ontario.

Willis Advertising Limited,
165 Bloor Street East,
Toronto 285, Ontario.

Young & Rubicam Limited,*
250 University Avenue,
Toronto 110, Ontario.

*American-owned.

ASSOCIATIONS CONCERNED WITH ADVERTISING

Association of Canadian Advertisers, 159 Bay Street, Toronto 116, represents 200 Canadian national advertisers whose combined budgets represent approximately 75 per cent of the total amount spent on national advertising. The primary object of the A.C.A. is to promote the highest standards of advertising so that it may be a more effective tool of business and management.

Association of Industrial Advertisers, 255 Davenport Road, Toronto 180, promotes better communication in the industrial advertising field. Membership 310, representing major industrial advertisers. The Canadian A.I.A. is Region Six of the U.S.-based Association of Industrial Advertisers. Canadian Industrial Advertisers, on the other hand is a wholly Canadian organization.

American Marketing Association, Toronto Chapter, 154 University Avenue, Toronto 110, supports studies to improve the methods and techniques of marketing research. Membership 400, representing agencies and advertisers participating in marketing functions.

Audit Bureau of Circulations, 335 Bay Street, Toronto 105, reports figures and facts relating to the quantity and quality of member publishers' circulations, verifies the data through regular audit, then disseminates the data to its advertiser, advertising agency and publisher members. Membership 4,070.

BBM Bureau of Measurement, 120 Eglinton Avenue East, Toronto 310, conducts measurements of radio and television station audiences for the use of its members. Membership 530.

Canadian Advertising Advisory Board, 159 Bay Street, Toronto 116, advances the interests of the advertising industry as a whole and handles consumer complaints. Its membership, totalling 125, consists of the main media organizations and associations, individual advertisers and advertising agencies.

Canadian Advertising & Marketing Personnel Bureau, 67 Yonge Street, Toronto 215, services advertising agencies and marketing companies in personnel matters and staff recruitment. Most agencies operating in Canada are members.

Canadian Advertising Research Foundation Inc., 159 Bay Street, Toronto 116, conducts research into advertising and marketing techniques. Membership 12, representing industry organizations.

Federation of Canadian Advertising & Sales Clubs, Suite 369, Queen Elizabeth Hotel, Montreal, promotes the use of sound advertising and sales in Canada and acts as a clearing house of information for member clubs. Membership 33 clubs representing 6,500 members.

Professional Marketing Research Society, 369 Olivewood Road, Toronto 570, provides a forum for the development and advancement of marketing research and encourages the highest ethical practices. Membership 64.

THE FRANCHISE SYSTEM

Agencies have traditionally placed national advertising with the mass media through a system of franchises granted by the media. With a franchise, the agency could collect the 15 per cent commission paid by the media for national advertising. That system, in the case of Canadian daily newspapers, was altered in April of this year. The broadcast media retain their regulations.

The Canadian Daily Newspaper Publishers Association in April exchanged the franchise system for what a C.D.N.P.A. officer calls "a simple credit listing system." As before, it requires that agencies demonstrate degrees of solvency before they may place advertising in newspapers. An agency with an "A" rating will have net liquid assets exceeding immediate liabilities by at least $50,000. One in a "B" category will have working capital twice its anticipated monthly billings in newspapers. An agency that can meet neither of these conditions may yet be given a "C" rating; it may operate but must accompany an ad insertion order with a cheque for the full amount of the advertisement. The credit ratings are for the guidance of member newspapers, which may or may not grant the 15 per cent commissions and the 2 per cent discounts for paying in cash.

The C.D.N.P.A. has dropped other requirements that had gone with receiving a franchise. An agency need no longer prove that it has three or more national advertising accounts worth at least $150,000 annually, or that it spends at least $20,000 a year in daily newspapers. The C.D.N.P.A. no longer refuses business from "house agencies," or agencies that are subsidiaries of major companies (since April, it has given listings to Bo Claro, a subsidiary of Bristol-Myers, and to Drake Advertising, a subsidiary of Office Overload).

The Canadian Association of Broadcasters is the other major media association which lays down requirements for agencies. The C.A.B. continues to grant franchises although officers also say the system is in effect a credit rating system. The C.A.B. requires an applicant for national enfranchisement to show a net working capital position of at least $50,000. For regional enfranchisement, it requires $15,000 net working capital position. The Canadian Business Press Association does not insist on certain capital requirements in granting franchises to agencies wishing to use this medium.

The franchise system has been under discussion in the trade for many months. Some agency spokesmen have submitted that control by the media associations left the agencies powerless to maintain and improve standards within the profession. The C.D.N.P.A., however, says that as a watchdog of the professional and ethical aspects of advertising "we never really did have any control and we don't have it now." The C.A.B. maintains a similar position.

While the C.D.N.P.A. has moved to meet pressures for change from the Institute of Canadian Advertising, the C.A.B. reports that no changes are imminent. One of the arguments put forward by the C.A.B. executive against change is that the I.C.A. does not fully represent the advertising agency trade and should therefore not be allowed to assume effective control over it. Warren Wilkes, President of the I.C.A., interviewed for this study, felt an organization with strong disciplinary powers would be valuable. (The I.C.A. does have its own Standards of Practice, but due to lack of appropriate machinery it is unable to discipline its members effectively.) Mr. Wilkes foresaw the possibility of the I.C.A. working with the provincial governments through legislation and regulation to establish such a strong nation-wide organization.

ADVERTISING AGENCIES

HISTORY

The first advertising agents appeared on the North American continent in the early 1800s when newspapers hired people to solicit orders for advertising. Some of the more astute individuals quickly realized that they could solicit orders for several publications as readily as for one and could make a good deal more money by performing this service on a commission basis than by working for a single paper. There was the additional advantage of enabling advertisers to buy space in a number of papers while dealing with only one person, thus saving time and trouble. The newspaper proprietors paid their agents 25 per cent commission for their services.

The newspaper agency system lasted from about 1841 to the 1850s, but the commission system adopted by the first advertising agencies remains today. The newspaper agency was gradually replaced by a space-jobbing system in which the agent became the middleman. Instead of working for publishers for a commission he became a jobber working for his own profit, who sold space to advertisers and then bought space to fill his orders. This system, in turn, was replaced by one of space wholesaling in which the agent, anticipating the needs of the advertisers, bought space in large quantities and resold it to them as they wished, in smaller lots.

A further evolutionary stage was the advertising concession agency in which the agents contracted annually with the publications they represented to pay them a lump sum and take over most of the risk and management of the entire advertising space in the papers. In 1875, the firm of N.W. Ayer & Son, Inc., of Philadelphia, negotiated the first open-contract-plus commission plan.[2] The agency agreed to place the advertising of Dingee and Conrad, a firm of Pennsylvania rose growers, for a year at the lowest prices that could be obtained from the publishers. For this

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[2] The History of an Advertising Agency, by Ralph M. Hower. Harvard Press, 1939.

service it would receive 12.5 per cent commission on the actual cost of the space. The firm experimented with different rates with various advertisers, the rates ranging from 8–12.5 per cent. N.W. Ayer & Son finally concluded that any business handled at less than 10 per cent was unprofitable, and in July, 1878, the first contract based on a 15 per cent commission was negotiated. The 15 per cent commission, which forms the basis of negotiation between advertising agencies and media associations today, has been in effect for eighty-seven years.

The development of the advertising agency business in the United States was matched by similar growth in Canada. As both the publishing and advertising business grew, it became apparent on both sides that some rules and regulations would be required to bring the relationship into a more secure association. The Canadian Association of Advertising Agencies was organized in 1905 and incorporated as a trade association in 1923. Membership consisted of national advertising agencies operating in Canada. In 1965 the by-laws were amended to allow expansion in membership and function and the name of the organization was changed to the Institute of Canadian Advertising.

MEMBERSHIP

The I.C.A., in July, 1970, listed forty-nine agencies on its membership roster, representing the leading national advertising agencies in Canada. There are, in total, approximately two hundred agencies throughout the country, the majority operating locally and/or regionally. Of the forty-nine member agencies in the I.C.A., thirteen are owned by United States operators. About 50 per cent of the respondent advertisers advertising in Canada use a Canadian-owned agency. According to the I.C.A., of the approximately $970 million[3] in advertising done in Canada in 1968, $440 million was placed through the agencies, the remainder being done through direct retail advertising (Eaton's, Simpson's, etc.).

Of the $440 million in business conducted by the agencies, approximately 85-90 per cent is handled by I.C.A. member agencies, and the remaining 10-15 per cent is handled by non-I.C.A. agencies.

American Influence

The membership in the I.C.A. of thirteen American-owned agencies and the increasing volume of business these agencies are doing in Canada is the subject of considerable concern among the Canadian members. It is estimated that the volume of Canadian advertising going to American-owned agencies is increasing annually at the rate of 2-5 per cent.

According to information received by the Committee from the Institute of Canadian Advertising, by 1968 thirteen American-owned agencies, representing approximately 26 per cent of the I.C.A. membership, accounted for approximately 36 per cent of the total volume of business done by member agencies.

The extent of the inroads of American-owned agencies into the Canadian advertising industry is demonstrated in Table 43.

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[3] A report of advertising revenues in Canada, Maclean-Hunter Research Bureau, November, 1968.

Table 43. Growth of Number of American-Owned Agencies in Canada and Growth of their Share in Total Member Billings, 1950-1968

Year	Total number of agency members	Estimated total member billings	Total number of American agency members	Estimated total American member billings
	Number	Dollars	Number	Dollars
1950 ...	33	72,000.000	3	9,000,000
1955 ...	49	135,000,000	7	19,250,000
1960 ...	45	252,000,000	9	44,500,000
1965 ...	47	345,000,000	12	83,250,000
1968 ...	53	412,000,000	13	112,400,000

In 1968 *Advertising Age,* an American trade publication, published a survey of American subsidiaries or other American-connected operations doing business in Canada in the previous year.[4] The publication surveyed the top 125 American advertisers and their subsidiaries and divisions and received replies from 166 advertising and marketing executives. Approximately 88 per cent of the respondents said they advertise in Canada. Of those, more than 55 per cent said their American executives help make decisions on their Canadian advertising campaigns.

According to statistics obtained from *Advertising Age* and *Marketing* Magazine, in 1968, of the top sixteen advertising agencies, in terms of gross billings, five were American-owned. (It is interesting to note that the I.C.A. in 1968 requested its members not to release their annual gross billings because they were meaningless in terms of profit ratio. Nevertheless, *Advertising Age,* an American publication, compiled gross billing figures for agencies in Canada for 1967 and 1968, which are included in our table.)

An analysis of these figures bears out the contention of some Canadian members of the I.C.A. that at least some American-owned agencies are increasing their share of the volume of Canadian advertising at a rapid rate. The analysis reveals that six Canadian-owned firms, led by MacLaren Advertising Co. Ltd., the perennial leader during the period under examination, 1963-68, led the Top 16 in gross billings in 1968. In this period a Canadian-owned firm, Goodis, Goldberg, Soren Limited, was the fastest-growing agency in terms of gross billings, although it just made the Top 16 list in 1968, with billings of $8 million. However, between 1963, when its billings totalled only $2.46 million and 1968 its gross billings grew 254 per cent.

Three American-owned firms follow Goodis, Goldberg, Soren Limited in volume growth. In second place is Ogilvy & Mather (Canada) Ltd., which grew 236.4 per cent ($4.4 million in 1963 to $14.8 million in 1968), although it stood only thirteenth on the Top 16 list. In third place is Spitzer, Mills & Bates Limited, having increased its gross billings by 137.3 per cent, from $8.2 million in 1963 to $19.6 million in 1968. It is followed, in fourth position, by McCann-Erickson Advertising

[4] *The Financial Post Report on Advertising,* November 9, 1968.

Table 44. Gross Billings of Top Sixteen Advertising Agencies, 1963-1968

Agency	1963	1964	1965	1966	1967	1968	Growth Rate
				Dollars			Per Cent
MacLaren Advertising Co. Ltd.	33,000,000	35,200,000	38,500,000	42,806,000	42,000,000	45,000,000	36.4
Cockfield, Brown & Co. Ltd.	24,500,000	26,500,000	28,100,000	31,000,000	30,000,000	32,000,000	20.8
Foster Advertising Limited	17,100,000	20,520,000	23,900,000	26,200,000	25,000,000	26,000,000	63.7
Vickers & Benson Limited	17,000,000	18,700,000	19,500,000	22,250,000	25,000,000	26,000,000	53.0
McKim/Benton & Bowles Ltd.	17,900,000	19,200,000	20,196,000	22,172,000	22,500,000	23,000,000	28.5
James Lovick Limited	19,100,000	18,700,000	17,100,000	22,500,000	21,500,000	21,500,000	12.6
*Spitzer, Mills & Bates Ltd.	8,286,000	9,525,000	12,900,000	16,687,000	17,033,000	19,689,000	137.3
F.H. Hayhurst Co. Limited	13,508,000	13,600,000	15,100,000	17,400,000	17,500,000	18,500,000	37.03
*J. Walter Thompson Company Limited	13,000,000	13,000,000	13,050,000	14,600,000	16,000,000	18,000,000	38.5
Ronalds-Reynolds & Company Limited .	11,800,000	12,600,000	14,300,000	13,650,000	15,000,000	17,500,000	48.3
*McCann-Erickson Advertising of Canada Limited...............	9,600,000	10,336,000	12,000,000	13,100,000	15,000,000	17,000,000	77.0
McConnell Advertising Ltd.	12,500,000	14,500,000	15,000,000	15,750,000	14,700,000	16,000,000	28.0
*Ogilvy & Mather (Canada) Ltd.	4,400,000	7,120,000	9,612,000	10,600,000	12,700,000	14,800,000	236.4
*Young & Rubicam Ltd.	11,523,000	11,417,000	11,846,000	12,553,000	12,500,000	12,000,000	4.0
Baker Advertising Limited	7,370,000	6,400,000	6,500,000	7,872,000	8,000,000	8,500,000	16.4
Goodis, Goldberg, Soren Limited	2,465,000	4,483,000	6,000,000	7,150,000	8,219,000	8,500,000	254.0

*American-owned.

of Canada Limited, at 77 per cent, having increased its gross billings from $9.6 million to $17 million.

In eighth position on the Top 16 is a fourth American-owned firm, J. Walter Thompson Company Limited, having increased its gross billings by 38.5 per cent from $13 million to $18 million. The fifth American-owned firm on the list, in fourteenth position, is Young & Rubicam Ltd., having increased its gross billings by only 4.0 per cent, from $11.5 million to $12 million.

A senior executive of a Canadian-owned firm submitted in the course of this study that Canadian firms cannot compete with American-owned organizations whose American-based research and accounting services are available to their Canadian-based firms. In addition, American agencies soliciting an account in Canada may bring in key people from American head offices to help "sell" the company's services. American firms, anxious to present a Canadian "image," offer Canadians much higher salaries than those paid by Canadian firms. The executive said this is a major factor in raising agency costs in Canada. Yet another competitive factor is the rate of commission charged. Some American agencies work on the straight 15 per cent commission charged by their American parents. Most Canadian agencies, on the other hand, work on a 17.65 per cent commission, in order to meet their operating costs. One suggested method of redressing the competitive imbalance was application of taxes by the Canadian government to the management fees paid by the Canadian subsidiaries of their American parents.

A differing view on the competitive factors was expressed by the director of an American-owned firm based in Toronto. He acknowledged that Canadian-owned agencies are under pressure to compete internationally. (Some agencies, such as MacLaren Advertising Co. and Bradley Vale Ltd. of Toronto are operating successfully in Britain and elsewhere.) However, the director submitted that his firm is more or less self-sufficient. It does not use the resources of its American parent because Canadian advertising regulations differ from those in the United States, and material prepared for American audiences is not always suitable for Canadian audiences.

THE COMMISSION SYSTEM

The commission system of payment to advertising agencies for their services, originally developed for newspaper advertising, now applies to all the various media that carry national advertising. The commission paid by media is 15 per cent of the publisher's media rate. (The print media also grant to the advertiser a 2 per cent cash discount for payment of bills within thirty days.) This means that the agency pays eighty-five cents for each dollar's worth of space or broadcast time purchased for a client at the published rate. The agency bills the client one dollar and retains fifteen cents to pay for its service to both the medium and the advertiser. Under this system, the advertiser cannot buy space or time directly from the medium at less than the published rate; nor is the agency permitted to rebate any part of the commission to the advertiser. In addition, the agency receives a 15 per cent mark-up on the net costs of advertising production – photography, artwork, recording, etc. – which is done under agency supervision.

The commission system has been the target of some criticism. Those senior executives interviewed who criticized the system, described it as a form of price control or restraint of trade. One executive suggested the system was ludicrous, in that the agency works for the client but his income is derived from the media, and the amount of income is in direct proportion to the size of the client's advertising budget. In recent years some agencies and advertisers have abandoned the commission system in favour of a fee negotiated between agency and advertiser. Under this system the advertiser pays the agency for the time and work performed, rather than on the basis of the space or time purchased. The agency still receives the commission directly from the media but, in turn, deducts this income from the amount of the fee collected from the client. Other agencies favour a combination of fees and commission to fit specific situations.

Mr. Jack N. Milne, Managing Director of the I.C.A., in an official statement issued in August, 1969, said that the annual analysis of the operations of the member agencies indicated that the advertising agency business in Canada as a whole has not kept pace with the growth of the Canadian G.N.P.[5] He noted that total Canadian advertising expenditure measured as a percentage of G.N.P., is not more than 60 per cent of the same rate in the United States. The Trustee of the Institute, Mr. F.W.D. Campbell, F.C.A., noted that 1968 showed the lowest rate of profit before income tax (at less than 1 per cent of billings) for any year since the annual surveys were initiated over twenty years ago. Mr. Campbell noted that such low profits were inadequate to finance a normal growth rate in the business and pay a reasonable rate of return on the owner's investment. He suggested the low profit margins in some agencies could be the result of over-servicing clients. Payroll costs as a percentage of gross revenue in the business have increased nearly 1.5 per cent over the past two years from 65.4 per cent in 1966 to 66.8 per cent in 1968.

ECONOMICS OF AGENCY OPERATIONS

Approximately 80 per cent of the total dollar value of advertising handled by advertising agencies pertains to commissions for the placement of space or time contracts, and 20 per cent to production and related activities.

The number of advertising agencies operating in Canada increased from 123 to 176 during the period 1958-1967, with net revenue per firm increasing from $22,041 to $34,205. Total revenues per firm have fluctuated considerably over the ten year period, with the reasonably strong growth of the mid-1960s suffering a sharp setback in 1967. Average income per employee increased 50 per cent over the ten year period, with this figure standing at $8,570 in 1967.

Table 45 gives a breakdown of some results of incorporated advertising agencies by size of firm.

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[5] Institute of Canadian Advertising press release, August, 1969.

Table 45. Incorporated Advertising Agencies by Size of Firm, 1967

Size of Firm (Annual Billings)	No. of Firms	No. of Employees	Salaries and Wages	Net Profit	Salary per Employee	Net Revenue per Firm	Net Revenue Employer
	Number		Dollars				
Less than $500,000	56	248	1,446,845	283,553	5,834	5,063	1,143
$ 500,000 – $ 2,499,999	58	827	6,695,465	951,472	8,096	16,405	1,151
$ 2,500,000 – $ 4,999,999	11	350	3,187,046	784,237	9,106	61,294	2,241
$ 5,000,000 – $ 9,999,999	8	629	5,398,655	747,608	8,583	93,451	1,189
$10,000,000 – $14,999,999	3	470	4,011,978	370,247	8,536	123,416	788
$15,000,000 and over	9	2,390	21,427,740	2,617,532	8,966	290,837	1,095
TOTAL	145	4,914	42,167,729	5,754,649	8,581	39,687	1,171

Source: Advertising Agencies D.B.S. 63-201 (Annual).

Table 46. Indices of Billings and Expenditures for Advertising Agencies, 1958-67

Year	Advertising Expenditures	Index (1958 = 100)	Commissionable Billings	Index (1958 = 100)	Payments to Employees	Index (1958 = 100)	Commissions	Commissions of as a % of Billings
	Dollars		Dollars		Dollars		Dollars	
1958	504,417,000	100.0	233,789,000	100.0	23,826,000	100.0	35,227,000	15.1
1959	541,101,000	107.3	250,080,000	107.0	26,013,000	109.2	37,679,000	15.1
1960	573,684,000	113.7	267,756,000	114.5	28,252,000	118.6	39,994,000	14.9
1961	609,063,000	120.7	277,806,000	118.8	29,313,000	123.0	41,254,000	14.8
1962	642,613,000	127.4	293,028,000	125.3	30,932.000	129.8	43,497,000	14.8
1963	677,213,000	134.3	296,762,000	126.9	31,157,000	130.8	44,270,000	14.9
1964	725,711,000	143.9	311,332,000	133.2	33,171,000	139.2	46,597,000	15.0
1965	800,064,000	158.6	354,650,000	151.7	37,050,000	155.5	52,883,000	14.9
1966	868,047,000	172.1	392,542,000	167.9	40,771,000	171.1	57,082,000	14.5
1967	933,682,000	185.1	420,092,000	179.7	44,034,000	184.8	63,118,000	15.0

Source: Advertising Agencies D.B.S. 63-201 (Annual).

While most of the data in this table are self-explanatory, the figures on net profit deserve some comment. These figures indicate that the largest firms, classified by total billings, tend to earn a lower net profit per employee than the smaller firms. The most profitable firms are the medium size firms, with an average of thirty-two employees per firm. These firms earned profits per employee of almost twice the overall average for all firms in 1967. These figures would indicate that there are diseconomies involved in large scale advertising agencies. These diseconomies likely are a result of the fact that advertising agencies are highly labour-intensive, giving rise to significant management and communication problems as size is expanded beyond a certain limit.

From Table 46 it can be seen that advertising agencies' commissionable billings did not grow as quickly over the ten year period covered as did total advertising expenditures.

Total advertising expenditures increased by 85.1 per cent from 1958 to 1967, while billings of advertising agencies increased by 79.7 per cent. This suggests a decline in the relative importance of advertising agencies in terms of total advertising. Partially this is due to a decline in the importance of national advertising relative to total advertising, a problem which will be discussed in more detail later.

As would be expected, the year to year fortunes of advertising agencies are closely tied to the buoyancy of advertising expenditures. 1967 was a poor profit year for advertising agencies, with average net profit per firm falling from $39,872 in 1966 to $34,205 in 1967. Commissionable billings of advertising agencies rose only 11.8 index points (1958=100) in 1967, as opposed to 16.2 index points in 1966. This decline in the rate of advance of commissionable billings, accompanied by an advance in payments to employees of 13.7 index points, contributed to the decline in profits in 1967. The decline in the rate of advance in commissionable billings can be directly attributed to the decline in the rate of growth of advertising expenditures. In 1966, advertising expenditures advanced by 23.5 index points, while in 1967 the advance was only 13.0 points.

Table 47. Commissionable Agency Billings By Medium, 1967

Type of Medium	Total Commissionable Billings by Agencies	Total Billings to Each Medium	Gross National Advertising
	Dollars	Per Cent	Dollars
Publications	156,270,000	37.2	166,727,000*
Television	122,240,000	29.1	103,658,000
Radio	47,470,000	11.3	42,113,400
Other	94,100,000	22.4	—
Total	420,080,000	100.0	312,498,400

*Includes national advertising in all newspapers, and all advertising in magazines of general circulation, and in trade, technical, professional financial, agriculture, and religious publications.

Source: Advertising Agencies D.B.S. 63-201 (Annual).

Commissions as a percent of billings have remained relatively constant at approximately 15 per cent. This is the standard commission rate charged by agencies for their services, and there appears to be little deviation from this rate. Table 47 gives a breakdown of commissionable advertising billings by type of medium in 1967 and compares these figures with total national advertising for each medium.

Publications account for the largest proportion of commissionable billings by agencies, with 37.2 per cent of all billings being for advertisements in publications. Television ranks second in importance, accounting for 29.1 per cent of all commissionable billings, while radio accounts for only 11.3 per cent.

Table 48 shows the percentage of total gross advertising expenditures for each medium handled by agencies; and the percentage of gross advertising for each medium which is accounted for by national advertising.

Table 48. Proportion of Advertising Placed by Agencies

Medium	Estimated Gross Expenditure by Medium	Proportion of Total Gross Advertising Handled through Agency Accounts	Proportion of Total Gross Advertising for Each Medium made up of National Advertising
	Dollars	Per Cent	Per Cent
Publications..........	429,176,000	35.6	38.8
Television	129,589,000	94.3	80.0
Radio	95,678,000	49.6	44.0

Source: Advertising Agencies D.B.S. 63-201 (Annual).

The first factor to be noted in this table is the close correlation between the importance of national advertising to a medium and the relative importance of advertising agencies in the handling of accounts for that medium. Television, which depends on national advertising for the greatest share of its revenue, also depends almost entirely on agency-handled accounts. Publications, on the other hand, with the least dependence on national advertising, also have the lowest relative dependence on agency-handled accounts. This points out the fact that agencies have the greatest role to play in bringing together highly dispersed media units and highly concentrated, centralized, national advertisers like large manufacturing companies. At the local level, on the other hand, it is much simpler for the media to negotiate directly with the local advertiser for an advertising account.

The second factor to be noted is that broadcasters, and television broadcasters in particular, tend to depend on advertising agencies for a considerable proportion of their non-national accounts. This arises out of the many technical variations and complexities to be found in television advertising, with the consequent dependence of television advertisers on the agencies for both advice and production work.

THE CANADIAN CODE OF ADVERTISING STANDARDS

The Canadian Advertising Advisory Board was incorporated in 1957 by the Institute of Canadian Advertising and the Association of Canadian Advertisers. The Board consists of four directors from the I.C.A., four from the A.C.A., and one from each national media organization – the Canadian Association of Broadcasters, Canadian Business Press, Canadian Daily Newspaper Publishers Association, Canadian Weekly Newspapers Association, Magazine Advertising Bureau, Outdoor Advertising Association of Canada, Transit Advertising.

The Board administers the Canadian Code of Advertising Standards. Two industry councils, one English and one French, handle complaints and inquiries from consumers, competitors and government regarding the quality of advertising. Each complaint is investigated immediately, and issues that cannot be resolved at the staff level are referred to a meeting of the full Council. Media organizations have agreed not to run advertising that the Council has found to be in violation of the Code.

A summary of complaints, since the Code was first issued in 1963 to June, 1969 follows:[6]

Disposition of cases	
Sustained	14
Not sustained	35
Outstanding	15
	64
Source of complaints	
Consumers	28
Government	13
Manufacturers	5
Trade associations	14
Media groups	2
Better Business Bureau	2
	64
Code Standards Invoked	
False & misleading	46
Disparaging claims	9
Public decency	4
Human misery (exploitation)	2
Bait & switch tactics	3
	64

According to the C.A.A.B., investigation often reveals that the real complaint by consumers is over poor service, or an attitude interpreted as disinterest on the part of management or the sales staff.

In the fall of 1969 the C.A.A.B. launched an intensive campaign to encourage consumers to register complaints. The campaign, which ran from October 1, 1969 to March 31, 1970, produced the following results:

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[6] "Dialogue in the Marketplace," *C.A.A.B. Report to Members,* June 1969.

Total complaints received	793
Non-advertising complaints	137
For Council action	656
Disposition	
Taste and opinion (non-actionable)	188
Sustained (corrective action secured)	59
Not sustained	327
Pending (under review)	44
No decision made	38
	656
Source of Complaints	(656)
Consumer (Male 356, Female 264)	620
Trade	26
Business organizations	6
Governmental bodies	4
	656
Major Complaint Areas	
CODE – Misleading	286
Price	53
Deceptive	25
Bait and switch	28
NON-CODE – Offensive	64
Immoral	51
Bad taste	33
Unrealistic	28
Type of Advertising	(656)
National advertising	446
Retail (local) advertising	210
Sustained Complaints	(59)
Source: Consumer (Male 39 – Female 11)	50
Trade	8
Group	1
National Advertising	25
Retail Advertising	34

EDITORIAL ADVERTISING

One aspect of advertising in Canada is "editorial advertising," as practised in many Canadian daily newspapers. Under this practice, material with a news or editorial appearance is published in space paid for by one or more advertisers. Notable examples are the "Dining Out" column by Mary Walpole, a regular Saturday feature of the *Globe and Mail,* and the Toronto *Star's* "Shopping with Liz" column. In each case the "columnists" present in editorial style comment on specific restaurants and stores which have contracted to run an "advertisement." The effect has been that Mary Walpole was regarded by many *Globe and Mail* readers as that paper's authority on restaurants. It is only recently that the columns in both the *Globe and Mail* and the *Star* began carrying a small line of type indicating that the column is an advertising feature.

The Toronto *Telegram* every Thursday carries a full-page editorial advertising feature in the business section: "Perspective–A Business Forum." The page carries the note: "The editorial and advertising content of this page has, in its entirety, been prepared by Communications Research and Development Limited, an independent company which purchases this space from the *Telegram.*" The page features special articles with illustrations, on particular businesses and organizations that are clients of Communications Research and Development Limited.

Related to the practice of editorial advertising is the common practice of newspapers to carry special advertising supplements and sections, in which specially prepared editorial material complements advertisements placed by an advertiser or a group of advertisers. Such lucrative advertising practice, particularly employed in some financial and business publications and in the travel sections of newspapers is known in the trade as "brass cheque" advertising. In some instances travel writers may gather editorial material on the spot, courtesy of airlines, government travel offices and resort operators.

CONTRA ACCOUNTS

Another advertiser-media arrangement (sometimes involving agencies as well) that is believed to be relatively common but is difficult to quantify in a detailed way, is the contra-account practice. This arrangement involves a direct exchange of goods and services between advertiser and media or advertiser-media-agency, in which either no money, or less than the full regular value, changes hands.

For example, a restaurant or hotel might agree to placing an advertising program with a publication or broadcast station in which an agreed amount of space or time would be allocated, at regular or discounted rates, over a specified period of time. Rather than pay the advertising charges in the customary way, the advertiser provides meals or room accommodation to personnel of the publication or broadcast station. Each party keeps a simple debit/credit account and, at the end of the specified period, any balance due either party is paid in the customary way or enough additional goods and services are exchanged to bring the account into balance.

Other forms of the contra-account practice are reputed to involve such things as the provision of automobiles by auto manufacturers to media company personnel at no charge, or substantially reduced lease rates or sale prices; the sale, at cost or lower, of consumer goods, appliances, etc., or an outright gift of products or services being advertised.

The I.C.A. has not concerned itself with the practice of contra accounts. One official suggested that if any arrangements did exist, they were set privately between the parties involved.

TELEVISION RIGHTS

The arrangement of MacLaren Advertising Co. Ltd. of Toronto for the production of the National Hockey League telecasts is unique in the Canadian advertising business, if not all of North America. The agreement dates back to the early 1930s when Jack MacLaren, then president of MacLaren Advertising, and Conn Smythe, owner of Maple Leaf Gardens, conceived the idea of a national radio broadcast of hockey games emanating from the Gardens.

Mr. MacLaren purchased the broadcast rights from Maple Leaf Gardens and then set out to sell the time to advertisers. General Motors agreed to be the sponsor and the Canadian Broadcasting Corporation agreed to carry the broadcasts. The show was an instant success and soon became a national institution. The original contract between MacLaren and Maple Leaf Gardens was renewed annually, but eventually it became renewable every five years, an arrangement that is still in effect.

MacLaren went on to obtain similar broadcast rights from the Montreal Forum. Imperial Oil subsequently replaced General Motors as sponsor of the broadcasts. With the advent of television, in 1952, the broadcast numbers became enormous, both in terms of audience size and the amount of money involved. According to George Sinclair, president of MacLaren Advertising Co. Ltd., the cost of the contract became so great that the advertiser signed contracts involving many millions of dollars directly with the CBC (and later with CTV) rather than through the advertising agency. MacLaren became, in effect, the agent, negotiating contracts, first for Imperial Oil, then for additional sponsors – Ford Motor Co. of Canada Ltd. and Molson's Brewery.

MacLaren now buys broadcast time and produces a "package" show that is carried on three networks: CBC English, CBC French and CTV, on Wednesday and Saturday nights, during the regular hockey season. As packagers, the agency hires the talent for the play-by-play commentary and the intermission fill-in. It negotiates with Maple Leaf Gardens and the Forum for camera placements and lighting.

Mr. Sinclair indicated there are a number of interests to be served in packaging the show, such as the two participating hockey teams, N.H.L. rules, various American teams that resent being part of a television entertainment package, the three sponsors and the three networks. It is the agency's responsibility to placate all these interests so the broadcasts can take place.

Mr. Sinclair said it was essential that one organization should negotiate with all these interests. The advertisers pay the total cost of the show. The agency is paid a commission for placing the show on the networks, and collects a fee for producing the package. The responsibility for programme content rests with the agency, which hires the various commentators and guests. Mr. Sinclair described the show package as an "incredible trust" handed to MacLaren. The agency is subjected to "massive amounts of help" from both advertisers and the viewing public over the capabilities or otherwise of the commentators and guests. Mr. Sinclair indicated, without revealing actual cost figures, that the cost of producing the broadcast, measured by cost-per-thousand-viewers, is competitive with other television broadcasts.

ADVERTISER INFLUENCE ON MEDIA CONTENT

On the occasion of his retirement as president of Eaton's, in August 1969, John David Eaton was asked if he had ever tried to use his power and influence to quash newspaper stories. "Instead of answering directly John David countered: 'Wouldn't you? ' There were all sorts of things from their private lives that people wouldn't want to see in the paper."[7] The frankness of this reply by the head of one of Canada's biggest retail advertisers is quite singular. His statement stands alone against statements and assertions by editors, advertisers and agencies interviewed for this study who disassociated themselves from any suggestion that some advertisers attempt, on occasion, to influence editorial or program content. "In all my years in the business I am not aware of any attempt by an advertiser to influence the press" was the repeated comment.

Nonetheless, it is a fact that the bigger the advertiser the more sensitive the media are to the relationship. The power and influence of such major retail advertisers as Eaton's and Simpson's and the food chain stores are demonstrated by the favorable positions their advertisements are given in the daily press across Canada. For example, the rear section pages of the newspapers are reserved exclusively for Eaton's and Simpson's and readers are conditioned to the location of these advertisements. The large food chains are given favored treatment, usually beginning on Wednesdays, as they advertise their specials for the coming weekend. Again, the reading public expects to find these advertisements in the usual place, at the usual time. It should be noted that some papers charge a position rate, but it does not necessarily follow in all cases that these rates are enforced.

If advertisers wielded great powers over the newspapers in the past, this influence does seem to have diminished. For example, when Ralph Nader, the crusading American, made his first disclosures on automobile defects, naming names, the press carried the news stories on one page and automobile industry advertisements on another. Today, after recovering from its initial hostility and disclaimers, the industry itself has taken on the job of revealing certain defects in particular models and announcing their recall. It has had no apparent effect on advertising programs. In 1967, for example, General Motors again headed the list of the top 100 Canadian national advertisers, with an expenditure in all media of $9,056,544.

In this connection, however, a classic case of advertising nervousness popped to the surface in 1968 when the CBC rescheduled a particular episode of its series, *Quentin Durgens, M.P.*, to avoid its coinciding with the introduction of a new line of automobiles. This particular episode was about auto safety. General Motors was the sponsor of the programme.

The CBC insisted that the advertising agency involved applied no pressure to have the show rescheduled. The corporation said it made the decision itself.

In the early days of radio broadcasting an advertiser, who paid all the production costs of the show, exercised direct control over content, and taxed the writers' and producers' creative abilities by trying to get in as many commercials, either directly or indirectly, as possible into his allotted time slot.

However, the tremendous costs involved in television programming preclude all but the biggest and wealthiest advertisers from producing a package show. Today the common practice is for the advertiser to purchase "spot" time – usually thirty or sixty seconds – in the programme he considers will be seen by the audience he is trying to reach.

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[7] Toronto Daily Star, August 8, 1969.

Here, the advertiser can wield considerable influence. Stanley E. Cohen, Washington editor of *Advertising Age,* speaking to a private Toronto group recently, submitted that the advertiser's influence rests in his capacity to withhold support.

According to Mr. Cohen, the advertiser has certain incentives to exercise this power:

1 He wants a favorable environment for his commercials.

2 As a part of the business establishment, he may be reluctant to be associated with "progressive" ideas.

3 The advertiser and his agency normally wish to avoid personal responsibility for failures or controversy.

There are some notable exceptions. In the summer of 1968 Xerox Corporation sponsored a series, "Of Black America," which was presented by the Columbia Broadcasting System. The series, an attempt to set the record straight on the history of the black man in America, was highly successful, despite its controversial theme. There was one notable reaction to the series: the headquarters of the Ku Klux Klan ordered Xerox to remove its copying machine from its premises.

Xerox of Canada Ltd. also sponsors programs that are considered avant-garde and thought-provoking, yet have the desirable effect of improving not only the image of television but also the image of Xerox.

The influence of the advertiser's dollar is manifest in different ways. The current example is the controversy raging in both Canada and the United States over cigarette advertising.

The controversy is producing interesting contrasts. On August 29, 1969, the New York *Times* announced that all cigarette advertisements it publishes, beginning January 1, 1970, must carry a health warning as to the tar and nicotine content of the cigarette smoke. At that time the *Times* said it would accept the warning that the U.S. Government requires on cigarette packages – "CAUTION: cigarette smoking may be hazardous to your health" – but it believed the warning to be inadequate. The newspaper, in its editorial, urged that a stronger warning be required not only on cigarette packs but in all cigarette advertising as well.

An interesting follow-up to the *Times'* statement occurred on November 6, 1969, when the U.S. Senate Commerce Committee voted to outlaw cigarette commercials from broadcasting media after January 1, 1971. At the same time it adopted a newly-worded health warning for cigarette packs, which will now say: "Excessive cigarette smoking is dangerous to your health."

Here in Canada, the Federation of Canadian Advertising and Sales Clubs, meeting in Kitchener on January 30, 1969, passed a resolution opposing any federal ban on radio and television cigarette advertising.

According to a Canadian Press despatch,

> the 26 delegates from across Canada supported a resolution saying it would be discriminatory for the government to eliminate advertising of any particular product from any selected medium. It supports a position recently taken by the C.A.B. that if Parliament is convinced cigarettes pose a clear and present danger to the health of the Canadian public the Commons should prohibit cigarette sales entirely.

The C.A.B., in a brief to the Commons Health Committee on May 27, 1969, submitted that any prohibition of cigarette advertising on radio and television would be ineffective and discriminatory against one segment of the communications media.

On the one hand, in the case of the New York *Times*, the advertiser's dollar has obviously little influence on the newspaper. In the case of the C.A.B., supported by the Federation of Canadian Advertising and Sales Clubs, it would appear to have considerable influence.

Mr. Cohen, in his Toronto talk, noted that in the case of television programming there are some built-in restraints against an advertiser abusing his power. One is counter-power. The more popular the artist or programme, the less prospect that these artists or programmes will be responsive to the advertiser's threats. Because the advertiser lives in constant fear of public opinion he will not carelessly expose himself to criticism by engaging in any action which could lead to bad publicity. For example, he does not want to be held responsible if a popular programme or artist is taken off the air. And, concluded Mr. Cohen, regulatory agencies and legislative bodies themselves have the authority to move in on any power-wielding advertiser.

Chapter 3:

THE REGULATION OF ADVERTISING

INTRODUCTION

At a rapidly quickening pace the Canadian mass market-place is altering its basic premise from *caveat emptor* – let the buyer beware – to *caveat venditor* – let the seller beware. During the past twenty years, the regulation of advertising, and the zeal with which regulation has been enforced, have steadily grown. The present, and particularly the future, implications for both the mass media and society in general would appear to be considerable. So far, however, relatively little research has been done in the field.

A complete analysis of all forms of advertising regulation would have been far beyond the terms of reference, resources and time span of this study. This paper does provide an over-view of the wide range of government departments and agencies now empowered to control various classes and kinds of advertising matter. It goes on to pose certain questions that arise from this control, actual and potential. The federal role is examined in greater detail than that of provincial governments, but the greater amount of space accorded the higher jurisdiction should not blur the very real fact that provincial power and inclination in this field is great and growing.

THE FEDERAL ROLE

CANADIAN RADIO-TELEVISION COMMISSION

The broadest and most absolute powers of advertising regulation in Canada are conferred upon the C.R.T.C. in Section 16 of the Broadcasting Act and apply to all radio and television commercials.

Under Section 16, the Commission may, in theory, exercise the most minute control over both the character of broadcast advertising and the time allotted to it.

The implications in terms of the nature of and the revenues from advertising, are tremendous. The operating reality is less awesome. The Commission in fact regulates time allotment in a manner which permits substantial revenues to accrue to broadcasting stations. It has not turned itself into a monolithic clearing house which passes judgment upon each commercial message, but has instead delegated authority in certain fields to other agencies (Food and Drug Directorate, Combines Investigation Branch).

For these reasons the general activity of the C.R.T.C. is not dwelt upon at length in this paper.

COMBINES INVESTIGATION BRANCH

A major initiative in advertising regulation applicable to all media and to almost all conceivable types of advertising is now taking place under the authority of this Branch of the Department of Consumer and Corporate Affairs. If sustained, the policy thrust of 1969 will come to have considerable social significance in the 1970s, and will influence both media operator and advertiser accordingly.

The department proposes to interpose itself in the public marketplace between consumer and merchant with the express aim of protecting the interests of the former. Its statutory vehicles in this regard include the Hazardous Products Act (including such matters as poisonous compounds for household use), the Precious Metals Marking Act (definitions of sterling, and karat weight, for instance), the National Trade Mark and True Labelling Act, and the Weights and Measures Act.

In 1969, the enforcement of regulations concerning food under the Food and Drugs Act was transferred to this Branch from the Food and Drug Directorate of the Department of National Health and Welfare.

Finally, and most important, the Branch administers the reconstituted Combines Investigation Act.

Section 33C, added in 1960, has already been employed in a number of successful court cases:

> (1) Everyone who, for the purpose of promoting the sale or use of an article, makes any materially misleading representation to the public, by any means whatever, concerning the price at which such or like articles have been, are, or will be, ordinarily sold, is guilty of an offence punishable on summary conviction.

This is aimed at such devices as "compare price at. . . ," "below regular price. . .," and other familiar advertising techniques. The history of enforcement, which is more intensive than may be commonly supposed by the public (see below), may be found in detail in the annual reports of the Director since 1960.

The newest weapon is Section 33D of the Combines Investigation Act, which until July 31, 1969 was Section 306 of the Criminal Code. The section makes it an indictable offence, punishable with imprisonment for up to five years, to publish or cause to be published an advertisement containing a statement that purports to be a statement of fact but that is untrue, deceptive or misleading or is intentionally so worded or arranged that it is deceptive or misleading.

The Section provides for summary conviction of persons who publish or cause to be published a statement or guarantee of performance, efficacy or length of life of anything not based on an adequate and proper test of the article concerned.

During a long life in the Criminal Code this section, largely in the hands of provincial attorneys-general, was rarely enforced.

Its new home in the Combines Investigation Act continues the provincial enforcement role but shares it fully with the Director of the Combines Investigation

Branch who is, under other provisions of that Act, *compelled* to conduct an investigation upon receipt of a complaint.

The philosophy of the department is made clear in two appended documents. A news release dated July 31, 1969 by the Minister of Consumer and Corporate Affairs makes clear a determination not only to enforce 33D but to test its provisions systematically before the courts with a view to early repair of such legislative deficiencies as may be revealed by the judiciary.

The second document, Notes for an Address to the Broadcast Executives Society, November 12, 1969, by D.H.W. Henry, Q.C., Director of Investigation and Research under the Combines Investigation Act, is particularly useful both in its statement of a deliberate enforcement policy of the foregoing and other provisions, of the manner in which this is to be done – and in the implications the reader may take from it as to the possible future course of policy.

FOOD AND DRUG DIRECTORATE

A description of the regulation of food advertising is included in this section because the relevant experience lies here, although the function has since been transferred to the Combines Branch. Enforcement under Combines follows the same course as is described here.

The Directorate now deals with advertising in the fields of drugs, cosmetics and devices (the latter involving largely the paraphernalia of mechanical birth control). For many years this directorate has held sweeping – but commonly accepted and uncontroversial – powers to limit, control, rewrite or ban outright mass media advertising of every sort in the fields listed above.

The authority derives from the Health and Welfare Department Act, the Food and Drugs Act, (and regulations thereto), the Proprietary or Patent Medicine Act, the Criminal Code of Canada, the Broadcast Act and regulations thereto. In all cases, as in the Combines legislation above, the sanction is against the advertiser, *not* the medium that accepts the advertising, although the methods of enforcement in the broadcast field differ sharply from the print field.

The general tenor of advertising restriction in Canada is similar to that of every country in the Western Hemisphere. Specifically, though, Canada is unique in that it has developed a list of 45 diseases or conditions for which a cure may not be advertised in any circumstances, even if a cure is professionally acknowledged to exist. The rationale of the latter point is that the general public is not capable of diagnosing for itself the condition to be treated.

The various Acts constitute statements of intent but have been refined by regulation to make possible the statement: "No person shall label, package, treat, process, sell or advertise any food, drug or device in a manner that is false, misleading or deceptive or is likely to create an erroneous impression regarding its character, value, quantity, composition, merit or safety." – Guide for Manufacturers and Advertisers, Food and Drug Directorate, 1961.

In addition, whole classes or kinds of drugs or devices may not be advertised. This includes narcotics and experimental drugs. In the field of cosmetics the main emphasis of practical enforcement has been against claims of a quasi-medical nature. Although the Directorate is "concerned" by certain of them, claims as to the results of cosmetic use in terms of beautification have not so far been challenged, on the theory that the user is competent to judge the question for him or herself.

Close liaison is necessary between Food and Drug and Consumer Affairs in deciding what is a drug and what is a food. Generally speaking, jurisdiction passes to Food and Drug if the food substance contains any non-natural or generic additives whatsoever, such as added vitamins, artificial sweeteners, etc.

Advertising enforcement methods, insofar as they apply to the mass media, are interesting. So far as radio and television advertising is concerned the Food and Drug Directorate has absolute control because under Broadcast Act regulations it acts as a clearing agency for the C.R.T.C. No advertisement in the areas of jurisdiction may be broadcast until the script has been approved by the Directorate. The Combines Branch also acts as an agent of the C.R.T.C., in watching for instances of economic fraud in advertising.

In the food field two officials dedicated 90 per cent of their time vetting 9,618 commercials in the six-month period ending March 31, 1969. In the drug field, another two persons spent an equivalent amount of time screening 3,446 commercials during the same period. Although in theory an advertiser whose commercial has been rejected might appeal to the C.R.T.C., in practice Food and Drug is conceded to wield full authority to reject, accept or amend as it pleases and the advertiser has no effective recourse.

The Directorate concedes that a double standard exists in the case of print advertising. Here there is no requirement to submit advertising material. In practice, the Directorate does run an advisory service and many large advertisers submit their copy to it as a matter of course.

Sometimes the Directorate lets it be known informally in the trade that it intends to take a particular interest in a certain type of advertising campaign. This happened when fluoride toothpastes were introduced, and the campaign relating thereto was worked out in close collaboration between the manufacturers, their ad agencies, and the Directorate, which was concerned lest too extravagant claims be made for this new product.

Conversely, though, the advisory service is just that: it cannot issue a restraining order even if it inspects beforehand advertising copy to which it takes exception. Figures are not available but the Directorate concedes that "fairly often" a print advertiser will say that he disagrees with a Directorate interpretation of the regulations and proposes to go ahead and advertise.

The only course then open to the Directorate is prosecution under the Food and Drug Act or other authorizing statutes. Again, no statistics are available but it was inferred that where there is an area of genuine dispute with a determined antagonist the Directorate is extremely reluctant to go to court.

There are two reasons. First, if the case is lost, a new line of greater freedom has thereby been drawn for all advertisers. Second, there is an evident fear that a good many of the regulations upon which the policy is based have never been tested in court and may in fact be illegal.

Several cases have been prepared on what the Directorate thought were good grounds, only to be over-ruled by the Department of Justice because the regulation itself might be defective and the judicial over-turning of it might place the entire policy in jeopardy.

These problems result in greater latitude in print advertising than in broadcast commercials, and the Directorate agrees that this, coupled with the inflexibility of the broadcast preview system, is a source of irritation to ad agencies and manufacturers.

Over many years there has been no serious challenge of the right of Parliament, through the Directorate, to limit advertising. This is interesting in view of the legal doubt about the validity of certain regulations.

It must be said that the attitude of the persons interviewed appeared to be that of men reasonable in attitude and fair by inclination, entirely willing to be persuaded that certain classes and kinds of materials should be removed from prohibited lists. For instance, there was open satisfaction that recent amendments to the Criminal Code will make it possible soon to devise a schedule of mechanical birth control apparatus which will become eligible to be advertised.

This was considered socially desirable and the limitation was considered to mitigate unfairly against domestic manufacturers of such apparatus competing against American manufacturers who are able to advertise in the women's magazines which enter Canada in large number. It was agreed that this also constituted a form of discrimination against Canadian magazines attempting to compete with these American imports for advertising revenue.

There exists, of course, an assortment of other federal statutes which have at least a peripheral influence on certain types of advertising (that is, a federally chartered limited company must state that it is limited) but these were not considered germane to the main thrust of this study.

THE PROVINCIAL ROLE

As noted earlier, a detailed study here was impossible. However, it is a field of great magnitude and cannot be ignored in any examination of the regulatory picture.

In one province alone, Ontario, a considerable variety of advertising regulation exists. Control of advertising in at least some degree is exercised by The Liquor Control Board of Ontario, Ontario Human Rights Commission, Ontario Board of Film Censors, Ontario Superintendent of Insurance, Ontario Department of Transport, Financial and Consumer Affairs Department, Ontario Securities Commission, Ontario Police Commission, Ontario Racing Commission, and others.

Most other provinces have similar, if not exactly equivalent, assortments of regulation. Some go farther. Alberta, for instance, has in force a wide-ranging set of provisions in the consumer protection area, which involve surveillance of retail advertising to detect such banned practices as the issuance of trading stamps and the holding of a wide variety of contests, promotional gimmicks, "free" offers, and so on.

It should be noted, too, that in some areas provincial enforcement can be far more subtle, and absolute, than that which exists so far at the federal level. Some industries are under total provincial control. Brewing and distilling are examples.

Much of the federal enforcement must in the end revolve around open argument in open court. At the provincial level, numerous stories of different methods are too persistent to ignore, although they are almost impossible to impartially document.

In some provinces, for example, it has been said frequently that persons connected with alcohol, either at the primary distilling level or at the drink-by-the-glass retail level, may be subjected to painful scrutiny by liquor boards if critical comments about the regulations applicable to them appear in the *news* columns of papers or on broadcast *news*.

The implications here concerning the freedom of the press and the access of the individual citizen to the press for the airing of his grievance are obvious.

THE NEWSPAPER AND BROADCAST ROLE

For many years publishers and broadcasters, both individually and as groups, have possessed codes of advertising conduct which list various conditions under which advertising will or will not be accepted. These constitute perfectly reasonable statements of intent, but they are not reproduced as part of this paper for two reasons. First, various people in the industry have made known their intention to bring these codes to the attention of the Committee directly. Second, the codes are largely irrelevant in the context of the regulatory debate. Almost every article of them begins with the word "knowingly" or a similar disclaimer. Had these codes achieved the desired results, in the eyes of Parliament, the new initiatives in regulation would presumably not have been required.

The role of media in actually covering as news the judicial enforcement of advertising law and regulation appears to be ambiguous. One major purpose of prosecution by an agency such as the Combines Investigation Branch is that of deterrence. In the case of many matters before the courts, this principle is duly noted by the press and the final adjudication is given major prominence in news coverage. No detailed analysis has been conducted in conjunction with this study, but the impression that media tend almost completely to ignore, or reduce to microscopic proportions, convictions since 1960 under the Combines Investigation Act, #33C – for instance – is so widespread as to suggest that representatives of the media might be asked to demonstrate otherwise, if they care to do so. The reasons for this may be two-fold. There may be a human reluctance to embarrass a good customer. Or there may be a reluctance to suggest, through prominent coverage, guilt by association, because for the prosecution to succeed the ad must indeed have been published. Thus, news coverage may carry with it the implication that misleading advertising was in fact foisted upon readers, listeners or viewers by the very newspaper, radio station or television station reporting the court case. Such an implication raises certain questions. (See discussion below.)

DISCUSSION – TWO SIDES OF A COIN

INTRODUCTION

The rationale of almost all advertising regulation is protection, in one way or another, of the consumer. In practice, this concept has seldom been seriously challenged in Canada. However, the specific protection of the rights of one group within society always carries with it the possibility, however remote, that the rights of other groups may in the process be injured.

In this context, questions may be asked. Does freedom of the press as understood in Canada confer upon the publisher the right, and even the duty, to publish commercial messages as he sees fit – within certain obvious legal limitations which apply also to his news columns? In a mercantile system that renders the manufacturer or purveyor of goods uniquely dependent upon advertising for commercial success, should a lawful concern engaged in lawful enterprise not enjoy a clear right to advertise?

There exists in the field of advertising regulation a theoretical threat both to freedom of the press and to the right to conduct lawful business. No attempt is made here to quantify or qualify this threat, but examples are provided for purposes of discussion.

THE CONDUCT OF BUSINESS

Government regulation

In the main areas of federal legislation a double standard has been shown to exist. Under the Food and Drugs Act, broadcast commercial messages simply may not be shown until approved. Right of appeal to the C.R.T.C. exists but the question may be asked whether in practice, media dependent for their very existence upon this body care to occupy its time in appeals of this nature. Certainly, no record of such an appeal can be found.

Therefore much depends upon the enforcement officials themselves. Their attitude and outlook can have the practical effect of altering the nature of commerce in certain cases. It must be stressed that the attitude encountered everywhere in this study, at the federal level, was one of fairness. But people can change and the regulations under which they function would appear to confer considerable latitude to personal opinions in the enforcement field.

Voluntary Enforcement

This involves the refusal of individual media to accept advertising for various reasons. Only seldom does such refusal enter public prominence, but it enjoys in fact a long historical existence.

When publishers gather there is often mention that this or that fly-by-night concern has in effect been banished from a community by the refusal of the media to accept its advertising. On the face of it, this is an eminently laudable objective; a responsible exercise of a publisher's duty to protect his readers, listeners or viewers. There is no reason to doubt that the great majority of such refusals fall into this category.

But there are also subjective reasons for suspecting that in some cases the fly-by-night banishment stems from other motives.

A fledgling community business concern challenging the methods, and perhaps pricing, of established firms, might in theory be confronted by hostile publishers responsive to the complaints of old and valued advertisers that the new concern was "unethical." The interloper could then be refused advertising space without the question of its ethical probity ever having been submitted to a court of law.

A much more visible example occurred in Canada recently when the CBC television network and privately-owned CFTO-TV in Toronto announced that they would no longer accept cigarette advertising during prime-time hours. This was very much in keeping with the thrust of government educational efforts and a visible social attitude in respect to cigarettes. Little open protest was heard. Yet the manufacture and sale of cigarettes is a lawful undertaking in this country, subject to certain conditions as to the age of the customer, etc. The corporation so engaged is a creature of law and is in theory subject only to such restraints as are contained in law. In this case, however, these corporations were informed that they would be denied access to their market-place at a time and through a medium previously considered by them to be valuable judging by the volume hitherto of prime-time television cigarette advertising. The decision was not one of law, and thus appealable through the judicial or political process, but one of private, extra-legal social judgment.

Morever, it can be argued that the broadcasters who made the judgment suffered no revenue loss. They may even have gained. The prime time thus vacated was immediately available to other advertisers previously unable to obtain as much of the over-subscribed prime-time as they wished. It is conceivable that some of this time may have been sold at rates higher than were paid by the cigarette companies who were presumably able to achieve discounts by virtue of their enormous advertising purchasing power. The decision may also have had the effect of forcing the cigarette companies into the daytime and late night broadcasting hours, which are more difficult to sell.

This paper holds no brief for cigarettes. The example is used only to suggest that altruism, profit, and the rule of law are not always bedfellows and that in theory at least the accomplished fate of one industry might be the future fate of others.

The Media as Enforcer

The earlier-noted speech by Mr. D.H.W. Henry is worthy of examination in another context. It was delivered to advertising executives and suggested strongly that advertising agencies might in future be called upon to help enforce the deceptive and misleading advertising sanctions of the Combines Investigations Branch in their own self-interest.

Mr. Henry made clear that his Branch might in future consider advertising agencies to be party to illegal advertising, and that agencies involved in the preparation of such advertising might be charged before the courts accordingly.

While attributing no motives to Mr. Henry personally, it would not seem unfair to speculate about the direction in which this speech appeared to be taking the enforcement process.

As matters now stand the enforcer must go through the time consuming business of tracing each potentially deceptive, misleading or untruthful advertisement back to its originating source, perhaps a retailer, perhaps a manufacturer.

Administratively, it would be much more convenient to concentrate enforcement procedures upon one class or kind of person or company which would then be compelled, upon pain of conviction itself, to regulate those companies submitting material to it.

The upheld conviction of an advertising agency would immediately cause all agencies to police their clients a great deal more carefully. But a great deal of advertising does not go through agencies.

The upheld conviction of a newspaper, radio station or television station would be far more effective, and would place the advertising departments of each medium in the position of being the final arbiter of legality on pain of conviction themselves.

It is true that the legislation now specifically exempts the medium that publishes the advertisement in good faith. It is vulnerable only if it "knowingly" accepts advertising deficient in the eyes of the law.

But ignorance of the law is no defence. In a few years, once a body of case law has been developed by the random prosecution of individual offenders, might it not be possible to say to publishers, in effect,"it is now possible for you to know or not to know that which is misleading, deceptive or untrue and we will henceforth begin to prosecute, in certain areas, those who publish such advertisements? "

This could, in theory, have the effect of turning each advertising department into an enforcement arm for the government agency. But such a development could hold wide ramifications in respect to the conduct and freedom of the press.

Section Two : THE PRINT INDUSTRY

Chapter 1:

ENDS AND MEANS

The following section discusses economic conditions and economic factors in the daily newspaper and periodicals publishing industry. The data in this section apply to publishing establishments which both print and publish their respective newspapers and periodicals. Any establishments that only print or only publish particular newspapers and periodicals are not included.

The data contain the results for 99.7 per cent of the daily newspapers in Canada considered in terms of total revenue. They contain also the results of 71.0 per cent of weekly newspapers considered in the same way. Publishers of magazines and other periodicals tend to do much less of their own printing, with the result that these results include less than 50 per cent of the other periodicals classified by total revenue. Newspapers as a whole account for 75 per cent of the data included in this section. As a result the conclusions are most applicable to daily newspapers.

It would have been desirable if the data could have been separated for each type of publication so that the results could have been applied with complete accuracy to groups of firms publishing each type of publication; but two problems arise in doing this. First, the data used to make the calculations are aggregated by statisticians in the Dominion Bureau of Statistics to include all firms that both print and publish newspapers and periodicals. An attempt to go back and disaggregate this data was beyond the time and financial resources available. Second, such a disaggregation is not possible in many cases, since a number of establishments print and publish a number of different types of periodicals. An attempt to allocate costs between types of periodicals would require arbitrary allocations that would not contribute realistically to the analysis undertaken.

Chapter 2:

REVENUE

CIRCULATION REVENUE

ASPECTS OF CIRCULATION, 1900-1969

Circulation is important to newspapers, both because of the revenues generated directly through circulation sales and because of the relationship of demand for advertising space to the amount of consumer market coverage provided by the paper. As a result, an effort has been made to establish underlying trends in the circulation of daily newspapers and in the factors affecting circulation.

The twentieth century has been a period of general success for daily newspapers in Canada. Total circulation of daily newspapers has grown at a rate faster than the growth in population, giving rise to a marked increase in circulation-per-capita. Much of this growth has come through expanded circulation of existing papers, with the result that the average circulation-per-paper has also become larger. Chart 5 shows the trends in growth of total population, urban population, and of circulation of daily newspapers since 1900. (The data are plotted on a vertical logarithmic axis to permit comparison between rates of change.) Up until 1950, growth in circulation tended to follow, in a rough sort of way, the growth of population in urban centres. Since 1950, this relationship has not been maintained. The period 1955-60 in particular was one of very slow circulation growth, accompanied by a sharp decrease in the proportion of circulation to population in urban centres. The rate of growth in circulation in this period was the lowest since the 1930s, a decade during which the rate of growth in circulation was negligible.

Since 1960, the rate of growth in circulation has increased somewhat, but it is still not equivalent to the great boom in circulation that occurred between 1940 and 1955. The strongest competitor cutting into the circulation of dailies during the post-1955 period has no doubt, been television.

The data on circulation growth during the twentieth century are summarized in Table 49, which contains indices of circulation and per capita circulation in Canada for selected years.

Chart 5

POPULATION AND CIRCULATION TRENDS, 1900–1970.

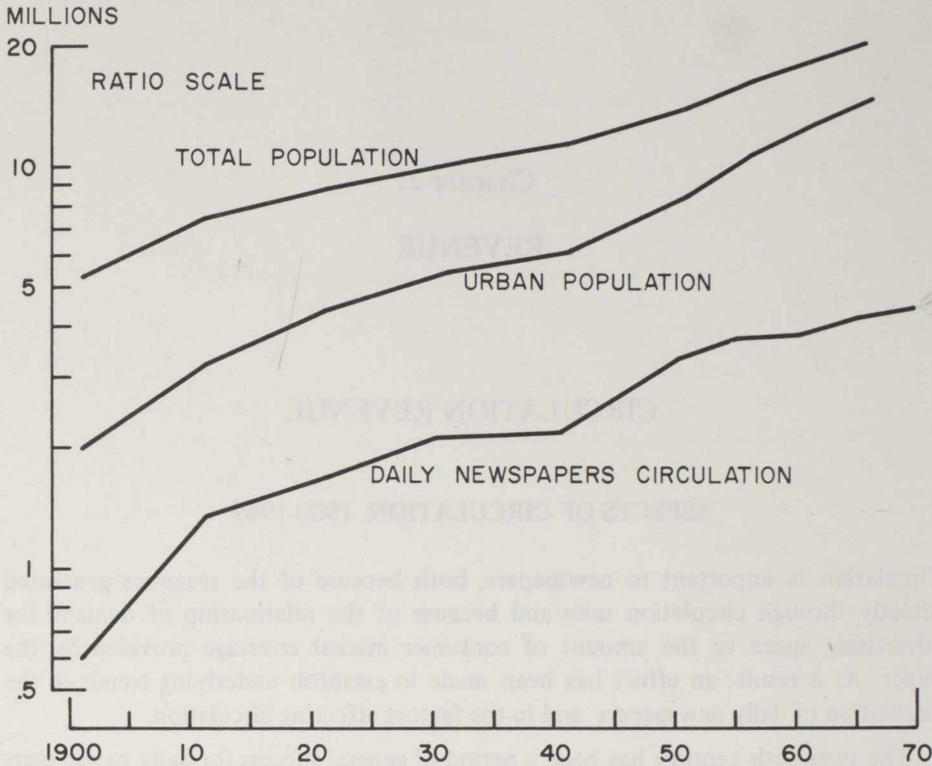


Table 49. Total Circulation and Per-Capita Circulation, Canadian Daily Newspapers for Selected Years, 1901 to 1969

Year	Total Circulation	Index (1950 = 100)	Per-Capita Circulation
1901	600,000	18.1	0.105
11	1,380,000	41.7	0.192
21	1,700,000	51.4	0.194
30	2,145,000	64.8	0.207
40	2,165,000	65.4	0.188
50	3,310,000	100.0	0.236
55	3,780,000	114.2	0.237
60	3,850,000	116.3	0.216
65	4,250,000	128.4	0.216
69	4,570,000	138.1	0.217

Sources: CARD; 1961 Census of Canada; 1966 Census of Canada; *The Financial Post, 1968/69 Survey of Markets.*

It is interesting to note from this table that per-capita circulation of newspapers in Canada declined quite significantly between 1955 and 1965. A slight improvement in per-capita circulation has been evident since 1965.

Circulation, in both total and per-capita terms, is a very important determinant of the advertising revenue that newspapers are able to draw. As will be seen later, the period 1955-65 was also one of a significant decline in the rate of growth of advertising revenues for daily newspapers. The decreased rate of growth in circulation was a partial cause of this.

The increases in circulation of daily newspapers in Canada have largely been accounted for by increases in the average circulation size of papers, rather than by any significant growth in the number of papers. Table 50 contains data on the average-size-per-paper over the period covered.

Table 50. Average Size of Canadian Daily Newspapers (for selected years)

Year	Average Circulation
1901	5,300
11	10,200
30	19,900
40	24,600
50	35,600
55	37,800
60	34,100
65	39,700
69	41,600

The number of daily newspapers in the same period did not change significantly. At the turn of the century, there were 114 dailies in Canada, the peak year being 1911, with 135. By 1930, the number had fallen to 108, and by 1940, to 88. The number of papers has been on the increase since the low in 1940, reaching 95 in 1950, and 113 in 1960. By 1970, the number had risen slightly, to 116.

The increase through time in the average circulation size of daily newspapers has at times been credited to pressures created by growing capital requirements in the industry. While the growth in average-size-per-newspaper has been accompanied by a growth in capitalization-per-newspaper, the preceding conclusion contains a basic confusion between cause and effect. The increase in average circulation has in fact been caused by the ability of larger papers to drive smaller papers out of business, appropriating both past and potential circulation of the smaller papers in the process. As a result of such developments, the capitalization-per-newspaper has increased immensely. However, this has been largely a result of the growth in average circulation, and not the cause.

Table 51 contains a list of daily newspapers that began publication after 1956, and which have operated as viable units to date.

Table 51. Successful New Entrants into Daily Newspaper Publishing - 1957-69

Newspaper	Year Began As Daily	Formerly Published As Weekly	City Population*
Journal Pioneer (Summerside)	1957	Yes	10,042
Observer (Pembroke)	57	Yes	16,262
Courier (Kelowna)	57	Yes	17,006
Herald (Penticton)	57	Yes	15,330
Citizen (Prince George)	57	Yes	24,471
Examiner (Barrie)	58	Yes	24,106
Reformer (Simcoe)	60	Yes	9,929
Advocate (Red Deer)	60	Yes	26,171
Daily Journal Record (Oakville)	62	Yes	52,793
Daily Bulletin (Dauphin)	63	Yes	6,655
Daily Herald-Tribune (Grande Prairie). .			
Herald Tribune	64	Yes	11,417
Le Journal de Montréal	64	No	1,222,000
Times and Conservator (Brampton) ...	65	Yes	36,264
Citizen (Thompson)	65	Yes	19,000
Le Journal de Québec	67	No	166,984
Daily Townsman (Cranbrook)	69	Yes	7,849

*1966 Census of Canada

Source: Canadian Daily Newspaper Publishers Association.

It is significant that practically all of these papers are in relatively small urban centres. Only two, *Le Journal de Montréal* and *Le Journal de Québec* are in cities with populations in excess of 100,000. These two papers are published by the same company. These two papers are the only ones which were not weeklies before becoming dailies. These two are the only ones with a circulation in excess of 10,000 a day. (Practically all of the papers started with a circulation of 3,000 to 7,000.) These qualifications make a number of things clear. The opportunities to publish a new daily newspaper successfully do not generally lie where major competitors exist, as either major weeklies or other dailies.

New dailies generally eliminate the major weekly paper in a city by virtue of their own creation. New dailies are also not known for success where direct competition from other dailies is a factor. The Montreal and Quebec examples are exceptions – *Le Journal de Montréal* was founded during a newspaper strike. All of the other successful dailies had no direct competition from other dailies. During the same period, papers began publication, but were forced to close, in Montreal, Guelph, Vancouver, and Hull. In each of these latter cases, significant competition was present from other dailies.

It is difficult to pinpoint any specific size of city as the minimum necessary to support a daily newspaper. The basic factor is the city's ability to generate advertising revenue. This ability depends upon the wealth of the community, its importance as a retail-shopping centre, and the degree of concentration of the circulation of other daily newspapers and radio and television in the community.

The circulation that a paper can draw is probably the best rule-of-thumb measure in determining whether or not a daily newspaper can be successful.

Generally speaking, unless a community is highly isolated from competing media, a circulation of approximately 5,000 will permit the successful publication of a daily newspaper – provided that it has a monopoly.

It is very important that a paper of this size have a monopoly in the local market. A monopoly paper has a relatively captive advertising market. A paper of the same size competing with a larger paper does not have such a hold on advertising. As well, cost considerations are almost certain to lead advertisers to desert a paper of this size if a larger paper exists in the same market.

Table 52 shows the per-capita distribution of daily newspapers by province.

Table 52. Per-Capita Circulation of Daily Newspapers by Province, 1969

Province	1968 Population	1969 Per-Capita Circulation
British Columbia	2,002,000	0.262
Alberta	1,520,000	0.207
Saskatchewan	959,000	0.130
Manitoba	969,000	0.243
Ontario	7,283,000	0.269
Quebec	5,923,000	0.185
New Brunswick	624,000	0.176
Nova Scotia	760,000	0.214
Prince Edward Island	110,000	0.270
Newfoundland	505,000	0.075

As can be seen, there is considerable variation in the per-capita circulation among the provinces. The main reason for this variation lies in the distribution of the population between rural and urban areas.

Two facts of population distribution tend to increase circulation-per-capita. The main one is the concentration of people in large metropolitan centres. The other is the number, and geographical concentration, of urban centres outside the large metropolitan centres. Higher concentrations of people in terms of geographical area make it possible for more daily papers to remain viable (per person or household) in an area. This is a result of:

1 Greater per-capita advertising expenditures because of the greater identification of residents with a single retail trading area;

2 Decreased distribution costs per subscriber; and

3 Increased circulation due to increasing content relevance as people become more concentrated.

Other factors besides population concentration almost certainly affect circulation per capita – per caput income, education levels, and family size. However, the overriding importance of population concentration makes it difficult statistically to isolate such variables.

CIRCULATION REVENUE, 1950-1967

Table 53 contains time-series data on circulation revenue of newspapers in Canada from 1950 to 1967. Circulation revenue includes all revenue derived from sale of newspapers, whether by sale of individual copies or by subscription.

Table 53. Newspapers Circulation Revenue and Circulation Revenue as a Per cent of Total Revenues, 1950 to 1967

	Daily Newspapers		National Weekend		Weekly, Bi-Weekly, etc.	
Year	Revenue	Total Revenue	Revenue	Total Revenue	Revenue	Total Revenue
	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
1950	30,013,000	28.1	7,734,000	54.2	3,021,000	22.5
51	33,209,000	28.0	6,204,000	47.5	4,451,000	25.8
52	37,988,000	28.6	7,086,000	45.1	3,560,000	20.6
53	39,926,000	26.7	7,266,000	42.6	3,880,000	19.8
54	42,492,000	26.8	7,195,000	38.4	4,293,000	20.1
55	43,537,000	25.5	8,081,000	38.7	4,772,000	20.6
56	45,077,000	24.0	8,344,000	36.2	4,341,000	19.4
57	48,653,000	24.9	8,864,000	36.8	4,662,000	20.5
58	55,048,000	26.5	9,257,000	37.5	4,666,000	19.3
59	59,130,000	26.2	8,310,000	35.1	5,116,000	19.6
60	61,965,000	26.7	8,253,000	32.6	5,690,000	19.8
61	62,550,000	26.4	9,431,000	35.8	5,843,000	19.8
62	64,735,000	26.0	9,283,000	35.3	5,931,000	19.2
63	67,460,000	26.4	9,466,000	35.7	5,740,000	18.7
64	71,520,000	26.7	10,104,000	36.0	6,301,000	19.4
65	79,652,000	26.5	10,495,000	37.6	6,986,000	19.2
66	84,782,000	26.5	10,379,000	37.4	10,277,000	23.8
67	89,213,000	27.1	8,643,000	35.2	14,370,000	25.1

Source: Printing, Publishing and Allied Industries, D.B.S. Catalogue 36-203.

Throughout the period, circulation revenue for daily newspapers has accounted for between 24 per cent and 28 per cent of their total revenues. The peak of 28 per cent prevailed in the first three years of the 1950s. The decline between 1953 and 1957 can be attributed to a slowing in circulation-growth relative to the growth in demand for advertising space. A general increase in subscription rates and a slowing of the rate of growth in demand for advertising in the late 1950s increased circulation revenue, as a percentage of total revenue, to 26.5 per cent in 1958. The proportion has stabilized at this level in the period since 1958.

The data on circulation revenue for national weekend and weekly newspapers are generally self-explanatory. Note should be taken, however, of the sharp increase in circulation revenue of weekly newspapers in 1966 and 1967. This reflects a correspondingly rapid increase in circulation of weeklies including an increase in number of weeklies in suburban areas. The fact that circulation increased sharply as a proportion of total revenue indicates that advertising did not increase proportionately to circulation. Since demand for advertising space is closely dependent upon circulation, it is to be expected that advertising revenue of weeklies will show sharp increases over the next few years in response to the significant circulation increases.

ADVERTISING REVENUE

ADVERTISING RATES, 1955-1969

Advertising rates are generally quoted in cents per line per advertisement placed. To the advertiser, the coverage provided is as important as the cost per line per advertisement placed. In comparing the costs of advertising for two separate daily newspapers, the advertiser is interested in the cost per consumer reached.

Comparisons are frequently based on a milline rate, that is the cost of an agate line of advertising per 1,000 circulation. For our purposes, we have employed the alternative formula based on one million circulation calculated in the following way:

$$\frac{\text{Agate-line rate} \times 1{,}000{,}000}{\text{Circulation of paper}}$$

This rate is interpreted as the cost of circulating one agate line of advertising to a standard circulation of one million subscribers. The milline rate gives a measure of the cost-per-line of advertising actually printed and distributed.

A comparison of milline rates for different papers gives a relative comparison of the costs of distributing a single line of advertising to a single subscriber. To the advertiser, this is the most important rate to use. In choosing between alternative advertising vehicles, his main concern is with the cost of distributing each line of advertising to each potential customer. (The use of the multiple of one million should not be allowed to cause confusion. The multiple is introduced to make the result large enough to be workable. To get the actual cost per line per consumer one could leave this multiple out.)

Retail and National Rates

All newspapers publish rate cards that quote the rates charged for advertising of different types. The generally published rate is the cost per line for national advertising. Retail advertising rates are generally not quoted in rate cards, but can be obtained from the newspaper on request. A substantial differential exists between national rates and retail rates: the former being considerably higher than the latter.

It is up to the individual newspapers, in conjunction with the Canadian Daily Newspapers Association, to decide whether an advertiser is a national or retail advertiser. A national advertiser is defined in terms of the extent of the market he deals with and in terms of the type of advertising program he has undertaken at any particular time. If he markets his product regionally or nationally, he generally falls into this category. As a result, practically all manufacturers, and most regional and national wholesalers, pay the national rate. Retail rates are open only to advertisers who operate retail stores in the market area covered by the newspaper. Retail chain stores, including chain department stores, pay the retail rate if they have stores in the market area.

Table 54 compares national and retail advertising rates for a selected group of daily newspapers in Canada.

Table 54. National and Retail Rates per Line for Selected Canadian Daily Newspapers – 1969

Newspaper	National Rate*	Retail Rate*	Retail as % of National
	$ per agate line	$ per agate line	%
Gazette (Montreal)	.58	.35	60.3
Citizen (Ottawa)	.30	.26	86.7
Nugget (North Bay)	.16	.13	81.3
Sun-Times (Owen Sound)	.13	.10	76.9
Spectator (Hamilton)	.46	.33	71.7
Tribune (Winnipeg)	.34	.27	79.4
News (Medicine Hat)	.14	.105	75.0
Herald (Calgary)	.36	.29	80.6
Journal (Edmonton)	.49	.40	81.6
Citizen (Prince George)	.16	.10	62.5
Guardian and Patriot (Charlottetown)	.19	.145	76.3
Reporter (Galt)	.14	.105	75.0
Journal-Record (Oakville)	.12	.11	91.7
Herald (Penticton)	.12	.105	87.5
Examiner (Peterborough)	.20	.1475	73.8
Herald (Prince Albert)	.13	.115	88.5
Star (Sudbury)	.24	.24	100.0
Chronicle-Telegraph (Quebec)	.13	.13	100.0
Star (Toronto)	1.45	.85	58.6

*Based on 5,000 lines per year, where applicable

Sources: Southam Press Limited, Thomson Newspapers Ltd., Retail Rate Card, Toronto Star, Canadian Advertising Rates and Data, July, 1969.

As can be seen from Table 54, in some cases the retail rates are only 55 per cent to 60 per cent of the national rates. This is a very striking discrepancy, given that the actual typographical material does not necessarily differ in complexity or form for either type of advertiser. These discrepancies in rates give rise to some important questions regarding rate-setting by daily newspapers in view of the fact that daily newspapers have been experiencing a decline in their share of national advertising.

The possible explanations for these rate differentials fall into two categories. The first has to do with costs. National advertising usually requires a middleman, the advertising agency, to bring the companies doing national advertising together with the geographically dispersed daily newspapers. In return for performing that function the advertising agency receives 15 per cent of the gross expenditure of the advertiser. The national rates quoted in rate cards include a provision for the standard 15 per cent commission to advertising agencies, with the result that the net rate received by the newspaper is 15 per cent below the quoted rate if the ad is placed through an advertising agency. Practically all retail advertising space, on the other hand, is negotiated directly between the retailer and the advertising sales department of the newspaper concerned, eliminating the commission payment. Some papers, including the Calgary *Herald,* the Hamilton *Spectator,* the Toronto *Globe and Mail,* and the Toronto *Telegram,* state specifically on their national rate cards that agency commissions will not be paid on local retail advertising. In other cases, it seems to be generally understood between retailers and newspapers that space is to be arranged directly through the parties concerned.

However, as can be seen from the percentage differences, the commission payment does not explain all, or in many cases, even a major part of the differential in rates. As a result, it must be concluded that newspapers consider the nature of demand for national advertising space to be such that a higher line rate can be charged without adversely affecting the amount of national advertising.

The case would seem to take the following form. Retail advertising is very cost sensitive. If retail rates were raised to a level equal to national rates, the quantity of space would decline to such an extent that the total amount of retail advertising revenue would decline. The per line rate increases would not compensate in terms of total receipts for the loss of linage.

On the other hand, national advertising is not as cost sensitive within the current range of rates. If national rates were lowered to the level of retail rates, there would be very little increase in the amount of linage, meaning that total national advertising revenue would decline. The extra linage generated by the rate cut would not be sufficient to compensate for the loss of revenue per line.

A combination of these two arguments is to justify a rate differential greater than that based on cost differences alone. In pre-television days, there may have been some justification for this argument. National advertising tended to take the form of a regional or national blitz on a product, rather than a regular promotional activity throughout the year (a good example was the heavy fall promotion of new automobile models). These blitzes were considered a necessity by manufacturers. No other media could present the visual effects on a mass scale in the way that daily newspapers could. Further, not even the more regular advertisers wanting to develop regional or national markets could get the required mass visual coverage required without the use of daily newspapers. As a result, it was considered that most national advertising would come to daily newspapers, regardless of what rates were charged (within a reasonable range, of course).

Retail advertisers, on the other hand, had more advertising alternatives, and more marketing alternatives in general. Retail advertisers could, in many instances, obtain satisfactory results with the once-a-week, limited geographical coverage provided by weekly newspapers. They could also distribute advertising flyers at reasonable cost within the market area covered. This alternative generally was not, and still is not, open to national advertisers because of prohibitive costs involved in distributing flyers over a wide geographical area and because flyers are generally read only if they provide price and market selection information. Brand-name promotion, of interest to national advertisers, is virtually impossible through the use of flyers. Retailers can also effectively practise price competition by word of mouth transmission of this information, making it possible to cut back on advertising if it becomes too costly.

For these reasons it was possible to demand, and get, a premium on national advertising without adversely affecting the volume of such advertising. Cutting the national rate down to the retail rate would not have generated significantly greater revenues, while bringing the retail rate up to the national rate would have seriously affected revenues.

The spread of television and the use of more regularized national advertising appears to have changed all of this. National advertising has an effective alternative to newspapers, making it much more cost sensitive. Likewise, the greater regularization of national advertising has caused national advertisers to look more closely at alternatives. The effect of television on national advertising receipts of daily newspapers has already been indicated.

Volume Discount Rates

Most of the larger dailies indicate on their rate cards that substantial per-line discounts are available for large-scale advertising programmes. Since, in most cases, rate cards are not published for retail advertising, these data are generally available for national advertising rates only. However, the Toronto *Star* does publish a retail rate card, and equivalent types of discounts are offered for retail advertising. It is understood that these discounts are available for retail advertising in most other larger dailies as well.

Table 55 offers an indication of the nature and extent of discounts given for volume purchases of advertising space.

The justification for these quite substantial discounts would appear to be mostly in the demand side. In terms of costs of placing the ads, there is no significant reduction in costs to the newspaper as a result of volume if the ads are placed through an agency, although selling costs may be reduced.

The discounts largely reflect the power of the large advertiser to influence the cost of his advertising programme. In recognition of that power, volume discounts are now institutionalized to the extent of being included in many rate cards.

The main effect of volume discounts is to put small advertisers at a disadvantage relative to large firms in terms of advertising costs. This reinforces pressures toward larger-scale firms in the economy, since it introduces a somewhat artificial scale economy.

Table 55. National Advertising Rates per Line for Selected Daily Newspapers in July, 1969

Number of Lines Per Year	Journal (Edmonton)	Citizen (Ottawa)	Telegram (Toronto)	Star (Montreal)
	Rate Per Line			
	Dollars			
Single Line	.51	.32	1.50	.80
1,000 Lines	–	–	1.40	.78
2,500 Lines	–	.31	1.35	–
5,000 Lines	.49	.30	1.30	.76
10,000 Lines	.48	.29	1.25	.74
20,000 Lines	–	–	1.18	–
25,000 Lines	.47	.28	1.15	.72
36,000 Lines	–	–	1.10	–
50,000 Lines	.46	.27	1.07	.70
100,000 Lines	.45	.26	1.05	–
200,000 Lines	.44	–	–	–
300,000 Lines	.43	.25	–	–

Source: C.A.R.D., July, 1969.

Co-operative Advertising Rates

The separation of national advertising from retail has created a problem that always exists when two different prices are charged for a closely similar or identical product: the problem of how to prevent national advertisers from devising means of placing ads disguised as retail advertising. This problem has become more pressing as franchised dealers become a more popular form of merchandising. In this situation, it is possible for the local dealer to place the ad for the nationally-marked product and be reimbursed by the producer for the cost of the ad.

Daily newspapers have devised a method that appears to be a very effective solution to this problem. If a local dealer places an advertisement for a product that is marketed nationally, it is up to the newspaper's discretion to decide whether the relevant rate will be the national or the retail rate. Practically every rate card gives the criterion used to make this decision. For example:

> Co-operative advertising by local dealers will be accepted at local rates when manufacturer or distributor is carrying an adequate national advertising campaign.

It is said that this solution appears very effective. There is no indication, however, of how much potential advertising is lost to other media as a result of this practice.

Other Advertising Rates

The structure of relative rates for other types of advertising is not nearly so institutionalized as that of national and retail rates. Table 56 outlines various rates for a selected group of daily newspapers.

Table 56. Advertising Rates by Type of Advertising

Name of Paper	National	Classified	Financial	Reading Notices	Legal	Careers	Political	Gov't & Municipal	Amusem't & Sport
					Dollars				
Columbian	.27	.35	–	.31	.27	–	.27	–	–
Sun and Province (Vancouver)	1.40	1.40	–	2.80	–	–	–	1.40	1.50
Herald (Calgary)	.37	.37	–	.74	.37	.37	.37	–	–
Herald (Lethbridge)	.17	.21	–	.34	–	–	–	.34	–
Herald (Prince Albert)	.13	.225	–	.26	.19	–	.13	.19	–
Free Press (Winnipeg)	.47	.28	–	.47	.47	–	.47	.47	.47
Examiner (Peterborough)	.20	.21	–	.40	.27	–	–	–	–
Globe and Mail (Toronto)	1.50	.85	1.90	3.65	–	1.70	–	–	–
Star (Toronto)	1.65	.75	1.65	3.30	–	1.65	–	–	–
Telegram (Toronto)	1.50	.70	1.60	3.00	–	1.40	–	–	–
Le Devoir (Montreal)	.28	.28	.35	.50	.35	–	.45	–	.35
Gazette (Montreal)	.58	.50	.70	1.16	.60	.70	.58	–	.58
La Presse (Montreal)	1.10	.80	1.50	–	1.00	.85	–	–	1.10
Star (Montreal)	.80	.65	.85	–	.80	.80	.80	–	1.00
Chronicle-Herald and *Mail-Star* (Halifax)	.43	.43	.43	.50	–	.50	–	–	–

Source: Canadian Advertising Rates and Data, July, 1969.

There is very little standardization in the relationship of different types of rates among different newspapers. This can be seen by comparing classified rates with national rates. For four of the newspapers selected, classified rates are greater than national rates; for four, the two are the same; and, for seven, classified rates are less. Rates for reading notices (advertisements made up in editorial-type format) are generally considerably higher than national rates. Other types of rates are generally equal to or higher than the national rates.

While the rates used in Table 56 are drawn from the rate cards, it must be recognized that, with the general exception of national rates, the rates stated on rate cards are not necessarily the rates always paid by the advertiser. Special rates can often be negotiated by the advertiser if his business is sufficiently important to the newspaper.

In addition to the types of rates listed in Table 56 extra premiums are charged for colour advertising and, in some cases, for a guaranteed space on a specified page or position on a page. The size of the colour premium various considerably from paper to paper, with the premium for a single colour varying anywhere from 10 per cent to 35 per cent of the rate for non-colour, calculated on the basis of the minimum size ad accepted (usually 600 to 1,000 lines). The premium increases with the number of colours used. About 90 per cent of the dailies in Canada now have the facilities to print colour advertisements.

While most papers specify in their rate cards that a special position premium is charged for guaranteed position, this appears to be rarely invoked. Currently, positioning of ads appears to be used as a non-price bargaining tool. Large advertisers are often given choice positions to encourage them to continue their advertising programme.

Discounts are offered by all newspapers for early payment of outstanding accounts. The general practice is to allow a 2 per cent discount for payment of accounts by the twentieth day of the month following the publication of the advertisement.

What Structure for Rates?

The problem of the appropriate relationship for different types of advertising rates is a complex one. It is also an extremely important one, at a time when each of the media is uncertain about its competitive position as an advertising vehicle.

One of the major difficulties about establishing an optimum rate structure is that costs provide little guidance. All advertising is expected to generate revenue in excess of the publishing costs, since the revenue from advertising is used to subsidize the publication of news and editorial content. As a result, while it can be safely concluded that no advertising should be carried if it does not meet its own costs, the proportion above costs at which each rate should be set depends almost entirely on the conditions influencing demand for that type of space.

In a very general way, there is a useful guideline for establishing the optimum relationship between different rates for any individual newspaper. An overall mean rate should be established which, if charged equally for all advertising, would generate sufficient revenue to meet the total costs of publishing a newspaper containing that amount of advertising. Some rates should be adjusted downward from the mean, and some upward. Which should move which way, and the extent of the differential, depends almost entirely upon the conditions of demand for that type of advertising.

Those types of advertising for which the volume is highly price-sensitive within the relevant rate range should be adjusted downward from the mean. This is true as long as the downward adjustment of rates generates sufficient extra advertising volume as to increase total net revenue from that type of advertising (that is, revenue after costs of producing the ads themselves). Such price-sensitivity is likely to exist where some other type of advertising medium is judged to be of almost equal value in terms of rates, or where alternative marketing techniques exist at reasonable costs.

Those types of advertising for which the volume is price-insensitive should be adjusted upward from the mean. In such cases, higher rates will not significantly decrease volume, yielding greater total net receipts on such types of advertising.

A great deal of study remains to be done in establishing the price-sensitivity of different types of ads. As a preliminary conclusion, it seems that classified advertising is likely the least price-sensitive, retail advertising more price-sensitive, and national advertising the most price-sensitive. This is based almost solely on the fact that classified advertising has the least competitive, and national advertising the most competitive, alternatives.

One strong word of caution should be made about this conclusion as it pertains to national rates. It is possible that a large part of national advertising currently placed in dailies could get much better value for money by switching to television but cannot make the shift because television time is not available. If this were the case, then national advertising in dailies would be insensitive to rate changes. The major factor influencing volume would be availability of television time, and not relative rates. If this is the case, it is a gloomy portent of the future. If new VHF channels and original advertising on cable are both permitted in the near future, it could be expected there would be a much larger shift of national advertising from dailies to television than is currently evident. This would have serious consequences for daily newspapers in the more heavily-populated areas where new television outlets can be expected to develop.

There are reasons for expecting, however, that the relative position of rates, rather than the availability of time, is the main factor preventing a further shifting of advertising from the dailies to television. First, in many market areas television stations are not able to sell all of the time they have available. Second, if television broadcasters are profit maximizers, they would be expected to increase rates to a point at which rates are at the maximum level which will still fill the available time. If this be so, it would be true conversely that a reduction in national newspaper rates relative to television rates would draw a greater share of national advertising back to newspapers.

Trends in National Advertising Rates 1955-1969

Tables 57 and 58 contain time-series data on national advertising rates. The papers included are those which have been publishing since at least 1955. Rates are based on volume contracts of 5,000 lines per year where applicable. Milline rates have been calculated, since these give the most accurate measure of unit costs to advertisers for advertising space.

Table 57. Rates per line and Milline Rates for Selected Daily Newspapers, 1955 – 1969

Circulation Group Name of Paper	1955 Rate	1955 Cost per 1,000,000	1960 Rate	1960 Cost per 1,000,000	1965 Rate	1965 Cost per 1,000,000	1969 Rate	1969 Cost per 1,000,000
				Dollars				
3,000 – 5,000 Circulation								
News (Truro	.04	12.56	.05	13.38	.05	12.15	.07	15.13
Chronicle Telegraph (Quebec)	.08	14.21	.09	16.36	.11	20.37	.13	27.02
Post (Lindsay	.035	14.07	.05	20.91	.05	17.40	.075	18.75
Evening Guide (Port Hope)	.04	19.69	.055	26.28	.07	24.06	.09	29.84
Daily Graphic (Portage la Prairie)	.05	25.65	.06	24.32	.08	26.39	.09	26.89
Herald Tribune (Grande Prairie)	–	–	–	–	.10	22.10	.12	28.37
News (Prince Rupert)	.07	21.73	.10	32.78	.12	35.73	.12	29.10
News (Amherst)	.04	14.81	.07	17.63	.08	21.68	.085	22.24
5,000 – 7,000 Circulation								
Daily News (St. John's)	.065	7.24	.075	10.61	.09	15.42	.09	14.94
Northern Daily News (Kirkland Lake)	.06	10.26	.08	13.12	.10	15.18	.12	19.34
Times (Trail)	.07	12.83	.09	15.87	.10	16.14	.12	18.97
7,000 – 10,000 Circulation								
L'Evangeline (Moncton)	.08	11.18	.10	9.85	–	–	.12	14.67
Record (Sherbrooke)	.07	8.27	.10	11.55	.12	13.56	.13	15.06
Packet & Times (Orillia)	.06	14.63	.08	14.92	.10	15.04	.12	15.37
Beacon-Herald (Stratford)	.08	8.24	.10	10.19	.11	11.21	.13	13.48
Times-Herald (Moose Jaw)	.08	8.63	.10	13.52	.12	13.79	.14	15.30
Herald (Prince Albert)	.06	9.50	.09	13.50	.11	14.71	.13	16.08
News (Medicine Hat)	.05	9.64	.09	14.13	.11	14.47	.14	18.09
Free Press (Nanaimo)	.05	9.22	.09	11.21	.12	13.93	.14	15.12

Table 57. Rates per line and Milline Rates for Selected Daily Newspapers, 1955 – 1969 (Continued)

Circulation Group / Name of Paper	1955 Rate	1955 Cost per 1,000,000	1960 Rate	1960 Cost per 1,000,000	1965 Rate	1965 Cost per 1,000,000	1969 Rate	1969 Cost per 1,000,000
				Dollars				
10,000 – 15,000 Circulation								
La Voix de l'Est (Granby)	.08	15.15	.10	10.23	.12	11.73	.14	12.48
Recorder & Times (Brockville)	.06	4.38	.09	10.57	.12	11.93	.14	12.95
News (Chatham)	.09	6.56	.12	8.41	.14	9.49	.15	10.12
Standard-Freeholder (Cornwall)	.08	6.43	.11	7.92	.13	9.63	.15	10.57
Reporter (Galt)	.08	7.55	.10	8.67	.12	9.42	.14	10.40
Sun-Times (Owen Sound)	.08	6.47	.10	9.14	.11	8.85	.13	9.25
Times-Journal (St. Thomas)	.08	7.33	.10	9.32	.11	10.11	.14	12.43
Press (Timmins)	.08	7.63	.105	10.71	.12	9.89	.14	12.04
Sentinel-Review (Woodstock)	.08	9.05	.09	9.45	.11	11.11	.13	12.84
Sun (Brandon)	.07	8.18	.10	10.34	.12	9.81	.16	11.86
Daily News (Nelson)	.07	7.74	.09	10.30	.10	11.76	.12	11.96
15,000 – 20,000 Circulation								
Gleaner (Fredericton)	.07	6.92	.12	8.87	.12	8.61	.13	7.89
Intelligencer (Belleville)	.065	6.34	.10	8.28	.12	8.65	.13	8.30
Times-Journal (Port Welland)	.09	6.54	.11	7.06	.13	8.15	.17	10.06
Mercury (Guelph)	.08	6.87	.11	8.40	.13	8.69	.17	10.13
Review (Niagara Falls)	.08	5.98	.11	7.61	.125	7.61	.13	7.25
Nugget (North Bay)	.08	6.66	.10	7.53	.13	8.21	.16	9.07
News-Chronicle (Port Arthur)	.08	6.57	.11	7.11	.13	8.73	.17	11.26
Observer (Sarnia)	.09	6.81	.12	7.97	.15	8.93	.17	9.30
Tribune (Welland - Port Colborne)	.08	5.77	.12	7.73	.15	8.43	.17	8.92
Herald (Lethbridge)	.09	5.66	.12	6.89	.13	6.97	.17	8.60

20,000 – 30,000 Circulation								
Evening Telegram (St. John's)	.08	5.14	.105	7.11	.13	6.08	.15	5.27
Guardian (Charlottetown)	.09	6.58	.15	7.85	.18	8.73	.19	8.78
Post-Record (Sydney)	.14	5.15	.16	6.29	.18	6.64	.26	9.58
Expositor (Brantford)	.10	5.12	.12	5.77	.16	7.01	.18	7.00
Whig-Standard (Kingston)	.09	4.64	.12	5.83	.16	6.79	.21	7.26
Times-Gazette (Oshawa)	.08	6.39	.12	7.86	.15	7.55	.19	8.23
Examiner (Peterborough)	.09	5.19	.11	5.03	.155	6.56	.20	7.59
Star (Sault Ste. Marie)	.08	5.95	.12	7.67	.15	7.97	.17	8.17
Columbian	.11	9.24	.15	8.84	.21	11.09	.25	9.43
30,000 – 40,000 Circulation								
Daily Times (Moncton)	.10	4.69	.14	5.35	.18	6.46	.21	6.31
L'Action (Quebec)	.22	3.03	.24	4.22	.24	5.98	.24	7.43
La Tribune (Sherbrooke)	.12	4.90	.16	4.86	.25	5.83	.28	7.58
Le Droit (Ottawa)	.13	4.95	.15	4.70	.18	5.00	.20	5.32
Standard (St. Catherines)	.10	4.46	.12	4.47	.155	5.31	.18	5.25
Star (Sudbury)	.14	5.85	.18	6.66	.21	6.94	.24	7.15
Albertan (Calgary)	.13	4.44	.17	4.52	.21	5.87	.25	6.94
40,000 – 70,000 Circulation								
Telegraph-Journal (Saint John)	.17	3.83	.22	4.85	.24	5.01	.29	5.45
Le Devoir (Montreal)	.12	4.96	.15	4.79	.25	6.18	.28	6.69
Colonist and *Times* (Victoria)	.29	5.93	.31	6.02	.31	5.19	.35	5.04
Le Nouvelliste (Trois-Rivières)	.12	4.15	.15	4.45	.23	5.54	.31	6.57
Record (Kitchener-Waterloo)	.13	4.26	.15	4.39	.18	4.40	.21	4.16
Leader-Post (Regina)	.15	3.34	.17	3.40	.20	3.50	.28	4.64
Star-Phoenix (Saskatoon)	.14	3.87	.16	4.10	.19	4.38	.25	5.29
70,000 – 100,000 Circulation								
Citizen (Ottawa)	.20	3.53	.23	3.33	.28	3.90	.30	3.65
Journal (Ottawa)	.20	3.26	.23	3.33	.26	3.70	.28	3.58
Daily Star (Windsor)	.25	3.38	.28	3.67	.30	3.76	.34	3.88
Herald (Calgary)	.20	3.43	.25	3.56	.31	3.82	.36	3.79
Tribune (Winnipeg)	.20	2.85	.26	3.61	.31	4.14	.34	4.59

Table 57. Rates per line and Milline Rates for Selected Daily Newspapers, 1955 – 1969 (Concluded)

Circulation Group Name of Paper	1955 Rate	1955 Cost per 1,000,000	1960 Rate	1960 Cost per 1,000,000	1965 Rate	1965 Cost per 1,000,000	1969 Rate	1969 Cost per 1,000,000
				Dollars				
100,000 – 150,000 Circulation								
Chronicle-Herald and *Mail-Star* (Halifax)	.32	2.97	.36	3.36	.40	3.57	.43	3.67
Gazette (Montreal)	.22	2.58	.37	3.20	.50	3.69	.58	4.18
Matin (Montreal)	.15	2.29	.20	2.11	.45	3.56	.50	3.98
Spectator (Hamilton)	.24	2.75	.32	3.16	.41	3.59	.46	3.62
Free Press (London)	.29	3.18	.34	3.29	.36	3.06	.46	3.73
Free Press (Winnipeg)	.26	2.30	.36	2.98	.42	3.72	.45	3.36
150,000 + over Circulation								
La Presse (Montreal)	.45	1.95	.80	3.35	.95	3.73	1.10	5.22
Star (Montreal)	.42	2.71	.55	3.09	.64	3.26	.76	3.87
Globe and Mail (Toronto)	.65	2.66	.80	3.67	1.10	4.89	1.30	5.08
Star (Toronto)	.75	1.80	1.15	3.55	1.20	3.49	1.45	3.86
Telegram (Toronto)	.60	2.37	.75	3.32	1.05	4.78	1.30	5.43
Journal (Edmonton)	.24	2.69	.35	3.34	.42	3.33	.49	3.26
Province & *Sun* (Vancouver)	.93	2.86	1.10	3.47	1.20	3.56	1.40	3.89
Le Soleil (Quebec)	.33	2.71	.40	3.16	.50	3.18	.60	3.78

Source: Canadian Advertising Rates and Data (January of 1955, 1960, 1965. July of 1969)

Table 58. Indices of Advertising Rates by Size Groups, 1969

Index – 1955 = 100*

Circulation Group	Rates Per Line				Milline Rates			
	1955	1960	1965	1969	1955	1960	1965	1969
3,000 – 5,000 ...	100	133	185	219	100	123	146	160
5,000 – 7,000 ...	100	125	148	169	100	130	154	175
7,000 – 10,000 ...	100	141	–	198	100	124	–	155
10,000 – 15,000 ...	100	130	152	181	100	121	131	146
15,000 – 20,000 ...	100	139	163	195	100	120	219	141
20,000 – 30,000 ...	100	134	171	209	100	116	128	133
30,000 – 40,000 ...	100	123	151	170	100	107	128	142
40,000 – 70,000 ...	100	116	142	175	100	105	112	124
70,000 – 100,000 ...	100	119	139	154	100	106	117	118
100,000 – 150,000 ...	100	157	204	232	100	112	131	140
150,000 and over	100	153	183	218	100	135	151	172

	1955	1960	1965	1969
*Consumer Price Index:	100	110	119	140

Source: Consumer Price Index: Prices and Price Indices, D.B.S. 62-002 (Monthly)

The papers have been grouped by circulation sizes, based on 1969 circulation, and indices have been constructed to measure the movement of rates for each group over the 1955 to 1969 period. These indices give a measure of the degree of inflation of rates over the period.

The results show that rates per line for all size-groups have increased considerably faster than consumer prices over the period. While there is a considerable range in the rates of increase in rates per line, the lowest increase was 54 per cent for the 70,000 to 100,000 group, while consumer prices over the same period increased by 40 per cent. Both the smallest and largest circulation groups had rate per line increases of 118 per cent – 119 per cent, roughly three times the rate of increase in consumer prices.

For all except the 5,000 – 7,000-group, milline rates increased at a considerably slower rate than rates per line. This is explained by the fact that circulation for the papers in these groups grew at a faster rate than the rates per line for advertising.

Assuming that the papers on average maintained a relatively constant proportion of advertising to total space, changes in milline rates indicate changes in revenue required to meet the per column costs of publication (including profit). Since milline rates also provide the best measure of the cost per unit of advertising services rendered by a newspaper to an advertiser, they give the best measure of the degree of inflationary rate increases.

While milline rates increased for all groups, the rate of inflation was, for a number of groups, considerably less than the overall rate of inflation in the economy as indicated by the consumer price index. Milline rates for the four smallest circulation groups, the 30,000-to-40,000 groups, and the 150,000 + -group increased at a faster rate than consumer prices. Milline rates for intermediate-size papers in the 40,000-to-100,000 circulation range increased at a considerably slower rate than consumer prices. Advertisers in papers of this size range thus experienced an increase in per-unit costs of advertising which was considerably less than the per-unit increase in the prices of products which they marketed.

It is nevertheless undeniable that inflationary trends in advertising rates have been relatively strong over the period. It has already been concluded that this inflation was sparked by growth in demand throughout most of the period. The rate of growth in demand for advertising space has permitted rate increases of the extent indicated. These rate increases have been such as to yield an increase in profits' share of the total value added of the industry, indicating that demand growth was greater than the growth in costs.

In light of this conclusion, other trends in demand for advertising space revealed in this study, which have been classified as "problems" for daily newspapers, must be kept in perspective. These problems, such as the increasingly strong position of weeklies in the retail advertising field, and the appropriation of national advertising by television, really imply two things. First, daily newspaper publishing would have been even more profitable in the past if such "problems" had not presented themselves. Second, these "problem" trends offer warnings for the future. If daily newspaper publishing is to remain a healthy, viable industry, steps must be taken by publishers to ensure that dangerous trends evident today are not the thin edge of more destructive forces of the future.

Comparative Rates in 1969

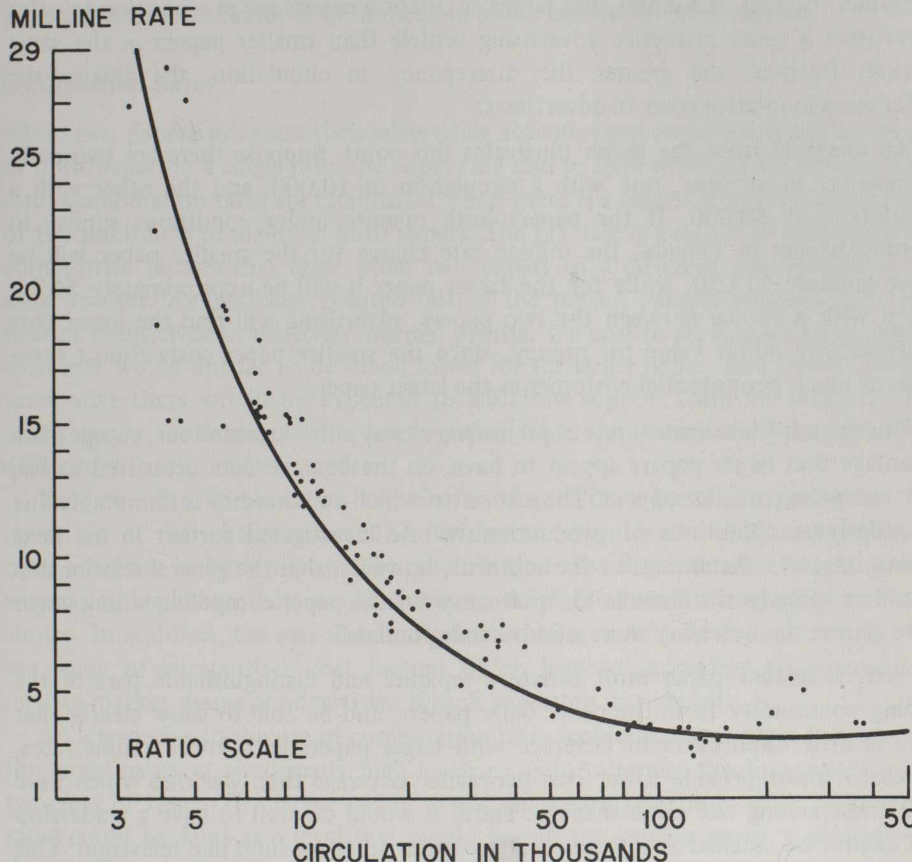
Chart 6 plots the 1969 national milline rates for all daily newspapers in Canada against the circulation of the papers. The results are extremely important.

The solid line on the graph traces the trend in rates as the circulation size of newspapers increases. Fitted to the data, it forms a relatively smooth curvelinear line sloping downward to the right. This line indicates that, as a general relationship, the larger the circulation of a newspaper, the lower the milline rate charged.

The shape of this line suggests that the larger the circulation of a paper, the smaller is the cost-per-line-printed. Assuming that advertising space is a relatively constant proportion of total space, the milline rate could be transposed by an appropriate multiple to yield the revenue per million lines printed. This revenue function would take the same shape as the functional relationship between milline rates and circulation. If revenue per line is roughly equal to cost per line ("cost" including a 'normal" profit) then cost-per-line-printed decreases as circulation increases.

The supposition that the revenue-per-line function takes the same general shape as the cost function assumes that daily newspaper publishers in the large size range do not take significantly larger "monopoly" profits than those in the smaller size range. This assumption is justified on a number of grounds. First, profitability data by and large support this assumption. Second, the countervailing power of large-scale manufacturing firms, chain stores, and department stores is probably sufficient to prevent newspapers in general from taking large monopoly profits. Third, if the shape of the graph is dictated by the fact that some daily newspapers are taking larger monopoly profits than others, then one would have to conclude that the small dailies are the culprits.

Chart 6
MILLINE RATE AND CIRCULATION



SOURCE: For the original derivation of the above type of relationship between milline rates and circulation see John R. Malone's "Economic-Technological Basis for Newspaper Diversity," Journalism Quarterly (Summer, 1951).

This is highly improbable, and it is not supported by other data. Fourth, the generation of monopoly profits depends upon an industry being isolated from effective competition from other industries providing a similar service. Competition from weeklies, radio, and television is relatively strong for papers of all sizes, making it improbable that small dailies are in a position to generate significantly greater monopoly profits than larger papers.

If these assumptions are correct, then the graph outlined here also outlines the shape of the cost function for the industry. This in turn suggests that costs-per-line decrease significantly as the number of lines printed increases. Since costs are extremely important in determining milline rates, the whole question of the relationship of costs to circulation is investigated in more detail in a separate section.

Assuming for the moment that the shape of the rate function on the graph is determined by realities invoked by costs, this has important implications for competitive conditions in the industry. Since advertisers, in choosing their advertising vehicle, are primarily concerned with the cost-per-potential-consumer-reached, it follows that larger circulation papers are in a position to offer advertisers a more attractive advertising vehicle than smaller papers in the same market. Further, the greater the discrepancy in circulation, the greater the differences in relative costs to advertisers.

An example from the graph illustrates this point. Suppose there are two daily newspapers in an area, one with a circulation of 10,000, and the other with a circulation of 50,000. If the papers both operate under conditions similar to existing papers in Canada, the milline rate charge for the smaller paper will be approximately $13.50, while for the larger paper it will be approximately $4.75. Faced with a choice between the two papers, advertising will find the lower cost paper to give better value for money, since the smaller paper costs almost three times as much per-potential-customer as the larger paper.

This example indicates, in a preliminary way, the tremendous competitive advantage that larger papers appear to have, on the basis of data presented so far, over competing smaller papers. The extent to which relationship is immutable due to underlying conditions of production will be investigated further in the next section on costs. Assuming for the moment, however, that the general relationship of milline rates to size does hold, what can a smaller paper competing with a larger do to attract the necessary share of advertising dollars?

First, a smaller paper must isolate a separate and distinguishable part of the reading community from the other daily papers, and be able to show clearly that there is little duplication of coverage with larger papers with lower milline rates. Second, it must provide lower cost-per-reader coverage than weeklies which have circulation among the same readers. Third, it would do well to have a readership that cannot be reached at a lower cost by some other medium like television. This would help to avoid the possibility that advertisers may obtain lower cost total coverage by using a combination of television and the larger daily, rather than the two dailies. Fourth, it must somehow convince advertisers that the coverage it provides is in some way important enough to the advertiser to justify his paying a much higher rate-per-potential-customer-reached.

If the smaller paper in a competitive situation is unable to do all of these things, it stands little change of attracting sufficient advertising dollars to remain operational. Nothing is more cold-blooded than the advertising dollar. Understandably an advertiser wishes to minimize his expenditure-per-consumer, and the lower the cost-per-potential-customer reached, the more attractive the advertising alternative.

The conclusions reached on the basis of the data in this graph provide an extremely important hypothesis regarding the causal forces leading to the development of monopoly daily papers in most Canadian cities. It would appear that larger papers are able to offer a lower-cost advertising vehicle than smaller papers. If this is so, larger papers are in a position to appropriate a larger share of the advertising in the market. Since advertising is the life-blood of a newspaper, this makes it difficult for a smaller paper to survive.

For the same reason, new entrants have little chance of competing effectively. By its very nature, a new entrant starts small, relative to the size of the competing paper, and this size factor is an immediate strike against the now entrant.

Combination Rates

When two papers integrate their advertising activities and require that ads be placed in both papers at a single rate, the papers are said to have established a combination rate. Combination rates are established when there is a common interest on the part of the publishers to maintain both papers. The practice is a means of restraining the competitive factors that arise when two papers of a different size operate in the same market. As has been pointed out, if the papers operate independently and restrict themselves to relatively normal profits, the cost to advertisers per potential customer would appear to be much lower for the larger paper. As a result, through time, advertisers would be expected to withdraw support from the smaller, more costly paper, switching to the larger paper. This would eventually lead to great difficulties for the smaller paper.

The use of a combination rate in fact forces the advertiser to subsidize the operation of the smaller paper. If he wishes to advertise in a daily newspaper, he must advertise in both papers. The result is that advertisers usually carry a greater advertising load than they would if they could place ads in the single paper of their choice. In addition, the establishment of a common rate for both papers diminishes the force of competitive cost factors which lead to increasing discrepancies in relative market shares of advertising if each paper has its own rate.

An alternative to the use of combination rates would be to maintain the rates for the larger paper at abnormally high levels so as to minimize the discrepancy in the two sets of rates. The larger paper would then earn large monopoly profits, and rates could be kept at a level that would permit the smaller paper to continue to draw sufficient advertising so as to be profitable also.

This alternative has disadvantages. In some cases it would be suspect as a form of price fixing under restrictive trade practices legislation. It would also lead to milline rates for the larger paper greatly out of line with other papers in Canada of equal size. This would create a strong adverse reaction on the part of advertisers, a reaction most papers are not willing to risk.

By the use of combination rates, a more reasonable milline rate can be set for the larger paper while at the same time keeping the advertising cost per subscriber the same for both papers. A rate can be set that keeps the two papers, each taken as a single unit, profitable, even though excess profits from the one paper are in fact subsidizing the other.

Combination rates offer an advantage in addition to that of establishing a common milline rate for two papers of differing sizes. In cases where there is considerable duplication of circulation (for example, morning and evening papers in the same city) not even equal milline rates would be sufficient to attract sufficient advertising to both papers Most advertisers would use the larger paper, with the result that the smaller paper would receive very little advertising. By the introduction of combinations, advertisers are faced with an all-or-nothing choice. The combination rate system generates a greater volume of advertising than there would be in its absence. Generally this creation of a greater volume accrues as a benefit to the smaller paper.

In general, some form of joint ownership of part of all of the publishing facilities is required in order to stimulate any interest in the use of combination rates. Under any other circumstances, less competition is generally considered by firms to be better than more, with the result that the larger paper would have little interest in maintaining the viability of the smaller paper.

Technically, there are sixteen dailies in Canada for which advertising is sold in combination. This group contains the following paired combinations: Vancouver *Sun* and *Province,* Victoria *Colonist* and *Times,* Moncton *Times* and *Transcript,* Saint John *Telegraph-Journal* and *Evening Times-Globe,* Charlottetown *Guardian* and *Patriot,* Halifax *Chronicle-Herald* and *Mail-Star.* In all cases one of the pair is a morning paper and one is an evening paper. With the exception of the Vancouver papers, all are owned and published by the same publisher. The Vancouver case is somewhat complicated by the fact that, while both papers are owned by Pacific Press Limited, 50 per cent of the company is owned by Southam Press Limited, and 50 per cent by F.P. Publications Limited. In addition, each paper maintains a separate publications department. with the publisher (manager of the publications department) of the *Province* appointed by Southam and the publisher of the *Sun* appointed by F.P.

The other four papers which have combination rates make up the Columbian group of papers in British Columbia. These are the New Westminster *Columbian*, the Surrey *Columbian,* the Burnaby *Columbian,* and Coquitlam *Columbian.* These four papers are all owned and published by the Columbian Company Limited.

An examination of the milline rates of each of these groups indicates that the rates are quite consistent with rates for papers of the same general circulation size. This would suggest that these combination arrangements have not been utilized to generate excessive monopoly profits through an inflation of rates. More surprisingly, it also does not appear that the indirect subsidization of one paper through the other has led to a cost-generated inflation of rates.

Two factors explain the lack of any cost inflation of rates. First, a large part of the benefits of the use of combination rates appears to come through the extra volume of advertising generated through facing advertisers with an all-or-nothing choice. Rather than not advertise at all, many advertisers are willing to accept the forced increase in expenditures brought about by the forced combination. Second, all of the papers that have combination rates are composed and printed in the same plant. All except the Vancouver *Sun* and *Province* also use virtually the same editorial, advertising, and circulation staff. This combination of production activities, which is really part and parcel of the same joint business agreement, reduces overhead costs considerably from what they would be if each of the papers were produced by separate units. This reduction in costs helps to make it possible for the milline rates of papers sold in combination to be generally in line with independent papers with roughly equivalent total circulation.

ADVERTISING REVENUE, 1950-1969

Chart 7 and Table 59 show movements in net advertising receipts of newspapers and periodicals in Canada since 1950. These are net figures in the sense that advertising commissions, where applicable, are not included.

Chart 7

ADVERTISING RECEIPTS, BY MEDIUM, 1950–1967

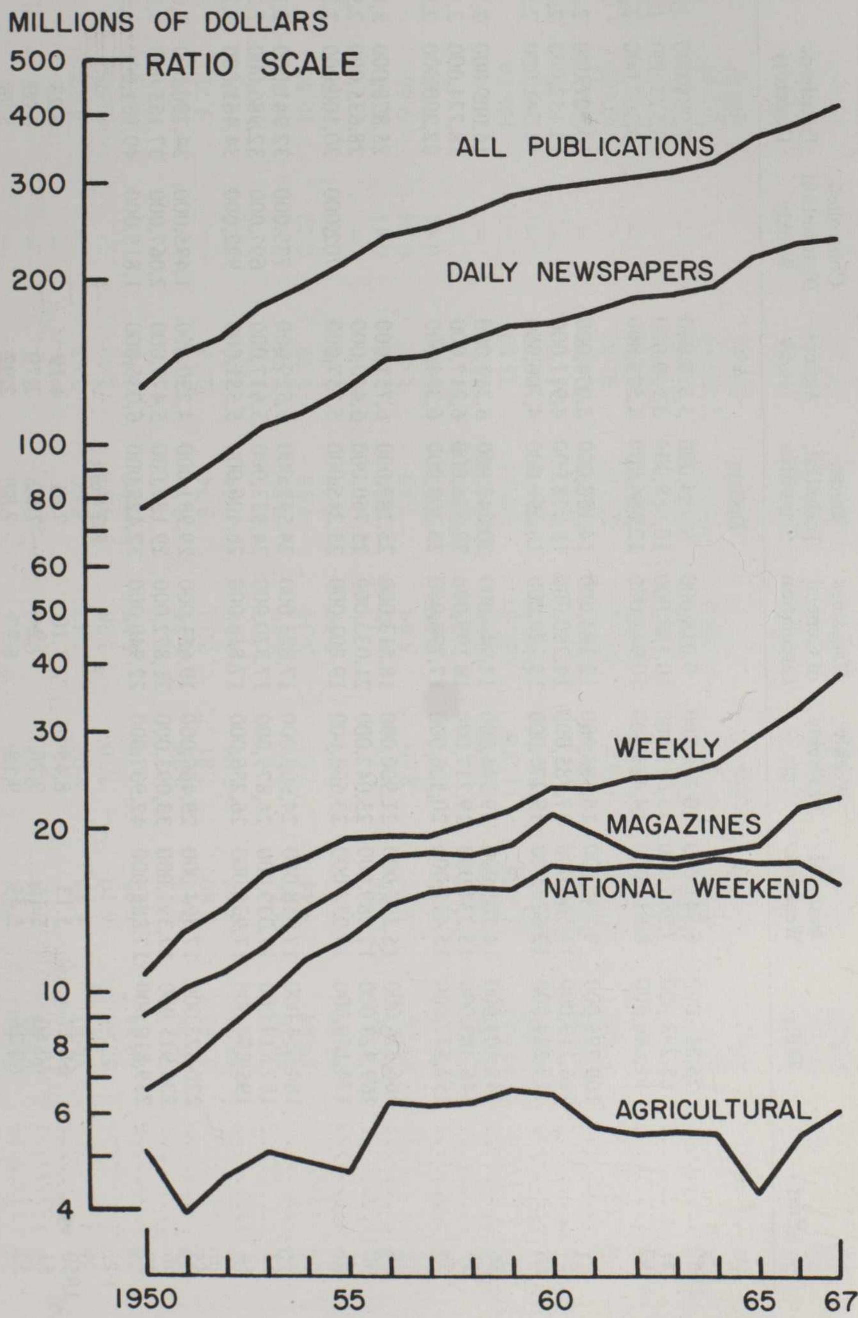


Table 59. Net Advertising Revenue of Newspapers and Periodicals

Year	Daily	National Weekend	Weekly bi-Weekly etc.	Magazines of General Circulation	Trade, Technical, Scientific	Agricul-tural	Controlled Distribution Weekly	Telephone Directory	Other	Total
					Dollars					
1950	76,846,000	6,541,000	10,748,000	9,058,000	9,704,000	5,337,000	–	7,938,000	1,320,000	127,491,000
51	85,283,000	7,266,000	13,059,000	10,188,000	10,588,000	3,929,000	–	8,573,000	1,847,000	140,733,000
52	94,640 000	8,614,000	14,416,000	10,947,000	12,366,000	4,573,000	–	9,367,000	2,125,000	157,049,000
53	109 795 000	9,794,000	16,588,000	12,184,000	14,158,000	5,074,000	–	10,727,000	2,503,000	180,824,000
54	116,113,000	11,566,000	17,785,000	14,280,000	15,238,000	4,911,000	–	12,152,000	2,577,000	194,622,000
55	127,224,000	12,822,000	19,275,000	15,720,000	16,290,000	4,706,000	–	13,741,000	2,573,000	212,474,000
56	142,409,000	14,701,000	19,344,000	17,940,000	20,642,000	6,311,000	–	16,009,000	2,742,000	240,097,000
57	146,389,000	15,234,000	19,217,000	18,109,000	22,876,000	6,217,000	–	18,724,000	2,808,000	249,575,000
58	152,537,000	15,457,000	20,306,000	17,798,000	23,383,000	6,304,000	–	22,290,000	2,948,000	261,023,000
59	166,316,000	15,357,000	21,900,000	18,513,000	25,183,000	6,751,000	–	25,873,000	3,061,000	282,953,000
60	169,928,000	17,089,000	23,042,000	21,033,000	25,760,000	6,440,000	–	28,635,000	2,956,000	294,883,000
61	174,159,000	16,935,000	23,692,000	19,801,000	25,215,000	5,757,000	702,000	30,100,000	2,317,000	298,678,000
62	184,054,000	17,018,000	24,908,000	17,875,000	24,547,000	5,529,000	773,000	32,041,000	2,167,000	308,912,000
63	187,619,000	17,039,000	24,879,000	17,320,000	24,933,000	5,617,000	697,000	32,986,000	2,297,000	313,307,000
64	195,894,000	17,935,000	26,256,000	17,818,000	26,400,000	5,551,000	922,000	34,461,000	2,343,000	327,580,000
65	220,823,000	17,394,000	29,466,000	19,651,000	29,931,000	4,230,000	1,495,000	34,790,000	3,002,000	360,781,000
66	234,915,000	17,391,000	33,093,000	21,872,000	29,189,000	5,479,000	2,067,000	37,155,000	3,578,000	384,733,000
67	239,810,000	17,886,000	42,937,000	22,940,000	32,429,000	6,036,000	1,815,000	40,151,000	3,599,000	405,736,000
					Per Cent					
1950	60.27	5.13	8.43	7.10	7.61	4.19	–	6.23	1.04	100.00
51	60.60	5.16	9.28	7.24	7.52	2.79	–	6.09	1.32	100.00
52	60.26	5.49	9.18	6.97	7.87	2.92	–	5.96	1.35	100.00

1953	60.72	5.42	9.17	6.74	7.83	2.81	–	5.93	1.38	100.00
54	59.66	5.94	9.14	7.34	7.83	2.52	–	6.24	1.33	100.00
55	59.88	6.04	9.07	7.40	7.67	2.21	–	6.47	1.21	100.00
56	59.31	6.12	8.06	7.47	8.60	2.63	–	6.67	1.14	100.00
57	58.66	6.10	7.70	7.26	9.17	2.49	–	7.50	1.12	100.00
58	58.44	5.92	7.78	6.82	8.96	2.42	–	8.53	1.13	100.00
59	58.78	5.43	7.74	6.54	8.90	2.39	–	9.14	1.08	100.00
60	57.63	5.80	7.81	7.13	8.74	2.18	–	9.71	1.00	100.00
61	58.31	5.67	7.93	6.63	8.44	1.93	0.23	10.07	0.77	100.00
62	59.58	5.51	8.06	5.79	7.95	1.79	0.25	10.37	0.70	100.00
63	59.89	5.44	7.94	5.53	7.96	1.79	0.22	10.50	0.73	100.00
64	59.80	5.47	8.02	5.44	8.06	1.69	0.28	10.52	0.72	100.00
65	61.21	4.82	8.17	5.45	8.30	1.17	0.41	9.64	0.83	100.00
66	61.06	4.52	8.60	5.69	7.59	1.42	0.54	9.66	0.93	100.00
67	59.11	3.92	10.58	5.66	7.99	1.49	0.44	9.90	0.89	100.00
					1950=100					
1950	100.00	100.00	100.00	100.00	100.00	100.00	–	100.00	100.00	100.00
51	112.48	110.98	111.08	121.51	109.11	73.62	–	108.00	139.92	110.39
52	120.85	123.16	131.69	134.13	127.43	85.68	–	118.00	160.98	123.18
53	134.51	142.88	149.73	154.34	145.90	95.07	–	135.13	189.62	141.83
54	157.65	151.10	176.82	165.47	157.03	92.02	–	153.09	195.22	152.66
55	173.55	165.56	196.02	179.34	167.87	88.18	–	173.11	194.92	166.66
1956	198.06	185.32	224.75	179.98	212.72	118.24	–	201.68	207.72	188.33
57	199.92	190.50	232.90	178.80	235.74	116.49	–	235.88	212.72	195.76
58	196.49	198.50	236.30	188.93	240.96	118.11	–	280.80	223.33	204.74
59	204.38	216.43	234.78	203.76	259.51	126.50	–	325.94	231.89	221.94
60	232.20	221.13	261.26	214.38	265.46	120.67	–	360.73	223.94	231.30
61	218.60	226.63	258.90	220.43	259.84	107.87	–	379.18	175.53	234.27

Table 59. Net Advertising Revenue of Newspapers and Periodicals (Concluded)

Year	Daily	National Weekend	Weekly bi-Weekly etc.	Magazines of General Circulation	Trade Technical Scientific	Agricul-tural	Controlled Distribution Weekly	Telephone	Other	Total
					1950=100					
62	197.34	239.51	260.17	231.75	252.96	103.60	–	403.64	164.17	242.30
63	191.21	244.14	260.50	231.48	256.94	105.25	–	414.54	174.01	245.75
64	196.71	254.91	274.19	244.29	272.05	104.01	–	434.12	177.50	256.94
65	216.95	287.35	265.92	274.15	308.44	79.26	–	438.27	227.42	282.99
66	241.47	305.69	265.88	307.90	300.79	102.66	–	468.07	271.06	301.77
67	253.26	312.06	243.36	399.49	334.18	113.10	–	505.81	272.65	318.25

Source: Printing, Publishing and Allied Industries, D.B.S., 36-203 (Annual)

As can be seen, daily newspaper advertising revenue makes up the largest proportion of advertising in publications. In 1950, daily newspapers accounted for slightly over 60 per cent of the total, while in 1967, the figure was slightly over 59 per cent. The trend in the growth of receipts of daily newspapers has also been more stable than other publications, most of which have experienced rather violent swings in rates of growth.

National weekend magazines have been receiving a declining share of the total through time. Total receipts of national weekend magazines have declined since 1964.

Weekly newspapers, after a rather difficult period in the late 1950s and early 1960s have been showing remarkable strength in recent years. The trend from 1965 to 1967 was in marked contrast to daily newspapers. The rate of growth of receipts of the latter experienced sharp declines in 1966 and 1967, while the rate for weeklies continued at an explosive pace first set in 1964 and 1965.

The fortunes of general circulation magazines have been quite varied over the period. In the ten-year period 1956-65, advertising in magazines was generally static with only a brief respite in 1960. Magazines have recovered somewhat since 1965, with a major leap in net receipts in 1966.

Agricultural publications experienced great variability in receipts over the period 1950-67, with practically no overall growth in the period considered as a whole. This reflects a malaise that is general throughout this sector of the publication industry.

One striking feature evident in the trend in receipts for all publications except agricultural is the relatively constant and rapid rate of growth up to 1956, followed by a period of reduced and unstable growth which lasted for the ten-year period from 1956 to 1965. Since 1965, there has been some recovery in growth rates for most publications although not with the same strength and consistency as was evident up until 1956.

The primary cause of the post-1956 instability was of course, the advent of television. Television not only appropriated some of the advertising that would have gone to publications, but it also introduced a great deal of uncertainty as advertisers began to evaluate the comparative advantages of the different forms of advertising in an effort to strike a new balance in expenditure patterns.

Growth in Daily Newspaper Advertising Revenues, 1950-1967

The growth pattern of advertising revenues for daily newspapers can be divided into three distinct periods, with each period characterized by different growth trends. The first period extends from 1950 to 1956; the second from 1957 to 1964; and the third, from 1965 to 1967.

The period 1950-56 was one of rapid growth in advertising revenues for dailies, with net advertising increasing from $76.8 million in 1950 to $142.4 million in 1956, and 85 per cent growth in revenues. The next period, from 1957 to 1964, was characterized by a much slower annual rate of growth, with revenues over the period advancing only a further 75 per cent above the level of 1950. The most important feature of the last period was a marked jump in revenues in 1965, with the advance in that year alone being 32.5 per cent of the level of 1950.

There are a number of explanations for the rapid growth in revenues during the period 1950-56. The period was one of relatively rapid growth in consumer expenditures. These expenditures increased by 64 per cent over the period, advancing from $11.9 billion in 1950 to $19.5 billion in 1956. However, this in itself does not account for all of the growth. It was further augmented by an increasing emphasis on advertising by business as the earlier successes of mass advertising programmes became apparent. The lack of any widespread application of new technology meant that daily newspapers got their full share of these proportionately increasing advertising expenditures.

A number of reasons can be advanced for this increasing emphasis on advertising. First, the first half of the 1950s was one of a great consumer boom in Canada, with producers of consumer goods becoming more and more conscious of the gains to be had from going directly to the consumer with messages about their products. Second, the advertising battle between producers of competing products escalated rapidly over the period as producers became more aware of the need to match their competitors in advertising expenditures if they were to maintain their market shares. Third, the 1940s and early 1950s were a period of significantly increased circulation of the mass media, and of daily newspapers in particular. The circulation of daily newspapers increased by 53.0 per cent from 1940 to 1950, and a further 12.6 per cent from 1950 to 1955. Circulation-per-capita in Canada increased from 0.1879 in 1940 to 0.2364 in 1950, and to 0.2374 in 1955. These growths in circulation increased the effectiveness of advertising in daily newspapers. Advertisers were perhaps a bit slow to realize the implications of these changes, but when this realization came in the early 1950s they took full advantage of it.

The growing emphasis on newspaper advertising as a marketing technique for consumer goods and services is made apparent by the growth of advertising receipts of daily newspapers as a proportion of expenditures on consumer goods and services. Table 60 shows these figures for the 1950 to 1967 period. During the period 1950-56 this proportion rose from 0.641 per cent to 0.732 per cent. Further, in no year over the period did this proportion fall relative to the previous year, something which was not true for any of the two later periods.

However, as has been pointed out in an earlier section, the situation in the period 1950-56 was not confined to daily newspapers alone. Advertising as a whole was being emphasized much more as a marketing technique. This is indicated by the fact that total advertising expenditures increased from 1.90 per cent of consumer expenditures in 1950 to 2.30 per cent of consumer expenditures in 1956.

It is interesting to note that most of the rapid growth in daily newspaper advertising in the period 1950-56 went to already-established papers. The only new dailies initiated during this period were the *Daily Miner and News* (Kenora), the *Packet and Times* (Orillia), the *Daily Sentinel* (Kamloops), and the *Daily Bulletin* (Kimberley).

The rate of growth of daily newspaper advertising slowed rather abruptly in 1957, a year significant for advertising in a number of ways. First of all, it inaugurated a period of much-reduced growth in advertising revenues of daily newspapers, which except for one brief interlude in 1959, was to last until 1964. Second, it marked the beginning of a long decline in the proportion of daily newspaper advertising to total expenditures on consumer goods and services; a decline that persists today. Third, and somewhat related, it marked the first year of the 1950s in which total advertising did not continue to grow as a proportion of consumer spending. It was not until 1961 that advertising began again to receive a proportionately greater emphasis in consumer-marketing programmes.

Table 60. Daily Newspaper Advertising Revenue Relative to Consumer Expenditure, 1950 – 1967

Year	Expenditures on Consumer Goods and Services	Advertising Receipts Daily Newspapers	Advertising Receipts As a Percentage of Expenditures on Consumer Goods and Services
	Dollars	Dollars	Per cent
1950	11,991,000,000	76,846,000	0.641
51	13,399,000,000	85,283,000	0.636
52	14,818,000,000	94,640,000	0.639
53	15,717,000,000	109,795,000	0.699
54	16,561,000,000	116,113,000	0.701
55	17,902,000,000	127,224,000	0.711
56	19,466,000,000	142,409,000	0.732
57	20,886,000,000	146,389,000	0.701
58	22,211,000,000	152,537,000	0.687
59	23,620,000,000	166,316,000	0.704
60	24,705,000,000	169,928,000	0.688
61	25,120,000,000	174,159,000	0.693
62	26,636,000,000	184,054,000	0.691
63	28,364,000,000	187,619,000	0.661
64	30,647,000,000	195,894,000	0.639
65	33,134,000,000	220,823,000	0.666
66	36,057,000,000	234,915,000	0.652
67	38,998,000,000	239,810,000	0.615

Source: D.B.S.

The reduction in the rate of growth of daily newspaper advertising revenues in 1957 was accompanied by a general slowdown in the rate of growth of all advertising revenues in that year. This was largely attributable to two main factors. The first was a slowing in the pace of advance of the economy in general, reflected in the movements of gross national product, expenditures on consumer goods and services, and retail sales. The second was the stabilization of advertising expenditures. This can be attributed to the widely-held view that the gains from continuing increases in the proportionate expenditures on advertising had reached a point where they were equivalent to the cost of such further increases.

Throughout the post-1956 period, producers of consumer goods and services permitted expenditures on daily newspaper advertising to fall relative to their total sales of these goods and services. In 1956, the former stood at 0.732 per cent of the latter; by 1964 it had fallen to 0.639 per cent.

The decline becomes even more significant when it is compared to the jump in the proportion of all advertising expenditures to sales of consumer goods and services which took place in 1961. Newspapers participated only slightly in the jump of that year, with television being the main beneficiary.

The year 1965 was an unusual one for daily newspapers, given the sharp increase in advertising revenues. Two factors would seem to explain this increase. One was the sudden increase in the rate of growth of expenditures on consumer goods and services that occurred in the previous year. (To advertisers, this probably came as a bit of surprise given the much more stable and slower growth rate over the previous three years. As a result, the expenditures on advertising would tend to lag behind the shift in consumer expenditures.) The second factor was the increase in the rate of growth of retail sales in 1965. (Newspaper advertising in particular tends to be more dependent on levels of retail sales than do most other types of advertising.)

The 1965 rate of growth of daily newspaper advertising has not been maintained in the period since. Relative to 1950, daily advertising jumped by 32.5 per cent between 1964 and 1965. Comparative figures for the following two years were: 1965-66, 18.3 per cent; 1966-67, 6.37 per cent.

This recent decline in the rate of growth of daily newspaper advertising is a matter of some concern, particularly since consumer expenditures continued to grow at unabated rates over the period. What explains the decline?

Part of the explanation rests with a decline in the rate of growth of retail sales in the period 1965-67. The year 1968 was one of some recovery in the growth of retail sales, which offers some expectation that the growth of daily newspaper revenues will likewise show some recovery in 1968.

A further explanation for the decline in the growth of daily newspaper advertising revenue lies in the fact that dailies are rapidly losing their share of national advertising. Table 61 indicates national advertising receipts of daily newspapers as a percentage of national advertising receipts for all newspapers, general magazines, and broadcasting stations.

Table 61. Daily Newspaper National Advertising Revenue as a per cent of Total National Advertising Revenue, 1961 – 1967

Year	Total National Advertising Receipts All Media	National Advertising Receipts Dailies	National Advert. Dailies as % of Total
	Dollars	Dollars	Per Cent
1961	155,218,000	50,085,000	32.2
62	165,436,000	52,321,000	31.6
63	168,789,000	51,126,000	30.3
64	182,289,000	51,076,000	28.0
65	201,210,000	58,393,000	29.0
66	211,699,000	59,761,000	27.2
67	232,558,000	58,972,000	25.4

Sources: **Printing, Publishing and Allied Industries, D.B.S. Catalogue 36-203, Annual**
Radio and Television Broadcasting, D.B.S. Catalogue 56-204, Annual

As can be seen from this table, the importance of daily newspapers in the national advertising picture has declined quite rapidly, a problem of some concern to the industry. The relevance of this problem to the rate structure of daily newspapers is elsewhere investigated.

Effects of Changes in Numbers of Newspapers on Revenue Data

Some of the changes in the rate of growth of revenues in a particular year might be attributable to the number of dailies then being published. The discussion so far has treated shifts in advertising revenues as being largely a result of shifts in demand for advertising space.

From 1950 to 1956, a period of rapid growth in revenues, only four new dailies emerged. All had circulations below 5,000. Papers ceasing publication during that period were the Edmonton *Bulletin* and the Montreal *Le Canada*. Since the relatively large, combined circulations of approximately 50,000 for these two papers appears to have been rapidly picked up by competing papers in those two cities, this change would not have much effect on total advertising revenues.

During the period 1957-64, the period of a slowing of growth of advertising revenues, twenty new dailies began publication and eight ceased publication. Of the eight that ceased publication, four had started during the period. Another four of those that came into being during the period closed down after 1964. Of the sixteen new additions that remained operational in 1964, at least eleven were in the under-5,000 circulation range. Only one, *Le Journal de Montréal,* was over 10,000 in circulation.

Of the eight that ceased publication, only four had been operational before 1957. One of these, Chicoutimi *Le Progrès du Saguenay,* was located in a single newspaper town. As a result, its closing would have caused some decline in the aggregate advertising revenue data. However, since this was in the 3,500 circulation range, the change was not significant. The other three that ceased publication were of a somewhat larger size. The Montreal *Herald* was in the 35,000 range, the Vancouver *Herald* in the 30,000 range, and Montreal *La Patrie* in the 20,000 range. All three of these papers ceased publication in 1957 – *La Patrie* becoming a weekly in that year. The year 1957 was a rather poor one for growth in daily newspaper revenues. However, there are two reasons for suspecting that this was a phenomenon resulting largely from the rate of growth in demand for advertising space, rather than from the closing of three relatively large newspapers. The first of these reasons is that 1957 was a year of rather slow growth in the economy itself, and particularly in retail sales. The second is that all three of these papers were published in cities with other papers. As a result, a good deal of the circulation, and an even larger portion of the advertising accounts appear to have switched to other papers. In the case of the Vancouver *Herald,* the accounts receivable were sold as assets to one of the competing papers in the city.

During the post-1964 period, six papers began publication and eight ceased publication. With the exception of two, these were again relatively small papers, with the changes in advertising opportunities not being large enough to influence total revenue figures appreciably. The two larger papers, the *Montreal Metro Express* and the Vancouver *Times,* both began publication in 1964, with the latter ceasing publication in 1965 and the former in 1966. Again, these two papers published in cities with competitors, where the changes in total advertising were probably less significant that the reallocation of revenues between papers. Furthermore, the failure of these two papers reflects their lack of success at providing an outlet for advertising demand that was not available before their entry.

Distribution of Daily Newspaper Advertising Revenue by Type

Table 62 shows the distribution of daily newspaper advertising revenue by the three types: classified, retail, and national. As can be seen, retail advertising as a percentage of total advertising varied from 50.7 per cent in 1961 to 52.4 per cent. National advertising, on the other hand, now makes up only 25 per cent of the total advertising revenue. This proportion is on the decline, having fallen from 28.8 per cent in 1961. This can be contrasted with television, where 80 per cent of the advertising revenue comes from national advertising.

Table 62. Daily Newspaper Advertising Revenues, 1961 - 1967

Year	Retail	Classified	National	Total
		Dollars		
1961	88,315,000	35,759,000	50,085,000	174,159,000
62	91,294,000	40,439,000	52,321,000	184,054,000
63	96,419.000	40,074,000	51,126.000	187,619,000
64	101,654,000	43,164,000	51,076,000	195,894,000
65	113,294,000	49,135,000	58,393,000	220,823,000
66	121,906,000	53,248,000	59,761,000	234,915,000
67	126,705,000	54,133,000	58,972,000	239,810,000
	% of total	% of total	% of total	% of total
1961	50.71	20.53	28.76	100.00
62	49.60	21.97	28.43	100.00
63	51.40	21.36	27.24	100.00
64	51.90	22.03	26.07	100.00
65	51.31	22.25	26.44	100.00
66	51.89	22.67	25.44	100.00
67	52.44	22.57	24.59	100.00
		1961=100		
1961	100.0	100.0	100.0	100.0
62	103.4	113.1	104.5	105.7
63	109.2	112.1	102.1	107.7
64	115.1	120.7	102.0	112.5
65	128.3	137.4	116.6	126.8
66	138.0	148.9	119.3	134.9
67	143.5	151.4	117.7	137.7

The growing importance of retail advertising to daily newspapers can be attributed to three, and possibly four, factors. First, the distribution of a daily newspaper is concentrated within a fairly limited geographical area centered around the urban centre in which the newspaper is published. This distribution area is closely coincident with the markets served by retail chain and department stores. In terms of national advertising, newspapers do not really have any form of organization that corresponds closely to broadcast networks, which give regional or national coverage. Newspapers owned as part of a group may be considered somewhat akin to networks, but in fact the similarities are small. Networks are unique in that a single production of both the advertising message and the accompanying programme material can be distributed on a regional or national basis.

Second, newspapers are still the medium best suited to providing the kind of advertising messages preferred by retailers. Retailers tend to depend upon information advertising, containing a good deal of information on product selection and prices. Such ads require more time to absorb than the ten-to sixty-second announcements available on television. Many consumers also prefer to have these ads on record for future reference, a facility not yet available through television.

The third factor is that most national advertising is done by producers who market one or a few products on a regional or national basis. Their interest is in using highly persuasive techniques to convince the consumer to pick their brand name off the store shelf. Television, with its ability to involve the viewer in life-like situations is much more effective at this than newspapers. Thus, television has a "natural" advantage over newspapers for certain types of advertising.

The fourth factor that could have some effect on the relative importance of retail advertising vis-à-vis national advertising is the relation of the rates for these two types of advertising. Rates for national advertising in daily newspapers are considerably higher than those for retail advertising.

Of the three types of daily newspaper advertising revenues, only classified has matched the overall growth rate of all advertising expenditures in the period 1961-1967. Total advertising expenditures over the period grew by 53.3 per cent, while classified ad revenues grew by 51.4 per cent. Retail advertising, on the other hand, grew by only 43.5 per cent, and national advertising grew by 17.7 per cent. These figures reflect clearly the effect of competing media, particularly television, on newspaper advertising revenues.

Fluctuations in Advertising Revenue

Advertising lineage undergoes considerable fluctuation from month to month within any given year. Table 63 indicates monthly advertising lineage, and these figures as a percentage of the annual total, and of the monthly average, for thirteen daily newspapers in Canada in 1968.

Similar fluctuations in advertising lineage occur within any given week as well. The early part of the week tends to be the low lineage period, with a steady growth from Monday until Thursday. Thursday is the peak day, with a decline occurring on Friday and Saturday. The Thursday peak results from the emphasis on Thursday advertising by retail chain and department stores in anticipation of heavy weekend shopping. These weekly fluctuations also mean that publishers have considerable labour and equipment in excess of needs, particularly in the early part of the week. This problem is reduced somewhat through the advance preparation of advertising editorial and filler material, with as much as possible of this work channelled into the early parts of the week.

Table 63. Monthly Lineage for Thirteen Daily Newspapers* in 1968

Month	Lineage	1968 Total	1968 Monthly Average
	thousand lines	%	%
January	22,745,000	7.2	85.3
February	23,176,000	7.3	86.9
March	27,356,000	8.5	102.6
April	27,730,000	8.6	104.0
May	30,341,000	9.4	113.8
June	26,610,000	8.4	99.8
July	22,744,000	7.2	85.3
August	24,703,000	7.8	92.7
September	27,774,000	8.6	104.2
October	29,656,000	9.2	111.2
November	30,680,000	9.6	115.1
December	26,426,000	8.2	99.4
Total	319,941,000	100.0	

*Montreal: *Star, Gazette, La Presse;* Toronto: *Globe & Mail, Telegram, Star;* Calgary *Herald;* Hamilton *Spectator;* Kitchener-Waterloo *Record;* Lethbridge *Herald;* North Bay *Nugget;* Ottawa *Citizen;* Regina *Leader-Post.*

Source: Media Records Inc., New York Editor and Publisher, 1968, Monthly.

Weekly Newspapers[1] Advertising Revenue

The growth pattern of advertising revenue for weekly newspapers has been less stable than that of dailies. Weeklies participated fully in the advertising boom in the first half of the 1950s, but were strongly affected by the slowdown in growth of retail sales in the period 1956-57. In the period 1957-60, the growth of advertising revenues going to weeklies recovered somewhat, but again slowed to a very low rate in the period 1960-63. The difficulties in the period 1960-63 can be attributed to the influence of television on both revenue sources and circulation. (See Table 64.)

Table 64. Weekly Newspaper Advertising Revenue, 1961-1967

Year	Local	National	Total
		Dollars	
1961	18,535,000	5,156,000	23,692,000
62	19,346,000	5,562,000	24,908,000
63	19,215,000	5,664,000	24,879,000
64	20,539,000	5,717,000	26,256,000
65	23,323,000	6,143,000	29,466,000
66	25,569,000	7,524,000	33,093,000
67	34,557,000	8,381,000	42,937,000

[1] A weekly newspaper is here defined as any newspaper which publishes at least once per week, but fewer than five days per week.

Table 64. Weekly Newspaper Advertising Revenue, 1961-1967 (Cont'd.)

	% of total	% of total	% of total
1961	78.24	21.76	100.00
62	77.67	22.33	100.00
63	77.24	22.76	100.00
64	78.23	21.77	100.00
65	79.15	20.85	100.00
66	77.26	22.74	100.00
67	80.48	19.52	100.00
	1961=100		
1961	100.0	100.0	100.0
62	104.4	107.9	105.1
63	103.7	109.9	105.0
64	110.8	110.9	110.8
65	125.8	119.1	124.4
66	137.9	145.9	139.7
67	186.4	162.5	181.2

Source: Printing, Publishing and Allied Industries, D.B.S. 36-203 (Annual)

Since 1964, the rate of growth of advertising receipts of weeklies has far outstripped that of any other types of newspapers or periodicals. This can be seen by comparing the indices of advertising receipts for dailies and weeklies. In 1964, advertising receipts of dailies stood at 112.5 per cent of the 1961 level. The equivalent 1967 figure was 137.7 per cent of the 1961 level. Advertising receipts of weeklies, on the other hand, advanced from 110.8 per cent of the 1961 level in 1964 to 181.2 per cent in 1967.

The greatest part of the growth of revenue of weeklies is attributable to local retail advertising, although growth in national advertising has also been strong when compared with that of the dailies. National advertising accounts for approximately 20 per cent of the advertising receipts of weeklies. This phenomenal rate of growth of advertising receipts of weekly newspapers is a matter of some concern to daily newspapers. Much of the growth in receipts of weeklies would appear to be at the expense of dailies. Why is this so?

Four factors appear to contribute to the relative strength of weeklies

1 A growing preference of some retail advertisers for the selectivity of coverage provided by urban weeklies. Weeklies give more selective household coverage geographically than many of the larger dailies. If retail advertisers wish to promote items or specials that are restricted to a single shopping centre, the metropolitan daily becomes an expensive form of advertising. It gives coverage throughout the metropolitan and surrounding area, and advertising rates are set on this basis. Weeklies on the other hand, generally have a circulation restricted to a much smaller community; a community with boundaries more coincidental with those of individual community shopping areas.

2 Growth in circulation. The circulation growth of weeklies has been even greater than the growth in advertising revenues. Advertisers are primarily concerned with consumer coverage. Since weeklies can provide this coverage, they can draw the advertising dollars.

3 The development of cost-reducing centralization of the composing and printing operations. One of the most dominant cost factors in weekly newspapers has been the large unused capacity carried in composing and printing equipment. During the 1960s there has been a shift in many areas towards the use of a single centralized composing and printing plant by a number of weekly newspapers, thereby markedly reducing overhead costs for each individual newspaper. This development of centralized composing and printing has been as much the result of growing regional concentrations of population as any other factor. With a wide geographical dispersion of the population, weekly newspapers are likewise widely dispersed. Distance alone, with resulting time and transportation cost factors, prevents any significant centralization of operations. However, in areas around the larger metropolitan centres, the growth in population has provided an opportunity for new weeklies to develop and established ones to extend their circulation, leading to a recapitalization of the industry. With distances between circulation areas reduced, this recapitalization has in a number of cases taken the form of centralized composing and printing plants.

4 The application of new technology to reduce costs. Many weeklies are now printed by the offset process, which uses printing plates that are photographic negatives of the page to be printed. As a result, the pages of the paper can be "made up" through clipping and pasting copy onto sheets of paper the size of the page. This stage of the composition of the paper can be handled quite readily without the aid of the highly-skilled and highly-paid staff and costly equipment used for makeup with hot type. The development of offset printing has given renewed life to the "family newspaper" in which all of the publishing tasks can be handled by the publisher and his family in co-operation with a contract printer who does the actual composing and printing.

Daily Newspapers in the Weekly Newspaper Field

The foregoing discussion indicates two important facts that have not gone unnoticed by daily newspaper publishers in Canada. One is that weekly newspapers in many cases are, and in other cases have the potential to become, very profitable enterprises. The second is that weekly newspapers, particularly in large metropolitan areas, are beginning to pose a threat to the retail advertising receipts of daily newspapers and also their circulation.

The recognition of these facts has led to the development of a relatively new form of group-ownership of newspapers in Canada. This new form of group-ownership is characterized by publication of weeklies by the publishers of large dailies in areas where the two types of papers compete directly for advertising dollars. Four dailies in Canada are currently involved in this type of group ownership: The Kitchener-Waterloo *Record*, the Toronto *Telegram*, the Toronto *Star*, and Montreal *La Presse*. The weekly newspapers included in each of these groups are listed in Table 65. The most striking feature about the weeklies listed in the table is their concentration within the same retail trading area covered by the daily newspaper.

Table 65. Weekly Newspapers in which Major Metropolitan Dailies have Controlling Ownership

Daily	Weekly	Circulation of Weekly
Record		
(Kitchener-Waterloo)	*Signet* (Elmira)	1,821
	New Record (Fergus)	1,383
	Herald (Hespeler)	2,131 (Free)
	Independent (New Hamburg)	1,645
	Times (Preston)	5,948 (Free)
	Chronicle (Waterloo)	10,660 (Free)
Star		
(Toronto)	*Advertiser* (Lakeshore)	10,000
	Banner (Aurora)	5,143
	Gazette (Burlington)	9,085
	Mirror (Don Mills)	53,512
	Advertiser-Guardian (Etobicoke)	19,443
	Times (Mississauga)	13,202
	Liberal (Richmond Hill)	7,890
	Mirror (Scarborough)	37,922
	Times (Weston-York)	4,149
	Enterprise (Willowdale)	13,472
	News (Woodbridge and Vaughan)	3,010
Telegram		
(Toronto)	*Guardian* (Brampton/Bramalea)	12,000
	Post (Burlingon)	19,850 (Free)
	News (Mississauga)	24,119
	Era (Newmarket)	8,158
	Beaver (Oakville)	16,200 (Free)
	Tribune (Stouffville)	6,106
	News Advertiser (Ajax-Whitby)	11,000 (Free)

In many ways, the publishers within each of these groups are still undecided about how and to what extent the publication of weeklies should be integrated with the publication of the dailies to provide maximum advantage. Most publishers are watching developments in large cities in the United States, where a few suburban daily papers have had significant success. As a result, there has no doubt been some thought that some of these weeklies might some day be consolidated and developed into dailies.

On the other hand, many suburban dailies in the United States have suffered great financial problems. In addition, Toronto and Montreal differ from many larger American cities in that the "inner city" continues to grow as a residential area. The metropolitan area of the Canadian city remains much more of an integrated whole with strong common interests, making it much easier to maintain circulation for the metropolitan daily.

These publishers, for the present at least, seem content to build up local community circulation with the idea of publishing the paper on a weekly basis for some time into the future. They concentrate on major suburban shopping centres for advertising revenue, having concluded that advertising dollars can be mobilized in these centres by local weeklies which the daily with total metropolitan coverage can not attract.

Neither the editorial nor the production activities of the dailies are currently integrated with those of the weeklies. On the composing and printing side, there appears to be no contemplation of integration. Very few cost economies would be realized by carrying out these activities in plants used to produce daily newspapers, given that the content of the papers is different. The costs involved in introducing special press runs for the weeklies would be greater than any savings in capital outlay. In fact, on the composing and printing side, integration has taken quite a different direction.

These groups are using modern offset plants to produce a number, and in some cases, all of the weekly papers in each respective group. This spreading of overhead costs has led to significant cost reductions for individual papers. A good example of this is the case of Inland Publishing Co. (printer of the Toronto *Telegram*) which has just completed construction of a modern new offset plant with a computerized photo composition unit. This plant is used to compose and print most of the weeklies published by Inland.

Chapter 3:

COSTS

NEWSPRINT

The largest single materials input to the production of newspapers is newsprint. Newsprint on the average accounts for about 50 per cent to 60 per cent of the total cost of materials and about 15 per cent to 20 per cent of the overall cost of production.

In Canada, only twenty-six firms classify newsprint production as their primary activity. In 1965, the six leading firms had a combined output of over five million tons or about 60 per cent of the industry's total output of 8.4 million tons. (See Table 66.)

Table 66: Newsprint Output of Six Major Producers

Corporation	Output 1965 tons
Canadian International Paper Co.	1,011,000
Abitibi Paper Co.	1,067,000
Crown Zellerbach Canada Ltd.	630,000
Consolidated Paper Corp. Ltd.	785,000
Price Co. Ltd.	795,000
MacMillan Bloedel Ltd.	903,000
	5,191,000

The pulp and paper industry, in terms of number of firms operating, is relatively competitive; for example, over thirty firms account for more than 80 per cent of the newsprint production, compared with only two to three firms accounting for 80 per cent of output in metal products, chemicals, and foods.

Price stabilization is of utmost importance because of the large investment in plant and equipment. Historically, the industry has successfully achieved price stability, despite general economic fluctuation. (See Table 67.)

Table 67. Average Canadian Newsprint Prices.

Year	$ American*	$ Canadian*
1955	126.00	126.00
56	130.00	125.00
57	133.00	129.00
58	134.00	129.00
59	134.00	127.00
60	134.00	132.00
61	134.00	136.00
62	134.00	143.00
63	134.00	145.00
64	134.00	145.00
65	134.00	145.00
66	136.92	148.00
67	140.50	152.00

*Delivered prices, New York

Source: Canadian Pulp & Paper Association, Reference Tables, 1968

As is characteristic of an oligopolistic industry, the newsprint industry practises "price leadership." Generally, the largest firm in a major region announces contract prices made with major publishers and these prices then prevail regionally throughout the industry. Contracts are for five to ten years, but only the quantity is fixed for the length of the contract. The price is usually negotiated every six to twelve months.

SUPPLY OF NEWSPRINT

Since newsprint is one of several products produced by the pulp and paper industry, individual companies have to achieve an optimum balance between newsprint production and other forest end-products. Supply is determined by the existing plant and equipment. Any additional requirements can be met in about two to five years; for it takes from two to three years to plan, finance, build, and equip a pulp-and-paper mill. Normally excess capacity exists within the industry. However, the extent of the excess capacity varies considerably due to the long gestation period before a new plant becomes operational. (See Table 68.)

Table 68. Capacity and Production of Canadian Newsprint Industry, 1960 – 1967

Year	Capacity	Production	% of Capacity Used
	tons	tons	%
1960	7,611,000	6,739,000	88.5
61	7,734,000	7,735,000	87.1
62	7,844,000	6,691,000	85.3
63	8,055,000	6,630,000	82.3
64	8,274,000	7,301,000	88.2
65	8,421,000	7,720,000	91.7
66	8,878,000	8,419,000	94.8
67	9,336,000	8,100,000	86.8

Source: Newsprint Association of Canada, Newsprint Data: 1967

Within the printing and publishing industries there are seven major labour unions and nine employer associations. Table 69 gives the labour unions and their memberships for 1966 in Canada.

Table 69

Union	Membership
International Brotherhood of Bookbinders (IBB)	3,330
International Stereotypers and Electrotypers Union (ISEU)	725
American Newspaper Guild (ANG)	3,165
International Printing Pressmen and Associated Unions (IPP & AU)	8,888
International Typographical Union (ITU)	7,516
Lithographers and Photo-engravers International Union (LPIU)	
Amalgamated Lithographers of America International Photo-engravers Union	5,014
The Printing Union	5,290
Total	33,928

Management is represented in eastern Canada by the following:
Employing Printers Association,
Association des Maîtres Imprimeurs,
Council of Printing Industries and Canadian Lithographers Association;
and in Western Canada by
Calgary Graphic Arts Association,
Edmonton Graphic Arts Association,
Prairie Lithographers Association,
British Columbia Graphic Arts Association,
B.C. Photoengravers Association.

These associations negotiate for the member printing employers, and are made up primarily of the larger printing companies. They have a significant impact on labour relations in the industry.

Newspaper employers do not negotiate jointly, but have common force in the Canadian Daily Newspaper Publishers Association (C.D.N.P.A.), Canadian Weekly Newspapers Association, and the Periodical Press Association. C.D.N.P.A. has ninety-six member firms in Canada. C.D.N.P.A. does not bargain directly, but it reviews agreements and makes suggestions for general policy guidelines. Negotiations are conducted between the individual newspaper and the local of each union involved in the industry. Daily newspapers are well-unionized as sixty-four dailies have at least one department entered into a collective agreement.

Although the international printing unions have a marked influence in collective-bargaining practices, the actual negotiations are conducted between the individual newspaper and the locals. In Canada each union has a local in each city; each local will have an individual agreement with the various newspapers in the city, and another with local employers associations.

The mechanical crafts (typographers, pressmen, stereotypers) must have their agreements approved by their respective International. Most unions will have "general laws" established – that is, unilateral union policies which employers are presumed to uphold. When a local makes a new gain in a collective agreement, the international union passes a "general law" in which a subsequent contract cannot be signed by any local unless that specific provision is included.

This form of union unilateralism is a significant factor in these labour relations. For most unions "general laws" are not subject to negotiation or arbitration.

These "general laws" interfere with the fundamental principles of collective bargaining. In spite of employer opposition, these "laws" demonstrate a relatively strong bargaining power held by labour in the printing industry.

The union's influence on each of its locals varies. For instance, I.T.U. has a strong influence on its locals, whereas I.P.P. and A.U. gives no direction as to what each local should demand. On the other hand, L.P.T.U. does not have any "general laws," but relies heavily on contract conferences which prepare local leaders for future contract negotiations. Similarly, A.N.G. has no "general laws"; but, the local must have the approval of the International Executive Board (I.E.B.) before any agreement can be signed. The duty of collective bargaining is solely up to the local governing body. However, any negotiation of a national nature (e.g. press associations, feature syndicates) are handled by I.E.B. and then ratified by the local members of A.N.G.

The A.N.G. has been seeking a major goal of wage equality, for reporters, display advertising salesmen, and classified salesmen. This equality takes the form of a demand for "$200 or better" as a union slogan.

The printing industry has undergone significant technological changes in recent years. Now, unions are not so much concerned with wages and hours, but with job security. Automation is a major issue, and several unions have tried to solve their problem by bargaining for specific press manning, more liberal severance pay, early retirement to make jobs available for younger members, and a judicious timing of labour-saving innovations. Several unions have instituted their own training centres to adapt their manpower to the new technology.

There has been a tendency towards co-operative negotiations, especially in the mechanical crafts. This co-operation can be either between locals or with unions; generally, all international unions encourage co-operative bargaining. One exception to co-operative bargaining, in Canada, is the Canadian locals of the A.N.G.

On the management side, co-operative bargaining is a different matter. Differences in markets, labour cost structure, and productivity, have tended to prevent employers from presenting a collective front; any wage discrimination enjoyed by an employer is not going to be easily sacrificed in co-operative bargaining.

WAGES, SALARIES, AND HOURS

Blue-collar wages and salaries vary significantly throughout Canada. In Newfoundland, linotypers and pressmen receive \$2.25 an hour in a forty-hour week whereas in Toronto, they receive \$4.56 an hour in a $33^3/_4$-$37^1/_2$-hour week.

Table 70. Wages and Hours of Labour in 1967; Printing and Publishing – Daily Newspapers

Province	Hours	Average Wage Compositor, Hand Linotype	Pressman	Average Circulation	No. of Daily Newspapers
		Dollars			
Newfoundland					
St. John's	40	2.25	2.26	25,000	2
Nova Scotia					
Halifax	$37^1/_2$	3.54	3.54	117,000	1
New Brunswick					
Saint John	40	2.81	2.81	53,000	1
Quebec					
Montreal	35	4.25	4.28	180,000	4
Quebec	$37^1/_2$ – 40	3.17	3.21	60,000	2
Ontario					
Chatham	40	3.00	3.00	15,000	1
Thunder Bay	$38^3/_4$ – 40	3.22	3.11	15,000	2
Hamilton	38 – 40	3.83	3.85	125,000	1
London	$37^1/_2$	3.89	3.89	122,000	1
Ottawa	$37^1/_2$	3.62	3.75	80,000	2
Toronto	$33^3/_4$ – $37^1/_2$	4.56	4.57	290,000	3
Windsor	$37^1/_2$	3.53	3.53	87,000	1
Manitoba					
Winnipeg	$37^1/_2$	3.34	3.07	100,000	2
Saskatchewan					
Regina	$37^1/_2$	3.07	3.07	60,000	1
Alberta					
Calgary	$37^1/_2$ – 40	3.30	3.30	70,000	2
Edmonton	40	2.84	–		
British Columbia					
Kamloops	40	3.28	3.28	9,000	1
Vancouver	35 – $37^1/_2$	3.85	3.87	150,000	2
Victoria	$37^1/_2$	3.74	3.74	35,000	2

Source: Economic and Research Branch, Canada Department of Manpower, Wages, Rates, Salaries and Hours of Labour.

There are two main characteristics of the wage structure as presented in Table 70. First, there is a very close correlation between the average wage in the industry and the regional distribution of Canadian income. Newfoundland pressmen receive the lowest average wage, and southern Ontario and southern British Columbia pressmen earn the highest. Since each local bargains individually, wage rates will be set which reflect the regional income standards. The trend towards co-operative bargaining may reduce the disparity between regions.

Second, there is a significant correlation between the size (circulation) of a newspaper and the wage rate. Generally, newspapers with a circulation of between 10,000 and 50,000 pay, on the average, about $3.25 an hour; newspapers with a circulation of between 50,000 and 100,000, an average of $3.40 an hour; and newspapers with a circulation of over 100,000, an average of $3.90 an hour.

Table 71 shows the regional pattern of wages within the province of Ontario. Again, the correlation between wage rates and circulation is evident. For example, as of October 1, 1969, the Woodstock *Daily Sentinel-Review* pays a pressman a minimum of $134 for a forty-hour week, while the Toronto *Star* pays a pressman a minimum of $173 for a thirty-five-hour week. It can, however, be argued that large newspapers demand and obtain the most competent employees; and that large newspapers have, on average, a more experienced staff.

There is a dearth of information on white-collar workers. Since most white-collar workers, in the Canadian newspaper industry, do not belong to the A.N.G., published data on their salaries are not available.

MACHINERY AND EQUIPMENT

The Canadian market for machinery and equipment used in printing and allied industries is over $100 million annually, about one half consisting of machinery and equipment; and a large part of the remainder of printing plates and related goods.

In 1967, the total cost of materials, fuel, and electricity amounted to about $403 million; although paper accounted for much of this cost, machinery and equipment constituted an important element of total costs.

Due to the complexity of machinery and equipment used in the newspaper publishing industry, a detailed analysis is impossible. However, we will outline the nature of the supplying industries.

It is worthy of note that a significant part (about 90 per cent) of all machinery and equipment used by a newspaper is imported.

There are a number of different types of presses used in the printing and publishing industries. The letterpress is the most common type used by newspapers, but the offset press has become increasingly popular among smaller papers.

Nearly all printing presses are imported duty-free, for Canadian use. The Canadian market for most types of printing presses is not large enough to support economically viable domestic production. Any domestic production is highly specialized and largely for export. The Canadian factory shipments consist of "printing, bookbinding machinery," and goods other than printing presses. Most of the Canadian production of printing presses are of the business form printing press, produced by Ashton Press; Ashton Press exports well over half its output. With little exception, virtually all Canadian requirements are met by imports. Parts of

Table 71. Minimum Wage Scales for Selected Ontario Newspapers, 1967 – 71

Newspaper	Circulation	Union negotiating	Employees covered by contract	Wage scale: employee	Date	rate/wk.	hours/wk.
						$	hrs
Daily Sentinel – Review, (Woodstock)	10,229	I.P.P. and A.U. Brantford Local 195	pressmen	journeyman	Oct. 1/68	132.43	40
					Oct. 1/69	134.40	40
					Aug. 1/70	139.20	40
Standard (St. Catharines)	34,707	I.P.P. and A.U. Niagara Peninsula Local 425	pressmen	journeyman	April 1/68	146.00	35
Spectator (Hamilton)	127,195	I.P.P. and A.U. Hamilton Local 176	pressmen	journeyman	July 1/69	165.38	37½
					July 1/70	174.75	37½
Daily Times & Conservator (Brampton)	7,863	I.P.P. & A.U. Brampton Local 217	pressmen	journeyman	Sept. 1/67	120.00	40
					Jan. 1/68	124.00	40
					Sept. 1/68	130.00	40
					Apr. 1/69	136.00	40
Star (Toronto)	387,418	Toronto Newspaper Printing Press and Assistants Union No. 2	pressmen	journeyman	Jan. 1/68	166.00	35
					Jan. 1/69	173.00	35
					Jan. 1/70	182.00	35
Spectator (Hamilton)	127,195	Graphic Arts Union, Local 669	composing, mailroom	journeyman day	1968	162.20	40
					1969	175.20	40
					1970	183.20	40
				engraver journeyman	1968	173.20	40
					1969	183.20	40
					1970	191.20	40
Standard (St. Catharines)	34,707	I.T.U. Local 416	composing room	journeyman	1968	156.40	37½

Table 71. Minimum Wages Scale for Selected Ontario Newspapers, 1967–71 (Continued)

Newspaper	Circulation	Union negotiating	Employees covered by contract	Wage scale: employee	Date	rate/wk.	hours/wk.
						$	hrs
Globe & Mail, (Toronto)	255,733	Toronto Newspaper Guild, (A.N.G.) Local 87	circulation	clerk (3 yrs. experience)	July 1/68 Aug. 4/69 July 6/70	102.00 107.00 112.00	35 35 35
			editorial	editorial writer, senior Ottawa correspondent	July 1/68 Jan. 4/71	207.00 230.00	35 35
				columist, literary editor, Ottawa correspondents	July 1/68 Jan. 4/71	192.00 215.00	35 35
				assistant editors	July 1/68 Jan. 4/71	187.00 210.00	35 35
Times (Oshawa)	24,452	Toronto Newspaper Guild (A.N.G.) Local 87	editorial	wire editor (6 yrs. experience)	July 3/69 July 3/70 Jan. 3/71	139.20 147.60 151.20	40 40 40
				reporter, photographer (6 yrs. experience)	July 3/69 July 3/70 Jan. 3/71	133.40 141.45 144.90	40 40 40
			circulation	circulation representative (4 yrs. experience)	July 3/69 July 3/70 Jan. 3/71	87.00 92.25 94.50	40 40 40
Star (Toronto)	387,418	Toronto Newspaper Guild (A.N.G.) Local 87	circulation	clerk (3 yrs. experience)	Jan. 1/68 Jan. 1/69 Jan. 1/70	103.50 108.50 115.50	35 35 35

Star (Cont'd) (Toronto)	editorial	editorial writer,	Jan. 1/68	208.00	35
		Ottawa	Jan. 1/69	219.00	35
		Bureau Head,	Jan. 1/70	226.00	35
		columist,	Jan. 1/68	186.00	35
		assistant editors	Jan. 1/69	197.00	35
			Jan. 1/70	206.00	35
		reporters,	Jan. 1/68	166.00	35
		photographer	Jan. 1/69	177.00	35
		(5 yrs. experience)	Jan. 1/70	187.00	35

printing presses are imported from the country of origin of the machines for which they are intended.

The Canadian plate-making and typesetting industry is composed of a large number of relatively small firms; and because of this, there is considerable diversity and specialization within the industry. The outstanding feature of this industry is the amount by which the materials used enhance in value by processing. For example, in 1966 the cost of materials was $15.2 million; of fuel and electricity, and wages, $28 million; value of shipments, $58 million. Here is a great deal of highly-skilled labour input.

Table 72. Canadian Factory Shipments of Printing Plates, Moulds, Transfer and Trade Composition for 1965 and 1966

Year	Offset Printing Plates	Electrotyping Stereotyping Composition Plates	Photo-engraving	Trade Composition or type-setting
		Dollars		
1965	13,249,000	5,630,000	14,147,000	14,120,000
66	16,064,000	5,474,000	15,601,000	16,263,000

Imports supply only a small part of the market. Virtually all the plate making connected with the Canadian market is done in Canada. Canadian publishers purchase the plates that are used for Canadian advertisers. But, for advertising of American companies and their Canadian subsidiaries, plates are imported.

The market for types for printing is relatively small ($500,000 – $1,000,000 annually) because type-setters normally cast and compose type in a single operation. This would usually enter into the trade of printing plates, moulds, or transfers rather than type. There are about twelve companies in Canada which produce type from imported parts.

WIRE SERVICE

At present 103 of 116 Canadian daily newspapers are members of the Canadian Press Association. The association is a non-profit organization directed by newspaper executives from Canadian newspapers.

The major expense of a wire service is staffing. Each year a General Cost "defined as expenses of the corporation essential to national service from which all members benefit," is determined by an annual budget. Revenue from non-member sources is deducted, and the remaining cost is divided among all the member newspapers according to a formula.

The total assessment is divided among member cities on the basis of circulation as given in the formula $R=100(1/c)^{0.2863}$ – where R is the number of cost units per 1,000 circulation (c). Thus for a city of 50,000 circulation, there are 32.63 cost units per 1,000 circulation giving a total cost units for the city of 1,631.50. The value of a cost unit is determined annually by the Executive Committee of the Canadian Press.

The number of cost units remains the same from year to year, but the value of the cost unit may change from year to year due only to changes in either total circulation of member newspapers or total budget or both. The value of the cost unit (R) for any year is the total of cost units for CP cities divided into the year's budget total.

Where there are competing member newspapers in a city, 60 per cent of the city's assessment shall be borne equally by the papers and the remaining 40 per cent of cost divided according to circulation. Thus, increasing the number of newspapers in a city would reduce individual cost for the CP service. (The above formula does not apply to areas where there are English- and French-language newspapers in the same city; each is assessed as if they were the only newspapers in the city.)

Before 1963, General Cost was divided on the basis of population.

Table 73: General Cost, 1959-1969

Year	Assessment Roll of Canadian Press
	Dollars
1959	1,525,711
60	1,530,861
61	1,633,927
62	1,734,807
63	1,742,064
64	1,781,384
65	1,887,108
66	2,055,712
67	2,249,598
68	2,438,720
69	2,604,519

Source: Canadian Press

It is worthy of note, that the increase in the General Cost between 1959 and 1964 was 16.7 per cent and the increase between 1964 and 1969 was 46.2 per cent.

Special services of Canadian Press are not chargeable as part of the General Cost; these services are charged on a circulation basis. But, stock market quotations are provided on an equal-share basis, for competing newspapers.

DISTRIBUTION OF PRODUCTION COSTS

Table 74 provides data on expenditures by the printing and publishing industry by types of inputs from 1960 to 1966. The contribution of inputs produced outside the economic boundaries of the printing and publishing establishments themselves

Table 74. Distribution of Costs of Production, Printing and Publishing Industries, 1960 – 1966

Year	Newsprint Paper	Ink	Fuel And Electricity	Other Purchased Material And Supplies	Wages And Salaries	Gross Returns To Capital	Total Revenues
				Dollars			
1960	60,376,000	4,005,000	2,966,000	29,878,000	143,041,000	118,665,000	358,524,000
61	60,002,000	4,180,000	3,071,000	30,129,000	147,868,000	125,052,000	370,327,000
62	60,432,000	4,236,000	3,256,000	31,277,000	157,875,000	128,424,000	385,824,000
63	60,789,000	4,200,000	3,313,000	31,819,000	161,761,000	127,795,000	389,739,000
64	61,156,000	4,387,000	3,428,000	33,862,000	163,639,000	141,447,000	406,716,000
65	65,488,000	4,643,000	3,510,000	36,720,000	179,551,000	156,978,000	446,885,000
66	69,054,000	5,411,000	3,741,000	43,835,000	193,136,000	166,013,000	481,443,000
				% of Total			
1960	16.84	1.11	.82	8.33	39.89	33.09	100.0
61	16.20	1.12	.82	8.13	39.92	33.76	100.0
62	15.66	1.09	.84	8.10	40.91	33.28	100.0
63	15.59	1.07	.85	8.16	41.50	32.78	100.0
64	15.03	1.07	.84	8.32	40.23	34.77	100.0
65	14.65	1.03	.78	8.21	40.17	35.12	100.0
66	14.34	1.12	.77	9.10	40.11	34.48	100.0
				1960=100			
1960	100.0	100.0	100.0	100.0	100.0	100.0	100.0
61	99.4	104.4	103.5	100.8	103.4	105.4	103.3
62	100.1	105.8	109.8	104.7	110.4	108.2	107.6
63	100.7	104.9	111.7	106.5	113.1	107.7	108.7
64	102.3	109.5	115.6	113.3	114.4	119.2	113.4
65	108.5	115.9	118.3	122.9	125.5	132.3	124.6
66	114.4	135.1	126.1	146.7	135.0	139.9	134.3

Source: Printing. Publishing and Allied Industries, D.B.S., 36-203 (Annual) are contained in the first four columns, classified under newsprint paper, ink, fuel and electricity, and other purchased materials and supplies. Wages, salaries, and gross returns to capital (capital consumption, interest, and profit) make up the remainder of the total revenues received by the establishments. This latter group makes up returns to resources specific to the industry itself, and as such are considered to make up the value added to the final product by the industry.

The first factor to be noted is that goods and services purchased from other industries generally make up from 25 per cent to 27 per cent of the total output of the industry. This makes the industry as a whole relatively immune to changing conditions in the industries that supply it with inputs. For instance, a 5 per cent rise in the prices of all inputs used by the industry would increase total costs for the industry as a whole by only slightly over 1 per cent. This is a situation considerably different from that in a number of other industries, many of which have 50 per cent and over of their costs accounted for by goods and services produced externally. Nevertheless, care must be taken in applying this overall conclusion specifically to individual firms in the industry. Generally, the importance of purchased inputs increases significantly with the size of firm, with some of the large daily newspapers having up to 50 per cent of their costs accounted for by newsprint alone.

Turning to newsprint, it can be seen that newsprint expenditures have been falling, as a proportion of total costs, through the time period covered. In 1960, newsprint accounted for 16.84 per cent of total costs to the industry; in 1966, it represented 14.34 per cent of total costs. This fall comes about because expenditures have risen more slowly over the period on newsprint than for any other input. From 1960 to 1965, expenditures on newsprint rose only 8.5 per cent. A large jump in 1966 resulted in an increase of 14.4 per cent over the whole period. The most significant contributing factor to this jump in 1966 was the sharp advance in newsprint prices in that year.

Ink makes up a very small proportion of total costs, being only slightly over 1 per cent in each of the years considered. As a result, even though expenditures on ink rose by 35.1 per cent over the period, changes in ink's cost generally have little effect on the economic health of the industry as a whole. Fuel and electricity are likewise relatively unimportant, and have been declining in importance as a result of an advance in expenditures of only 26.1 per cent over the period, the lowest percentage advance for any input group other than newsprint paper.

Expenditures on other materials and supplies have increased in relative importance through time, because expenditures on this group have increased by 46.7 per cent over the period considered. This group is made up of a "mixed bag" of items, and as such it is difficult to identify any particular item as the reason for this advance.

Expenditures on wages and salaries constitute by far the largest proportion of total costs compared to any other individual input. Labour's share of costs has remained relatively stable over the period, with the advance in expenditures on labour being approximately equal to the advance in total revenues.

Capital's share increased over the period, moving from approximately 33 per cent of total revenue in 1960 to 34.5 per cent in 1966. Since this figure is the gross capital return, this advance can be attributed to either a relative increase in capital costs reflected in increased capital consumption, or to a relative increase in net profit over the period. Given the fluctuations in the gross share going to capital over the period, the change appears to be attributable most directly to an increase in profitability. Changes in capital costs themselves would be expected to show more stability than is indicated in these figures.

EMPLOYMENT, WAGES, AND PRODUCTIVITY

Table 75 contains the results of calculations pertaining to employment, wages, and productivity for print and publishing establishments, The first section indicates annual trends from 1961 to 1967. The data here pertain to employees involved in production while the data in the second pertain to employees engaged in administrative, circulation, advertising sales, and editorial offices.

Average wages per hour increased from \$2.40 in 1961 to \$3.04 in 1967, amounting to a 27 per cent increase over the period. The 1967 figure of \$3.04 per hour placed employees in this group among the highest paid production employees in Canada. Table 76 lists earnings per hour in 1967 for a selected group of industries.

The only employees in the industrial classifications used by D.B.S. earning in excess of \$3.04 were those in the petroleum and coal industries who earned \$3.38 per hour.

Average annual wages among the administrative, sales, and distribution employees were slightly above the average annual wages of the production workers in 1967. Over the period as a whole, annual wages of each increased about equally; 26.7 per cent for production workers and 26.3 per cent for administrative, sales and distribution employees. Within the period, however, the latter group lagged behind the former in wage advances, catching up only with a large jump in 1967. In each year before 1967, the index of wages for administrative, sales, and distribution employees lagged considerably behind that of production employees. This phenomenon reflects the strong bargaining position of unions on the production side, particularly in composing, stereotype and printing press departments.

Value-added-per-employee increased 31.5 per cent over the period. This was 5 per cent more than the advances in salaries and wages. Wage advances among both groups of workers lagged behind output (value added) increases, but the lags were most significant for administrative, sales and distribution employees. The fact that wage advances were less than output-per-employee increases suggests that wage-push inflationary pressures were not a dominant factor in the period under consideration.

Wage-push inflation comes about as a result of labourers using their bargaining power to gain advances in wages greater than gains in the productivity. When this occurs, entrepreneurs must either accept a declining gross return to capital, or raise prices, (in this case advertising and/or circulation rates), in order to obtain the extra financial means needed to meet the larger wage settlements.

The foregoing data suggest that the demands for the products of this industry have been sufficiently vigorous to permit rates and prices to be set so as to more than compensate for advances in wages and salaries. Annual increases in value

Table 75. Employment, Wages and Productivity, 1961 – 1967

	Production Employees						Administration, Office, Sales and Distribution Employees				All Employees		
Year	No. of Employees	No. of Hours Worked	Annual Total Wages	Annual Wages Per Employee	Average Wages Per Hour	Index of Wages Per Hour 1961 = 100	No. of Employees	Annual Total Wages & Salaries	Annual Wages Per Employee	Index of Wages Per Year	Value Added	Value Added Per Employee*	Index of Productivity Per Employee* (1961 = 100)
			Dollars					Dollars				Dollars	
1961	15,715	30,805,000	73,895,000	4,702	2.40	100.00	16,289	78,531,000	4,821	100.0	272,036,000	8,500	100.0
62	15,482	31,125,000	77,520,000	5,007	2.49	103.75	16,627	80,355,000	4,833	100.2	286,299,000	8,916	104.9
63	15,400	30,705,000	78,232,000	5,080	2.55	106.25	16,638	83,529,000	5,020	104.1	289,556,000	9,038	106.3
64	15,024	30,154,000	79,270,000	5,276	2.63	109.58	16,755	84,369,000	5,035	104.4	305,086,000	9,600	112.9
65	15,387	30,869,000	85,250,000	5,540	2.76	115.00	17,767	94,301,000	5,308	110.1	336,529,000	10,150	119.4
66	15,510	31,088,000	89,975,000	5,801	2.89	120.42	18,316	103,262,000	5,632	116.8	359,149,000	10,618	124.9
67	15,900	31,672,000	96,217,000	6,051	3.04	126.67	18,153	110,513,000	6,088	126.3	380,753,000	11,181	131.5

*Value added per employee is the measure of productivity; value added is defined as the difference between operating revenue and the cost of purchased inputs.

Table 76: Average Hourly Earnings in Selected Industries, 1967

Industry	Average Hourly Earnings
	Dollars
Textile Products	1.89
Furniture & Fixtures	1.91
Primary Metal	2.54
Electrical Products	2.33
Petroleum & Coal	3.38
Chemicals	2.60
Food & Beverages	2.12

added per employee were generally equal to, or greater than, increases in wages and salaries. As a consequence, gross returns to capital increased over the period as a whole. This suggests that conditions of demand had a greater influence than employment costs in the determination of rates and prices.

An increase in the share of returns going to capital does not always indicate the presence of demand-induced inflation. If the shifts in returns are evident over a fairly long period of time in terms of a clearly distinguishable trend, this can indicate a shift in the capital intensity, (that is, capital to labour ratios) in the industry. However, significant year-to-year shifts in capital's share within a fairly short time do not usually reflect any real changes in capital intensity.

CONCENTRATION BY SIZE OF FIRM

Table 77 shows the results of measures used to establish the degree of economic concentration in the industry under consideration. The data are for 1966, since this is the last year for which data are available in the necessary amount of detail. Concentration is considered on the basis of producing establishments. These charts and tables say nothing about concentration of ownership. Establishments with revenue of less than $25,000 per year have been omitted, since these establishments tend to be generally owner-operated, making it difficult to establish relevant data on employees.

The two smallest groups of establishments make up over one half of the total number of establishments but account for only 3.4 per cent of the total revenue, and 5.9 per cent of the total employment for all establishments. On the other hand establishments with revenue of over $5 million per year account for only 4.0 per cent of the establishments, but account for 63.7 per cent of total revenues and 53.5 per cent of total employment. The two largest size groups, making up 12.8 per cent of the total establishments, account for 76.3 per cent of total employment and 84.4 per cent of total revenues.

Table 77. Printing and Publishing Industry*
Distribution of Employees and Revenue
By Revenue Groups, 1966

Size Group Based on Revenue Per Establishment	Distribution of Establishments		Distribution of Employees		Distribution of Revenue	
	No.	% of Total	No.	% of Total	Value	% of Total
		%		%	$	%
$25,000 to $49,999	138	25.3	586	1.7	4,869,000	1.0
$50,000 to $99,999	155	28.4	1,394	4.2	11,340,000	2.4
$100,000 to $199,999	86	15.8	1,334	4.0	12,097,000	2.5
$200,000 to $499,999	57	10.5	2,028	6.0	18,312,000	3.8
$500,000 to $999,999	39	7.2	2,623	7.8	28,092,000	5.9
$1,000,000 to $4,999,999	48	8.8	7,635	22.8	99,222,000	20.7
$5,000,000 to $4,999,999	22	4.0	17,956	53.5	305,334,000	63.7
Total	545	100%	33,556	100%	479,266,000	100%

*Excluding establishments with revenue of less than $25,000 per year

Source: D.B.S.

These results are not unexpected given the wide differences in annual circulation of publications of establishments in this group. Nevertheless, it does point out the degree to which such circulation discrepancies do give rise to differences in employment and revenue. It also points out that the revenue-generating ability per employee increases as firms become larger, since the discrepancies in distribution of revenues between size groups are greater than the discrepancies in distribution of employment.

WAGES AND PRODUCTIVITY BY SIZE OF FIRM

Table 78 indicates the results of a study of wages and productivity by size of establishment. The establishments included are the same as those used to study the degree of economic concentration above. Size is determined on the basis of total revenues from printing and publishing for each establishment. The data are for the year 1966, the latest year for which data are available in the necessary detail.

The first factor to consider is the large disparity in wages between the smallest and the largest firms. Wages per hour among production workers range from \$1.75 among the smallest firms to \$3.48 among the largest firms. The latter figure is almost twice the former, as indicated by the index of wages per hour. Among administration, sales, and distribution employees almost the same disparity in wages exists. The annual wages of those in the largest plants are almost twice of those in the smallest plant. It is also to be noted that for both groups of employees, average wages for each size group are without exception higher than those for the next smaller group.

Turning to the labour productivity index (measuring relative differences in the value of product per employee), we find an even greater discrepancy than that for wages. Productivity per employee for plants in the largest size group is more than double that of plants in the smallest size group. Again, labour productivity increases in all cases as one moves from any size group to the next largest size group.

The explanation for these great discrepancies in labour productivity between different sizes of establishments can only be tentatively set out at this point. The hypothesis will be examined in more detail at a later point.

Assuming that wages are a fair measure of the share of the total product generated by the activities of labour, one factor contributing to the great discrepancies in productivity per employee between small and large firms is the superior productive capacity of labour. However this in itself does not go far enough, since the labour productivity index ranges from 100.0 to 206.3 over the size groups considered, while the wages indices range from 100.0 to slightly less than 200.

The remaining discrepancy in productivity per employee must reflect either a greater capital intensity among the larger firms, or larger profits among the larger firms. While there is no means of ascertaining from these data which of these is the more correct, there is no doubt a combination of these factors in force. Data examined in other parts of this study indicate that higher profits probably are the stronger of these two forces.

Table 78. Employment, Wages and Productivity, by Size of Total Sales, 1966
Production Employees

Size Group	No. of Employees	No. of Hours Worked	Annual Total Wages	Annual Wages Per Employee	Average Wages Per Hour	Index of Wages Per Hour
$		$	$	$	$	
25,000 to 49,999	415	848,000	1,485,000	3,578	1.75	100.0
50,000 to 99,999	888	1,812,000	3,436,000	3,869	1.90	108.6
100,000 to 199,999	816	1,678,000	3,461,000	4,241	2.06	117.7
200,000 to 499,999	1,078	2,244,000	4,912,000	4,557	2.19	125.1
500,000 to 999,999	1,347	2,747,000	6,586,000	4,889	2.40	137.1
1,000,000 to 4,999,999	3,723	7,435,000	20,717,000	5,564	2.79	159.4
5,000,000 and over	7,124	14,089,000	48,993,000	6,877	3.48	198.9

	Office, Administration, Sales and Distribution Employees				All Employees		
Size Group	No. of Employees	Annual Total Wages & Salaries	Annual Wages Per Employee	Index of Wages Per Year	Value Added	Value Added Per Employee	Labour* Productivity Index
$		$	$		$	$	
25,000 to 49,999	171	541,000	3,164	100.0	3,668,000	6,000	100.0
50,000 to 99,999	506	1,959,000	3,872	122.4	8,624,000	6,187	103.1
100,000 to 199,999	518	2,334,000	4,506	142.4	9,157,000	6,864	114.4
200,000 to 499,999	950	4,123,000	4,340	137.2	14,834,000	7,315	121.9
500,000 to 999,999	1,276	5,932,000	4,649	146.9	21,521,000	8,205	136.8
1,000,000 to 4,999,999	3,912	19,990,000	5,110	161.5	77,537,000	10,155	169.3
5,000,000 and over	10,823	67,102,000	6,200	196.0	222,273,000	12,379	206.3

*Labour productivity measured as the value added per employee

Source: Printing, Publishing and Allied Industries, D.B.S. 36-203 (Annual)

What explains the much greater productive capacity of labour and the greater profitability of capital among successively larger establishments in the industry? The hypothesis advanced at this point is that this industry is one characterized by tremendous economies of large-scale production. These kinds of economies of scale are generally found only among those type of industries generally classified as "natural monopolies."

Consequently, the results produced in this section set the stage for determining an answer to one of the important concerns about the publishing industries. If publishing, and newspaper publishing in particular, is a natural monopoly industry, an important reason can be advanced for the paucity of cities in Canada having more than one daily newspaper. The sections of this study concentrating on daily newspapers will delve more deeply into the question of economies of scale, and the nature and characteristics of these economies. An attempt will be made to answer, with some certainty, the question of whether newspaper and periodical industries are "natural monopolies."

WAGES AND PRODUCTIVITY BY REGION

Table 79 contains the types of calculations already undertaken on a time-series and size-of-establishment basis, but broken down by regions. Again the data are for 1966, permitting comparisons with the previous tables.

A considerable range exists in the levels of wages and salaries on a provincial basis. Among production workers in 1966, only those in Quebec, Ontario, and British Columbia earned, on the average, wages above the national average. Average wages in the Maritime Region and the Prairie Region were below the national average in every province for which data are available. The Maritimes was the most depressed region in this respect, with average wages in Nova Scotia being 77.5 per cent of the national average and average wages in New Brunswick being only 72.0 per cent of the national average.

A very similar pattern exists as regards administration, office, sales, and distribution employees, except that averages in British Columbia were also below the national average in 1966. Ontario and Quebec, again, had the highest average, with Saskatchewan replacing New Brunswick as the province in which average wages were lowest.

There is a very close relationship between wages and the productivity index, indicating the role of productivity in determining the pattern of regional wage discrepancies. These productivity differences may partially reflect economies of scale, since the provinces with the largest populations also are the provinces having the highest productivity.

Another factor contributing to the regional disparity in wages in this industry is the over-all regional disparity in wages found in all industries. Other wage rates contribute to the wages which must be paid in an industry if it is to attract the required number of employees.

Table 79. Employment, Wages and Productivity by Region, 1966*

Region	Production Employees						Administration. Office, Sales and Distribution Employees				All Employees		
	No. of Em-ployees	No. of Hours Worked	Annual Total Wages	Annual Wages Per Em-ployee	Averages Wages Per Hour	Index of Wages Per Hour Per = 100	No. of Em-ployees	Annual Total Wages & Salaries	Annual Wages Per Em-ployee	Index of Wages Per Year (Canada = 100	Value Added	Value Added Per Em-ployee	Index of Produc-tivity Per Em-ployee (Canada = 100
			Dollars					Dollars			Dollars		
Nova Scotia	492	1,026,000	2,300,000	4,674	2.24	77.5	567	2,373,000	4,185	74.3	9,309,000	8,790	82.8
New Brunswick . . .	339	748,000	1,580,000	4,661	2.08	72.0	323	1,498,000	4,638	82.4	5,517,000	8,334	78.5
Quebec	3,759	7,608,000	23,815,000	6,335	3.13	108.3	3,702	22,501,000	6,078	107.9	85,073,000	11,402	107.4
Ontario	6,888	13,575,000	40,557,000	5,888	2.99	103.5	9,421	56,140,000	5,959	105.8	173,466,000	10,636	100.2
Manitoba	894	1,844,000	4,559,000	5,100	2.47	85.5	1,026	4,262,000	4,154	73.8	17,385,000	9,055	85.3
Saskatchewan	653	1,320,000	3,037,000	4,651	2.30	79.6	482	2,186,000	4,535	80.5	10,082,000	8,883	83.7
Alberta	938	1,934,000	4,922,000	5,247	2.55	88.2	848	3,811,000	4,494	79.8	19,687,000	11,023	103.8
British Columbia . . .	1,315	2,546,000	8,269,000	6,288	3.25	112.5	1,680	9,397,000	5,593	99.3	34,798,000	11,619	109.4
Canada Total	15,510	31,088,000	89,975,000	5,801	2.89	100.0	18,316	103,161,000	5,632	100.0	359,149,000	10,618	100.0

*Individual for Newfoundland and Prince Edward Island are not shown separately but are included in "Canada Total". Source: D.B.S.

Source: D.B.S.

RELATIONSHIP BETWEEN EARNINGS OF PRODUCTION AND OTHER EMPLOYEES

A comparison between average wages of production workers and average wages and salaries of administrative, office, sales, and distribution employees indicates that, almost without exception, the average earnings of the former are equal to or greater than the average earnings of the latter.

In the period 1961-67, the growth in earnings of office workers lagged behind that in the earnings of production workers in each year except 1967. Likewise they were at a lower level in each year except 1961 and 1967, and in these latter years, the differences were marginal. Compared on the basis of size groups, office employees had lower earnings in all but two groups. A similar pattern can be found in the regional comparisons.

These results give rise to some questions that are further investigated in another section of this report. Given the role of the media in informing and educating, one must wonder why the salaries for the group containing the editorial and administrative employees are no higher than for the production workers. While some will certainly agree that this is fair on the basis of equity, the question here is how newspapers and periodicals can draw and keep highly-trained, professional people with such a salary structure.

These figures cannot be used to say anything definite about the salaries of professional employees, since they contain earnings of others as well. However, while the figures on office and administrative employees include clerical and other help of this nature, the figures on production workers also contain lower-skilled help in those departments. The figures do, then, offer some suggestions regarding relative earnings in the industry.

Chapter 4:

PROFITABILITY

INTRODUCTION

The tables in this chapter contain financial and profitability results for corporations in Canada engaged in daily newspaper publishing. The original aggregated data were extracted and aggregated for this study by the Corporations and Labour Unions Returns Act Administration of D.B.S. from income tax returns filed with the Department of National Revenue.

Not all daily newspaper publishing companies in Canada are included in these tables. Problems arose with respect to identifying all of the relevant corporations within the taxation records in the limited time available to extract and aggregate the data. Nevertheless the aggregated data are reasonably complete, with only a limited number of smaller corporations, and some holding companies, not included. The aggregated data have been compiled according to standard accounting practices, using year-end balance sheets and profit-and-loss statements. The balance sheets contain a breakdown of assets and liabilities, while the profit-and-loss statements contain a breakdown of income, expenses, and net profit.

All assets are stated at book value. No adjustment is made in these values to take account of goodwill or other related intangibles.

All assets are matched by corresponding liabilities and equity. Capital values represent purchasing power which someone has agreed to hold in the form of capital assets, rather than utilizing it for consumption. These capital values are assigned to physical inputs, such as land, buildings, equipment, and inventories; and financial inputs such as cash, securities, and accounts receivable. The purchasing power that provides a firm with the ability to retain these capital inputs comes from four main sources: accounts payable, outside debt, share capital, and retained earnings.

Equity capital is purchasing power provided by shareholders. Since retained earnings (plus any other surplus) consist of deferred individual payments, retained earnings, other surplus, and share capital make up the total of equity capital.

The identification of equity capital is important in determining profitability rates. In determining the profitability of an enterprise as it pertains to the owners, the relevant measure is the return on equity after obligations to liabilities have been met. Obligations to liabilities are met in terms of interest payments. Consequently, the most relevant measure of profitability, in terms of the owners of an enterprise, is profit, after interest payments have been made, as a percentage of total equity. In order to arrive at a measure of the profit actually received by the owners, a further deduction must be made to take account of income tax payments.

In terms of resource allocation within the economy as a whole, a slightly different concept is applied. From the viewpoint of obtaining an optimum use of resources, the rate of return on all assets is the relevant concept. The profit figure used in arriving at this rate is net profit, including interest payments and income tax payments.

This discussion indicates that there are three relevant net profit figures:

Net Profit A = net profit, excluding interest and income tax payments as expenses.

Net Profit B = net profit, including interest payments, but excluding income tax payments as an expenses.

Net Profit C = net profit, including interest and income tax payments as expenses.

ASSETS, LIABILITIES, AND EQUITY

Tables 80 and 81 contain data on the distribution and trends in assets, liabilities, and equity for all of the companies for which data were available. Most of the results found in these tables are self-explanatory. A couple of factors do deserve special attention, however.

First, there has been a sharp increase in assets in the form of investment in affiliates. Investment in affiliates represented 10.6 per cent of total assets in 1958 compared to 17.8 per cent in 1967. This asset figure grew by 183 per cent over the ten-year period, while all other assets grew by considerably less than 100 per cent over the same period. The continued growth in this asset figure is explained by a continuous trend toward both group ownership and ownership interests in enterprises other than newspaper publishing.

Second, retained earnings constitute the largest single item in terms of liabilities and equity. Retained earnings in recent years have been greater than total liabilities in absolute terms, and have grown at a much faster rate than any individual type of liability, and than liabilities in total. Total liabilities grew by 34.7 per cent over the ten-year period, while retained earnings grew by 101.5 per cent. Only common and preferred shares had a growth rate in the same range as retained earnings, but this was largely explainable by major share issues by single large companies in 1965 and 1967. Share capital also makes up a much smaller proportion of total liabilities and equity than retained earnings. Retained earnings now make up approximately 45 per cent of total equity and liabilities.

Table 80. Asset Distribution as a Proportion of Total Assets
Corporations Publishing Daily Newspapers, 1958 – 1967

Year	Cash & Securities as a % of Total Assets	Accounts Receivable as a % of Total Assets	Inventories as a % of Total Assets	Current Assets as a % of Total Assets	Land as a % of Total Assets	Net – Buildings and Equipment as a % of Total Assets	Investment in Affiliates as a % of Total Assets	Other Assets as a % of Total Assets (Residue)
1958	14.3	11.8	4.5	32.4	6.1	39.8	10.6	11.1
59	13.9	11.8	3.9	31.5	5.7	39.8	12.7	10.3
60	14.6	12.0	3.9	31.6	6.2	40.4	12.2	9.6
61	13.9	11.9	3.7	30.8	6.3	38.2	15.4	9.3
62	14.9	12.0	3.4	31.4	6.5	38.5	14.8	8.8
63	14.9	11.8	3.0	31.2	6.3	39.8	15.1	7.6
64	15.1	11.5	3.9	28.9	6.6	42.1	14.2	8.2
65	12.4	12.2	3.5	29.1	6.0	40.6	17.3	7.0
66	10.9	12.8	3.7	28.6	6.2	40.8	17.1	7.3
67	16.0	12.7	3.1	33.2	5.8	38.0	17.8	5.2

Source: D.B.S.

Table 81. Liabilities Distribution as a Proportion of Total Liabilities and Equity, Corporations Publishing Daily Newspapers, 1958 – 1967

Year	Bank & Short Term Loans as a % of Total Liabilities and Equity	Accounts Payable as a % of Total Liabilities and Equity	Current Liabilities as a % of Total Liabilities and Equity	Long Term Debt as a % of Total Liabilities and Equity	Total Liabilities as a % of Total Liabilities and Equity	Common Shares as a % of Total Liabilities and Equity	Preferred Shares as a % of Total Liabilities and Equity	Retained Earnings as a % of Total Liabilities and Equity	Equity as a % of Total Liabilities and Equity
1958	4.5	7.2	17.8	24.8	46.5	6.7	5.1	37.0	53.4
59	5.1	7.4	19.5	22.5	45.8	6.2	4.7	39.0	54.2
60	2.8	6.5	15.3	25.4	45.8	5.9	4.5	39.4	54.2
61	4.0	6.2	16.3	23.3	44.0	5.7	4.5	41.8	56.0
62	3.9	6.3	16.9	22.6	42.6	5.7	4.3	43.4	57.3
63	4.6	7.2	18.3	21.7	43.4	5.4	3.7	43.8	56.6
64	3.8	8.1	18.4	21.3	45.3	5.3	2.7	43.2	54.7
65	3.7	8.0	17.6	18.3	41.4	8.6	2.0	44.5	58.6
66	3.2	8.3	17.6	17.0	41.2	8.6	1.9	45.1	58.8
67	2.3	7.8	15.9	14.2	37.3	8.8	6.1	44.4	62.7

Source: D.B.S.

Retained earnings represent capital to which individual corporations have privileged access. This capital is generated internally from profits, and thus does not move through the competitive capital markets. The corporate decision makers decide what portion of the profits they shall make available for the company's use from this source. In addition, personal income tax is not paid immediately on the income from which such earnings come.

The internal generation of capital funds is most significant in terms of its effects on the structure of the industry. A high degree of internal generation of capital tends to result in an industry that expands from within the established corporate structure, rather than through new capital from outside. Retained earnings built up by firms established in the industry require profitable opportunities for utilization.

Any firm has only so much room to expand capacity of its existing plants, due to constraints imposed by the rate of growth of its market. After this growth has been taken care of by investment in plant and equipment, any additional retained earnings require alternative forms of investment if they are to be profitably utilized. An attractive alternative for any company is to use such funds to purchase other firms already established in the industry. Thus, a high level of retained earnings in an industry tends to contribute to a concentration of ownership of establishments into the hands of fewer and fewer large corporations.

One of the main factors contributing to the high level of retained earnings is a feature of the income tax system that gives high-income shareholders a tax deferment on their share of profits which are retained in the corporation. Shareholders currently get a tax credit on dividends to make an allowance for tax already paid on corporation profits. However, any shareholder with a marginal rate of tax slightly in excess of 40 per cent can obtain a tax deferment by leaving earnings in the corporation in the form of retained earnings.

Such retained earnings are reflected in the market value of the shares of a corporation. Since a corporation has an indefinite life span, this capitalization of retained earnings in terms of market values of shares is not generally discounted by the amount of the deferred tax. Because of the indefinite deferment, the discounted present value of the tax owing in the future approaches zero. As a results, it is often to the advantage of a high-income shareholder to have a large proportion of his earnings in the company in the form of retained earnings.

The data found in Table 81 probably tend to underestimate the contribution that retained earnings make to the capital structure of this industry. This arises from the fact that the data do not include holding companies, which may have acquired share capital in their subsidiaries from earnings which they have received as dividends from these subsidiaries.

PROFITABILITY OF CORPORATIONS PUBLISHING DAILY NEWSPAPERS.

Tables 82 to 86 contain aggregated data on the profitability of corporations publishing daily newspapers in Canada. Table 82 contains data for all corporations in Canada for which the data could be extracted. The remaining tables contain data for selected corporations categorized according to size, type of ownership, and region.

Table 82. Corporations Publishing Daily Newspapers

Year	Total Assets	Equity	Net Profit A*	Net Profit A as a Per Cent of Total Assets	Net Profit B*	Net Profit B as a Per Cent of Equity	Net Profit C*	Net Profit C as as a Per Cent of Equity	Total Revenue	Net Profit A as a Per cent of Total Revenue
	Dollars			Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
1958 ..	183,142,000	97,924,000	26,542,000	14.5	24,083,000	24.6	13,073,000	13.3	224,413,000	11.8
59 ..	199,424,000	108,113,000	34,052,000	17.1	31,067,000	28.7	16,966,000	15.7	250,266,000	13.6
60 ..	208,028,000	112,803,000	31,943,000	15.3	28,546,000	25.3	14,557,000	12.9	259,847,000	12.2
61 ..	218,339,000	122,269,000	32,548,000	14.9	28,965,000	23.7	15,096,000	12.3	263,119,000	12.3
62 ..	222,973,000	127,879,000	35,954,000	16.1	32,345,000	25.3	17,182,000	13.4	272,520,000	13.1
63 ..	233,605,000	132,255,000	34,607,000	14.8	30,945,000	23.4	16,589,000	12.5	278,539,000	12.4
64 ..	240,795,000	131,698,000	39,147,000	16.3	35,484,000	26.9	18,379,000	13.9	288,438,000	13.5
65 ..	273,325,000	160,180,000	52,523,000	19.2	48,816,000	30.5	28,043,000	17.5	335,276,000	15.6
66 ..	292,058,000	171,791,000	50,981,000	17.4	47,293,000	27.5	24,537,000	14.3	348,468,000	14.6
67 ..	307,740,000	192,931,000	53,070,000	17.2	49,435,000	25.6	25,874,000	13.4	383,463,000	13.8

*Net Profit A = Net Profit Before Interest and Income Tax Payments
*Net Profit B = Net Profit Before Income Tax Payments
*Net Profit C = Net Profit After Income Tax Payments

Source: D.B.S.

Table 83. Selected Corporations Publishing Daily Newspapers by Circulation Size-Group, 1958 – 1967

Circulation Size Group	Total Assets	Equity	Net Profit A	Net Profit A as a Per Cent of Total Assets	Net Profit B	Net Profit B as a Per Cent of Equity	Net Profit C	Net Profit C as a Per Cent of Equity	Total Revenue	Net Profit A as a Per Cent of Total Revenue
		Dollars		Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
Over 100,000										
1958	104,863,000	46,986,000	12,259,000	11.7	10,759,000	22.9	5,865,000	12.5	131,537,000	9.3
59	113,756,000	52,132,000	17,438,000	15.3	15,378,000	29.5	8,705,000	16.7	150,468,000	11.6
60	114,139,000	53,073,000	14,544,000	12.7	12,116,000	22.8	6,022,000	11.3	154,190,000	9.4
61	119,319,000	56,388,000	14,780,000	12.4	12,273,000	21.8	6,355,000	11.3	156,500,000	9.4
62	122,096,000	57,953,000	18,033,000	14.8	15,430,000	26.6	8,171,000	14.1	161,833,000	11.1
63	129,847,000	61,218,000	17,234,000	13.3	14,607,000	23.9	7,966,000	13.0	164,320,000	10.5
64	128,020,000	56,624,000	19,683,000	15.4	16,994,000	30.0	8,795,000	15.6	162,220,000	12.1
65	141,353,000	67,176,000	27,512,000	19.5	24,855,000	37.0	14,987,000	22.3	187,243,000	14.7
66	151,634,000	72,965,000	25,401,000	16.8	22,737,000	31.2	11,732,000	16.1	198,538,000	12.8
67	146,518,000	71,066,000	26,244,000	17.9	23,689,000	33.3	11.914,000	16.8	210.187,000	12.5
50,000 – 100,000										
1958	12,471,000	10,606,000	2,628,000	21.1	2,600,000	24.5	1,332,000	12.6	17,945,000	14.6
59	13,355,000	11,348,000	2,732,000	20.5	2,717,000	23.9	1,314,000	11.6	18,562,000	14.7
60	14,384,000	12,457,000	3,115,000	21.6	3,087,000	24.8	1,467.000	11.8	19,476,000	16.0
61	15,662,000	13,605,000	2,847,000	18.2	2,820,000	20.7	1,364,000	10.0	20,239,000	14.1
62	17,021,000	14,211,000	3,037,000	17.8	3,001,000	21.1	1,494,000	10.5	20,787.000	14.6
63	17,246,000	13,244,000	2,664,000	15.4	2,570,000	19.4	1,281,000	9.7	21,382,000	12.5
64	17,377,000	13,302,000	2,888,000	16.6	2,781,000	20.9	1,343,000	10.1	22,725,000	12.8
65	17,788,000	14,167,000	3,546,000	19.9	3,459,999	24.4	1,771,000	12.5	23,945,000	14.8
66	19,414,000	15,637,000	4,349,000	22.4	4,285,000	27.4	2,134,000	13.6	26,509,000	16.4
67	20,627,000	16,957,000	4,615,000	22.4	4,564,000	26.9	2,262,000	13.3	28,490,000	16.2

Table 83. Selected Corporations Publishing Daily Newspapers by Circulation Size-Group, 1958 – 1967 (Concluded)

Circulation Size Group	Total Assets	Equity	Net Profit A	Net Profit A as a Per Cent of Total Assets	Net Profit B	Net Profit B as a Per Cent of Equity	Net Profit C	Net Profit C as a Per Cent of Equity	Total Revenue	Net Profit A as a Per Cent of Total Revenue
		Dollars		Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
10,000 – 50,000										
1958	35,311,000	23,256,000	4,464,000	12.6	3,980,000	17.1	2,056,000	8.8	30,548.000	14.6
59	38,990,000	24,670,000	5,113,000	13.1	4,623,000	18.7	2,353,000	9.5	32.528,000	15.7
60	46,207,000	26,653,000	5,350,000	11.6	4,795,000	18.0	2,398,000	9.0	35,098,000	15.2
61	48,410,000	28,743,000	5,507,000	11.7	4,801,000	16.7	2,465,000	8.6	34,447,000	16.0
62	47,824,000	30,731,000	5,180,000	10.8	4,512,000	14.7	2,295,000	7.5	35,448,000	14.6
63	49,415,000	32,147,000	5,353,000	10.8	4,676,000	14.5	2,318,000	7.2	36,800,000	15.0
64	55,461,000	36,091,000	6,484,000	11.7	5,853,000	16.2	2,964,000	8.2	41,307,000	15.7
65	68,736,000	50,551,000	7,461,000	10.9	6,802,000	13.5	3,458,000	6.8	44,763,000	16.7
66	71,692,000	52,338,000	8,316,000	11.6	7,721,000	14.8	3,814,000	7.3	48,408,000	17.2
67	87,728,000	69,136,000	8,695,000	9.9	8,117,000	11.7	4,059,000	5.9	51,449 000	16.9
Less than 10,000										
1958	6,008,000	3,429,000	473,000	7.9	433,000	12.6	360,000	10.5	8,652,000	5.5
59	6,441,000	3,884,000	766,000	11.9	721,000	18.6	557,000	14.3	9,957,000	7.7
60	6,464,000	4,358,000	776,000	12.0	725,000	16.6	582,000	13.4	10,531,000	7.4
61	7,114,000	5,071,000	791,000	11.1	744,000	14.7	401,000	7.9	9,961,000	7.9
62	7,204,000	5,100,000	851,000	11.8	807,000	15.8	449,000	8.8	11,102,000	7.7
63	7,917,000	5,550,000	883,000	11.1	833,000	15.0	476,000	8.6	11,486,000	7.3
64	7,795,000	5,313,000	1,084,000	13.9	1,025,000	19.3	554,000	10.4	12 203,000	8.9
65	9,258,000	5,121,000	1,811,000	19.6	1,728,000	33.7	981,000	19.2	13,935,000	13.0
66	9,950,000	6,082,000	2,068,000	20.8	1,963,000	32.3	1,088,000	17.9	16,010,000	12.9
67	10,442,000	6,319,000	2,268,000	21.7	2,164.000	34.2	1,183,000	18.7	17,154,000	13.2

Source: D.B.S.

Table 84. Selected Corporations Forming Part of a Group and Publishing Daily Newspapers by Circulation Size-Group, 1958 – 1967

Circulation Size-Group	Total Assets	Equity	Net Profit A before Int. & Inc. Tax	Net Profit A / Total Assets	Net Profit B after Int.	Net Profit B / Equity	Net Profit C after Inc. & Inc. Tax	Net Profit C / Equity	Total Revenue	Net Profit A / Total Revenue
	Dollars	Dollars	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
More than 100,000										
1958	45,500,000	16,478,000	3,790,000	8.3	2,961,000	18.0	1,275,000	7.7	54,237,000	7.0
59	50,536,000	17,658,000	6,251,000	12.4	5,211,000	29.5	2,878,000	16.3	63,573,000	9.8
60	50,233,000	16,110,000	6,196,000	12.3	4,757,000	29.5	2,345,000	14.6	67,731,000	9.1
61	50,161,000	17,218,000	6,646,000	13.2	5,188,000	30.1	2,707,000	15.7	68,293,000	9.7
62	50,996,000	19,065,000	9,317,000	18.3	7,961,000	41.8	4,249,000	22.3	71,320,000	13.1
63	52,074,000	20,854,000	9,727,000	18.7	8,430,000	40.4	4,760,000	22.8	72,963,000	13.3
64	51,382,000	18,715,000	8,143,000	15.8	6,929,000	37.0	2,173,000	11.6	67.198,000	12.1
65	57,332,000	23,626,000	14,735,000	25.7	13,499,000	57.1	7,919,000	33.5	83,276,000	17.7
66	65,924,000	27,850,000	15,379,000	23.3	14,138,000	50.8	7,276,000	26.1	88,674,000	17.3
67	60,258,000	25,044,000	14,487,000	24.1	14,330,000	57.2	7,062,000	28.2	95,297,000	15.2
10,000 – 50,000										
1958	26,794,000	17,242,000	3,498,000	13.1	3,109,000	18.0	1,631,000	9.5	17,675,000	19.8
59	30.070,000	18,636,000	3,878,000	12.9	3,501,000	18.8	1,766,000	9.5	18,829,000	20.6
60	36,792,000	20,343,000	4,084,000	11.1	3,651,000	18.0	1,799,000	8.8	20,392,000	20.0
61	38,435,000	22,031,000	4,118,000	10.7	3,527,000	16.0	1,758,000	8.0	19,215,000	21.4
62	37,216,000	23,974,000	4,162,000	11.2	3,601,000	15.0	1,814,000	7.6	19,761,000	21.1
63	38,765,000	25,627,000	4,415,000	11.4	3,869,000	15.1	1,920,000	7.5	20,499,000	21.5
64	44,281,000	29,237,000	5,287,000	11.9	4,811,000	16.5	2,360,000	8.1	23,949,000	22.1
65	57,378,000	43,366,000	6,011,000	10.5	5,497,000	12.7	2,691,000	6.2	26,076,000	23.1
66	59,877,000	44,867,000	6,840,000	11.4	6,381,000	14.2	3,086,000	6.9	28,595,000	23.9
67	75,497,000	61,211,000	6,900,000	9.1	6,448,000	10.5	3,071,000	5.0	30,533,000	22.6

Source: D.B.S.

Table 85. Selected Independent Corporations Publishing Daily Newspapers
By Circulation Size-Group, 1958 – 1967

Circulation Size-Group	Total Assets	Equity	Net Profit A before Int. & Inc. Tax	Net Profit A before Int. & Inc. Tax / Total Assets	Net Profit B after Int.	Net Profit B after Int. / Equity	Net Profit C after Int. & Inc. Tax	Net Profit C after Int. & Inc. Tax / Equity	Total Revenue	Net Profit A before Int. & Inc. Tax / Total Revenue
	Dollars			Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
More than 100,000										
1958	59,363,000	30,508,000	8,469,000	14.3	7,798,000	25.6	4,590,000	15.1	77,300,000	11.0
59	63,220,000	34,474,000	11,187,000	17.7	10,167,000	29.5	5,827,000	16.9	86,895,000	12.9
60	63,906,000	36,963,000	8,348,000	13.1	7,359,000	19.9	3,677,000	10.0	86,465,000	9.7
61	69,158,000	39,170,000	8,134,000	11.8	7,085,000	18.1	3,648,000	9.3	88,207,000	9.2
62	71,100,000	38,888,000	8,716,000	12.3	7,469,000	19.2	3,922,000	10.1	90,513,000	9.6
63	77,800,000	40,364,000	7,525,000	9.7	6,177,000	15.3	3,206,000	7.9	91,357,000	8.2
64	76,638,000	37,909,000	11,540,000	15.1	10,065,000	26.6	6,622,000	17.5	95,022,000	12.1
65	84,021,000	43,550,000	12,777,000	15.2	11,356,000	26.1	7,068,000	16.2	103,967,000	12.3
66	85,710,000	45,115,000	10,022,000	11.7	8,599,000	19.1	4,456,000	9.9	109,864,000	9.1
67	86,260,000	46,022,000	10,757,000	12.5	9,359,000	20.3	4,852,000	10.5	114,890,000	9.4
10,000 – 50,000										
1958	8,571,000	6,014,000	966,000	11.3	871,000	14.5	425,000	7.1	12,873,000	7.5
59	8,920,000	6,034,000	1,235,000	13.9	1,122,000	18.6	587,000	9.7	13,699,000	9.0
60	9,415,000	6,220,000	1,253,000	13.3	1,141,000	18.3	599,000	9.6	14,697,000	8.5
61	9,975,000	6,712,000	1,389,000	13.9	1,274,000	19.0	707,000	10.5	15,262.000	9.1
62	10,608,000	6,757,000	1,018,000	9.6	911,000	13.5	481,000	7.1	15,687,000	6.5
63	10,650,000	6,520,000	938,000	8.8	807,000	12.4	398,000	6.1	16,301,000	5.8
64	11,180,000	6,854,000	1,197,000	10.7	1,042,000	15.2	604,000	8.8	17,358,000	6.9
65	11,358,000	7,185,000	1,450,000	12.8	1,305,000	18.2	767,000	10.7	18,687,000	7.8
66	11,815,000	7,471,000	1,476,000	12.5	1,340,000	17.9	728,000	9.7	19,813,000	7.5
67	12,231,000	7,924,000	1,495,000	12.2	1,369,000	17.3	988,000	12.5	20,916,000	7.2

Source: D.B.S.

Source: D.B.S.

Table 86. Selected Corporations Publishing Daily Newspapers with Circulation under 100,000 by Region

Region	Total Assets	Equity	Net Profit A before Int. & Inc. Tax	Net Profit A before Int. & Inc. Tax / Total Assets	Net Profit B after Int.	Net Profit B after Int. / Equity	Net Profit C after Int. & Inc. Tax	Net Profit C after Int. & Inc. Tax / Equity	Total Revenue	Net Profit A before Int. & Inc. Tax / Total Revenue
	Dollars	Dollars	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
Atlantic										
1958	4,221,000	3,617,000	628,000	14.9	591,000	16.3	356,000	9.8	5,081,000	12.4
59	4,663,000	3,554,000	644,000	13.8	607,000	17.1	327,000	9.2	5,368,000	12.0
60	4,760,000	3,822,000	691,000	14.5	651,000	17.0	351,000	9.2	5,895,000	11.7
61	5,145,000	4,023,000	623,000	12.1	592,000	14.7	327,000	8.1	6,245,000	10.0
62	5,523,000	4,250,000	727,000	13.2	697,000	16.4	378,000	8.9	6,576,000	11.1
63	6,516,000	4,116,000	547,000	8.4	464,000	11.3	268,000	6.5	6,783,000	8.1
64	7,072,000	4,222,000	402,000	5.7	293,000	6.9	174,000	4.1	7,167,000	5.6
65	7,189,000	4,482,000	432,000	6.0	348,000	7.8	208,000	4.6	7,693,000	5.6
66	6,921,000	4,572,000	574,000	8.3	491,000	10.7	271,000	5.9	8,295,000	6.9
67	7,033,000	4,804,000	704,000	10.0	603,000	12.6	342,000	7.1	8,661,000	8.1
Québec										
1958	3,403,000	1,469,000	205,000	6.0	135,000	9.2	20,000	1.4	4,320,000	4.8
59	3,669,000	1,627,000	219,000	6.0	142,000	8.7	113,000	7.0	4,543,000	4.8
60	3,920,000	1,712,000	305,000	7.8	213,000	12.4	80,000	4.7	4,845,000	6.3
61	4,061,000	1,784,000	311,000	7.7	220,000	12.3	59,000	3.3	4,745,000	6.6
62	4,228,000	1,836,000	331,000	7.8	245,000	13.3	65,000	3.5	4,931,000	6.7
63	4,518,000	1,957,000	377,000	8.3	303,000	15.5	84,000	4.3	4,953,000	7.6
64	4,805,000	2,242,000	735,000	15.3	654,000	29.2	339,000	15.1	5,147,000	14.3
65	5,090,000	2,704,000	891,000	17.5	800,000	29.6	483,000	17.9	5,706,000	15.6
66	5,625,000	2,880,000	739,000	13.1	665,000	23.1	327,000	11.4	5,995,000	12.3
67	5,324,000	2,822,000	821,000	15.4	760,000	26.9	424,000	15.0	6,098,000	13.5

Table 86. Selected Corporations Publishing Daily Newspapers with Circulation under 100,000 by Region (Continued)

Region	Total Assets	Equity	Net Profit A before Int. & Inc. Tax	Net Profit A before Int. & Inc. Tax / Total Assets	Net Profit B after Int.	Net Profit B after Int. / Equity	Net Profit C after Int. & Inc. Tax	Net Profit C after Int. & Inc. Tax / Equity	Total Revenue	Net Profit A before Int. & Inc. Tax / Total Revenue
		Dollars		Per Cent	Dollars	Per Cent	Dollars	Per Cent	Dollars	Per Cent
Ontario										
1958	36,995,000	25,443,000	4,925,000	13.3	4,518,000	17.8	2,412,000	9.5	33,286,000	14.8
59	40,045,000	27,084,000	5,573,000	13.9	5,178,000	19.1	2,788,000	10.3	36,038,000	15.5
60	47,533,000	29,665,000	6,102,000	12.8	5,657,000	19.1	2,990.000	10.1	38,973,000	15.7
61	50,668,000	32,516,000	6,026,000	11.9	5,416,000	16.7	2,770,000	8.5	38,716,000	15.6
62	50,294,000	34,396,000	5,644,000	11.2	5,057,000	14.7	2,589,000	7.5	39,631,000	14.2
63	50,919,000	35,023,000	6,021,000	11.8	5,404,000	15.4	2,700,000	7.7	41,086,000	14.7
64	55,787,000	38,512,000	7,402,000	13.3	6,866,000	17.8	3,408,000	8.9	45,791,000	16.2
65	68,710,000	52,624,000	8,649,000	12.6	8,117,000	15.4	4,039,000	7.7	49,088,000	17.6
66	72,677,000	55,046,000	10,173,000	14.0	9,715,000	17.7	4,773,000	8.7	53,631,000	19.0
67	89,774,000	72,551,000	10,830,000	12.1	10,361,000	14.3	5,124,000	7.1	57,921,000	18.7
Prairies										
1958	5,461,000	4,372,000	1,236,000	22.8	1,210,000	27.7	671,000	15.4	7,395,000	16.7
59	6,251,000	5,001,000	1,372,000	22.0	1,344,000	26.9	670,000	13.4	7,828,000	17.5
60	6,902,000	5,542,000	1,415,000	20.5	1,384,000	25.0	689,000	12.4	8,043,000	17.6
61	7,103,000	5,924,000	1,475,000	20.8	1,447,000	24.4	751,000	12.7	8,237,000	17.9
62	7,737,000	6,468,000	1,483,000	19.2	1,457,000	22.5	754,000	11.7	8,477,000	17.5
63	8,405,000	7,014,000	945,000	11.2	920,000	13.1	507,000	7.2	8,664,000	10.9
64	8,864,000	6,938,000	690,000	7.8	653,000	9.4	314,000	4.5	9,312,000	7.4
65	9,081,000	7,471,000	947,000	10.4	892,000	11.9	680,000	9.1	10,077,000	9.4
66	9,909,000	8,090,000	1,640,000	16.6	1,581,000	19.5	833,000	11.5	11,304,000	14.5
67	9,952,000	8,273,000	1,337,000	13.4	1,285,000	15.5	655,000	7.9	11,978,000	11.2

British Columbia

1958	3,710,000	2,390,000	571,000	15.4	559,000	23.4	289,000	12.1	7,063,000	8.1
59	4,158,000	2,636,000	685,000	16.5	672,000	25.5	326,000	12.4	7,270,000	9.4
60	3,940,000	2,637,000	726,000	18.4	699,000	26.5	337,000	12.8	7,340,000	9.9
61	4,209,000	3,172,000	711,000	16.9	691,000	21.8	323,000	10.2	6,734,000	10.6
62	4,267,000	3,092,000	883,000	20.7	864,000	27.9	452,000	14.6	7,722,000	11.4
63	4,220,000	2,831,000	1,010,000	23.9	988,000	34.9	516,000	18.2	8,182,000	12.3
64	4,105,000	2,792.000	1,227,000	30.0	1,193,000	42.7	626,000	22.4	8,818,000	13.9
65	5,712,000	2,918,000	1,599,000	28.0	1,532,000	42.5	800,000	27.4	10,079,000	15.9
66	5,924,000	3,469,000	1,610,000	27.2	1,520,000	43.8	832,000	24.0	11,702,000	13.8
67	6,714,000	3,961,000	1,886,000	28.1	1,836,000	46.4	959,000	24.2	12,435,000	15.2

Source: D.B.S.

The results found in the tables speak for themselves. However, the following acts as a brief summary of some of the more salient points:

1 Before-tax profits as a percentage of total equity for all newspapers have ranged between 23 per cent and 30 per cent over the ten-year period. This indicates the returns being earned by shareholders on capital they have contributed to the companies. After-tax profits as a percentage of equity amount to slightly over one half of the percentage for before-tax profits.

2 The largest newspapers (over 100,000) and the smallest newspapers (under 10,000) are the most profitable in terms of returns on equity. Companies publishing newspapers with circulations of over 100,000 and under 10,000 consistently earned before-tax profits in excess of 30 per cent from 1965 onward. In both cases, this profit rate has shown a definite increase in the later years of the ten-year period. This increase was most spectacular for the smaller group, where the rate of return on equity in the early 1960s was less than one-half of the rate in the post-1964 period.

3 Companies publishing newspapers in the 10,000 to 50,000 circulation range are the least profitable, with an after-tax rate of profit on equity in recent years of less than one half of the rate for the industry as a whole. Profitability for this group has been also showing a declining trend over the ten-year period covered.

The reason for the pressure on profits of newspapers in this size-range would appear to be explained by costs having grown more rapidly than revenues. Advertising rates have not increased as rapidly as for papers in other size-groups, and costs have generally been growing at a more rapid rate than for other size-groups.

4 Corporations forming part of newspaper groups, and publishing newspapers with a circulation of over 100,000, have been earning a high and growing rate of profit. In 1967, the before-tax rate of return on equity for this group was 57.2 per cent. The rate was approximately 30 per cent in the period 1959-61. The high rate of profit for corporations in this group can be attributed to three factors. First, newspapers in large metropolitan centres generally tend to be very profitable. Second, the large groups tend to purchase the more profitable newspaper companies. Third, many of the cost economies achieved through group ownership have been used to increase profits rather than to reduce advertising and subscription rates.

5 Quebec and British Columbia are the two regions where daily newspaper publishing appears to be most profitable. The Atlantic region has the least profitable newspapers. Newspapers in the Prairies and Ontario have profit rates considerably below those of Quebec and British Columbia but somewhat above those of the Atlantic region.

The profitability of newspaper publishing has shown significant increases in Quebec and British Columbia over the ten-year period covered, while in the Prairies the situation has been the reverse. Profit rates in the Atlantic region and Ontario have been more stable, although the rates in both regions followed a slightly downward trend over the ten-year period.

INPUT-OUTPUT RELATIONSHIPS

Table 87 contains data for the most important input-output relationships for corporations publishing daily newspapers in Canada over the ten-year period from 1958 to 1967.

The first section contains total receipts, expenses and profits in millions of dollars. The second section shows the distribution of each category of expenses and profits as a percentage of total receipts. Purchased inputs made up the largest single component of expenses, accounting for from 40 per cent to 45 per cent of total receipts over the 1958 to 1967 period. Wages and salaries were next in importance, accounting for from 38 per cent to 40 per cent of total receipts. Gross returns to capital (including depreciation, interest and taxes) accounted for from 16.7 per cent to 20.9 per cent of receipts over the period. Gross returns to capital showed a greater degree of instability than either purchased inputs or wages and salaries. This is to be expected because returns to capital form a residual after other obligations have been met. Returns to labour, in the form of wages and salaries, are approximately twice the gross returns to capital. This indicates the high degree of labour intensity in the daily newspaper publishing industry.

The third section contains indices based on 1958=100, of total receipts, expenses and profits over the ten-year period. Comparisons between such indices provide a measure of trends in costs relative to revenues, and consequently of the types of inflationary pressures, if any, prevailing in the industry.

Total receipts of the corporations included in this data grew by approximately 71 per cent over the ten-year period. Expenditures on purchased inputs grew by 61.4 per cent and expenditures on wages and salaries grew by 71.5 per cent. Gross returns to capital, on the other hand, grew by 95.2 per cent over the period.

The fact that gross returns to capital grew more rapidly than expenditures on purchased inputs and wages and salaries has two possible explanations. First, this could reflect increasing capital intensity in the industry. If this were the case, a definite trend should be developing whereby capital's share of returns is increasing in a clearly discernible way. In fact, such a trend cannot be found in the data. Second, the rapid rate of growth in the gross returns to capital relative to other expense items can reflect the fact that the demand for the product of the industry has been growing at a sufficiently rapid rate to permit higher profits in the industry. This appears to be the factor operative for daily newspapers in Canada, as is substantiated by the rate of growth in net profits. Net profits as a percentage of total receipts have been substantially better in the second half of the ten-year period than in the first half.

The above conclusion has relevance in terms of identifying the effects of cost pressures on firm in the industry. The trends of expenditures on purchased inputs and wages and salaries would indicate that the pressure from such expenditures has not affected the profitability of the industry. Indeed, cost-push inflationary pressures have not generally been an operative factor over the period. The growth in demand in the industry has permitted a relative increase in the share of returns going to capital. This would indicate that, to the extent that inflation has been a factor in this industry, this inflation of advertising and circulation rates has been fully justified by the growth in demand for the products of the newspaper industry.

Table 87. Input – Output Relationships for all Canadian Newspaper Publishing Companies, 1958 – 1967

Year	Total Receipts	Total Purchased Inputs	Wages And Salaries	Gross Return To Capital	Depreciation	Net Profit Before Int. & Inc. Tax	Interest Payments	Income Tax Payments	Net Profit After Int. & Inc. Tax
					Dollars				
1958	224,413,000	99,839,000	87,138,000	37,436,000	7,132,000	26,542,000	2,459,000	11,011,000	13,073,000
59	250,266,000	108,444,000	95,481,000	46,341,000	8,593,000	34,052,000	2,985,000	14,101,000	16,966,000
60	259,847,000	112,348,000	102,137,000	45,362,000	8,876,000	31,943,000	3,397,000	13,988,000	14,557,000
61	263,119,000	112,577,000	103,973,000	46,569,000	8,848,000	32,548,000	3,583,000	13,869,000	15,096,000
62	272,520,000	115,756,000	106,895,000	49,869,000	8,901,000	35,954,000	3,609,000	15,164,000	17,182,000
63	278,539,000	116,997,000	112,024,000	49,518,000	9,549,000	34,607,000	3,662,000	14,355,000	16,589,000
64	288,438,000	116,456,000	115,729,000	56,253,000	11,755,000	39,147,000	3,663,000	17,105,000	18,379,000
65	335,276,000	134,297,000	130,945,000	70,034,000	11,874,000	52,523,000	3,707,000	20,773,000	28,043,000
66	348,468,000	148,760,000	139,737,000	59,971,000	12,739,000	50,981,000	3,688,000	22,756,000	24,537,000
67	383,463,000	161,130,000	149,442,000	72,891,000	12,867,000	53,070,000	3,635,000	24,061,000	25,874,000
					Per Cent				
1958	100.0	44.5	38.8	16.7	3.2	11.8	1.1	4.9	5.8
59	100.0	43.3	38.1	18.5	3.4	13.6	1.2	5.6	6.8
60	100.0	43.2	39.3	17.5	3.4	12.3	1.3	5.4	5.6
61	100.0	42.8	39.5	17.7	3.4	12.4	1.4	5.3	5.7
62	100.0	42.5	39.2	18.3	3.3	13.2	1.3	5.6	6.3
63	100.0	42.0	40.2	17.8	3.4	12.4	1.3	5.1	6.0
64	100.0	40.4	40.1	19.5	4.1	13.6	1.3	5.9	6.4
65	100.0	40.0	39.1	20.9	3.5	15.7	1.1	6.2	8.4
66	100.0	42.7	40.1	17.2	3.7	14.6	1.1	6.5	7.0
67	100.0	42.0	39.0	19.0	3.4	13.8	0.9	6.3	6.7
					1958 = 100				
1958	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
59	111.5	108.6	109.8	124.1	120.5	128.3	121.4	128.1	129.8
60	115.8	112.5	117.2	121.5	124.4	120.3	138.1	127.0	111.3
61	117.2	112.8	119.3	124.7	124.0	122.6	145.7	125.9	115.5
62	121.4	115.9	122.7	133.5	124.8	135.5	146.8	137.7	131.4
63	124.1	117.2	128.6	132.6	133.9	130.4	148.9	130.4	126.9
64	128.5	116.6	132.8	150.6	164.8	147.5	148.9	155.3	140.6
65	149.4	134.5	150.3	187.5	166.5	197.9	150.7	188.7	214.5
66	155.3	149.0	160.4	160.6	178.6	192.1	150.0	206.7	187.7
67	170.9	161.4	171.5	195.2	180.4	199.9	147.9	218.5	197.9

If rate increases were forced through increasing costs rather than induced through growing demand, it would be expected that profit shares would be declining. However, when rates can be set which actually permit an increase in profit shares, it must be the case that demand for the products of the industry is growing sufficiently as to permit rate increases greater than those necessary simply to meet the growth in costs. This would appear to be the situation in daily newspaper publishing over the ten year period covered.

INTER-INDUSTRY COMPARISONS

The data in Table 88 provide a basis for comparison of the capital structure and profit rates of the media industries relative to other sectors of the economy. The years 1965 and 1966 have been selected since they cover the most recent two year period for which the data for all industries are available.

The following are the relevant conclusions to be drawn from the results found in Table 88:

1 Current assets constitute slightly less than 30 per cent of all assets in the daily newspaper publishing industry. The data from which these results were calculated indicated that current assets are almost equally divided between cash and securities on the one hand, and accounts receivable on the other.

Newspaper publishing firms have a relatively lower current asset requirement than either the manufacturing or retail trade industries. This is largely a result of lower accounts receivable as a proportion of current assets, and is at least partially explainable by the monopoly structure in the media industries, permitting them to put less emphasis on trade credit as a competitive technique.

2 Buildings and equipment make up a larger proportion of total assets in the daily newspaper publishing industry than the manufacturing and retail trade industries. This is partially a reflection of the fact that current assets assume a proportionately smaller importance in the media industries.

3 Retained earnings constitute a much larger proportion of total liabilities and equity in the daily newspaper publishing industry than in any of the other industries. This has two important implications.

First, a high level of retained earnings in an industry indicates that the industry has been highly profitable in the past. Retained earnings are made up of past profits retained in the company after dividends have been paid. Assuming that corporations must, over the long run, pay out some normal return on share capital, higher-than-average retained earnings can generally only be built up through time if profits are higher than the average for other industries.

Second, a high level of retained earnings in an industry indicates a large stock of capital in the industry in search of profitable investments. These funds can be used to finance the purchase of new buildings, equipment, and other fixed assets, to purchase bonds and securities, to purchase shares in companies active in other sectors of the economy, and to purchase shares in competing companies within the same industry. Which of these alternatives is chosen will depend upon which provide promise of the greatest return on funds so invested.

If most firms within a given industry tend to be highly profitable, there is a very strong pressure toward the concentration of more and more of the firms under the

Table 88. Inter-Industry Comparisons of Capital Structure and Profit Rates, 1965 and 1966

	Manufacturing Industries		Retail Trade Industries		Service Industries		Public Utilities		Daily Newspaper Industry	
	1965	1966	1965	1966	1965	1966	1965	1966	1965	1966
	%		%		%		%		%	
Current Assets / Total Assets	46.5	46.0	62.4	63.2	26.6	27.8	7.9	7.3	29.1	28.5
Net Buildings and Equipment / Total Assets	33.9	34.5	17.5	18.5	46.6	46.3	75.1	75.2	40.7	40.8
Retained Earnings / Total Liabilities and Equity	32.6	32.1	29.7	29.6	16.5	18.7	13.9	16.2	44.6	45.1
Share Capital / Total Liabilities and Equity	18.7	17.2	13.4	12.7	16.4	15.5	23.5	23.3	10.7	10.5
Long Term Debt / Total Liabilities and Equity	11.3	11.3	8.5	9.1	23.5	23.4	43.1	40.9	18.3	17.0
Profit (Before Tax) / Total Assets	10.9	10.0	8.3	8.0	7.2	8.5	8.3	8.2	19.2	17.4
Profit (Before Tax) / Equity Capital	18.0	16.9	15.3	15.9	14.5	17.5	13.8	13.4	30.5	27.5
Profit (After Tax) / Equity Capital	10.4	10.0	9.2	9.8	9.4	11.7	8.6	8.3	17.5	14.3
Profit (Before Tax) / Total Revenue	9.3	8.7	3.3	3.1	7.7	8.5	26.4	24.8	15.6	14.6

Sources: Corporation Financial Statistics, D.B.S. 61-207 (Annual); D.B.S. Special Aggregation of Income Tax Returns ownership of a few larger corporations. The larger, highly profitable corporations tend to build up large stocks of retained earnings. In the search for profitable investments for these funds, these corporations are attracted to independent, highly-profitable firms within the same industry. Investment within the same industry has further added advantages. Certain cost economies can often be achieved by consolidating the operations of firms producing similar products. Managers also generally prefer to extend ownership within the same industry. Thus, if firms in an industry are generally profitable, it is almost inevitable that a pattern of increasing concentration of ownership will develop through time.

This prescription describes the forces which have been, and continue to be, operative in the daily newspaper industry. The larger firms, in particular, have built up substantial retained earnings through time. This accumulation of funds keeps such firms in constant search for an outlet for these funds. Some of the most attractive alternatives in the whole economy exist right within the newspaper industry. As a result, these firms tend to compete very strongly to buy other newspapers. Their success at doing so is indicated by the increasing dominance of group ownership in the industry.

4 Share capital makes up a smaller proportion of total liabilities and equity in the daily newspaper industry than in any of the other industries. This is again largely explainable by the highly profitable nature of the industry. The high profits make it possible to raise much of the capital needed for expansion from current and retained income. Raising the funds through share capital would tend to dilute the shares already issued by spreading the high profits over a larger number of shares.

5 Long-term debt makes up a larger proportion of liabilities and equity for newspapers than for manufacturing and retail trade industries. This is also attributable to the high profits in the newspaper industry. With the extremely high profits prevalent in the industry, long-term debt is generally a much more attractive source of capital than share issues. New share issues result in a spreading of the high profits over a larger number of shareholders, which tends to dilute the shares already outstanding. Long-term debt, on the other hand, raised at a fixed interest rate, permits a larger portion of the profits on new capital to be retained by the current shareholders.

These circumstances have been altered somewhat in recent years for some public companies for which the market price of shares is highly inflated relative to earnings. If new shares can be issued at these inflated prices, new share capital can be raised without seriously diluting returns on shares already outstanding.

The somewhat higher proportion of long-term debt in the service industries can be attributed to the relatively low level of retained earnings in this industry. This is also true of the radio and television industry. A high rate of growth of capital assets, plus a lower rate of profit, has forced these industries to draw more heavily on long-term debt in order to raise the required capital.

6 Before-tax profits as a percentage of total assets in the daily newspaper industry are close to twice those found in other industries. This is a clear indication of the monopoly structure found in this industry. In an industry which is highly competitive, competition between existing firms and from new interests should result in profit rates which are roughly comparable for various industries. Industries

characterized by monopolies are able to restrict the degree of output-expanding capital accumulation such as to maintain prices and rates at a high enough level to yield higher than normal profits. The profit rates for daily newspapers indicate that monopoly power is being used, intentionally or unintentionally, to generate very high profits.

7 Rates of return on equity, indicate the profit rates being earned on capital actually contributed by shareholders of the companies involved. Such contributions largely come through share capital and retained earnings.

In 1965, before-tax profits on equity in the daily newspaper industry equalled 30.5 per cent, compared to 18.0 per cent in manufacturing and approximately 15.0 per cent in most other industries. 1965 was somewhat exceptional for daily newspapers, in terms of profitability, while 1966 was more typical. In 1966, profits on equity were 27.5 per cent, which is still a high figure.

8 The profit rates indicated probably tend to underestimate the actual profitability of the corporations involved. Many private corporations, and particularly the highly profitable ones, use various types of management companies to divert a portion of profits out of the accounts of the operative corporations. It has not been possible to include such companies in the media industry groupings because of the difficulties in identifying them. However, if these companies were included, profit rates would almost certainly be higher than indicated.

THE COST-PRICE SQUEEZE

In the course of interviews conducted by the research team, a number of references were made to a "cost-price squeeze" in the publishing industry, a common complaint in all industries in these days of rapid inflation. However, the phrase "cost-price squeeze" must be conceptually precise if it is to be used to explain the economic fortunes of an industry. In its most simple application, it is used to refer to a situation in which input prices rise at a faster rate than entrepreneurs are able to increase the price of the product, given the nature of demand for the product. However, this application of the concept implies that the physical input mix remains unchanged over the time period considered. In reality, of course, this is seldom, if ever, the case. In addition, the prices of all inputs do not usually increase at the same rate, making it even more difficult to identify the "cost-price squeeze" solely from data on the prices of inputs and the prices of final products.

The data in table 88, however, permit conclusions regarding the existence of a "cost-price squeeze" in this industry. Because these data are constituted of total dollar revenue and costs figures, they take account of movements in both physical quantity and price of inputs and product. The "cost-price squeeze" concept is still applicable. However, the "squeeze" is now considered to be in play if costs, considered as a group, advance more rapidly than total revenues, leading to a reduction in the share of net profits accruing to the industry. In view of the conclusions drawn about net profits above, it can be concluded that the evidence to support the claim of a "cost-price squeeze" in the publishing industry during the 1960s is very weak indeed. In fact, producers appear to have been able to increase the relative share of net profits over the period considered.

As a corollary to this conclusion, it also follows that "cost-push" inflationary pressures were not dominant over the period. While the results do not permit the drawing of this conclusion with complete certainty, they do indicate that the cost of capital equipment must be the source of this "cost-push" inflation if it did exist. But if capital costs were the source of "cost-push" inflation over the period, this would have to be reflected in an increase in capital intensity in the industry, given the overall movements in other costs. For reasons already mentioned, it has been tentatively concluded that such a shift in capital intensity did not in fact occur. As a result, it is tentatively concluded that to the extent that inflation existed in the industry over the period, it was predominantly of the "demand-induced" type.

This section will outline the nature of the industry cost function for daily newspapers in Canada. The discussion will be extended to include the cost function for individual dailies of different sizes, and for those operating under different types of ownership patterns.

Many of the most important conclusions of the entire study are to be found in this section. One of the primary objectives of this study has been to explain the very strong tendency towards local concentration in the industry. This concentration is manifested in the form of more and more single-newspaper cities. This section contains cost data which suggest that cost conditions are the major contributing factor to the dominance of single-newspaper cities.

The Industry Cost Function

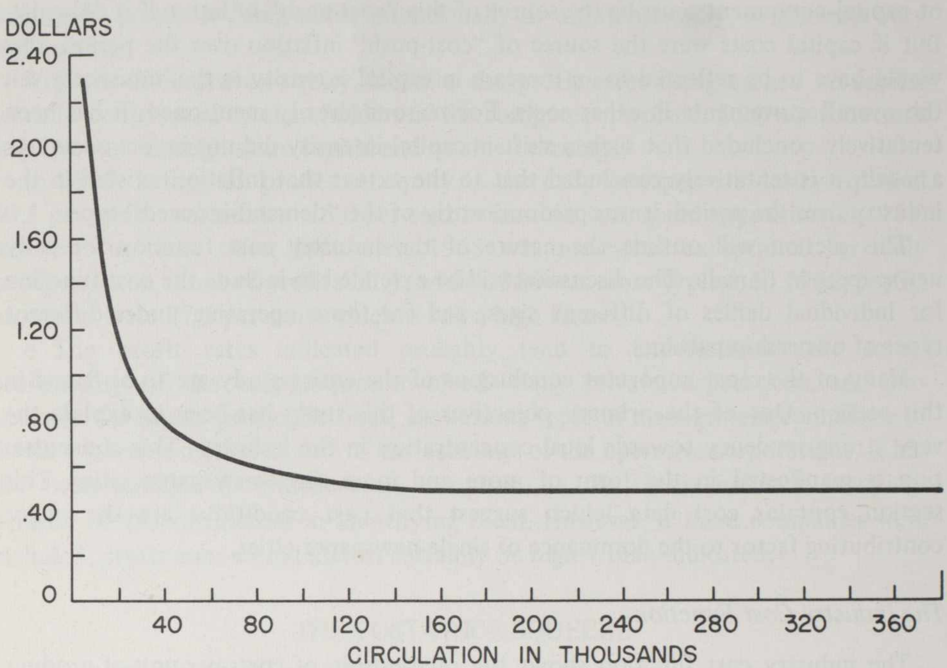
The industry cost function shows the relationship of costs-per-unit-of-product for establishments in the industry ranked according to increasing size. One of the first decisions that must be made in constructing such a function is in determining the units to be used to measure the product. A standard time period must also be used, and since standard accounts are kept on an annual basis, all costs are on a per annum basis.

Simple annual costs per establishment cannot be used, because papers differ greatly in circulation and size per issue. Likewise, costs per subscriber are not satisfactory because of differences in number of pages and page size. The decision was made to use cost per column printed and distributed as the basic unit. This gives a standard unit of output that is comparable for all papers.

A further justification for using cost per column is that the cost function so defined will be identical to a revenue function that indicates the revenue per column needed to meet costs. Assuming that any given paper maintains a relatively constant proportion of advertising space to total space, this revenue function could be transposed by the use of appropriate multiples to give the revenue per million lines of advertising needed to meet costs: (i.e., milline rates required to meet cost). Because of the use of fixed multiples, this cost-determined milline rate function would have the same general shape as the cost per column function.

Chart 8 contains the results of plotting costs-per-column against circulation for a number of daily newspapers in Canada. All costs have been included except net profits and interest payments. The most significant feature of this graph is that costs-per-column decrease significantly as the circulation size of the paper increases. Average cost per 1,000 columns in 1968 for a paper of 10,000 circulation was

Chart 8
DAILY NEWSPAPER – COST PER THOUSAND COLUMNS BY CIRCULATION, 1968.



SOURCE: Special Survey.

approximately $1.60, while the average cost per 1,000 columns of a paper with 250,000 circulation was approximately 45 cents. This in effect means that for two papers of a standard size per issue and content, one with a 10,000 circulation and one with a 250,000 circulation, the cost of putting the smaller-circulation paper in the hands of a reader is $3^1/_2$ times that of the larger.

Consequently, the smaller paper must raise $3^1/_2$ times as much revenue per reader as the larger paper if it is to meet its production costs. If both papers had the same proportion of advertising content to total content, the revenue per advertising line per subscriber raised through advertising would likewise have to be $3^1/_2$ times larger for the smaller paper than for the larger paper.

Further, if newspapers generally endeavour to set advertising rates so as to meet production costs and to yield a "normal" or satisfactory profit, milline rates should also bear this proportionate relationship. An examination of the milline rate function derived earlier indicates this to be so. The milline rate for a paper of 10,000 circulation is very close to $3^1/_2$ times that for a paper with 250,000 circulation.

Thus, as a by-product of this part of the study, an extremely important result has been derived. Generally speaking, larger newspapers do not take advantage of a continuously declining cost function to appropriate monopoly profits greatly in excess of smaller papers. Large papers, for example, could offer competitive rates with smaller papers, but in so doing still accumulate larger monopoly profits because of greatly differing costs. In point of fact, this is not done. By and large, larger papers tend to pass on the greater part of their cost economies to advertisers in the form of lower milline rates.

Returning to the industry cost function, it now becomes obvious why, in the investigation of employment, productivity and wages in an earlier section, the data revealed some similarities to data found in "natural monopoly" industries. Natural monopoly industries are those in which costs-per-unit-of-production tend to decrease as the size of the production unit increases throughout the range of all size combinations of firms which could meet total market needs. In these situations one large firm tends eventually to dominate the market, since that firm can sell its product at a price lower than any other and still meet its costs of production.

It appears that the daily newspaper industry has all of the attributes of a natural monopoly industry. The balance in relative market shares in natural monopoly industries is always unstable as long as more than one firm competes for the available market.

INSTABILITY OF MARKET SHARES IN NATURAL MONOPOLIES

The reasons for the instability of market shares in natural monopolies are fairly simple. The larger the share of the market any one firm obtains, the lower is its cost of production-per-unit-of-product. If one firm increases its *share* of the market, it always must do so at the expense of another firm. Thus, the competing firm's relative costs-per-unit-of-product will increase simultaneously with the decrease in costs of the other as the spread in market shares becomes greater.

The result is that there is a very strong tendency for a larger firm to drive a smaller firm out of business. If the firms are of roughly equal size, the one with the larger capital resources will be the one with the natural advantage. The firm with the larger capital resources can afford to use predatory pricing practices, cutting prices below costs in an effort to increase its share of the market.

If buyers are price-responsive, they will shift some of their purchases to this firm and away from competing firms. This will have a two-fold effect. First, it will allow the firm pricing in a predatory way to expand its production. This expanded production will lower unit cost, bringing costs into line with the lower price previously set. Second, it will force the firm that has lost some of its share of the market to raise its prices in order to meet costs. The net result is an even greater discrepancy in prices, which will lead to a further shifting on the part of the buyers to the lower-priced firm.

If two or more firms start out with markedly differing shares of the market, the smaller firms can expect, with something close to absolute certainty, that they will be left with a smaller and smaller share of the market as time passes. The smaller firms must charge a relatively higher price to meet costs, but this price differential can only have the long-run effect of inducing more and more buyers to switch to the product of the larger firm. As this happens, the discrepancies between prices of the smaller firms and those of the larger firms must become larger, since the larger firms have the opportunity to take advantage of further economies of scale relative to the smaller firms. The situation can only hope to stabilize if the competing firms, through formal or informal collusion, agree to cease the battle for market shares. In so doing, the larger firms must hold their price at a level that yields a profitable return to the smaller firms. As a consequence, the collusion yields a monopoly profit to the larger firms.

In natural-monopoly situations, there is thus a strong pressure toward an ever-increasing market share for the larger firm. Since this also leads to greater and greater discrepancies in costs-per-unit-of-product between competing firms, smaller firms must either accept significant and growing losses, or increase their prices relative to competitors. Whichever alternative they accept, they will be forced to yield larger and larger portions of the market over time. It is almost inevitable that smaller firms are eventually driven out of production by a single large firm. Aside from collusion, a smaller firm has only two real hopes for survival in these natural monopoly situations. One is to differentiate the product it produces sufficiently that it can retain a group of customers who have a definite preference for the product of the smaller firm, and for whom the preference is so strong that they will buy the product of the smaller firm, even if the price is substantially higher than for the competing products. The other is to introduce some controls over production – either technical or legal – so as to restrict the ability of the larger firm to expand.

Newspapers differ somewhat from other types of "natural monopoly" industries, and this introduces some analytical complications. Newspapers really sell *two* products, advertising space and circulation. Newspapers also operate in much more restricted markets than many other types of industries.

First, the restricted nature of the market must be considered. The shape of the cost curve shown in Chart 8 would suggest that if newspapers generally had a distribution that covered the whole of the country, there would be a tendency toward one large single-daily newspaper in Canada.

However, the market for any single newspaper is usually concentrated in the area in and surrounding an individual urban centre. Part of this restriction of the market arises out of increased distribution costs. As will be indicated later, newspaper distribution is not characterized by the same economies of scale manifested in the total cost function. In fact, distribution costs tend to increase disproportionately with circulation, since growth in circulation usually involves extending distribution to a much further distance from the production point.

The other major factor giving rise to the restricted size of the market for daily newspapers pertains to the nature of both news and advertising. A significant part of the news presented in a daily newspaper tends to be of relatively local interest. Building up circulation further afield becomes both difficult and costly, since interest in the content of the paper decreases as the distance from the centre of production increases. Second, retail, department store, and classified advertisers are generally only concerned with the retail trading area within and immediately surrounding the urban centre in which they are located. Advertising receipts thus increase less than proportionately to circulation as circulation is added in more distant locations. A point is quickly reached when marginal additions to receipts are less than the marginal additions to costs incurred in extending circulation.

The fact that newspapers concentrate their distribution within a fairly restricted market does not detract from the applicability of the "natural monopoly" hypothesis. It simply means that the pressures are in the direction of localized monopolies.

The second complication in applying the natural monopoly argument to newspapers pertains to the fact that newspapers in effect sell two products, circulation and advertising space. The dynamics of the natural monopoly argument must be examined in more detail for newspapers to take account of this complication. Before doing so, however, certain adjustments must be made to the industry cost curve as derived to this point.

REMOVAL OF CONTENT BIAS IN COST CURVE

The industry cost function is derived from data that applied in 1968; in most cases competitive adjustments are now virtually complete. Out and out competition with other papers has been eliminated in most areas through competition in the past. This situation has introduced a certain bias into the cost curve for which adjustments must be made.

The major adjustment to the cost function must take account of the differences in quality and content of the papers which make up the function. For instance, the larger dailies usually tend to have larger issues, more syndicated and special features and greater over-all effort and investment in news gathering. In order to discuss the simple cost dynamics operating between two similar competing papers, we need to have a situation where the competing papers are standardized so that differences in total cost expenditure reflect only the cost differences involved in carrying different circulations, but with roughly equivalent basic products.

The industry cost function in effect contains a bias. Costs per column for larger circulation papers are inflated above what they would be if all papers were of relatively standard length and quality. This arises from the fact that larger papers tend to take advantage of their ability to offer a more competitive rate by inflating rates slightly and offering a larger, higher quality paper.

Adjustments to take account of differences in content give an industry cost curve with the slope of the broken line in Chart 9. The solid line is the cost curve developed from the cost data.

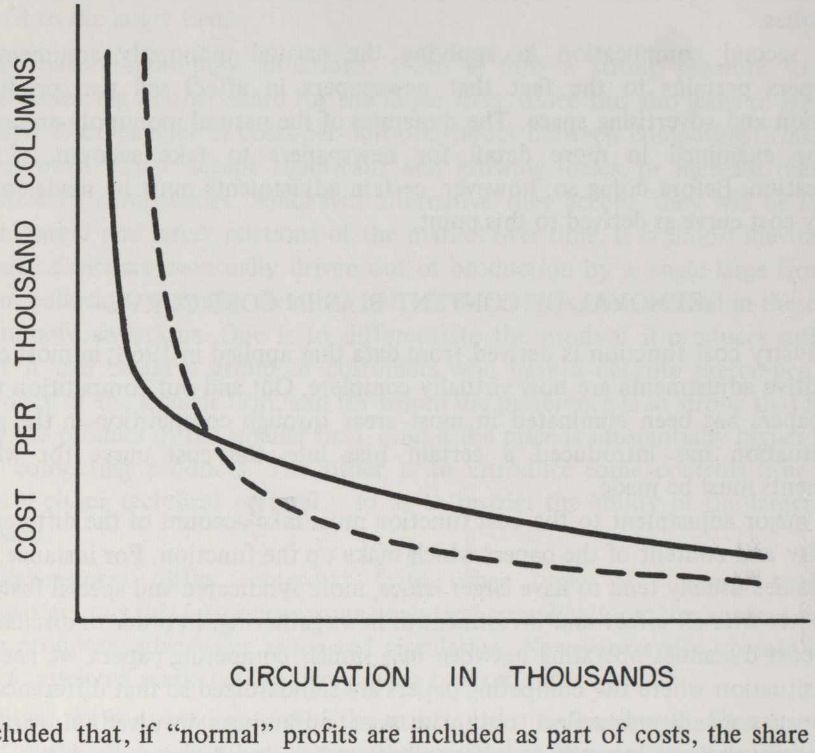
With the modified cost curve, we can see that, as a paper increases in size, it gains even further cost advantages over a competitor if the size and content is standardized. This means that if a larger paper wishes to keep the quality roughly equivalent to a smaller competing paper, if can offer an even more competitive milline rate than is indicated by the current relationships of milline rates in Canada.

Hypothetical Milline Rate Curves in an Individual Market

An even further adjustment must be made if the industry-wide curves are to be used to analyze dynamic conditions in an individual market. To illustrate the point to be made here, the milline rate data from the Toronto market will be used.

Milline rate data are used for this analysis because cost data for each of the papers in the Toronto market were not available. However, we have already

Chart 9
MODIFIED COST CURVE.



concluded that, if "normal" profits are included as part of costs, the share of the milline rate curve corresponds to the milline cost curve. Thus, the use of the milline rate function for this analysis should not materially alter the results.

Line AA in Chart 10 indicates the projection of milline rates relative to circulation size based on data for the whole industry. Line BB indicates the projection of milline rates relative to circulation size based on data for the Toronto market.

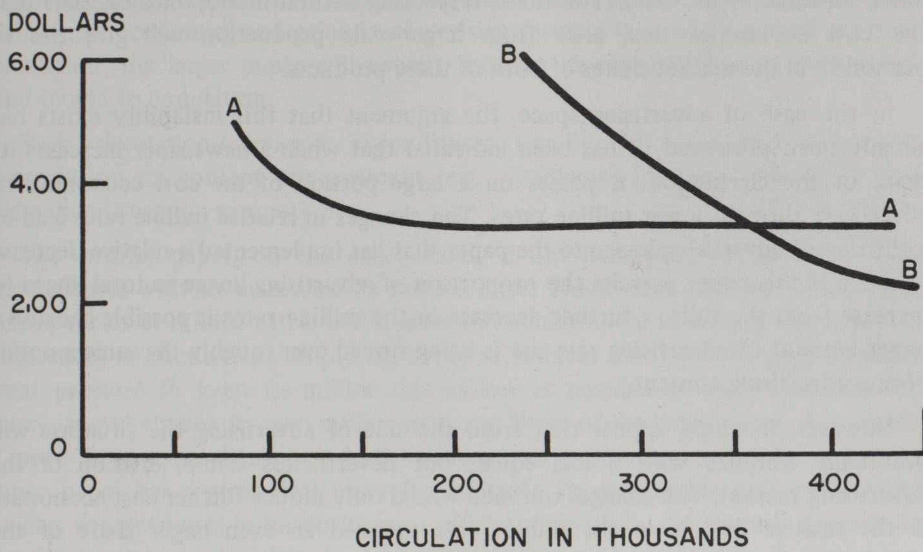
The slope of the milline rate curve for the Toronto market is substantially greater than the projected rate structure based on the total industry-wide curve. Thus, in an individual market with papers in the same general size range it can be concluded that the scale economies are even greater than has been indicated in the industry-wide data.

There are essentially two reasons for this. First, the industry-wide curve does not take adequate account of the fact that many firms in the industry are operating at much less than optimum capacity. Many of the fixed assets, including buildings and equipment are less than completely divisible. Most presses, type-setting machines, building space, etc., can be used to accommodate a wide range of circulation sizes. As a result, the spreading of these overheads over a larger circulation reduces substantially the per line costs of production.

It is partially for this reason that the Toronto *Star* is able to charge a much lower milline rate than the other two papers. Its larger circulation permits it to make much more efficient use of its overhead capital. Because they are in the same

Chart 10

HYPOTHETICAL MILLINE RATE CURVE IN AN INDIVIDUAL MARKET.



general quality range as the *Star*, the other papers need very similar kinds and sizes of equipment and plant, so total overhead costs would presumably not differ that markedly. However, because the *Star* has a much larger circulation, its costs per line actually distributed are much lower. These lower costs per line directly result in a lower milline rate for advertising.

The second reason for the milline rate curve showing a greater slope in an individual market than for the industry as a whole is that papers with relatively larger circulations and lower milline rates tend to draw relatively larger volumes of advertising per line of total content distributed. As a result, the larger papers can meet costs from an even more greatly reduced milline rate. This is not a cost factor as such, but rather relates to differences in demand for advertising space. The lower price simply draws more advertising space.

COMPETITIVE DYNAMICS FOR DAILY NEWSPAPERS

Up to this point, it has been concluded that the newspaper publishing industry has declining cost-per-unit-of-output as circulation increases. This factor becomes clear when costs are measured in a way that allows them to be compared with rates that are relevant to the advertiser.

We must now carry this result a step further, and investigate the implications of to inverse relationship between costs and circulation for dynamic adjustments in the industry. The general theme of this investigation has already been set out in the discussion of the adjustment process for traditional natural monopolies. However, since the daily newspaper industry has special characteristics already mentioned, the specific adjustment process for newspapers must now be investigated.

First, because daily newspapers tend to be restricted to local markets, the pressure towards monopolies that does arise out of the cost economies from larger-scale production acts only within the confines of the local market. Second, daily newspapers provide two products, advertising space and editorial content (i.e. news, entertainment, etc.). The thesis respecting natural monopolies suggests that the cost economies that arise from larger-scale production will give rise to instability in the market shares of both of these products.

In the case of advertising space, the argument that this instability exists has already been presented. It has been indicated that when a newspaper increases its share of the circulation, it passes on a large portion of the cost economies to advertisers through lower milline rates. The changes in relative milline rates lead to a shifting of advertising linage to the paper that has implemented a relative decrease in rates. If this paper permits the proportion of advertising linage to total linage to increase from the shift, a further decrease in the milline rates is possible because a larger amount of advertising revenue is being spread over roughly the same amount of non-advertising content.

However, it would appear that from the side of advertising the situation will eventually stabilize with a less equal, but nevertheless stable, division of the advertising market. The changes outlined would only induce further cost economies if the relative decline in the milline rate induced an even larger share of the circulation to switch to the paper with the increased circulation. However the changes in milline rates affect only relative market shares of advertising, and not of circulation. Further cost economies would come only if the changing rates stimulated further increases in circulation for the beneficiary of the initial increase.

It would thus seem that after the air has cleared, the smaller papers will be left with a smaller proportion of the total advertising market, but that they will be in a position to retain a portion of advertising willing to come forward even at a higher rate, because of the need to reach that segment of the market.

However, we must now turn to circulation. A paper that experiences an autonomous increase in circulation should also be in a position to offer the papers to readers at a lower rate. If readers are price conscious, this should induce further circulation increases, further reductions in both the milline rate and the price per paper, further shifts in the share of advertising and circulation, and so on. The dynamic element in this situation should eventually lead to such a wide discrepancy in both advertising rates and price per paper that the smaller papers would find it impossible to draw either advertising or circulation.

In fact, the situation is not this simple. Competing newspapers do not generally adjust the price of the paper to readers as relative shares of circulation change. Those that make gains in circulation find that decreases in price do not have much effect on circulation. Those that experience losses in circulation find that circulation can be badly affected by price increases. Thus, even though two papers in the same market have relatively marked differences in circulation, the price to readers usually does not differ.

It is now natural to question whether the newspaper situation should, in fact, be as unstable as other natural monopoly situations. What would lead to a further magnification of discrepancies in circulation through time if the price to readers is not adjusted to take account of cost economies?

The answer to the question is that generally part of the gains from decreases in cost accompanying circulation gains is used to make qualitative improvements in the paper and part is used to increase the paper's own promotional program. Since future cost economies and gains in advertising receipts depend on a large share of circulation, the larger paper will usually increase its expenditures on factors that tend to add to circulation.

Such circulation-increasing expenditures usually fall into two categories: expenditures on content improvement (e.g., syndicated features, news staff, etc.) and expenditures on promotion.

The smaller paper, on the other hand, is not in a position to match such expenditures without increasing its milline rates. This would only lead to enlarged discrepancies in milline rates. Differences in circulation do tend to generate greater differences in circulation, simply by virtue of the fact that a smaller paper is under great pressure to keep its milline rate as low as possible so as to minimize the discrepancy between its own milline rates and those of the larger paper. As a result, it must keep expenditures on both content and promotion to a minimum. The larger paper has a great deal more flexibility in its rate-setting policy, since the smaller competitor is in no position to offer a competitive milline rate. As a result, the larger paper can maintain a somewhat higher rate structure and incur extra expenditures on the content and promotion sides. This gives the effect of generating greater and greater discrepancies in circulation shares.

These basic economic facts have led to a situation in which most cities are now served by only one daily newspaper. Most cities of any size in North America started out as multiple newspaper cities. The basic economics of newspaper publishing dictated that it was almost impossible for this situation to be maintained. It was almost inevitable in all of these cases that, for quality, social, political, or management reasons, one paper would at some time gain a larger share of the reading market than another.

Such a development puts the smaller paper under pressure that eventually leads to its collapse. Basic conditions of cost make its virtually impossible for the smaller paper to present a product of comparable quality and a milline rate competitite with the larger paper. The smaller paper will have a higher milline rate even if it cuts costs to the absolute minimum. This causes a shift in advertising volume to the larger paper as advertisers endeavour to obtain the lowest-cost coverage. The smaller paper will get advertising only from those advertisers who want total market coverage even at the expense of some duplication; or who for some special reason want coverage in the specific segment of the market covered by the smaller paper. These pressures on the relatively smaller paper lead to declining profits, heavy pressure to keep rates down in order to remain competitive, sacrifices in quality and content because of declining profits and pressures on rates, declining circulation relative to the larger competitor, further relative changes in milline rates due to increasing discrepancies in circulation, and eventually financial collapse. This pattern has materialized in city after city across North America. Indeed it is a pattern which must characterize the daily newspaper industry, wherever there is a free-enterprise press, generating its revenue from the sale of advertising space.

There can be no doubt about the facts. A newspaper industry that operates under competitive market rules inevitably becomes an industry characterized by local market monopolies. Of course, defenders of the competitive system will be quick to point out that in fact there are cities in Canada with a competitive press. But each of these situations is a fact that is explained later.

CAUSES OF COST ECONOMIES

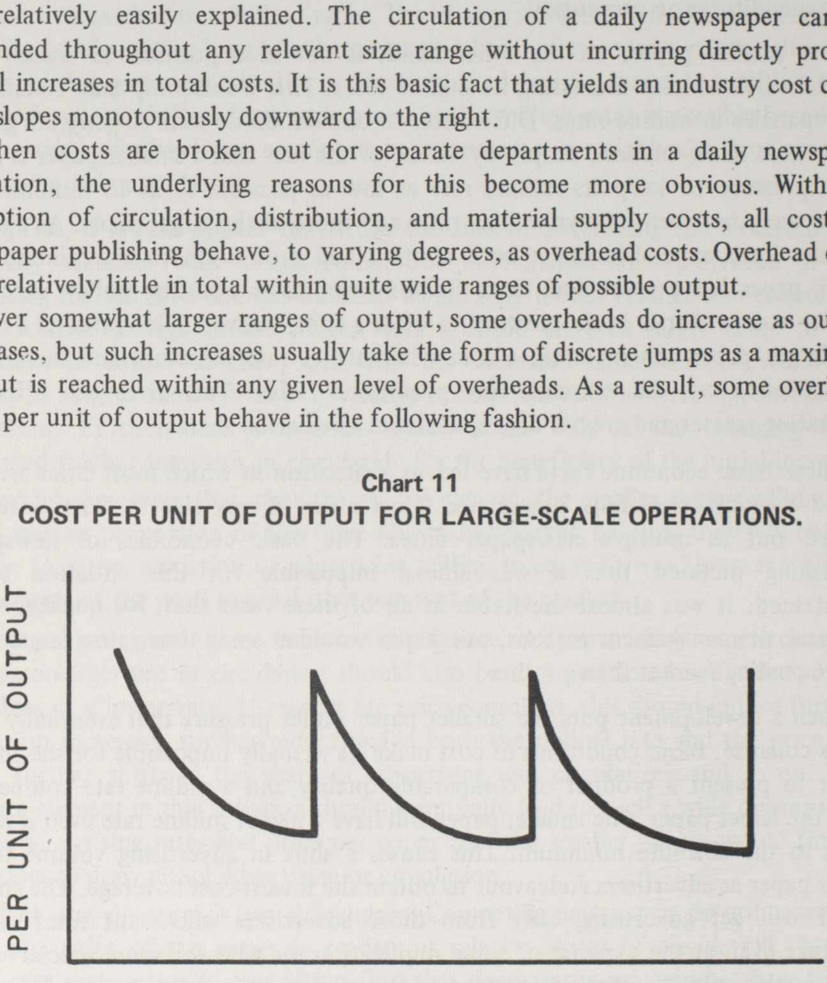
The cost economies revealed in the immediately preceding sections of this report are relatively easily explained. The circulation of a daily newspaper can be expanded throughout any relevant size range without incurring directly proportional increases in total costs. It is this basic fact that yields an industry cost curve that slopes monotonously downward to the right.

When costs are broken out for separate departments in a daily newspaper operation, the underlying reasons for this become more obvious. With the exception of circulation, distribution, and material supply costs, all costs in newspaper publishing behave, to varying degrees, as overhead costs. Overhead costs vary relatively little in total within quite wide ranges of possible output.

Over somewhat larger ranges of output, some overheads do increase as output increases, but such increases usually take the form of discrete jumps as a maximum output is reached within any given level of overheads. As a result, some overhead costs per unit of output behave in the following fashion.

Chart 11

COST PER UNIT OF OUTPUT FOR LARGE-SCALE OPERATIONS.

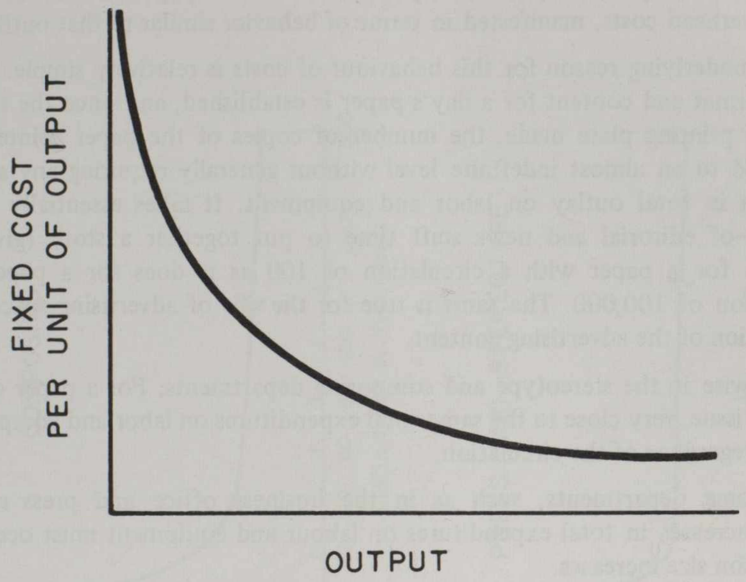


Some overhead costs can be spread over a larger volume of output with almost no limitations. If this is true the cost per unit of output declines throughout the whole range of output. The pattern of costs per unit of output for costs of this sort is shown in Chart 12.

In newspaper publishing, both types of overhead costs tend to be extremely important. In addition, the former types of overhead costs also take on

Chart 12

DIMINUTION OF COST PER UNIT FOR LARGE-SCALE OPERATIONS.

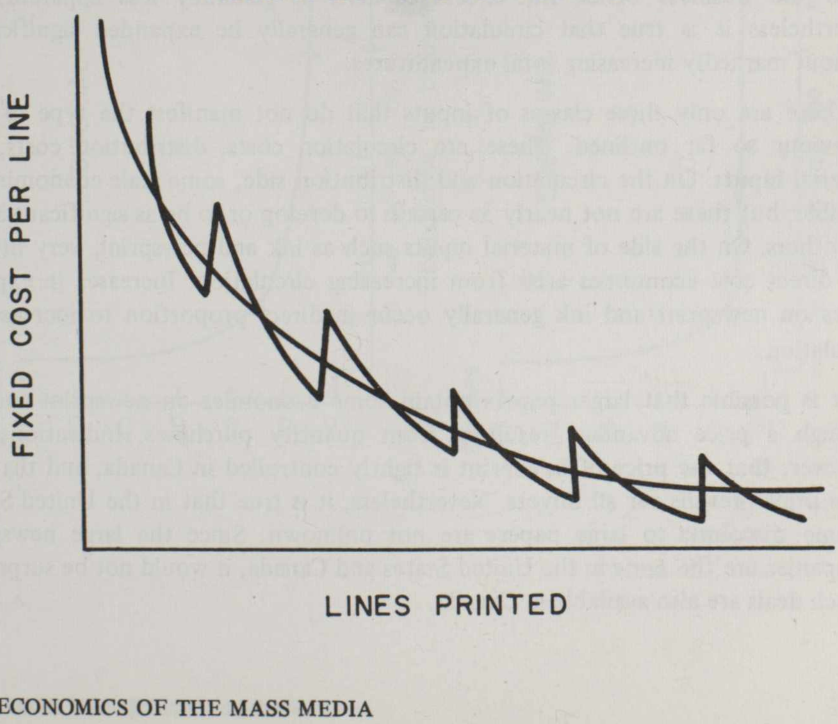


characteristics of the latter. This means that some types of capital (e.g. press, buildings) must, at the upper end of a certain range of output, expand in large discrete jumps; but that the expansion on a cost per unit of output basis is not as great as it was at the upper end of the immediately preceding range of output.

As a result, in newspaper publishing, an industry cost curve with the following form emerges.

Chart 13

NEWSPAPER – THE COST CURVE.



An examination of the data from a number of daily newspapers in Canada shows that outlays in practically every department of a newspaper take on the form of fixed overhead costs, manifested in terms of behavior similar to that outlined here.

The underlying reason for this behaviour of costs is relatively simple. Once the basic format and content for a day's paper is established, and once the type is set and the printing plate made, the number of copies of the paper printed can be increased to an almost indefinite level without generally requiring any significant addition in total outlay on labor and equipment. It takes essentially the same amount of editorial and news staff time to put together a story (given equal quality) for a paper with a circulation of 100 as it does for a paper with a circulation of 100,000. The same is true for the sale of advertising space and the production of the advertising content.

Likewise in the stereotype and composing departments. For a paper of a given size per issue, very close to the same total expenditures on labor and equipment will suffice regardless of the circulation.

In some departments, such as in the business office and press room, periodic increases in total expenditures on labour and equipment must occur as the circulation size increases.

However, there is generally a significant degree of excess capacity prevalent in any operation, particularly in the press room. Even among the larger papers, the press may not actually operate more than four or five hours per day. On average, actual press time is from one to three hours per day. Since staff must be employed on a regular daily basis, there is a corresponding excess capacity in staff. Increases in circulation more fully employ both equipment and staff, reducing costs per column or line actually printed.

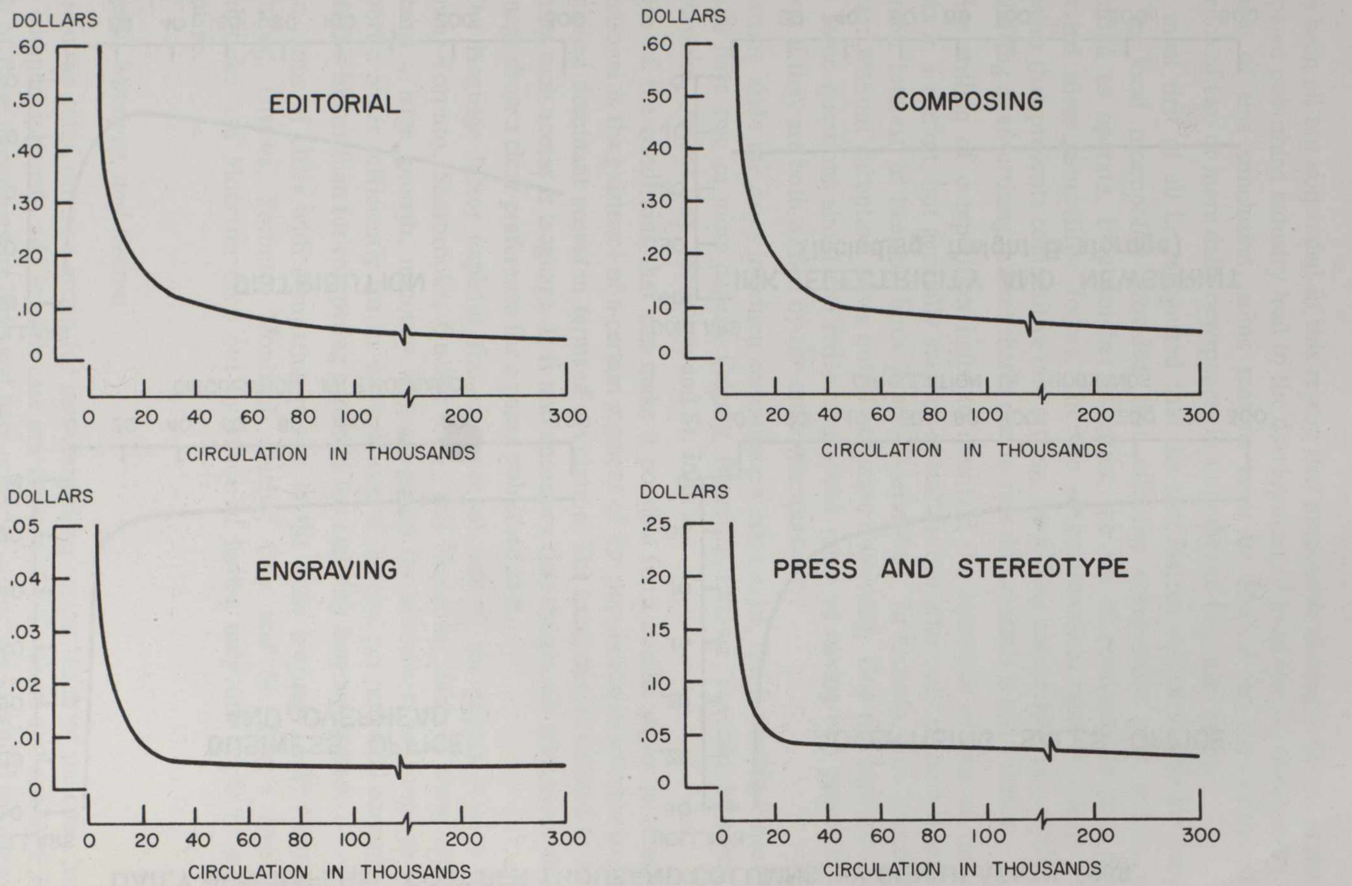
In the business office the excess capacity is generally less apparent, but nevertheless it is true that circulation can generally be expanded significantly without markedly increasing total expenditures.

There are only three classes of inputs that do not manifest the type of cost behaviour so far outlined. These are circulation costs, distribution costs, and material inputs. On the circulation and distribution side, some scale economies are possible, but these are not nearly as certain to develop or to be as significant as for the others. On the side of material inputs such as ink and newsprint, very little if any direct cost economies arise from increasing circulation. Increases in expenditures on newsprint and ink generally occur in direct proportion to increases in circulation.

It is possible that larger papers obtain some economies on newsprint and ink through a price advantage resulting from quantity purchases. Indications are, however, that the price of newsprint is tightly controlled in Canada, and that the same price prevails for all buyers. Nevertheless, it is true that in the United States volume discounts to large papers are not unknown. Since the large newsprint companies are the same in the United States and Canada, it would not be surprising if such deals are also available in Canada.

Chart 14

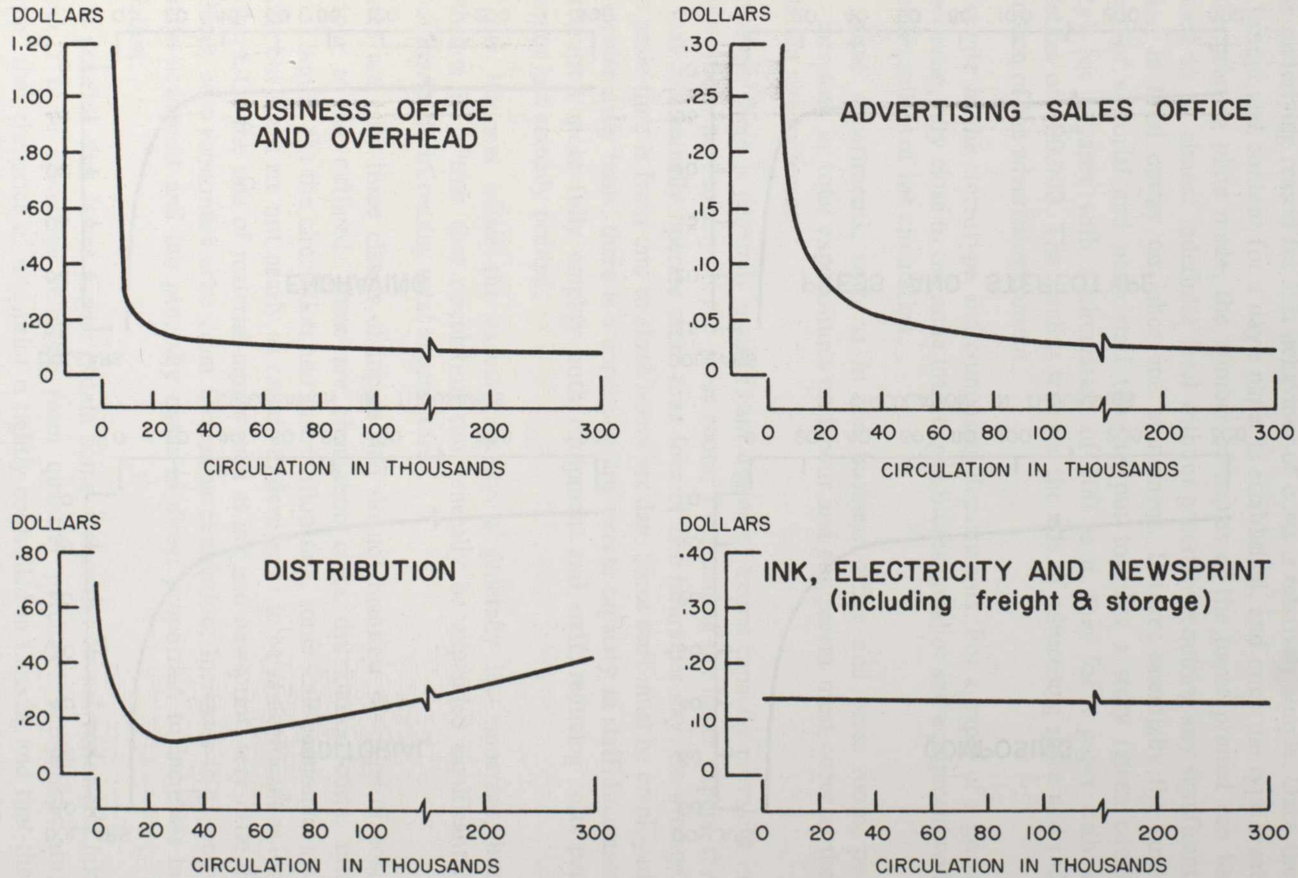
DAILY NEWSPAPER – COST PER THOUSAND COLUMNS BY CIRCULATION, 1968.



SOURCE: Special Survey.

Chart 15

DAILY NEWSPAPERS – COST PER THOUSAND COLUMNS, BY CIRCULATION, 1968.



SOURCE: Special Survey.

WHY DO CERTAIN CITIES CONTINUE TO HAVE COMPETING NEWSPAPERS?

It has been all but concluded in this report that immutable economic forces in the newspaper publishing industry lead to the development of local market monopolies. In view of this conclusion, some reasons must be offered for the continued existence of two or more daily newspapers in a number of Canadian cities.

It must first of all be recognized that the cost factors unique to this industry lead to local monopolies provided that effective competitive rate setting is permitted to operate. In a number of cities, the use of combination rates has subverted these competitive forces. The use of combination rates is a form of collusion that prevents competitive rate setting. By stifling competitive rate setting, the shifting of advertising market shares due to rate differentials is not a factor.

This stifling of competition helps to maintain the existence of two or more papers in a market, but generally such co-operation can arise only if there is some common interest in keeping both papers operational. In Canada, this common interest without exception arises out of common ownership. One can legitimately raise some questions about the redeeming social value of having two papers in a market if they are both owned by the same entrepreneur.

Setting aside the cases in which combination rates exist, the following cities in Canada have two or more papers: Calgary, Winnipeg, Ottawa, Toronto, Montreal, Sherbrooke, Quebec City, Moncton, and St. John's.

One of the conditions that can make it possible for a smaller paper to remain operational is the existence of a certain segment of the population to which a paper has gained dominant access in terms of circulation. The most clearly defined factor creating such access is language. It is also necessary that the people who speak that language show a clear preference for a paper published in it.

The language factor explains the existence of one of the papers in each of Ottawa, Toronto, Sherbrooke, Quebec City, and Moncton. Each of these cities contains a large enough, minority language-group for advertisers to continue to support a paper sufficiently for its survival, even if the cost per potential consumer reached is higher than for competing papers in the majority language group.

In terms of cities with competing papers in the same language, only Calgary, Winnipeg, Ottawa, Toronto, Montreal, Quebec City and St. John's remain. Sherbrooke and Moncton drop out by virtue of having only one paper in each language.

Calgary, Winnipeg, and Ottawa

These cities stand out as a group for one compelling reason. Each of the cities has two competing papers, and in each case one is owned by Southam and one by F.P. Both of these companies are large and have access to considerable capital resources.

In Calgary and Winnipeg, circulations of the competing papers differ markedly, and the milline rates reflect these differences. In Ottawa, the circulations are very similar as are the milline rates. Thus, in all cases advertising rates appear to be set very much in accordance with costs.

SOURCE: Special Survey.

Table 89. Milline Rates and Circulation, July, 1969

Paper	Group	Circulation	Milline Rate
Calgary *Albertan*	F.P.	35,502	6.94
Calgary *Herald*	Southam	94,956	3.79
Winnipeg *Free Press*	F.P.	133,846	3.36
Winnipeg *Tribune*	Southam	74,015	4.59
Ottawa *Journal*	F.P.	78,318	3.58
Ottawa *Citizen*	Southam	80,521	3.65

Two questions must be answered regarding this group of papers. First, why has the larger paper in each city not taken advantage of its greater revenue generating power to finance a circulation drive aimed at putting its competitor out of business? Second, why have advertisers in Calgary and Winnipeg continued to support the paper with the higher milline rate sufficiently to permit continued publication?

The most important factor restraining an all-out battle for circulation is that the papers are group owned, and the same two groups are involved in each of these cities. The fact that the papers are group owned means that each paper is backed by tremendous capital resources and these could be used to withstand a prolonged, costly and ever-escalating circulation battle. Such a battle could become so costly and so prolonged as to make it truly doubtful as to who would be the true winner. As a result, there appears to be agreement that such a circulation battle would be unwise. (It is rumoured that this agreement has at times been formalized in writing to prevent the use of certain types of circulation-generating techniques.)

In addition, if such a battle were initiated, the victorious group in Calgary would probably be Southam, while in Winnipeg it would probably be F.P. No formal understanding is required to make it clear to F.P. that if it decided to undertake an all-out effort to destroy the circulation base of the *Tribune* in Winnipeg, Southam would be inclined to respond in kind by attacking the circulation base of the *Albertan* in Calgary, and vice versa. Considering costs and probable consequences, it is no doubt clear to both groups that a policy of "live and let live" is indeed the only enlightened one.

It is also probably true that advertisers in Calgary and Winnipeg have adopted a relatively generous attitude to each of the smaller papers.

In Ottawa, where both milline rates and circulation are close to equal, there is very little pressure toward a spread in market shares of advertising. Costs are comparable, and mass coverage requires advertising in both papers. As a result, as long as no paper gains a significant advantage in circulation, and no paper attempts to do so, both papers are likely to remain strong and viable.

Of these three cities, the most unstable situation would appear to be in Calgary. The continued existence of the *Albertan* would appear to depend primarily on the goodwill of advertisers. A loyal and isolated circulation helps, but the large discrepancy in milline rates makes it doubtful if the *Albertan* would remain viable if there was not a great deal of goodwill between advertisers and the *Albertan* and/or its owner.

Toronto and Montreal

The situation in the large metropolitan areas of Canada is different to that in other urban areas. A number of factors contribute to this:

1 The very size of the market makes it likely that the adjustment towards a monopoly situation will be slower. Even when fairly large discrepancies arise in shares of both advertising and circulation, it is still possible for the smaller papers to have a sufficiently large revenue base to remain viable over a long period of time.

2 The very size of the individual papers and their access to capital resources probably mutes the forces of competition. For reasons already discussed, circulation battles can be costly, particularly if each of the competitors has the financial resources to prolong the battle indefinitely. Somewhat related to this, it is possible that the publishers themselves feel no compelling desire to force competitors out of business. As long as the larger papers remain profitable, there is no particular reason why a competitor should become an overriding concern.

3 Each of the papers in these centres appear to have clearly defined and self-contained circulation. Duplication of circulation is not an important factor. Each paper has been clearly differentiated in the eyes of readers, and readers do not show a strong tendency to switch papers or duplicate subscriptions.

There are many reasons for the strong and loyal support that each paper obtains from segments of the community. Part of it is historical, resulting from long traditions of individual and family loyalty to a particular paper. Part of it also lies within the realm of social and political ideals – large urban centres can provide large enough bases of people with like ideals to ensure circulation support of a paper that meets their approval.

In the final analysis, the existence of competitive papers in the large metropolitan centres still rests on size and on absence of significant duplication in circulation. As long as each paper can maintain a relatively large readership with unduplicated circulation coverage, advertisers will still direct business to the smaller papers, even if such advertising is more costly. Advertisers cannot afford to ignore 50,000 to 100,000 potential customers.

However, the one single factor that would destroy a paper like the *Toronto Telegram* would be to have advertisers begin to believe that the *Telegram* was a second paper in many homes. If this were to happen, advertisers would refuse to accept this necessity of higher-cost advertising in the *Telegram;* and the *Telegram's* share of advertising would in all likelihood go into a disastrous decline.

This very general discussion of the situation in Montreal and Toronto does not do justice to two of the most interesting newspaper centres, from the point of view of competition, in North America. Unfortunately the scope of this study does not permit a detailed investigation of the forces at work in each of these markets. In addition to purely economic factors, such a study would have to include an historical, social, and political study of the communities, and a content and quality study of the papers.

Quebec City and St. John's

The continued existence of *L'Action* as a French language competitor to *le Soleil* in Quebec City is relatively easily explained. It is understood that *L'Action* is heavily subsidized by the Roman Catholic Church. If the paper had to compete on a free enterprise basis, it probably could not survive. In the case of St. John's, Newfoundland, it is doubtful if the *News* will continue publication. It would seem to be only a matter of time before the forces of competition prove too strong.

ECONOMIES OF GROUP OWNERSHIP

Scale Economies Under Group Ownership

Individual market monopolies are not only the concern in respect to concentration in the daily newspaper industry. The growing trend to group ownership has been cited as another.

The discussion of economies of scale in the preceding section does not apply with the same force to different newspapers within the same group. Many of the important scale economies in newspaper publishing are restricted to each individual establishment. They arise largely because the same basic content can be produced at a much lower per unit cost for a paper with a large circulation than for a small circulation. Generally speaking, individual papers within the same group have different content, making it more difficult to take advantage of these economies.

However, the centralization of certain functions among groups has permitted papers that are part of groups to take advantage of certain economies. These functions fall into three categories: news gathering, advertising sales, and management.

Because individual papers within each group are in almost every case located in different urban centres, the centralization of news gathering is possible only for regional, national and international news. There is a great deal of variability in the extent to which each of the groups have centralized such news gathering. By and large, the economies to be gained from such centralization have not been that extensive, although quality or relevance to readership may be enhanced. Most of the economies possible in news gathering have already been developed and made available by the wire services.

Most of the groups operate their own advertising sales division. This permits them to gain some economies in the sale of national advertising.

For most group papers, the greatest economies arise out of the superior management skill that groups can provide. Groups can afford to pay salaries required to retain high-quality management people, since the costs of this skill can be spread over a wider circulation. A group like Thomson's stands the most to gain from this factor, since it has many small papers which could not possibly retain such management skills if each were independent. By bringing top decision makers together within a central business office, the cost per paper required to support this skill is much reduced.

Generally speaking, it appears that most of the economies that group papers obtain are not passed on to advertisers. Rather, these economies are used to increase the general profitability of the papers, making them stronger and more viable units.

Access to Capital

Generally speaking, papers that are sold to groups existed as independents before the sale. There are very few cases of a paper having been transferred from one group to another.

One of the main factors that gives the large corporate groups an advantage over independent individuals or small corporations in the purchase of newspapers is their ability to raise capital. Very few daily newspapers in Canada today with a circulation of over 15,000 could be purchased for less than \$500,000. The price of most larger urban papers would be quoted in the millions.

The ability to raise these amounts of capital generally rests only with large corporations. Corporations have access to capital of three types: fixed payment loans; shareholder equity; and retained earnings.

Large corporations have an advantage over small corporations or individuals in terms of fixed payment loans by virtue of both their ability to offer greater collateral, and their ability to carry a higher ratio of debt to assets with less risk. The collateral factor is obvious. Availability and terms are much less restrictive if the borrower has collateral greatly in excess of the amount borrowed.

A greater debt load can generally be carried by large corporations due to their ability to refinance if the burden imposed by repayments becomes too great. An individual, on the other hand would generally be required to repay loans in fairly short order, and would face great difficulty in refinancing the debt if the payments become too burdensome. The main explanation for the greater ability of large corporations to refinance lies in preferential treatment provided them in the capital market. Temporary difficulties for a large, established firm are usually considered to be short run; whereas smaller operations are generally more suspect when difficulties arise.

Large corporations also tend to have an advantage in raising equity capital from shareholders. Public corporations can issue more shares when extra capital is required. Large private corporations have the alternative of going public if they choose. This alternative does not generally exist for small private corporations, simply by virtue of the fact that they are not well enough known or trusted to attract investors at a reasonable price-to-earnings ratio.

Equity capital has two significant advantages. One is that for some types of shares the person who provides the capital also assumes the risk. The second is that it is often a low-cost means of raising capital, particularly if an optimistic stock market inflates share values as a multiple of earnings. In these situations, earnings going to new shareholders will impose less burden on existing shareholders relative to capital raised than payments on fixed debt.

One of the biggest advantages that groups have in raising capital arises out of their access to retained earnings. The structure of the tax system has encouraged profitable corporations to build up larger and larger stocks of retained earnings. By not distributing all of the earnings, the personal income tax charges to shareholders is postponed until such time as the earnings are distributed. Meanwhile, the growth in the value of the retained earnings is reflected in the growth of the value of shares; and in the growth of a fund of capital within the corporation needing profitable employment.

Newspaper publishing groups have been no exception. The result is that large newspaper publishing companies must seek profitable ways of employing their capital reserves. Given that newspaper publishers know how to make an extra dollar in their own business better than in any other, that newspaper publishing is a profitable business generally, and that opportunities to start new papers are limited, it is natural that corporations successfully built around newspapers are constantly looking for established newspapers to purchase. In fact, it would be fair to say that they are forced into doing so. As a result, groups are generally the most anxious and generous bidders when a newspaper comes up for sale.

The accumulation of retained earnings also lends force to the movement in the direction of multi-media ownership, and to the movement of conglomerates into a wide range of business activities, including publishing. The particular aspect of the tax structure which gives rise to this factor means that large and profitable companies have ready and preferential access to a large fund of available capital. Smaller corporations with small retained earnings have no equivalent means of offering capital holders postponement of personal income tax as a result of making their capital available for investment.

Since public companies have an indefinite life, the actual postponement of the income tax on these retained earnings is likewise for an indefinite time. The present value of the future tax payment thus becomes almost negligible, meaning that practically all of the value of the retained earnings can be realized by a shareholder in the form of a capital gain by selling his shares.

If the capital gains tax proposals contained in the White Paper on Taxation are enacted, there could be some change in this situation. The pressure to build up retained earnings might not be as strong with a capital gains tax, and thus neither would the pressure to find profitable outlets for these earnings.

Group Ownership as a Countervailing Force

Another factor that tends to encourage group ownership is the threat to the existence of smaller papers in a market with two or more papers. The role of groups in these situations arises directly out of their access to large capital resources.

In a competitive situation, the smaller paper always faces the danger of extinction if the larger paper launches an all-out attack on its circulation base. If the smaller paper is independently-owned, the larger paper may feel great temptation to enter into such a circulation battle. Given the limited capital resources of the smaller paper, it might find it extremely difficult to offer any effective defense.

The capital value of smaller papers in these situations is greater under group ownership than it is under independent ownership. This is because a group has the resources to respond to an attack on circulation. As a result, larger papers are often willing to call a formal or informal truce when a group buys up its competitor. This stabilizes the situation, and increases the future potential for continued profitable operation of the smaller paper. For this reason, groups can offer a more attractive price to independent papers that are in competition with other papers.

The ability of groups to raise the capital to finance a strong, prolonged, and costly battle between two competing papers means that a truce is often called when a group enters the battle. This leads to a somewhat perplexing conclusion. In certain situations, if market shares are to be stabilized sufficiently to allow two or more papers to remain viable, groups must own the papers. The tendency to one form of concentration (local monopoly, for example) can be effectively countered only through the power inherent in another form of concentration (group ownership, for example).

The Drive for Acquisitions

One other factor that tends to give impetus to greater concentration of ownership within groups is the tremendous acquisitive nature of some individuals and corporations. The growth ethic is one which cannot be explained wholly in terms of economics.

Corporations in particular appear to feel a strong urge to grow. Partially it is based on a desire to be able to introduce new human talent; partially it is based on the relationship between growth and profitability; partially it is based on the desire to maintain or increase the power relationship with other corporations; and partially it is respect and attachment to "bigness." The whole growth ethic is one worthy of independent investigation. However the scope of this study permits nothing more than recognition of its presence and power.

Section Three : THE BROADCASTING INDUSTRY

Chapter 1:

ENDS AND MEANS

By the beginning of 1970, the radio broadcasting industry in Canada consisted of 395 AM and FM stations, together with repeater units designed to provide coverage in pockets of settlement that would otherwise lack a strong signal. Table 90 shows, as of February, 1970, the number of stations in each province, with CBC network ownership and affiliation.

Table 90. Canadian Radio Stations as of February, 1970

Province	Number of Stations	CBC Owned	CBC Affiliate	French Language
CANADA	395	45	119	84
British Columbia	58	4	27	1
Alberta	29	2	4	1
Saskatchewan	22	2	3	3
Manitoba	19	3	5	1
Ontario	125	7	37	8
Quebec	79	8	31	69*
New Brunswick	15	5	5	3
Nova Scotia	21	2	6	0
Prince Edward Island	3	1	1	0
Newfoundland	18	7	0	0
Yukon	2	1	0	0
Northwest Territories	4	3	0	0

*Two of these stations are bilingual
SOURCE: C.R.T.C. Annual Report, 1969-70

Altogether, 164 stations are owned by or affiliated with the CBC. A total of eighty-four function exclusively in the French language. The CBC owns forty-five radio stations, including both AM and FM as separate units. French-language radio is concentrated largely in Quebec (sixty-nine of eighty-four French stations), but the stations were providing "full service," by 1970, to 80 per cent of the Canadian population.

The Canadian television industry is characterized by the large number of privately-owned stations combined with public ownership of the major network. Of the seventy-seven stations in Canada, sixty-one are members of the CBC television networks. (Table 91)

Table 91. Canadian Basic Television Stations as of March, 1970

Province	Total	Network Affiliation CBC	CTV	Independent
CANADA	77	61	12	4
British Columbia . .	8	7	1	0
Yukon	1	1	0	0
Alberta	7	5	2	0
Saskatchewan	7	6	1	0
Manitoba	5	4	1	0
Ontario	19	15	3	1
Quebec	17	13	1	3
New Brunswick . . .	4	3	1	0
Nova Scotia	3	2	1	0
Prince Edward Island	1	1	0	0
Newfoundland . . .	5	4	1	0

SOURCE: C.R.T.C.; CBC.

The CTV network has only recently purchased an interest in one of its member stations. It includes twelve privately-owned affiliates in the largest urban markets: Vancouver, Calgary, Edmonton, Regina, Winnipeg, Ottawa, Kitchener, Toronto, Montreal, Moncton, Halifax, St. John's. In eleven of these centres, the CTV outlet provides alternate service with the CBC.

Fifteen television stations programme entirely in French. Only four – in Edmonton, Winnipeg, Ottawa, and Moncton – are located outside Quebec. Apart from three independent stations, all outlets are affiliated with the CBC French Network. Six are wholly-owned by the network. There are no French stations in the CTV network.

To provide service in remote communities many of the seventy-seven major stations have developed satellite facilities. Over two hundred rebroadcasting stations are now in operation, with as many as twenty-four repeater units linked to a single major transmitter.

In the analysis of revenue, costs, and profitability in the broadcasting industry that follows, data relating to radio and television have been aggregated and much greater emphasis has been given to television than to radio for a number of obvious reasons. Television is by far the more important of the two media, economically speaking, and radio has already been studied carefully by various government bodies, the reports of which are in the hands of the Special Senate Committee on Mass Media.

Chapter 2:

REVENUE

NATURE OF TELEVISION ADVERTISING

The choice of television as an advertising medium depends basically on two factors: first, the size of the advertising budget available to a firm; and second, the nature of the products sold by the firm.

Television is a costly form of advertising relative to radio and newspapers.[1] For example, the cost of a sixty-second spot announcement[2] during prime time is $475 on CBLT-TV and $550 on CFTO-TV. By comparison, a sixty-second spot announcement,[2] also during prime time, on radio stations CFRB and CHUM, costs $150 and $85 respectively. The high costs of television advertising mean that only companies with very substantial advertising budgets will be able to afford to use this medium effectively. The high costs involved in television advertising may be justified on the grounds of its greater effectiveness in the promotion of products that rely heavily on package identification or that require a visual demonstration of the product and/or product use.

The heaviest users of television advertising are large business firms that sell only slightly differentiated "brand" products. Some typical examples of these firms are manufacturers of breakfast cereals, soaps, and toilet preparations and such household products as detergents, floor waxes, etc. This is illustrated by Table 92 which shows the ten largest television advertisers in Canada in 1967, and the percentage of their total advertising budgets channelled into television advertising. It is significant that all but one of the top ten advertisers produce the types of commodities described above and, also, spent more than two-thirds of their total advertising budgets on television.

SUPPLY OF TELEVISION ADVERTISING

In contrast to a continuously expanding demand, there are a number of limitations on increases in the supply of television advertising. These limitations fall

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[1]Although the cost-per-minute of television advertising is high, television's ability to attract very large audiences often brings the cost per viewer to an extremely low level.

[2]*C.A.R.D.*, August 1970.

Table 92. Television Advertising Expenditures in 1967

Advertiser	Program	Network Announcements	Selective Announcements	Total Television	Percentage of Total Adv'tg Budget Spent on Television
	Dollars	Dollars	Dollars	Dollars	Dollars
Procter & Gamble	4,467,100	561,700	1,335,500	6,364,300	98.9
General Foods	1,792,600	508,600	2,742,200	5,043,400	87.6
Colgate- Palmolive	775,500	38,200	1,935,000	2,748,800	89.3
Lever Brothers	478,700	584,400	1,125,900	2,189,000	86.7
American Home Products	574,500	229,500	1,360,400	2,164,400	88.4
Kellogg Co.	903,500	330,200	923,100	2,156,700	70.2
Warner-Lambert	124,600	553,500	1,205,500	1,883,700	88.8
Sterling Drug Ltd.	1,264,800	–	553,400	1,818,000	68.1
General Motors	1,247,100	135,900	423,700	1,806,700	19.9
Kraft Foods	1,569,200	–	188,900	1,758,100	58.0

SOURCE: *The Canadian Broadcaster*, April 25, 1968, pg. 121.

into two broad categories: those imposed by the nature of the medium, and those imposed by legislation and network-policy decisions.

In the first place, the television broadcasting industry is faced with the purely technical constraint of a relatively small number of channels available for television broadcasting. Secondly, the theoretical limit on the maximum amount of time available for broadcasting is twenty-four hours in a day. In fact, most television stations are on the air between one hundred and one hundred and twenty hours a week, since a station will not have a viewing audience for twenty-four hours a day. Furthermore, even in the absence of any regulations, the major proportion of air-time would have to be devoted to "entertainment" in order to attract an audience and only a relatively small proportion of the total broadcasting time could be devoted to advertising.

A major difference between broadcast advertising and newspaper advertising is that in newspapers the amount of space that can be devoted to advertising is theoretically unlimited. It is common for a newspaper to expand substantially the amount of space devoted to advertising when conditions warrant it. Furthermore, the amount of space devoted to advertising can be increased without reducing the amount of space devoted to news stories, feature articles etc. In television broadcasting, on the other hand, if an extra minute per half hour is devoted to commercials, the time available for "entertainment" is reduced by one minute.

Since television broadcasting involves the granting of a limited number of channels to selected interests, regulations have been established, in the public interest, to limit the number of minutes an hour that may be devoted to advertising. The C.R.T.C. currently allows a maximum of twelve minutes of commercials an hour.[3] The CBC's policy with respect to commercials during network programming is even more restrictive than the regulations imposed by the C.R.T.C. The CBC generally allows only four minutes of commercials during a half-hour period, supplemented by a limited amount of selective advertising by CBC-owned and affiliated stations during network breaks. Furthermore it has adopted a policy that certain types of network programmes such as news, weather, and public affairs are not available for sponsorship, although this policy has been stretched increasingly in recent years.

SOURCES OF ADVERTISING REVENUE

The television broadcasting industry obtains the major proportion of its revenue from national advertising. Between 1963 and 1968, an average of 80.0 per cent of net total television advertising revenue was obtained from national advertising, compared to 41.5 per cent for radio and 25.5 per cent for daily newspapers. Table 93 presents a breakdown of total television advertising revenue into national advertising and local advertising components.

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[3] The twelve minutes per hour allowed by the C.R.T.C. does not include station and network identification. Five interruptions for advertising material are permitted per hour. If all twelve commercial minutes in an hour have been sold, one thirty-second unpaid public service announcement is permitted.

Table 93. Television Net Advertising Revenue, 1963 – 68

Year	Total	National	Local	National as percent of Total
	Dollars	Dollars	Dollars	Per Cent
1963	70,232,000	55,112,000	15,120,000	78.5
64	80,662,000	64,603,000	16,059,000	80.1
65	91,559,000	72,808,000	18,751,000	79.5
66	100,392,000	81,568,000	18,824,000	81.2
67	111,300,000	90,200,000	21,100,000	81.0
68	118,000,000	94,000,000	24,000,000	79.7
Total 1963-68	572,145,000	458,291,000	113,954,000	80.1

SOURCE: Maclean-Hunter Research Bureau.

Television stations, especially those located in the major metropolitan areas, apparently also receive a substantial proportion of their total revenue from advertising carried during prime time. Industry estimates place this proportion at between 60 per cent and 70 per cent of commercial revenue for large stations and between 40 per cent and 60 per cent for medium-sized and small stations.[4]

SUPPLY AND DEMAND ANALYSIS

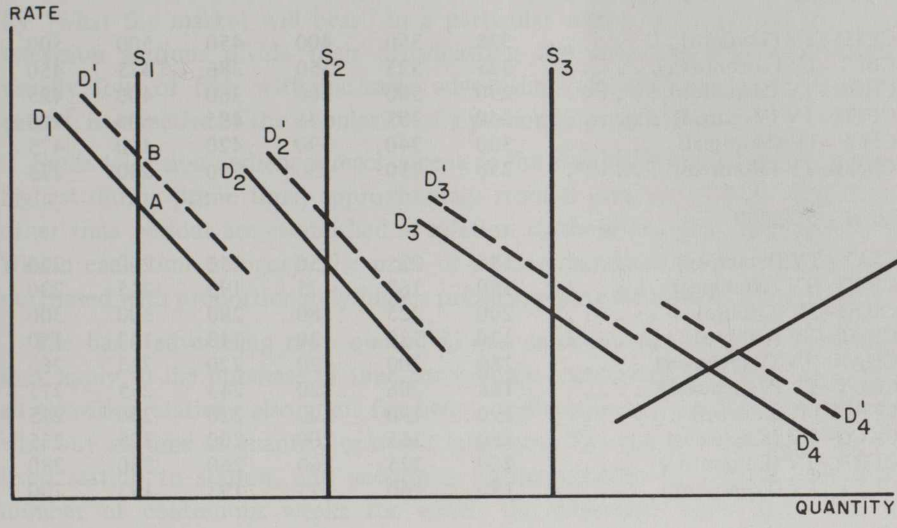
The nature of the "product" involved in television advertising, namely air-time, renders any supply and demand analysis extremely difficult. In the first place, there exists a definite product differentiation between air-time in the prime-time category and the non-prime time category. There are separate demands and supply schedules for these two basic time-classifications, even though they both involve television advertising. To complicate matters further, since television broadcasting is highly localized, different demand schedules may prevail in different regions. As a general rule, the demand for television air-time varies directly with the population in the broadcasting area. Various regions may also have substantially different supply schedules, because stations in all areas do not broadcast for the same number of hours in a day.

In addition, the other mass media, radio and newspapers, are perfectly acceptable substitutes for television advertising. It is impossible to determine how perfect or imperfect these substitutes are, since this involves essentially a subjective decision on the part of the advertiser. There is really no objective method for placing a value on the greater effectiveness, if any, possessed by television in persuading people to purchase an advertised product. It is obvious, however, that both radio and newspapers do fulfill the primary aim of advertising, namely that of reaching a large number of people more or less simultaneously.

The general supply and demand conditions that exist in mass media advertising may be illustrated by means of a simple chart. (Chart 16)

[4] O. J. Firestone, *Broadcast Advertising in Canada*, pg. 103.

Chart 16
ADVERTISING – SUPPLY AND DEMAND.*



***Where S_1 is the supply of prime-time television advertising; S_2, supply of non-prime-time television advertising; S_3, the supply of radio advertising; S_4, the supply of newspaper advertising; and D_1, D_2, D_3, and D_4, the repective demand curves.**

As the demand curve for prime-time television advertising shifts upward from D_1 to D_1^1, this shift will apear as an increase in television advertising rates from A to B, since the supply, S_1, is fixed. As a result of this rate increase, smaller advertisers who cannot afford these higher rates will shift out of prime-time into non-prime-time television advertising and will be replaced by larger advertisers. The advertisers who shift into non-prime-time will, in turn, raise the demand curve for air-time in this category from D_2 to D_2^1. Eventually, even non-prime-time television advertising may become too expensive for certain advertisers, and they will be forced to use newspaper or radio advertising. The only instance in which supply can increase in response to rising demand occurs in the case of newspapers.

In such a situation of rapidly expanding demand and a limited supply, it is inevitable that a considerable amount of pressure will be exerted on prices. This in effect has been the case with respect to television advertising. There has been a considerable increase in station time rates, particularly for prime time and in the larger metropolitan areas. Table 94 shows the increases in station time rates during prime time for selected stations in various size categories.

Similarly, there has been a substantial increase in network advertising rates. In April, 1969, the CBC increased its prime-time advertising rate for the English-language network by 12.9 per cent and the rate for the French-language network by 14.6 per cent. At the same time, the station-time rate for the MetroNet, which consists of ten stations, was increased by 24.4 per cent. The CTV network also increased its prime-time rate by 11.1 per cent on September 1, 1969.

Table 94. Television Advertising Rates* for Selected Stations, 1964-1969.

Circulation†	1964	1965	1966	1967	1968	1969
			Dollars			
Over 500,000						
CFTO–TV (Toronto)	335	350	400	450	500	500
CBLT–TV (Toronto)	325	325	350	386	425	450
CHCH–TV (Hamilton)	290	300	360	360	400	425
CFTM–TV (Montreal)	340	385	475	495	600	700
CFCF–TV (Montreal)	300	340	390	420	450	475
CBMT–TV (Montreal)	250	250	250	250	250	275
300,000 – 500,000						
CJAY–TV (Winnipeg)	180	225	250	250	250	270
CBWT–TV (Winnipeg)	150	163	175	193	215	230
CJOH–TV (Ottawa)	200	225	280	280	300	300
CBOT–TV (Ottawa)	130	130	130	143	143	150
CHAN–TV (Vancouver)	180	200	220	220	245	265
CBUT–TV (Vancouver)	188	206	220	243	255	275
CFPL–TV (London)	190	190	220	220	250	275
CKCO–TV (Kitchener)	150	165	200	200	225	235
CFRN–TV (Edmonton)	200	225	260	260	280	280
CBXT–TV (Edmonton)	150	160	175	193	193	200
200,000 – 300,000						
CHSJ–TV (Saint John)	115	125	140	150	160	170
CJCH–TV (Halifax)	100	115	130	130	150	170
CBHT–TV (Halifax)	88	88	88	105	115	120
CFCN–TV (Calgary)	130	150	175	175	225	225
100,000 – 200,000						
CFCQ–TV (Saskatoon)	115	125	135	135	150	150
CKOS–TV (Yorkton)	80	90	100	115	115	125
CKVR–TV (Barrie)	100	115	120	135	140	140
CHEK–TV (Victoria)	90	90	90	90	90	120
CKWS–TV (Kingston)	75	75	80	80	80	95
CKNX–TV (Wingham)	60	70	80	80	90	90
CHEX–TV (Peterborough)	70	70	80	80	80	95
under 100,000						
CFCH–TV (North Bay)	50	50	55	55	55	70
CKRD–TV (Red Deer)	55	60	65	65	65	85
CKSA–TV (Lloydminster)	55	55	60	65	75	75
CKRT–TV (Rivière-du-Loup) ...	45	45	50	50	50	50
CFTK–TV (Terrace)	30	30	45	45	50	50
CJFB–TV (Swift Current)	40	50	50	50	55	55

* One occasion 60-second spot rate during prime time.
† Based on 1968 circulation.
SOURCE: Canadian Advertising Rates and Data. (September issues.)

There would be, in all likelihood, even greater pressure on television advertising rates if it were not for the fact that radio and newspapers, to a certain extent, are substitutes for television, even though they may not be as effective as the latter for some types of advertising. Consequently, the smaller advertisers tend to shift to these other mass media as television advertising costs increase.

ADVERTISING RATES AND POLICY

Television broadcasting stations sell advertising time on the basis of published rate cards, which are periodically revised. These rate cards are established on the basis of a station's total viewing audience, its programmes, and to a certain extent by "what the market will bear" in a particular region. For rate-setting purposes, television stations divide their broadcasting day into separate time categories, usually four or five, with the same advertising rate applying to the entire time period, irrespective of the popularity of a particular programme.[5]

Since television audiences reach a peak in the evening hours, advertising rates are highest during prime time, approximately from 6 p.m. to 11 p.m. The rates for other time periods are established in relation to those charged during prime time. Within each time category, the price of air-time is related to the amount of time purchased with proportionately higher prices applying for shorter units of time.

The basic advertising rates quoted in rate cards are one-occasion rates, that is, they apply to the purchase of time for a single commercial or programme. Nearly all television stations also grant frequency and continuity discounts to advertisers who buy air-time in quantity or over a long term. The size of these discounts varies from station to station, and according to the number of commercials and the number of continuous weeks for which the advertiser buys time. The most commonly used continuity discount provides a rate reduction of 10 per cent to an advertiser who buys time for fifty-two continuous weeks.

In addition, a number of stations have package plans and a summer dividends plan. Under the package plan, an advertiser obtains lower rates by purchasing a specific number of commercial units in various time categories. The summer dividends plan, which usually applies during the months of July and August, enables the advertiser to earn dividends in the form of repeated announcements up to a certain proportion of the value of purchased air-time.

Television advertising rates fall into three distinct categories: network rates, national selective rates, and local retail rates. Network rates are charged to advertisers when they purchase time during network programming hours. The advertisers buy time directly from the network, and their commercials are carried by all the affiliates of the network. When an advertiser buys time from stations on an individual basis outside network broadcasting hours, he is charged national selective rates, which are established by the station itself. In addition to these two rate categories, a number of television stations have also introduced local retail rates in an attempt to attract local retail firms that cannot afford the high rates charged to national advertisers.

The CBC for example, introduced local retail rates on an experimental basis for CBUT-TV (Vancouver) in October 1957. By 1967, retail rates had been established for nine other CBC stations in Toronto, Halifax, Ottawa, Montreal, Quebec, Corner Brook, and St. John's. These local retail rates, however, are not published in

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[5]Until September, 1969, the CTV Network had two rates for prime time: AAA ($3,150 per sixty seconds) for non-Canadian content programs and AA ($2,600 per sixty seconds) for Canadian Content programs.

Canadian Advertising Rates and Data and have to be obtained from each station individually. Consequently, Table 95 shows national and retail advertising rates only for ten CBC-owned stations and CHCH (Hamilton).

Table 95. National and Local Television Advertising Rates in 1968

Station	National Rate*	Local Rate*	Local as % of National
	$	$	%
CBUT-TV (Vancouver) . . .	255.00	153.00	60
CBLT-TV (Toronto)	425.00	255.00	60
CBHT-TV (Halifax)	115.00	69.00	60
CBOT-TV (Ottawa)	143.00	100.10	70
CBOFT-TV (Ottawa)	75.00	52.50	70
CBFT-TV (Montreal) . . .	313.00	234.75	75
CBMT-TV (Montreal)	250.00	187.50	75
CBVT-TV (Quebec)	200.00	150.00	75
CBYT-TV (Corner Brook) .	20.00	15.00	75
CBNT-TV (St. John's) . . .	85.00	68.00	80
CHCH-TV (Hamilton)	400.00	340.00	85

*Prime-time, one-occasion rates.
SOURCE: Individual station rate cards.

RATE-PER-THOUSAND

The price of advertising time for spot announcements is usually expressed in terms of dollars-per-minute or portions of a minute. As far as an advertiser is concerned, however, the potential circulation of a station is as important to him as the flat rate charged for one minute of air-time. The rate-per-thousand enables the advertiser to determine the costs involved in reaching 1,000 potential customers and also enables him to compare the relative costs of reaching this audience by purchasing air-time on alternative television stations. The following formula is used to calculate the rate-per-thousand:

$$\frac{\text{Rate-per-sixty-seconds-of-air-time} \times 1{,}000}{\text{Circulation of Station}}$$

It should be pointed out, however, that the rate-per-thousand figures used in this paper serve only as a general indicator to compare relative rates over time and between different stations. The circulation figures used to calculate the rate-per-thousand are Average Daily Nightime Circulation as published by the B.B.M. Bureau of Measurement. These figures provide an estimate of the number of viewers who tuned to a particular station at some period of time between 6 p.m. and 1 a.m.

It is well known that the number of people watching a particular station can vary widely from one quarter-hour to the next – at the same hour of the day on different days of the week – depending on the popularity of particular programmes. Consequently, in order to obtain absolute rate-per-thousand figures for a particular commercial, it would be necessary to use the estimated number of viewers who watched a particular station during the specific time-period in which the commercial appeared.

Table 96 shows the circulation, national selective rates and the rate-per-thousand for spot announcements in prime time for television stations in Canada.

Table 96. Average Television Advertising Rates-Per-Thousand By Station Size

Size Category	Average Size of Stations	No. of Stations in Sample	Rate-Per-Thousand
no. of viewers			¢
under 75,000	55,140	10	89.8
100 – 200,000	135,820	10	76.8
300 – 500,000	383,790	10	62.4
over 500,000	1,017,000	7	43.7

The relationship between rate-per-thousand and circulation for four selected size categories of television stations is shown in Table 97. These figures indicate the existence of substantial economies of scale in television broadcasting. For example, the average rate-per-thousand for stations with fewer than 75,000 viewers is $.898, while the average rate-per-thousand for stations with circulations of more than 500,000 drops to $.437.

Table 97. Television: Circulation and Advertising Rates

Station	Daily Circulation Nighttime 2 years and over	Rate /60 Sec. $	Rate /1,000 $
B.C.			
CJDC-TV (Dawson Creek)	38,700	35	.90
CHBC-TV (Kelowna)			
CFCR-TV (Kamloops)	154,400	115	.74
CKPG-TV (Prince George)	53,600	30	.56
CFTK-TV (Terrace)	51,100	50	.98
CBUT-TV (Vancouver)	468,900	255	.54
CHAN-TV (Vancouver	354,200	245	.69
CHEK-TV (Victoria)	113,400	90	.79
Alta.			
CFCN-TV (Calgary)	282,900	225	.80
CHCT-TV (Calgary)	180,000		
CJLH-TV (Lethbridge)	79,400	215	.74
CHAT-TV (Medicine Hat)	30,800		
CBXT-TV (Edmonton)	337,100	193	.57
CFRN-TV (Edmonton)	372,400	280	.75
CKRD-TV (Red Deer)	66,800	85	1.27
Sask.			
CKSA-TV (Lloydminster)	74,300	75	1.01
CKBI-TV (Prince Albert)	100,300	85	.85
CHRE-TV (Regina)	114,900	100	.87
CKCK-TV (Regina)	178,300	140	.79
CFQC-TV (Saskatoon)	184,100	150	.81
CJFB-TV (Swift Current)	37,800	55	1.46
CKOS-TV (Yorkton)	177,400	115	.69

Table 97. Television: Circulation and Advertising Rates (Continued)

Station	Daily Circulation Nightime 2 years and over	Rate /60 Sec. $	Rate /1,000 $
Man.			
CKX-TV (Brandon)	107,800	85	.79
CBWT-TV (Winnipeg)	395,100	215	.54
CBWFT-TV (Winnipeg)	6,400	25	3.91
CJAY-TV (Winnipeg)	340,800	250	.73
Ont.			
CKVR-TV (Barrie)	175,600	140	.80
CKWS-TV (Kingston)	135,600	150	1.11
CKCO-TV (Kitchener)	302,500	225	.74
CFPL-TV (London)	352,900	250	.71
CFCH-TV (North Bay)	58,600	55	.94
CBOT-TV (Ottawa)	326,300	143	.44
CBOFT-TV (Ottawa)	109,800	75	.68
CJOH-TV (Ottawa)	350,000	300	.86
CHOV-TV (Pembroke)	44,500	60	1.35
CHEX-TV (Peterborough)	103,400	150	1.45
CKPR-TV (Port Arthur)	102,000	75	.74
CJIC-TV (S.S. Marie)	65,000	65	1.00
CKSO-TV (Sudbury)	156,300	150	.96
CFCL-TV (Timmins)	114,500	115	1.00
CBLT-TV (Toronto)	1,233,600	425	.34
CFTO-TV (Toronto)	1,145,200	500	.44
CHCH-TV (Hamilton)	865,900	400	.46
CKLW-TV (Windsor)	104,900	90	.86
CKNX-TV (Wingham)	105,400	90	.85
Que.			
CHAU-TV (Carleton)	118,300	60	.51
CJPM-TV (Chicoutimi)	148,300	80	.54
CKRS-TV (Jonquière)	149,100	85	.57
CKBL-TV (Matane)	104,400	60	.57
CBFT-TV (Montreal)	1,144,600	313	.27
CBMT-TV (Montreal)	576,600	250	.43
CFCF-TV (Montreal)	616,900	450	.73
CFTM-TV (Montreal)	1,536,500	600	.39
CBVT-TV (Quebec)	270,100	200	.74
CFCM-TV (Quebec)	489,800	270	.55
CKMI-TV (Quebec)	46,600	40	.86
CJBR-TV (Rimouski)	134,600	95	.71
CKRT-TV (Rivière du Loup)	72,100	50	.69
CKRN-TV (Rouyn)	126,500	75	.59
CHLT-TV (Sherbrooke)	401,500	230	.57
CKTM-TV (Trois-Rivières)	129,800	110	.85
N.B.			
CBAFT-TV (Moncton)	24,600	19	.77
CKCW-TV (Moncton)	218,600	150	.69
CHSJ-TV (Saint John)	253,600	160	.63
N.S.			
CBHT-TV (Halifax)	213,000	115	.54
CJCH-TV (Halifax)	213,100	150	.70
CJCB-TV (Sydney)	156,400	135	.86
P.E.I.			
CBCT-TV (Charlottetown)	92,300	60	.65

Table 97. Television: Circulation and Advertising Rates (Continued)

Station	Daily Circulation Nightime 2 years and over	Rate /60 Sec. $	Rate /1,000 $
Nfld.			
CBYT-TV (Corner Brook)	51,000	20	.39
CBNT-TV (St. John's)	159,500	85	.53
CJON-TV (St. John's)	194,600	125	.64

SOURCE: Circulation figures: BBM Television Coverage and Circulation Report, November 6-19, 1968.
Advertising rates: C.A.R.D., January, 1969.

These substantial decreases in the rate-per-thousand as station size increases can be explained by the fact that the television broadcasting industry has high overhead costs and very low marginal costs. For instance, it costs a great deal to broadcast a programme, but it costs very little more to get an additional viewer to watch it.

CBC NETWORK ADVERTISING RATES

The CBC operates two television networks – English- and French-language – composed of both CBC-owned stations and privately-owned stations affiliated with the network. The English-language network consists of a total of forty-six stations; the French-language network is made up of fifteen stations. Of the forty-six English-language network stations, forty-one are classified as "basic" or "must buy" stations, which means that advertisers sponsoring network programmes are required to purchase time on all these stations. The remaining five are "supplementary stations" which may be ordered by the advertiser on a voluntary basis. Since the French-language network is relatively small, all fifteen stations are designated as basic stations.

The CBC has fifty-three hours per week of network option time (nineteen hours in the prime-time category) during which affiliates are required to broadcast CBC network programmes.

The CBC network advertising rates are established by means of a fairly complicated formula based on a rate curve and the nighttime daily circulation of each station. The formula also contains a control factor that prevents a station's one-hour prime-time network rate from exceeding five times its highest one-minute selective rate. In addition to network station time, an advertiser using the CBC network must also pay a distribution or interconnection charge and a programme charge, since the CBC sells network advertising on the basis of programme sponsorship.

The method used by the network to share commercial revenues with the affiliated stations is also quite complex. Until the 1969 season, the affiliates were paid 50 per cent of their applicable network rate (after deductions of frequency and continuity discounts), for Canadian produced programmes and either 31, 50, or 60 per cent for programmes originating with the American networks. With the beginning of the 1969/70 programme season, the CBC changed its policy and the rate of payment is now applied to gross station time rates. The affiliates are now paid 47 per cent of their applicable network rate for both Canadian produced programmes and those originating with CBS and NBC. For programmes originating with other American networks, the payment is 31 per cent of the station's applicable network rate. A copy of the CBC rate formula is included in Table 98.

Table 98. CBC Rate Formula Method of determining Indicated Network Rate of Affiliated Stations

1 The indicated network rate of each affiliated station will be based on its "TOTAL NIGHTTIME DAILY CIRCULATION" as published in the latest available NCS Report (Nielson Coverage Service) with the figures adjusted to reflect the CBC's projection of TV households to January 1st of the year following the year in which a new network rate card is issued.

2 The RATE CURVE to be used in conjunction with this circulation measure will be as set out in the table to the right.*

3 The Class 'AA' one-hour network rate of an affiliated station will not be set above five (5) times its highest one-minute announcement rate as published on or before April 1st of the year in which a new network rate card is issued, such rates having been notified to the CBC by December 31st of the year immediately preceding the year in which a new network rate card is issued.

Where two or more affiliated stations publish a combination rate card (regardless of whether or not these same stations also publish individual rate cards) the aggregate Class 'AA' one-hour network rate of such a combination of stations will not be set above five (5) times the combination's highest one-minute announcement rate as published on or before April 1st of the year in which a new rate card is issued, such rates having been notified to the CBC by December 31st of the year immediately preceding the year in which a new network rate card is issued.

Total Nighttime Daily Circn	Indicated Network Rate	Total Nighttime Daily Circn	Indicated Network Rate
	Dollars		Dollars
5,000	90	40,000	405
6,000	105		
7,000	115	45,000	435
8,000	130		
9,000	140	50,000	460
10,000	155		
11,000	165	55,000	490
12,000	175		
13,000	185	60,000	515
14,000	195		
15,000	205	65,000	545
16,000	210		
17,000	220	70,000	570
18,000	230		
19,000	240	80,000	625
20,000	250		
21,000	260	90,000	665
22,000	265		
23,000	275	100,000	705
24,000	280		
25,000	290	110,000	745
26,000	295		
27,000	305	120,000	785
28,000	310		
29,000	320	160,000	940
30,000	330		
31,000	335	200,000	1,060
32,000	345		
33,000	350	300,000	1,350
34,000	360		
35,000	365	400,000	1,585
36,000	375		
37,000	380	500,000	1,805
38,000	390		
39,000	395	600,000	2,025

*** Effective with the 1969 publication of Rate Card No. 25 (Subject to usual rate protection).**

CTV NETWORK ADVERTISING RATES

The CTV network is owned and operated by its twelve affiliated stations, which are located in the major metropolitan areas from coast to coast. The network provides approximately forty-eight hours of programming per week. Of this total, twenty-three and one-half hours consist of network sales time, for which the advertiser must buy time through the network; twenty-four and one-half hours are designated as station or selective sales time, during which affiliates sell advertising time individually and pay the network for programmes originated by it. Selective sales time means individual stations are able to choose the time of broadcast for this programming. This option becomes effective with the beginning of the 1970 season.

The network has three very complicated formulae for sharing revenue from network sales time with the affiliates. These formulae are based on numerous factors, such as the highest rate card for a station, its competitive situation, its programming and Canadian content requirements, etc. Detailed information concerning the nature of each of these rate-setting methods has been filed with the Committee.

C.R.T.C. CANADIAN CONTENT REQUIREMENTS

As a result of the new C.R.T.C. regulations with respect to Canadian content it is expected that amendments will be required to the present CBC and CTV affiliation agreements.

TRENDS IN ADVERTISING RATES

Table 99 and Chart 17 show station-time rates per-thousand-households for television stations in four size categories from 1964 to 1968. The stations have been grouped on the basis of 1968 circulation figures. The rates per thousand are based on one-occasion rates during prime-time and the circulation figures are average daily night-time circulation as published by B.B.M. Bureau of Measurement.

Although the rates per thousand for all four groups show a fairly steady upward trend over the period, especially in the case of the two largest circulation groups, the accuracy of the figures for 1967 and 1968 is questionable. The difficulty is introduced by a change in B.B.M.'s survey methods. Until 1966, B.B.M. reported circulation figures in terms of households. In 1967, it switched to reporting circulation in terms of the total number of persons watching a station. Consequently, the circulation figures for 1967 and 1968 have been converted to households by using D.B.S. figures for average family size for individual cities, where available, or the provincial average. The figures for average family size were obtained from the 1966 Census.[6]

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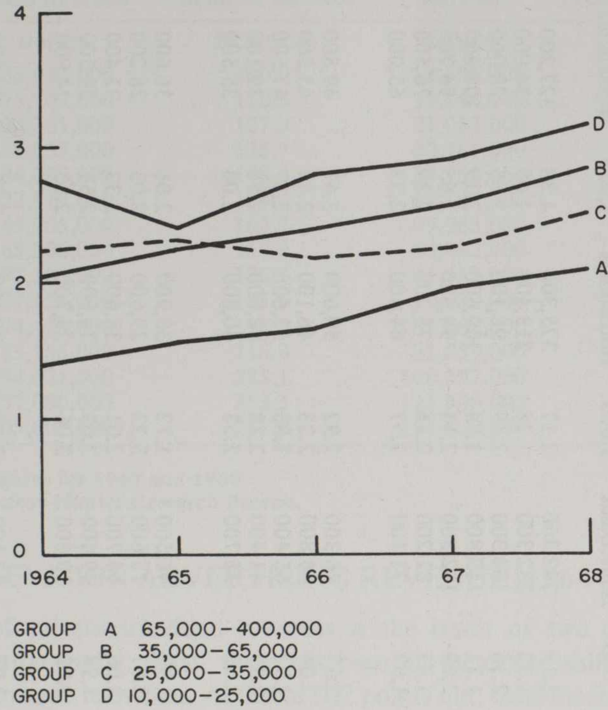
[6]D.D.S., Catalogue No. 93-613 Vol. II

Table 99. Trends in Rates-per-Thousand Households by Revenue Group, 1964-1968

	$1,500,000 & over		$1,000,000 – 1,499,999		$500,000 – 999,999		$250,000 – 499,999	
Year	Rate per 1,000	Index of Rate/1000	Rate per 1,000	Index of Rate/1000	Rate per 1,000	Index of Rate/1000	Rate per 1,000	Index of Rate/1000
1964	1.41	100.0	2.05	100.0	2.27	100.0	2.79	100.0
1965	1.56	110.6	2.23	108.8	2.29	100.9	2.38	85.3
1966	1.64	116.3	2.38	116.1	2.19	96.5	2.79	100.0
1967	1.92	136.2	2.56	124.9	2.26	99.6	2.91	104.3
1968	2.07	146.8	2.87	140.0	2.51	110.6	3.15	112.9

Chart 17

TRENDS IN RATES PER THOUSAND HOUSEHOLDS, 1964-1968.



This conversion of B.B.M. circulation figures from the total number of individuals to households results in a drop in circulation for a substantial number of stations as indicated in Table 100. It would not seem logical that such a number of stations would all suffer a loss in viewing audience. This is especially the case for such stations as Hamilton, Victoria and Barrie, which showed a steady increase in circulation during the previous three years.

GROWTH OF TELEVISION ADVERTISING

Since 1952, when television was introduced in Canada, demand for television advertising has expanded rapidly. The net advertising revenue received by the television broadcasting industry increased from $8.6 million in 1954 to an estimated $118.0 million in 1968. This represents an increase of 1,272 per cent over a period of fourteen years. During the same period, the total net advertising revenue received by all media increased by only 167.9 per cent. Consequently, the television broadcasting industry substantially increased its market share of total advertising revenue from 2.5 per cent in 1954 to 13.0 per cent in 1968. This expansion in television's market share has been almost entirely at the expense of newspapers and magazines. Table 101 indicates the growth of total advertising revenue received by all media, and television advertising revenue from 1954 to 1968.

Table 100. Television Rates and Circulation, by Household, 1964-1968

	1964		1965		1966		1967		1968	
Circulation*	Circulation Night-Time Households	Rate Per 1,000	Circulation Night-Time Households	Rate Per 1,000	Circulation Night-Time Households	Rate Per 1,000	Circulation Night-Time Households	Rate Per 1,000	Circulation Night-Time Households	Rate Per 1,000
65,000 – 400,000										
CFTO-TV (Toronto)	316,900	1.06	294,900	1.19	342,300	1.17	325,300	1.38	327,200	1.53
CHCH-TV (Hamilton)	210,700	1.38	226,900	1.32	282,300	1.28	213,400	1.69	234,000	1.71
CFRN-TV (Edmonton) ...	107,100	1.87	104,200	2.16	104,300	2.49	98,100	2.65	98,000	2.86
CHAN-TV (Vancouver) ...	110,200	1.63	117,300	1.71	119,800	1.84	100,600	2.19	101,200	2.42
CJAY-TV (Winnipeg)	114,200	1.58	110,900	2.03	102,500	2.44	94,300	2.65	94,700	2.64
CFCN-TV (Calgary)	81,700	1.59	80,900	1.85	81,200	2.16	73,200	2.39	76,500	2.94
CHSJ-TV (Saint John)	71,300	1.61	75,000	1.67	71,100	1.97	64,400	2.33	65,000	2.46
35,000 – 65,000										
CFQC-TV (Saskatoon) ...	46,100	2.49	48,600	2.57	46,300	2.92	50,600	2.67	49,800	3.01
CKDS-TV (Yorkton)	45,900	1.74	44,100	2.04	44,800	2.23	46,100	2.49	45,500	2.53
CKVR-TV (Barrie)	58,800	1.70	59,800	1.92	65,400	1.83	52,600	2.57	47,500	2.95
CJCB-TV (Sydney)	41,900	2.15	41,900	2.39	41,400	2.78	42,000	2.98	39,100	3.45
CKRS-TV (Jonquière)	36,300	2.34	36,600	2.32	35,700	2.38	40,800	2.08	35,500	2.39
25,000 – 35,000										
CKWS-TV (Kingston)	39,400	1.90	39,400	1.90	46,500	1.72	38,900	2.06	36,600	2.19
CHAU-TV (Carleton)	18,800†	3.19	15,500	3.87	18,600	3.23	29,600	2.03	28,200	2.13
CHEK-TV (Victoria)	39,600	2.27	43,700	2.06	44,700	2.01	38,600	2.33	33,400	2.69
CKNX-TV (Wingham)	35,600	1.69	36,100	1.94	39,400	2.03	30,600	2.61	28,500	3.16
CKLB-TV (Matane)	16.100†	3.42	18,200	3.02	19,600	3.06	25,700	2.33	24,900	2.41
10,000 – 25,000										
CHEX-TV (Peterborough) .	31,500	2.22	33,800	2.07	32,100	2.49	29,100	2.75	27,900	2.87
CFCY-TV (Charlottetown)	23,500	2.13	26,000	1.92	26,400	2.27	23,500	2.77	22,000	2.95
CKRT-TV (Rivière-du-Loup)	12,000†	3.75	16,800	2.68	16,400	3.05	20,800	2.40	17,200	2.91
CKRD-TV (Red-Deer)	15,500†	3.55	20,500	2.93	20,600	3.16	18,900	3.44	17,100	3.80
CFCH-TV (North Bay) ...	14,300	3.50	18,400	2.72	15,700	3.50	15,900	3.46	15,800	3.48

* Based on 1968 groups
† Summer survey

Table 101. Net Advertising Revenue, All Media and Television, 1954-68

Year	Total All Media Revenue	Index of Total All Media Revenue	Television Revenue	Index of Television Revenue
	Dollars	1954=100	Dollars	1954=100
1954 .	338,043,000	100.0	8,596,000	100.0
1955 .	373,743,000	110.5	13,444,000	156.4
1956 .	432,301,000	127.9	27,063,000	314.8
1957 .	458,835,000	135.7	32,281,000	375.5
1958 .	584,089,000	143.5	37,752,000	439.2
1959 .	522,819,000	154.7	47,657,000	554.4
1960 .	549,905,000	162.7	49,963,000	581.2
1961 .	565,306,000	167.2	54,082,000	629.2
1962 .	597,308,000	176.7	61,718,000	718.0
1963 .	627,154,000	185.5	70,232,000	817.0
1964 .	674,473,000	199.5	80,662,000	938.4
1965 .	733,156,000	216.9	91,559,000	1065.1
1966 .	794,621,000	235.1	100,392,000	1167.9
1967*	857,000,000	253.5	111,300,000	1294.8
1968*	905,600,000	267.9	118,000,000	1372.7

* Estimated figures for 1967 and 1968
SOURCE: Maclean-Hunter Research Bureau.

TELEVISION ADVERTISING REVENUE, 1964-1968

The growth of private television revenues is the result of two demand factors operating simultaneously. First, there has been an increasing shift in advertising expenditures toward television. As Table 102 points out, total media revenues have increased by 34.3 per cent; but, television's share of revenue has increased by 46.3 per cent.

Table 102. Net Advertising Revenue, all Media and Television, 1964-1968

Year	Total All Media Revenue Dollars	Index	Total Television Revenue Dollars	Index
1964	674,473,000	100.0	80,662,000	100.0
65	733,156,000	108.7	91,559,000	113.5
66	794,621,000	117.8	100,392,000	124.6
67	857,000,000*	127.0	111,300,000*	140.0
68	905,600,000*	134.3	118,000,000*	146.3

*Estimated

The second factor leading to the growth of private television revenues is the shift in television advertising revenues from the CBC towards the private sector of the media. (See Tables 103 and 104). From 1963-1968, the CBC's network revenue grew by 22.1 per cent. During the same time, the private network revenues grew by 74.3 per cent. The introduction of competition from CTV was largely responsible for the slowness in the growth of CBC revenue.

The growth of private network advertising revenues is the result of this limited advertising supply and the increasing demand for time.

Table 103. Television Broadcasting Revenue, 1963-68

	CBC				PRIVATE			
	Network & National Advertising	Local Advertising	Total	Index	Network & National Advertising	Local Advertising	Total	Index
	Dollars	Dollars	Dollars		Dollars	Dollars	Dollars	
1963	20,580,000	960,000	21,540,000	100.0	34,530,000	14,170,000	48,690,000	100.0
64	21,590,000	910,000	22,500,000	104.5	43,020,000	15,150,000	58,170,000	119.5
65	22,060,000	980,000	23,040,000	107.0	50,750,000	17,770,000	68,510,000	140.7
66	23,380,000	800,000	24,170,000	112.2	58,190,000	18,030,000	76,220,000	156.5
67	25,500,000	870,000	26,360,000	122.4	64,640,000	20,250,000	84,890,000	174.3
68	25,450,000	860,000	26,310,000	122.1	67,170,000	21,400,000	88,570,000	181.9

SOURCE: D.B.S. Catalogue Number 50-204.

Table 104. Radio Broadcasting Revenue, 1963-68

	CBC				PRIVATE			
	Network & National Advertising	Local Advertising	Total	Index	Network & National Advertising	Local Advertising	Total	Index
	Dollars	Dollars	Dollars		Dollars	Dollars	Dollars	
1963 .	1,280,000	850,000	2,120,000	100.0	23,660,000	33,340,000	57,000,000	100.0
1964 .	1,460,000	440,000	1,910,000	90.1	26,410,000	36,810,000	63,220,000	110.9
1965 .	1,520,000	470,000	1,980,000	93.4	27,670,000	40,990,000	68,660,000	120.5
1966 .	1,450,000	380,000	1,830,000	86.3	31,390,000	46,820,000	78,210,000	137.2
1967 .	1,310,000	440,000	1,760,000	83.0	35,310,000	51,400,000	86,700,000	152.1
1968 .	1,170,000	460,000	1,630,000	76.9	36,940,000	56,450,000	93,390,000	163.8

SOURCE: D.B.S. Catalogue Number 56-204.

RADIO ADVERTISING THROUGH TIME

In radio broadcasting, the shift towards the private broadcasting stations has been outstanding. Private advertising revenues have *increased* by 63.8 per cent; CBC's radio advertising revenues have *decreased* by 23.1 per cent. The great decrease in the CBC's revenues is due largely to their programming policy. The CBC has not competed with the news and music format of the private stations. Also, the CBC sells block advertising time, a difficult thing to do with a decreasing circulation.

Chapter 3:

COSTS

INTRODUCTION

To assist understanding of the nature of costs within the broadcasting industry, Tables 105 and 106 break down costs according to purchased inputs, labour, and capital costs.

Purchased inputs are analyzed into costs of representative commissions, fuel, electricity, artist fees, performing rights etc.; these are the material or service inputs acquired from other industries.

The returns to labour are defined as wages, salaries, and fringe benefits.

A more difficult concept is the gross returns to capital. Gross returns to capital includes capital consumption allowances (depreciation and obsolescence), profit, and the return to land (rent); in this sense we give capital the broad definition in order to illustrate the relationship between labour, capital, and purchased inputs in the most general terms.

PURCHASED INPUT COSTS

Purchased inputs for the television industry vary from 35 to 36 per cent of total costs. In radio, this proportion varies from 32 to 34 per cent; this similarity in cost structure between the two industries is not unexpected, since we are dealing with the two slightly different products produced within one general industry.

However, when one examines the particular mix of inputs in each area of broadcasting, one can identify the differences in proportional costs with the differences in the product of each media. The proportion of total costs going to representative commissions is slightly higher in radio than in television (radio, 5.5 per cent, television, 4.5 per cent, on average). The television broadcasting industry will have a larger internal organization which will solicit its own advertising revenues, in comparison with the radio industry. Of particular interest is the purchased input "artist fees." First, in both industries the proportion of total costs[1] allocated to the payment of artists has decreased; in television, the costs

[1]Total costs are defined here as including profit and interest, and thus are equal to total revenue

Table 105. Distribution of Production Costs in the Private Television Broadcasting Industry, 1962-1968

	Purchased Inputs							Labor	Capital	Capital	Total
Year	Representative Commission	Fuel Electricity Water	Artist & Talent Fees	Performing Rights	Films, Tapes, Recordings	Advertising Promotion Travel	Other Purchased Inputs	Wages, Salaries, Benefits	Gross Return to Capital	Consumption Allowance	(equals) Operating Revenue
						Dollars					
1962	2,290,700	708,600	2,596,900	800,200	5,944,400	2,004,400	4,217,300	17,653,900	11,389,300	4,245,600	47,605,700
1963	2,460,400	792,700	2,436,100	915,100	7,016,700	2,183,400	4,675,100	18,377,300	14,704,500	3,993,200	53,561,300
1964	3,153,400	814,800	2,633,300	1,081,700	8,807,700	2,398,700	4,369,600	19,757,300	20,546,200	4,477,900	63,562,700
1965	3,419,000	817,200	3,083,100	1,366,100	10,719,800	2,607,100	4,743,900	21,271,300	27,234,800	5,327,000	75,262,300
1966	3,749,700	848,500	3,242,000	1,510,700	12,304,500	2,727,900	6,001,900	24,260,000	30,638,200	6,269,500	85,783,400
1967	3,915,500	877,900	3,859,500	1,851,800	15,626,600	3,078,300	6,909,000	27,144,800	31,914,400	7,201,100	95,177,800
1968	3,877,300	928,500	3,675,800	1,846,800	16,222,500	3,188,900	6,864,800	28,851,600	34,536,500	7,340,000	99,992,700
						Per Cent					
1962	4.81	1.49	5.46	1.68	12.49	4.21	8.86	37.08	23.92	8.92	100.0
63	4.59	1.48	4.55	1.71	13.10	4.08	8.73	34.31	27.45	7.46	100.0
64	4.96	1.28	4.14	1.70	13.86	3.77	6.87	31.08	32.32	7.04	99.98
65	4.54	1.09	4.10	1.82	14.24	3.46	6.30	28.26	36.19	7.08	100.0
66	4.37	.99	3.78	1.76	14.93	3.18	7.00	28.28	35.72	7.31	100.01
67	4.11	.92	4.06	1.95	16.42	3.23	7.26	28.52	33.53	7.57	99.82
68	3.88	.93	3.68	1.85	16.22	3.19	6.87	28.85	34.54	7.34	100.01
						Index (1962 = 100)					
1962	100.0	100.0	100.0	100.00	100.00	100.00	100.00	100.00	100.00	100.0	100.00
63	107.41	111.87	93.81	114.36	118.04	108.93	110.86	104.10	129.11	94.05	112.51
64	137.66	114.99	101.40	135.18	148.17	119.67	103.61	111.19	180.40	105.47	133.52
65	149.26	115.33	118.72	170.72	180.33	130.07	112.49	120.49	239.13	125.47	158.10
66	163.69	119.74	124.84	188.79	215.40	136.10	142.43	137.42	269.01	147.67	180.20
67	170.93	123.89	148.62	231.42	262.88	153.58	163.93	153.76	280.21	169.61	199.93
68	169.26	131.03	141.55	230.79	272.90	159.09	162.78	163.43	303.24	172.88	210.04

Table 106. Distribution of production costs in the Private Radio Broadcasting Industry, 1962-1968

	Purchased Inputs							Labor	Capital	Capital	Total
Year	Representative Commission	Fuel Electricity Water	Artist & Talent Fees	Performing Rights	Tapes, Recordings	Advertising Promotion Travel	Other Purchased Inputs	Wages, Salaries, Benefits	Gross Return to Capital	Capital Consumption Allowance	(equals) Operating Revenue
						Dollars					
1962	3,141,900	707,000	2,151,900	1,159,600	433,300	3,780,500	6,900,500	23,582,800	11,720,400	2,857,600	53,577,900
63	3,395,700	912,400	1,863,100	1,296,200	535,600	4,143,300	6,956,300	26,016,000	13,093,500	3,070,100	58,212,100
64	3,799,000	933,500	2,237,000	1,477,600	624,200	4,686,800	7,599,100	28,243,400	15,441,900	3,495,500	65,042,500
65	3,960,900	858,300	2,170,400	1,585,000	686,100	5,142,600	7,899,900	30,321,900	17,907,400	3,524,600	70,532,500
66	4,258,800	909,700	2,157,500	1,869,400	686,000	5,321,100	9,955,300	34,213,600	20,183,800	3,932,800	79,554,900
67	4,646,800	1,029,300	2,255,800	2,060,800	761,600	5,695,100	10,038,900	38,151,700	24,121,100	3,994,700	88,761,100
68	4,882,200	1,108,000	2,426,400	2,151,500	807,700	5,823,500	11,619,200	41,267,900	25,592,500	3,993,700	95,678,900
						Per Cent					
1962	5.86	1.32	4.02	2.16	.81	7.06	12.88	44.02	21.88	5.33	100.01
63	5.83	1.57	3.20	2.23	.92	7.12	11.95	44.69	22.49	5.27	100.00
64	5.84	1.44	3.44	2.27	.96	7.21	11.68	43.42	23.74	5.37	100.00
65	5.62	1.22	3.08	2.28	.97	7.29	11.20	42.99	25.39	5.00	100.04
66	5.35	1.14	2.71	2.35	.86	6.69	12.51	43.01	25.37	4.94	99.99
67	5.24	1.16	2.54	2.32	.86	6.42	11.31	42.98	27.18	4.50	100.01
68	5.10	1.16	2.54	2.25	.84	6.09	12.14	43.13	26.75	4.17	100.00
						Index (1962 = 100)					
1962	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
63	108.08	129.05	86.58	111.78	123.61	109.60	100.81	110.32	111.72	107.43	108.65
64	120.91	132.04	103.95	127.42	144.06	123.97	110.12	119.76	131.75	122.32	121.40
65	126.07	121.40	100.86	136.69	158.34	136.03	114.48	128.58	152.79	123.34	131.64
66	135.55	128.67	100.26	161.21	158.32	140.75	144.27	145.08	172.28	137.62	148.48
67	147.90	145.59	104.83	177.72	175.77	150.64	145.48	161.78	205.80	139.79	165.67
68	155.39	156.72	112.76	185.54	186.41	154.04	168.38	174.99	218.36	139.75	178.58

SOURCE: D.B.S. – 56-204

decreased from 5.46 per cent of total costs in 1962 to 3.68 per cent in 1968; for radio, in the same period, the decrease was from 4.02 per cent to 2.54 per cent. Second, much of this change in cost structure can be attributed to the changing technology in the industry. For example, proportionate costs for films, tapes, and recordings have increased significantly in both media. These two phenomena are explained by the difference in the content of broadcasting, especially television.

The increase in the costs of films, tapes, and recordings can be explained from both the supply and demand side. Early in the television industry's history, distribution rights for films and tapes were acquired by a very few organizations, which have since carefully controlled supply. The great increase in demand for non-variety-show type of programming has similarly led to higher costs. For television, it appears that the increased cost for technological inputs is a "demand-induced" type of inflation.

For both broadcast media the proportion of costs attributed to advertising, promotion and travel has decreased by approximately 1 per cent for each medium. In radio this is attributed to the change in the content of broadcasting. For most metropolitan radio stations the general format is news and music; rarely do we hear locally produced programs that are not of the news and music variety. Accordingly, it is no longer necessary to promote individual programs as being unique because all stations have essentially the same broadcasting content. In the case of television, the local stations originally carried a larger proportion of local programming, especially in the early days of the industry. However, more and more network programming is carried by the local stations. Again, the need for advertising and promotion is reduced.

LABOUR COSTS

Turning to labour's share of total costs, we observe a marked difference in the trend of each broadcasting medium. In television, wages and salaries have decreased significantly as a proportion of total expenditures. In 1962, the proportion going to labour was 37.08 per cent; this dropped rapidly during 1962, 1963, 1964 and 1965. Since 1965 the proportion has remained constant at about 28-29 per cent. The higher proportion of labour, in the early 1960s, was reduced in the late 1960s as the industry underwent technological changes (for example, increasing use of films, tapes, etc.) which have reduced the amount of manpower required by the industry.

CAPITAL COSTS

Capital's share increased significantly in both broadcasting media. In radio, capital's share increased from 21.9 per cent to 26.8 per cent. Even more striking evidence is found in television where capital's share has increased from 23.9 per cent to 34.5 per cent in the six-year period. As stated earlier, the return to capital is expressed in gross sums. The great increase in capital's share could be attributable to an increase in capital consumption or in net profit. In a subsequent analysis, it will be shown that this increase in gross returns to capital is the result of an increase in net profitability.

Tables 107 and 108 and Charts 18 and 19, break down costs of production by revenue groups (for example, the under-$1 million revenue group contains the sum of the costs of all individual stations having a total operating revenue of less than $1 million).

In television broadcasting, fixed-cost inputs fall as the station grows in circulation and revenue. Costs that reflect quality improvement compose a larger proportion of total costs as the station's circulation grows. For example, the costs of films, tapes, and recordings increase significantly in proportion from 7.78 per cent for the under-$250,000 group to over 18 per cent for the $1.5-million-and-over group.

Similarly, advertising and promotional costs are a greater proportional expense in the larger-revenue classes; this, again reflects the competition in the larger-revenue groups with each station offering a slightly differentiated product. The cost of labour also falls with increased revenue, with the exception of one category, $1,000,000-$1,499,999. Similarly, this pattern is followed with respect to capital consumption. It is worthy of note that the largest revenue group has a significantly high rate of return to capital. The revenue group $1,000,000 – $1,499,999 exhibits a significantly different cost and revenue structure from that of all other revenue groups. This phenomenon is explored in greater detail later.

Table 108 lists production costs for the radio industry by revenue groups. The variation in cost over the revenue group is distinctly different from that of television. In most larger metropolitan areas there is great competition among the large radio stations and usually there are two or more large stations. This competition is reflected in the kinds of increasing costs experienced by radio stations as their circulation grows. Representative commissions become an increasing larger expense, especially for the largest category. Similarly there is a significant increase in advertising and promotional costs for the large stations. For example, in Toronto the largest radio stations go to great expense to report urban traffic conditions during peak hours; there is an added expense in renting or purchasing helicopters; the promotional cost of this service is very significant.

The proportion of total costs due to wages and salaries falls significantly with an increase in circulation. Labour costs drop from 58.18 per cent to 34.10 per cent of total costs as circulation increases. On the other hand, gross return to capital increases with the size of the station.

Later in the study we undertake a more extensive examination of the returns to all factors of production in relation to questions dealing with inflation, profitability, and monopoly profit.

"QUALITY" COST VARIABLES – FILMS, TAPES, ARTISTS' FEES

In Table 109 and Chart 20 the cost curves for several production costs have been constructed.

Cost curves have been constructed on the assumption that there is a one-to-one relationship between the size of revenue group and the size of circulation. That is, the sixteen stations with the largest viewing audience fall into the top revenue group of $1.5 million and over. It is very possible that the one-to-one ratio may not be valid in all cases. For example, a station like CKOS, Yorkton, with a circulation

Table 107. Distribution of Production Costs, by Revenue Groups, 1968 Private Television Broadcasting Industry

Revenue Group	Number of Stations	Representative Commission	Fuel Electricity & Water	Artists Fees	Performing Rights	Telephone Telegraph Micro-wave	Films, Tapes, Recordings	Advertising Promotion Travel	Other Purchased Inputs	Salaries Staff Benefits	Gross Returns to Capital	Capital Consumption	Total Operating Revenue
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
under 250,000	15	69,550	71,020	10,050	42,500	117,710	185,560	71,780	247,750	1,013,890	554,830	305,950	2,384,640
250,000 – 499,999	15	222,930	122.600	46,690	111,030	166,950	508,800	175,920	456,130	2,331,050	1,632,400	599,800	5,774,500
500,000 – 999,999	13	386,240	131,050	104,470	147,290	132,180	962,950	261,120	521,620	3,217,950	3,183,890	671,330	9,048,760
1,000,000 – 1,499,999	9	320,940	128,700	99,910	181,710	127,700	1,407,590	308,740	761,180	3,391,390	2,638,720	834,330	9,006,660
1,500,000 – and over	16	2,877,690	475,120	3,414,700	1,364,300	1,087,030	13,517,640	2,371,380	3,207,160	18,897,340	26,565,780	4,928,540	73,778,140
	68												
% of Revenue													
under 250,000		2.91	2.97	0.42	1.78	4.93	7.78	3.01	10.38	42.51	23.26	12.83	100.0
250,000 – 499,999		3.86	2.12	0.80	1.91	2.89	8.81	3.04	7.89	40.37	28.26	10.39	100.0
500,000 – 999,999		4.27	1.45	1.15	1.63	1.46	10.64	2.89	5.76	35.56	35.18	7.42	100.0
1,000,000 – 1,499,999		3.56	1.43	1.1	2.02	1.42	11.63	3.43	8.45	37.65	29.29	9.26	100.0
1,500,000 and over		3.9	0.64	4.62	1.85	1.47	18.32	3.21	4.34	25.6	36.00	6.68	100.0

SOURCE: D.B.S. 56-204

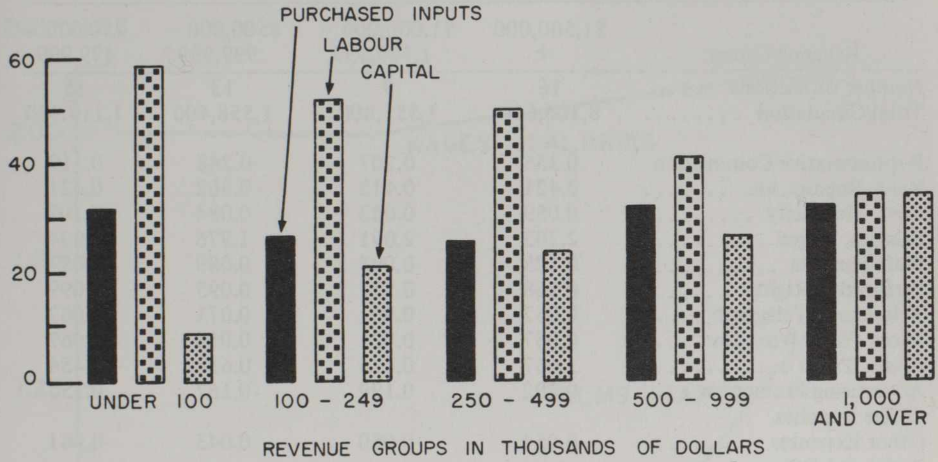
Table 108. Distribution of Production Costs, by Revenue Groups, 1968 Private Radio Broadcasting Industry

Revenue Group	Number of Stations	Representative Commission	Fuel Electricity & Water	Artists Fees	Performing Rights	Telephone Telegraph Micro-wave	Tapes Recordings	Advertising Promotion Travel	Other Purchased Inputs	Total Purchased Inputs	Salaries Staff Benefits	Gross Return to Capital	Capital Consumption Allowance	Total Operating Revenue
								Dollars						
under $100,000 ..	47	51,520	58,240	50,070	48,560	138,860	38,270	152,090	399,390	937,000	1,698,040	283,030	293,270	2,918,070
$100,000 – 249,999	113	413,040	244,440	233,330	320,400	565,390	186,450	741,990	1,472,320	4,177,360	8,123,260	3,304,540	824,040	15,605,160
$250,000 – 499,999	90	926,770	325,790	357,190	514,330	679,270	200,770	1,092,180	1,764,600	5,860,900	11,293,580	5,423,660	1,022,230	22,578,140
500,000 – 999,999	44	1,005,950	273,100	809,030	553,280	603,310	214,350	1,464,160	2,404,940	7,328,120	9,249,030	6,026,080	907,520	22,603,230
$1,000,000 and over .	25	2,484,950	206,470	976,740	714,930	628,970	167,880	2,373,100	2,662,060	10,215,100	10,904,000	10,855,230	946,650	31,974,330
Per cent of Revenue														
under $100,000		1.76	2.00	1.72	1.66	4.76	1.31	5.2	13.69	32.10	58.19	9.69	10.05	100.0
$100,000 – 249,999		2.64	1.57	1.50	2.00	3.62	1.20	4.75	9.43	26.77	52.05	21.18	5.28	100.0
$250,000 – 499,999		4.10	1.44	1.58	2.20	3.00	0.90	4.84	7.82	29.95	50.01	24.02	4.53	100.0
$500,000 – 999,999		4.45	1.20	3.50	2.24	2.67	0.95	6.48	10.64	32.42	40.92	26.66	4.02	100.0
$1,000,000 and over		7.75	0.65	3.05	2.24	1.97	.52	7.42	8.32	31.94	34.10	33.94	2.96	100.0

SOURCE: D.B.S. 56-204

Chart 18

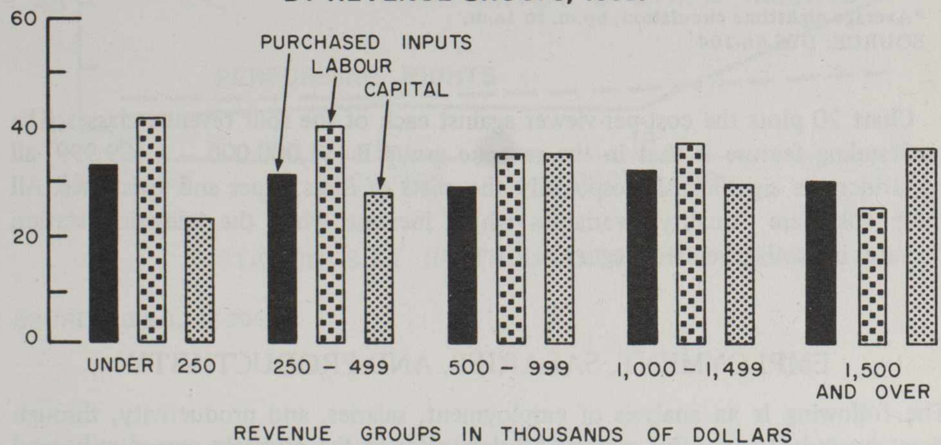
PRIVATE RADIO BROADCASTING INDUSTRY – DISTRIBUTION OF PRODUCTION COSTS AS A PERCENTAGE OF TOTAL REVENUE, BY REVENUE GROUPS, 1968.



SOURCE: D.B.S., 56-204.

Chart 19

PRIVATE TELEVISION BROADCASTING INDUSTRY – DISTRIBUTION OF PRODUCTION COSTS AS A PERCENTAGE OF TOTAL REVENUE, BY REVENUE GROUPS, 1968.



SOURCE: D.B.S., 56-204.

of 185,000 may, in fact, be in the top revenue group since it probably has little or no competition. Also, since the D.B.S. revenue group is divided into relatively broad categories, the viewing audiences of the sixteen largest private stations range from 213,000 to 1.5 million.

As a result of these restrictions on the data, it is necessary to consider the cost and revenue figures per viewer presented as reasonably accurate estimates and not actual figures. This is particularly true in cases where very similar costs appear for two different revenue groups.

With these qualifications, the interest is only in the general cost relationships and not in the actual levels of costs.

Private Television

Table 109. Distribution of Production Costs per viewer* by Revenue Groups

Revenue Group	$1,500,000 +	$1,000,000 – 1,499,999	$500,000 – 999,999	250,000 – 499,999
Number of Stations	16	9	13	15
Total Circulation	8,106,600	1,551,800	1,558,400	1,119,900
Representative Commission	0.355	0.207	0.248	0.119
Rent, Repairs, etc.	0.421	0.413	0.362	0.421
Fuel, Electricity	0.059	0.083	0.084	0.109
Salaries, Wages	2.203	2.091	1.976	1.994
Staff Benefits	0.128	0.095	0.089	0.087
Performing Rights	0.168	0.117	0.095	0.099
Telephone, Telegraph	0.067	0.061	0.071	0.082
Micro-Wave, Wire Line	0.067	0.021	0.014	0.067
Films, Tapes	1.667	0.675	0.618	0.454
Advertising Promotion	0.292	0.199	0.167	0.157
Office Supplies Other Expenses	0.054	0.050	0.043	0.061
Artist and Other Talent Fees	0.421	0.064	0.067	0.042
Total Production Costs	5,902	4,076	3,834	3,692
Total Operating Expenses ..	7,241	5,332	4,841	4,968
Total Operating Revenue ..	9,101	5,804	5,806	5,156
Net Operating Revenue	1.860	0.472	0.966	0.188

*Average nighttime circulation, 6p.m. to 1a.m.
SOURCE: DBS 56-204

Chart 20 plots the cost-per-viewer against each of the four revenue classes. The outstanding feature is that in the revenue group B ($1,000,000 – 1,499,999) all costs increase significantly, especially the costs of films, tapes and artist fees. All these costs are "quality" variables which increase when the television station operates in the B revenue category.

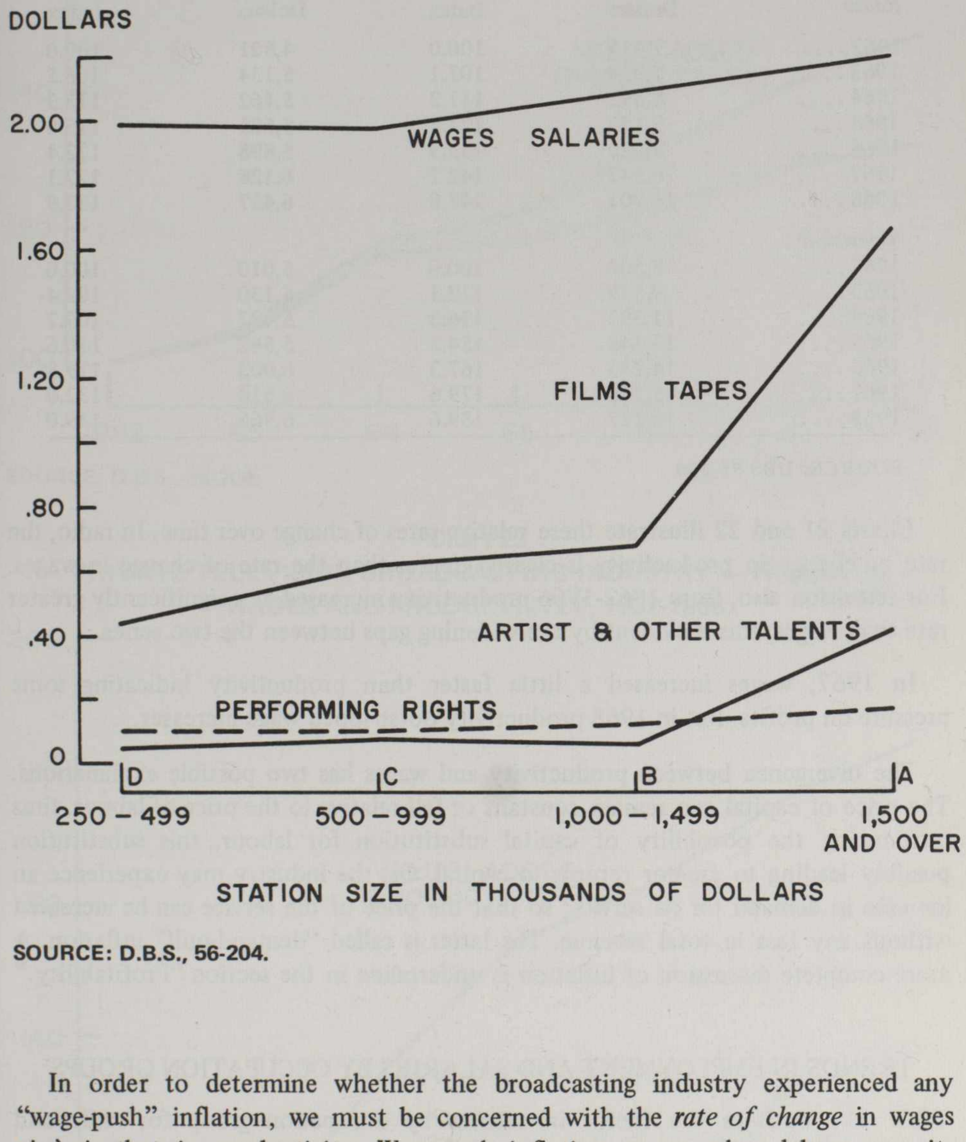
EMPLOYMENT, SALARIES, AND PRODUCTIVITY

The following is an analysis of employment, salaries, and productivity, through time, by industry and by region. All data refer to the privately owned radio and television industry. The measure of productivity is "value added" per employee. "Value added" is defined as the difference between operating revenue and cost of purchased inputs. In this way we derive an estimate of contribution each employee adds to the value of the broadcasting services.

Table 110 outlines the trends in wages and productivity for both radio and television for 1962–8. In radio, wages increased by 34 per cent while productivity advanced by 47 per cent. For television, the increase was 39 per cent and 90 per cent respectively. On an industry basis it is clearly evident that the increases in wages and salaries lagged behind the increases in productivity.

Chart 20

AVERAGE COSTS PER VIEWER FOR SELECTED COMPONENTS BY REVENUE GROUPS, 1968.



SOURCE: D.B.S., 56-204.

In order to determine whether the broadcasting industry experienced any "wage-push" inflation, we must be concerned with the *rate of change* in wages *vis-à-vis* that in productivity. Wage-push inflation occurs when labour uses its bargaining power to gain advances in wages that exceed those advances in productivity; and, thus profit rates decline. The owners of capital then are forced to raise the prices of their service in order to meet the additional cost of labour and maintain an established rate of profit. In the private broadcasting industry, organized labour is virtually non-existent. This fact can explain the lag in wage increases with respect to productivity increases; this disparity will become more evident later.

Table 110. Trends in Salaries and Productivity in the Privately-Owned Radio and Television Industry, 1962-68

Medium	Value Added Per Employee		Average Annual Salary	
Radio	Dollars	Index	Dollars	Index
1962....	7,415	100.0	4,821	100.0
1963....	7,938	107.1	5,134	106.5
1964....	8,692	117.2	5,462	113.3
1965....	9,178	123.8	5,585	115.8
1966....	9,929	133.9	5,898	122.4
1967....	10,542	142.2	6.128	127.1
1968....	10,901	147.0	6,457	133.9
Television				
1962....	8,507	100.0	5,010	100.0
1963....	9,539	112.1	5,130	102.4
1964....	11,592	136.3	5,497	109.7
1965....	13,148	154.5	5,542	110.6
1966....	14,233	167.3	6,003	119.8
1967....	15,276	179.6	6.614	132.0
1968....	16,127	189.6	6,965	139.0

SOURCE: DBS 56-204

Charts 21 and 22 illustrate these relative rates of change over time. In radio, the rate of change in productivity is clearly greater than the rate of change in wages. For television also, from 1962-1966 productivity increased at a significantly greater rate than wages; this is evident by the widening gaps between the two series.

In 1967, wages increased a little faster than productivity indicating some pressure on profits. But in 1968 productivity outstripped wage increases.

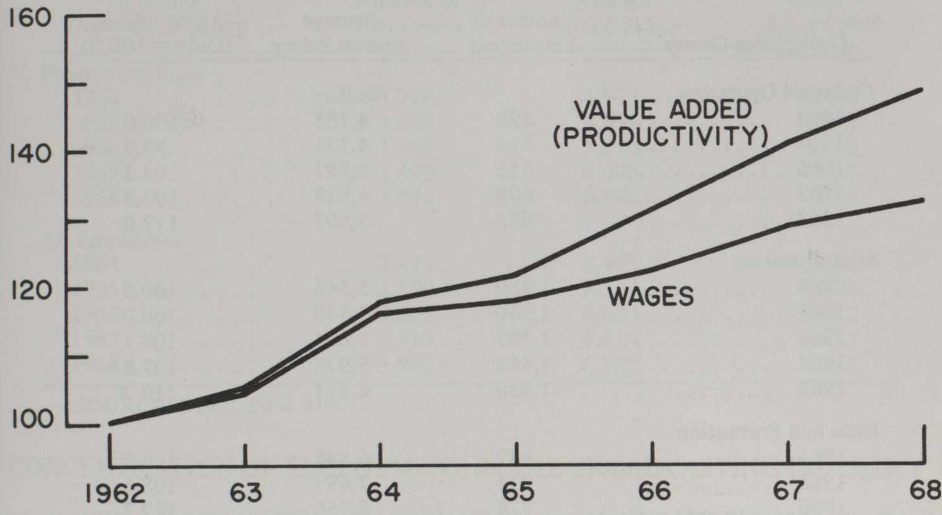
The divergence between productivity and wages has two possible explanations. The price of capital can remain constant or fall relative to the price of labour, thus introducing the possibility of capital substitution for labour, this substitution possibly leading to greater returns to capital. Or, the industry may experience an increase in demand for its service, so that the price of the service can be increased without any loss in total revenue. The latter is called "demand-pull" inflation. A more complete discussion of inflation is undertaken in the section "Profitability."

TRENDS IN EMPLOYMENT AND SALARIES BY OCCUPATION GROUPS

Table 111 outlines the trends in salaries by occupation group for radio and television respectively. In radio broadcasting, salaries have increased by 18 per cent from 1964 to 1968 for all employees. Sales and promotion staff tend to receive higher incomes than any other group. In addition, they have received the largest wage increases over the period. Technical operators earn the lowest salaries. In television broadcasting, salaries for all employees increased by 27 per cent over the time period. Again, sales and promotion staff are the highest paid employees and have experienced the greatest wage gains. Also, technical operators and program staff are the lowest paid employees, as in radio.

Chart 21

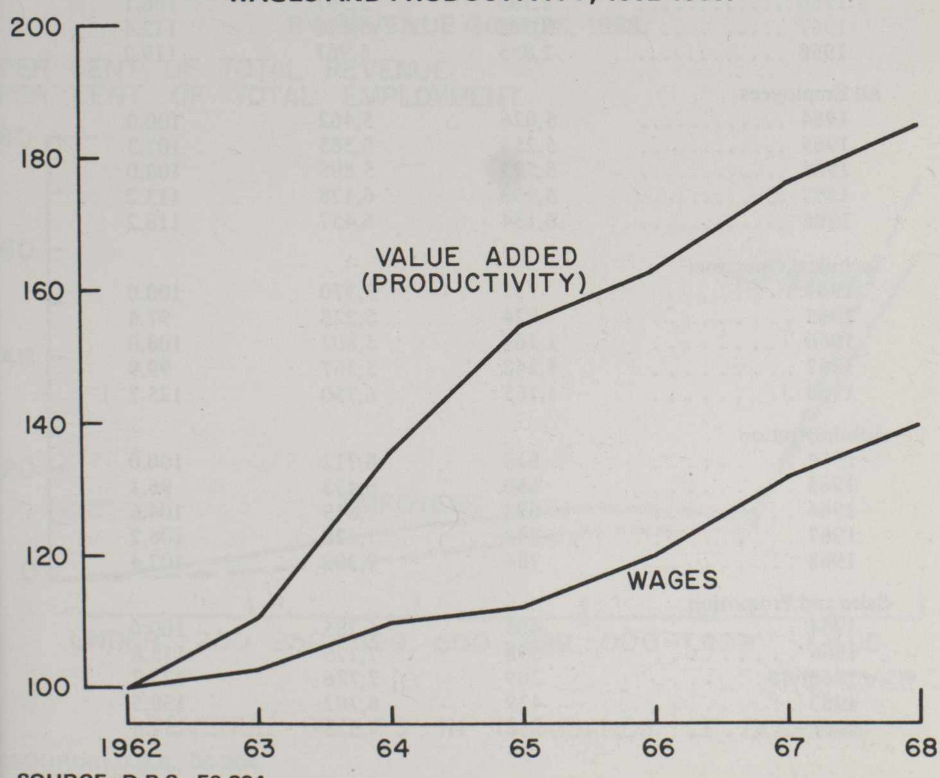
PRIVATE RADIO BROADCASTING INDUSTRY – TRENDS IN WAGES AND PRODUCTIVITY, 1962-1968.



SOURCE: D.B.S., 56-204.

Chart 22

PRIVATE TELEVISION BROADCASTING INDUSTRY – TRENDS IN WAGES AND PRODUCTIVITY, 1962-1968.



SOURCE: D.B.S., 56-204.

Table 111. Trends in Salary by Occupation Group, 1964-68

Occupation Group	Number of Employees	Average Annual Salary	Index of Annual Salary (1964 = 100.0)
	Radio		
Technical Operators		Dollars	
1964	528	4,785	100.0
1965	519	4,731	98.9
1966	615	4,897	102.3
1967	698	4,923	102.9
1968	680	5,597	117.0
Administration			
1964	1,360	5,546	100.0
1965	1,340	5,548	100.0
1966	1,395	5,804	104.7
1967	1,482	5,976	107.8
1968	1,480	6,111	110.2
Sales and Promotion			
1964	887	6,898	100.0
1965	934	7,494	108.6
1966	974	8,256	119.7
1967	1,085	8,412	121.9
1968	1,037	9,080	131.6
Programme Staff			
1964	2,251	5,004	100.0
1965	2,464	5,061	101.1
1966	2,569	5,307	106.1
1967	2,705	5,626	112.4
1968	2,855	5,967	119.2
All Employees			
1964	5,026	5,462	100.0
1965	5,255	5,585	102.3
1966	5,593	5,898	108.0
1967	5,998	6,128	112.2
1968	6,134	6,457	118.2
Technical Operators			
1964	731	5,370	100.0
1965	824	5,228	97.4
1966	1,167	5,802	108.0
1967	1,242	5,367	99.9
1968	1,165	6,750	125.7
Administration			
1964	613	6,712	100.0
1965	660	6,453	96.1
1966	691	7,019	104.6
1967	744	7,129	106.2
1968	784	7,209	107.4
Sales and Promotion			
1964	405	6,285	100.0
1965	398	7,275	115.8
1966	389	7,776	123.7
1967	419	8,702	138.5
1968	386	9,526	151.6

Table 111. Trends in Salary by Occupation Groups, 1964-68 (Continued)

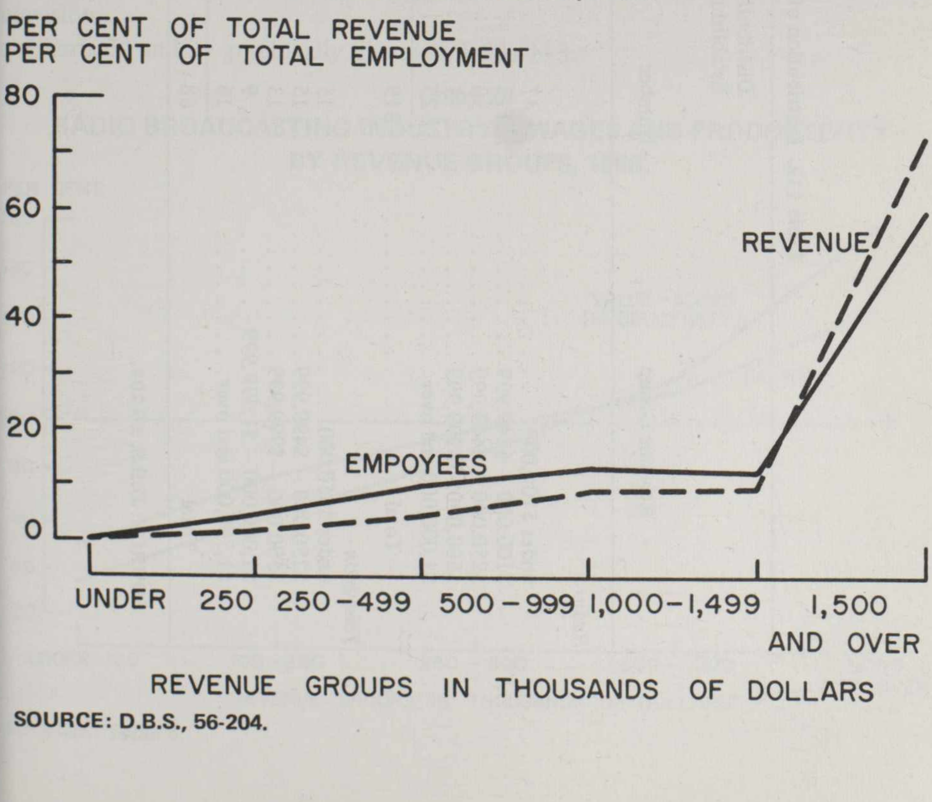
Occupation Group	Television: Number of Employees	Average Annual Salary	Index of Annual Salary
Programme Staff			
1964	1,728	4,935	100.0
1965	1,808	4,971	100.7
1966	1,605	5,270	106.8
1967	1,499	6,006	121.7
1968	1,592	6,405	129.8
All Employees			
1964	3,477	5,497	100.0
1965	3,690	5,542	100.8
1966	3,857	6,003	109.2
1967	3,913	6.614	120.3
1968	3,933	6,965	126.7

SOURCE: D.B.S. 56 – 204.

CONCENTRATION OF EMPLOYMENT IN THE BROADCASTING INDUSTRY

An analysis of concentration of employment by station size for both media is found in Table 112. Concentration is based on size of the broadcasting station; there is no relation to concentration of ownership indicated here.

Chart 23
DISTRIBUTION OF EMPLOYEES AND REVENUE BY REVENUE GROUPS, 1968.



SOURCE: D.B.S., 56-204.

Table 112. Distribution of Employees and Revenue by Revenue Groups, 1968

Revenue Group	Distribution of Establishments		Distribution of Employees		Distribution of Revenue	
	Number	Per cent of total	Number	Per cent of total	Value	Per cent of total
Radio					Dollars	
under $100,000	47	14.8	509	8.3	2,918,000	3.1
$100,000 – $249,999	113	35.4	1,576	25.7	15,605,000	16.3
$250,000 – $449,999	90	28.2	1,736	28.3	22,578,000	23.6
$500,000 – $999,999	44	13.8	1,194	19.5	22,603,000	23.6
$1,000,000 and over	25	7.8	1,119	18.2	31,974,000	33.4
Total	319	100.0	6,134	100.0	95,678,000	100.0
Television						
under $250,000	15	22.1	186	4.7	2,385,000	2.4
$250,000 – $499,999	15	22.1	412	10.5	5,775,000	5.8
$500,000 – $999,999	13	19.1	530	13.5	9,049,000	9.0
$1,000,000 – $1,499,999	9	13.2	472	12.0	9,007,000	9.0
$1,500,000 and over	16	23.5	2,333	59.3	73,778,000	73.8
Total	68	100.0	3,933	100.0	99,994,000	100.0

SOURCE: D.B.S. 56-204.

The smallest group, in radio, with 14.8 per cent of the radio stations has 8.3 per cent of the employees and earns 3.1 per cent of the total industry revenue. At the other end of the scale, 7.8 per cent of the total stations earned over $1 million, employed 18.2 per cent of all employees and earned 33.4 per cent of total industry revenues. There is a similar relationship in television broadcasting. Stations with revenues over $1.5 million had 59.3 per cent of employees and 73.8 per cent of total revenue.

If we make a graph of the distribution of employees and the distribution of revenues both against the station size, we come up with evidence indicating the existence of economies of large scale production. This is illustrated in Chart 23. The graph indicates the degree to which circulation (revenue size) leads to differences in employment and revenue. Furthermore, the graph points out the revenue generating potential of an employee as the size of the station's circulation increases. This is evident by the fact that the largest revenue group, which earns 74 per cent of total revenues, requires only 59 per cent of the total number of employees; similarly, in the lowest income groups, 4.7 per cent of total employees accounted for only 2.4 per cent of total industry revenues.

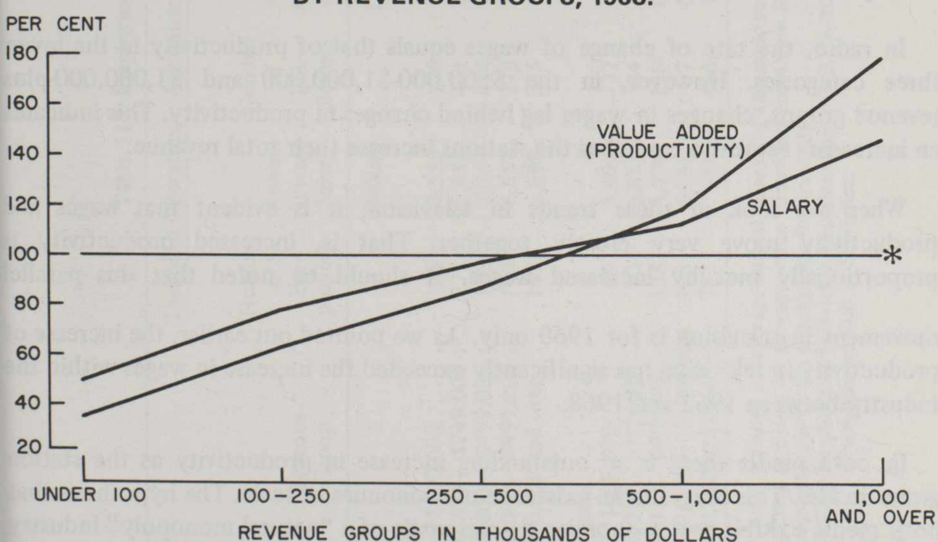
WAGES AND PRODUCTIVITY BY STATION SIZE

Table 113 shows a breakdown of salaries and productivity by revenue groups for 1968.

In both media, the larger the station size, the greater the annual salary. Significantly, the spreads in salaries and productivity are higher in radio than in television.

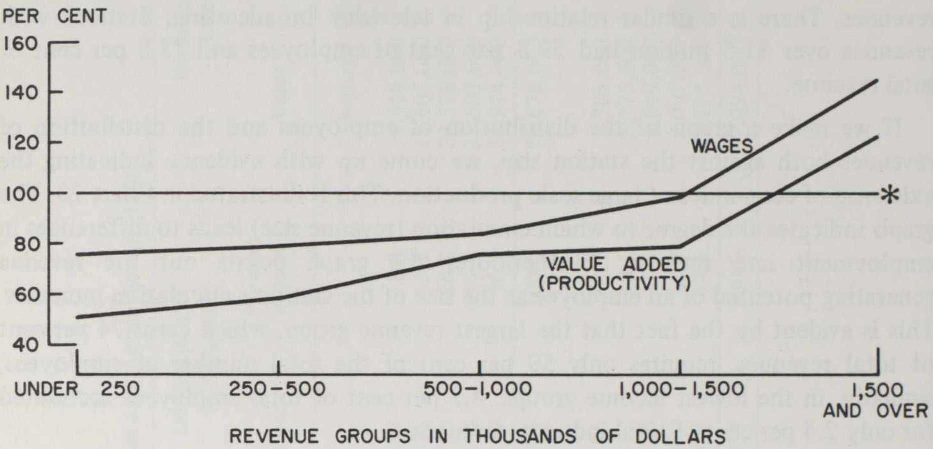
Charts 24 and 25 graphically illustrate Table 113.

Chart 24
RADIO BROADCASTING INDUSTRY – WAGES AND PRODUCTIVITY BY REVENUE GROUPS, 1968.



SOURCE: Table 5.

Chart 25
TELEVISION BROADCASTING INDUSTRY – WAGES AND PRODUCTIVITY BY REVENUE GROUPS, 1968.



SOURCE: Table. 5.

These charts require further explanation. The average for the individual industry is 100.0; and, the average for each revenue group is determined in relationship to the industry average. For example, the revenue groups which have an index below 100.0 have, on average, lower wages and productivity than the industry average.

To interpret the graph it is necessary to consider the *rate of change* of each curve, not the absolute level. (The fact that the level of wages is above that of productivity in television and the reverse in radio is of no consequence since we are dealing with an index of relative measure.)

In radio, the rate of change of wages equals that of productivity in the lower three categories. However, in the $500,000-$1,000,000 and $1,000,000-plus revenue groups, changes in wages lag behind changes in productivity. This indicates an increasing return to capital as the stations increase their total revenue.

When we look at these trends in television, it is evident that wages and productivity move very closely together. That is, increased productivity is proportionally met by increased wages. It should be noted that this parallel movement in television is for 1968 only. As we pointed out earlier, the increase of productivity in television has significantly exceeded the increase in wages within the industry between 1962 and 1968.

In both media there is an outstanding increase in productivity as the station grows in size. This suggests the existence of economies of scale. The hypothesis that both media exhibit cost economies characteristic of a "natural monopoly" industry is explored in greater detail.

Table 113. Employment, Wages and Productivity, by Size of Total Revenue, 1968

Revenue Group	Technical Operators: Number of Employees	Technical Operators: Annual Average Salary	Administration: Number of Employees	Administration: Annual Average Salary	Sales and Promotion: Number of Employees	Sales and Promotion: Annual Average Salary	Programme: Number of Employees	Programme: Annual Average Salary	Annual Average Salary	Index. Annual Average Salary	Value Added Per Employee*	Index Value Added per Employee†
		Dollars		Dollars		Dollars		Dollars	Dollars		Dollars	
Radio												
under $100,000	65	3,535	126	3,923	90	4,663	216	2,029	3,231	50.0	3,892	35.7
$100,000 – $249,000 . .	172	5,458	411	5,989	256	7,414	697	3,531	4,976	77.1	7,251	66.5
$250,000 – $499,000 . .	175	5,157	414	6,370	272	8,339	856	5,835	6,262	97.0	9,457	86.8
$500,000 – $999,000 . .	117	6,553	279	5,833	213	10,725	565	7,434	7,445	115.3	12,793	117.4
$1,000,000 and over . .	143	6,898	255	8,344	189	14,025	516	8,750	9,259	143.4	19,445	178.4
Television												
under $250,000	44	3,493	37	4,615	16	5,806	89	6,303	5,272	75.4	8,434	52.3
$250,000 – $499,000 . .	93	3,858	84	8,000	47	6,641	188	4,713	5,421	77.8	9,620	59.7
$500,000 – $999,000 . .	138	5,534	110	6,775	52	9,454	230	4,688	5,809	83.4	12,078	74.9
$1,000,000 – $1,500,000	108	5,168	97	6,773	55	8,764	212	7,297	6,873	98.7	12,776	79.2
$1,000,000 and over . .	782	7,710	456	7,472	216	10,641	873	7,015	7,654	109.9	19,487	120.9

*Index is based on average annual salary for all employees in revenue group.

†Index is based on average value added per employee for all employees, i.e. for the industry value added = 100 and all revenue groups' index numbers are based in relation to the average for the industry.

SOURCES: Radio and Television Broadcasting D.B.S. 56-204, 1968
Unpublished D.B.S. Statistics.

WAGES AND PRODUCTIVITY BY REGION

The data in Table 114 provides a breakdown of wages and productivity by region.

Overall in both media, the Atlantic region had the lowest annual salaries in 1968. In television, only Ontario and British Columbia have salary levels above the national average. In radio, Quebec, Ontario, and Manitoba have above-average salaries. These patterns are true for most types of occupations.

The regional disparity can be explained by the regional disparity in productivity (see "value added" for all employees in Tables 113 and 114). The productivity is positively correlated with the size of the population in each province. Economies of scale exist in areas with larger population. Thus the variation in productivity can be explained, first, by the variations in economies of scale and, second, by regional disparity in the general wage level throughout the nation.

While the figures are drawn from D.B.S. data, some of those relating to television appear open to some question. For example, the average annual wage for sales and promotion and for program staff in the Atlantic Region are shown as being higher than in other parts of Canada, which appears to be out of line with general wage levels in the Atlantic area and the level of productivity of the industry located there.

Table 114. Employment, Wages and Productivity by Region

	Atlantic Region	Que.	Ont.	Sask. Man.	Alta.	B.C.	Can.
TELEVISION							
Technical Operator							
Number of Employees	91	416	490	75	51	42	1,165
Annual Average Wage	$ 4,718	6,603	7,372	5,919	6,975	6,905	6,750
Salary Index	69.9	97.8	109.2	87.7	103.3	102.3	100.0
Administration							
Number of Employees	89	210	271	79	91	44	784
Annual Average Wage	$ 4,032	6,024	8,862	6,779	8,026	8,379	7,209
Salary Index	55.9	83.6	122.9	94.0	111.3	116.2	100.0
Sales and Promotion							
Number of Employees	28	70	159	43	61	25	386
Annual Average Wage	$ 13,335	7,876	9,824	10,519	7,400	11,462	9,526
Salary Index	140.0	82.7	103.1	110.4	77.7	120.3	100.0
Programme Staff							
Number of Employees	122	438	521	222	172	117	1,592
Annual Average Wage	$ 7,609	6,880	6,873	5,122	5,074	5,676	6,405
Salary Index	118.8	107.4	107.3	80.0	79.2	88.6	100.0
All Employees							
Number of Stations	10	13	17	14*	7	7	68*
Number of Employees	330	1,134	1,441	425	375	228	3,933
Annual Average Salary	$ 6,308	6,681	7,743	6,020	6,427	7,060	6,965
Index	90.6	95.9	111.2	86.4	92.3	101.4	100.0
Value added per employee..	$12,181	17,204	17,833	12,953	13,907	15,212	16,127
Index	75.5	106.7	110.6	80.3	86.2	94.3	100.0

*Includes six nonclassified employees

SOURCE: D.B.S. 56-204 and unpublished D.B.S. statistics

	Nfld/PEI	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Can.
RADIO										
Technical Operators										
Number of Employees.....	25	28	23	197	259	26	43	40	39	680
Annual Average Salary	$5,470	3,417	4,304	6,739	5,677	4,163	4,049	4,034	5,976	5,597
Salary Index.............	97.7	61.1	76.9	120.4	101.4	74.4	72.3	72.1	106.8	100.0
Administration										
Number of Employees.....	50	64	48	328	522	74	93	126	175	1,480
Annual Average Salary	$7,360	4,487	4,840	7,293	6,212	4,369	4,640	6,024	6,169	6,111
Salary Index.............	120.4	73.4	79.2	119.3	101.7	71.5	75.9	98.6	100.9	100.0
Sales and Promotion										
Number of Employees.....	25	44	22	199	383	44	66	113	141	1,037
Annual Average Salary	$7,360	8,910	6,751	9,102	9,010	10,647	9,277	7,737	10,461	9,080
Salary Index.............	81.1	98.1	74.4	100.2	99.2	117.3	102.2	85.2	115.2	100.0
Programme Staff										
Number of Employees.....	82	127	88	659	955	125	190	274	355	2,855
Annual Average Salary	$2,998	5,231	5,591	5,285	5,899	7,825	6,260	6,893	6,936	5,967
Salary Index.............	50.2	87.7	93.7	88.6	98.9	131.1	104.9	115.5	116.2	100.0
*All Employees**										
Number of Stations.......	10	18	10	66	111	16	20	24	44	319
Number of Employees.....	182	263	186	1,422	2,146	269	393	563	710	6,134
Annual Average Salary	$4,748	5,472	5,351	6,423	6,481	6,982	6,134	6,624	7,394	6,457
Index	73.5	84.7	82.9	99.5	100.4	108.1	95.0	102.6	114.5	100.0
Value added per Employee .	$8,217	8,432	8,996	11,065	11,231	11,480	9,589	11,105	12,012	10,900
Index	75.4	77.4	82.5	101.5	103.0	105.3	88.0	101.9	110.2	100.0

*Includes some unclassified employees

Sources: D.B.S. 56-204 and unpublished D.B.S. statistics

Chapter 4:

PROFITABILITY

Tables 115 to 123 contain operating revenue, operating expense and balance sheet data for the Canadian private broadcasting sector for the five year period 1964 to 1968. With the exception of property accounts, the data have been aggregated on the basis of three different types of broadcasting units: first, privately-owned radio stations operated by companies which do not operate television stations; second, privately-owned television stations operated by companies which do not operate radio stations; and, third, privately-owned radio and television stations which are operated jointly by the same company (and which therefore have consolidated balance sheets for the radio and television operations).

The emphasis in this section will be on the profitability of broadcasting operations falling in these three different categories. The tables also contain detailed information on operating revenues and expenses. With the exception of the third type above, the data have been tabulated by revenue groups. It was not possible, in the time available, to assemble the data for radio and television stations operated jointly by the same company on a revenue group basis.

The data contained in these tables are the result of a special tabulation undertaken by the C.R.T.C. and D.B.S.

Table 124 contains calculations of profit rates for broadcasters from 1964 to 1968. Three profit measures have been used. The first is net operating revenue as a percentage of total operating revenue.

This measure is not particularly meaningful in absolute terms, but does act as a useful indicator of year-to-year changes in revenues relative to expenses. The second measure is before-tax profits as a percent of equity. This indicates the percentage return accruing to shareholder equity in broadcasting enterprises. The third measure, before-tax return on assets, gives returns (including interest) as a percentage of total assets in the enterprises.

One of the most striking features of this table is the high degree of year-to-year instability in most of the profit rates. Notable exceptions are the rates for the aggregate of all radio stations operating independently of television stations. All three profit measures for these stations have shown a relatively stable upward trend over the period.

Table 115. Operating Revenue and Expenses of Privately-Owned Radio Stations for those Companies which are not Operating any TV Stations, by Revenue Group, 1964-1968

	Under $100,000 (42 stations)	$100,000-249,999 (102 stations)	$250,000-499,999 (62 stations)	$500,000-999,999 (33 stations)	$1,000,000 and over (22 stations)	Total (261 stations)
			dollars			
1968						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	594,721	2,693,368	4,403,609	5,681,034	17,856,413	31,229,145
Local advertising	2,119,072	11,539,991	11,828,850	10,387,275	11,365,553	47,240,741
Total broadcasting revenue	2,713,793	14,233,359	16,232,459	16,068,309	29,221,966	78,469,886
Non-broadcasting revenue	51,243	167,764	179,601	359,256	685,073	1,442,937
Total operating revenue	2,765,036	14,401,123	16,412,060	16,427,565	29,907,039	79,912,823
Operating expenses*:						
Representatives commissions	49,084	382,268	673,993	695,704	2,353,828	4,154,877
Interest charges	76,382	279,409	319,856	266,146	106,629	1,048,422
Depreciation and amortization of lease-hold improvements	236,838	777,710	721,029	699,156	888,120	3,323,853
Rent, repairs and maintenance, and insurance	228,566	988,031	910,577	827,272	1,049,624	4,004,070
Property taxes	28,644	114,207	109,517	102,487	187,516	542,371
Fuel, electricity and water	56,407	218,684	220,793	201,795	187,751	885,430
Car, truck and other property expenses	50,382	145,309	160,167	152,226	128,505	636,589
Salaries, wages and bonuses	1,546,558	7,162,876	7,971,515	6,679,616	9,631,464	32,992,029
Staff benefits	50,379	250,903	268,543	255,811	486,322	1,311,958
Artist and other talent fees	26,913	215,669	257,286	479,986	894,978	1,874,832
Performing rights	46,793	304,440	374,194	389,126	663,992	1,778,545
Telephone, telegraph and tele-typewriter services	95,114	379,064	379,289	348,442	446,419	1,648,328
Wire line or microwave services	30,086	149,064	98,163	78,530	150,406	506,254
Other payments for outside services	192,003	928,242	910,259	930,189	1,578,999	4,539,692
Films, tapes, recordings-rentals and purchases	36,675	160,392	121,445	157,263	141,173	616,948
Advertising, promotion and travel	146,947	710,314	889,680	1,096,828	2,292,476	5,136,245
Taxes (other than income or property)						

Taxes (other than income or property) and licences	30,028	141,165	193,830	200,915	455,249	1,021,187
Office supplies and expenses	62,032	242,154	262,749	249,767	329,921	1,146,623
Freight, express, duty and cartage	6,309	16,216	10,290	8,134	13,282	54,231
Bad and doubtful accounts	24,671	151,867	127,048	156,953	175,447	635,986
Other operating expenses	84,020	190,285	321,010	364,988	551,727	1,512,030
Total operating expenses	3,104,831	13,908,269	15,301,238	14,341,334	22,713,828	69,369,500
Net operating revenue	(339,795)	492,854	1,110,822	2,086,231	7,193,211	10,543,323
1967						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	560,534	2,851,136	4,723,676	5,946,466	15,029,272	29,111,084
Local advertising	1,781,793	11,375,254	11,522,369	8,849,283	8,660,746	42,189,445
Total broadcasting revenue	2,342,327	14,226,390	16,246,045	14,795,749	23,690,018	71,300,529
Non-broadcasting revenue	66,955	86,694	325,674	318,196	511,972	1,309,491
Total operating revenue	2,409,282	14,313,084	16,571,719	15,113,945	24,201,990	72,610,020
Operating expenses*:						
Representatives commissions	43,566	362,987	664,858	753,592	2,001,258	3,826,261
Interest charges	62,989	217,590	253,074	212,087	125,157	870,897
Depreciation and amortization of lease-hold improvements	156,681	853,878	872,123	553,536	836,186	3,272,404
Rent, repairs and maintenance, and insurance	194,045	947,702	925,899	679,579	1,035,099	3,782,324
Property taxes	19,066	104,420	112,627	100,479	143,545	480,137
Fuel, electricity and water	51,521	211,046	224,450	192,687	133,384	813,088
Car, truck and other property expenses	35,655	123,819	145,974	119,142	69,932	494,522
Salaries, wages and bonuses	1,333,223	7,115,832	7,683,547	6,337,198	7,642,868	30,112,668
Staff benefits	35,505	230,001	257,847	278,020	320,052	1,121,425
Artist and other talent fees	19,540	214,431	437,100	414,217	772,540	1,857,828
Performing rights	42,656	281,891	371,077	389,856	560,223	1,651,703
Telephone, telegraph and tele-typewriter services	75,028	381,480	386,364	300,549	331,176	1,474,597
Wire line or microwave services	23,952	123,846	99,896	113,955	118,968	480,617
Other payments for outside services	148,761	848,786	874,995	765,656	1,063,402	3,701,640
Films, tapes, recordings-rentals and purchases	33,059	170,496	134,004	119,686	113,762	571,007
Advertising, promotion and travel	92,850	727,614	1,039,026	1,079,761	1,975,744	4,914,995

Table 115. Operating Revenue and Expenses of Privately-Owned Radio Stations for those Companies which are not Operating any TV Stations, by Revenue Group, 1964-1968 – Continued

	Under $100,000 (42 stations)	$100,000-249,999 (102 stations)	$250,000-499,999 (62 stations)	$500,000-999,999 (33 stations)	$1,000,000 and over (22 stations)	Total (261 stations)
Taxes (other than income or property) and licences	28,337	160,954	193,565	188,460	341,095	912,411
Office supplies and expenses	49,590	245,876	267,812	208,215	271,119	1,042,612
Freight, express, duty and cartage	4,747	16,200	10,105	31,629	16,874	79,555
Bad and doubtful accounts	27,511	137,778	154,392	126,253	153,189	599,123
Other operating expenses	34,888	163,116	403,815	257,427	402,619	1,261,865
Total operating expenses	2,513,170	13,645,743	15,512,550	13,221,984	18,428,192	63,321,639
Net operating revenue	103,888	667,341	1,059,169	1,891,961	5,773,789	9,288,381
1966						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	625,237	2,688,631	4,214,960	5,301,438	12,864,643	25,694,909
Local advertising	2,254,748	10,858,610	10,796,330	6,898,754	7,160,776	37,969,218
Total broadcasting revenue	2,879,985	13,547,241	15,011,290	12,200,192	20,407,408	63,664,127
Non-broadcasting revenue	118,015	84,298	248,507	189,085	381,989	1,021,894
Total operating revenue	2,998,000	13,631,539	15,259,797	12,389,277	20,407,408	64,686,021
Operating expenses*:						
Representatives commissions	66,949	335,333	591,638	635,614	1,872,788	3,502,322
Interest charges	81,240	195,405	284,285	179,343	116,754	857,027
Depreciation and amortization of lease-hold improvements	240,727	754,630	883,930	496,437	812,899	3,188,623
Rent, repairs and maintenance, and insurance	257,745	845,546	809,984	616,804	990,450	3,520,529
Property taxes	23,022	93,664	86,847	95,718	125,803	425,054
Fuel, electricity and water	58,021	201,901	198,603	130,928	116,855	7,063,308
Car, truck and other property expenses	47,250	140,893	141,201	58,572	74,612	464,528
Salaries, wages and bonuses	1,637,556	6,455,476	7,216,391	5,281,997	6,314,436	26,932,856

Staff benefits	41,637	193,308	235,186	242,020	247,963	960,114
Artist and other talent fees	28,015	153,919	267,668	511,041	784,137	1,744,780
Performing rights	60,074	286,596	338,262	285,953	502,866	1,473,751
Telephone, telegraph and teletypewriter services						
Wire line or microwave services	288,116	1,203,956	1,213,108	920,619	1,239,335	4,865,134
Other payments for outside services						
Films, tapes, recordings-rentals and purchases	50,615	118,148	181,770	94,495	84,841	529,869
Advertising, promotion and travel	129,950	630,911	1,029,516	1,005,012	1,685,055	4,480,444
Taxes (other than income or property) and licences	32,522	158,096	175,990	168,367	268,972	803,947
Office supplies and expenses	65,138	204,466	242,708	165,453	218,188	895,953
Freight, express, duty and cartage	8,147	12,278	9,583	25,239	11,191	66,438
Bad and doubtful accounts	27,382	132,839	144,235	92,538	112,913	509,907
Other operating expenses	42,053	123,574	315,466	284,209	448,574	1,213,876
Total operating expenses	3,186,159	12,240,939	14,366,371	11,290,359	16,055,632	57,139,460
Net operating revenue	(188,159)	1,390,600	893,426	1,098,918	4,351,776	7,546,651
1965						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	602,457	2,597,836	3,477,471	4,957,786	12,388,780	24,024,330
Local advertising	2,368,407	10,169,400	8,443,846	6,840,865	6,762,438	34,584,956
Total broadcasting revenue	2,970,864	12,767,236	11,921,317	11,798,651	19,151,218	58,609,286
Non-broadcasting revenue	84,550	102,007	177,362	243,613	516,982	1,124,514
Total operating revenue	3,055,414	12,869,243	12,098,679	12,042,264	19,668,200	59,733,800
Operating expenses*:						
Representatives commissions	70,259	338,536	918,500	550,474	2,017,405	3,488,684
Interest charges	69,674	274,007	189,922	212,918	79,338	825,859
Depreciation and amortization of lease-hold improvements	237,631	821,379	734,740	605,169	910,440	3,309,359
Rent, repairs and maintenance, and insurance	251,971	786,018	653,576	587,541	781,439	3,060,545
Property taxes	29,825	97,992	64,085	86,974	102,961	381,837

Table 115. Operating Revenue and Expenses of Privately-Owned Radio Stations for those Companies which are not Operating any TV Stations, by Revenue Group, 1964-1968 – Continued

	Under $100,000 (42 stations)	$100,000-249,999 (102 stations)	$250,000-499,999 (62 stations)	$500,000-999,999 (33 stations)	$1,000,000 and over (22 stations)	Total (261 stations)
Fuel, electricity and water	66,467	197,590	161,343	158,756	107,207	691,363
Car, truck and other property expenses	35,598	94,114	121,743	70,856	61,988	384,299
Salaries, wages and bonuses	1,628,647	6,151,831	5,812,562	5,375,718	5,772,211	24,740,969
Staff benefits	33,750	148,741	145,668	223,293	245,464	796,916
Artist and other talent fees	61,111	199,985	224,058	462,287	914,493	1,861,932
Performing rights	70,327	262,334	266,544	255,832	458,944	1,313,981
Telephone, telegraph and teletypewriter services						
Wire line or microwave services	303,892	1,139,014	998,142	891,518	1,207,242	4,539,808
Other payments for outside services						
Films, tapes, recordings-rentals and purchases	40,462	121,677	150,368	109,625	102,620	524,752
Advertising, promotion and travel	122,490	629,679	868,345	1,093,095	1,869,835	4,583,444
Taxes (other than income or property) and licences	34,090	143,864	147,976	172,670	275,196	773,798
Office supplies and expenses	59,044	194,078	189,426	158,610	188,256	789,414
Freight, express, duty and cartage	5,502	13,604	9,937	31,947	11,564	72,554
Bad and doubtful accounts	32,387	142,789	168,494	82,293	121,207	547,170
Other operating expenses	27,240	133,375	256,489	166,992	552,054	1,136,150
Total operating expenses	3,180,367	11,890,605	11,675,430	11,296,568	1,577,864	53,822,834
Net operating revenue	(124,953)	978,638	423,249	745,696	3,888,336	5,910,966
1964						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	700,073	2,913,545	3,090,306	5,010,859	11,432,622	23,147,405
Local advertising	2,819,420	9,482,390	7,336,237	5,453,306	5,921,628	31,012,981
Total broadcasting revenue	3,519,493	12,395,935	10,436,543	10,464,165	17,354,250	54,160,386
Non-broadcasting revenue	70,902	152,360	158,827	337,854	501,934	1,221,877
Total operating revenue	3,590,395	12,548,295	10,585,370	10,802,019	17,856,184	55,382,263

Operating expenses*:						
Representatives commissions	86,326	381,404	440,243	560,372	1,904,309	3,372,654
Interest charges	121,941	262,868	216,700	433,115	49,387	1,084,011
Depreciation and amortization of lease-hold improvements	263,788	788,040	557,044	491,754	916,674	3,017,300
Rent, repairs and maintenance, and insurance	294,571	765,998	606,462	445,359	755,064	2,867,454
Property taxes	38,825	94,474	65,674	68,869	91,863	359,705
Fuel, electricity and water	85,337	218,435	187,042	143,910	117,473	752,197
Car, truck and other property expenses						
Salaries, wages and bonuses	1,920,784	6,009,539	5,151,234	4,362,235	5,619,546	23,063,338
Staff benefits	36,681	145,621	121,875	126,703	197,475	628,355
Artist and other talent fees	55,373	219,366	211,910	312,220	1,111,969	1,910,838
Performing rights	73,388	253,516	262,144	241,519	417,123	1,247,690
Telephone, telegraph and teletypewriter services						
Wire line of microwave services	348,213	1,079,831	722,614	877,433	1,054,324	4,082,415
Other payments for outside services						
Films, tapes, recordings-rentals and purchases	46,603	107,661	111,457	96,527	110,587	472,837
Advertising, promotion and travel	170,455	656,017	782,777	859,630	1,658,068	4,126,947
Taxes (other than income or property) and licences	43,448	171,707	111,648	154,097	239,409	720,309
Office supplies and expenses	109,400	383,648	292,622	202,682	347,985	1,336,337
Freight, express, duty and cartage						
Bad and doubtful accounts						
Other operating expenses	55,685	232,120	159,317	235,643	404,448	1,087,263
Total operating expenses	3,750,818	11,770,295	10,000,763	9,612,070	14,995,704	50,129,650
Net operating revenue	(160,423)	778,000	584,607	1,189,949	2,860,480	5,252,613

*Excludes advertising agency commissions.

SOURCE: Special Tabulation prepared by D.B.S. for the C.R.T.C. July, 1970.

Table 116. Operating Revenue and Expenses of Privately-owned TV Stations for those Companies which are not Operating any Radio Stations by Revenue Group, 1964-1968

	Under $250,000 (8 stations)	$250,000-499,999 (5 stations)	$500,000-999,999 (5 stations)	$1,000,000-1,499,999 (3 stations)	$1,500,000-and over (8 stations)	Total (29 stations)
1968	$	$	$	$	$	$
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	671,297	1,433,502	2,522,817	2,129,420	36,120,652	42,877,688
Local advertising	597,631	820,232	808,230	1,217,269	5,069,760	8,513,122
Total broadcasting revenue	1,268,928	2,253,734	3,331,047	3,346,689	41,190,412	51,390,810
Non-broadcasting revenue	42,541	52,709	106,057	75,434	9,631,846	9,908,587
Total operating revenue	1,311,469	2,306,443	3,437,104	3,422,123	50,822,258	61,299,397
Operating expenses[1]:						
Representatives commissions	32,194	73,709	165,457	121,200	1,977,666	2,370,226
Interest charges	32,652	72,941	47,783	12,014	760,087	925,477
Depreciation and amortization of lease-hold improvements	210,250	228,269	199,571	171,610	3,156,182	3,965,882
Rent, repairs and maintenance and insurance	83,437	218,811	250,405	267,236	2,489,717	3,309,606
Property taxes	9,664	20,497	36,407	29,145	283,953	379,666
Fuel, electricity and water	43,819	55,748	48,341	30,498	276,467	454,873
Car, truck and other property expenses	12,364	7,268	29,895	36,376	116,459	202,362
Salaries, wages and bonuses	555,505	799,901	1,059,775	1,329,827	11,385,463	15,130,471
Staff benefits	10,636	35,808	46,379	63,900	652,252	808,975
Artist and other talent fees	4,018	12,157	21,532	24,770	2,662,454	2,724,931
Performing rights	26,207	46,485	57,685	54,590	842,819	1,027,786
Telephone, telegraph and tele-typewriter services	22,593	31,981	43,847	35,358	366,127	499,906
Wire line or microwave services	2,218	18,883	19,654	2,353	264,298	307,406
Other payments for outside services	57,331	92,381	94,097	124,897	908,295	1,277,001

Films, tapes, recordings-rentals and purchases	119,304	235,783	445,027	420,865	8,794,460	10,015,439
Advertising, promotion and travel	47,936	77,864	127,394	102,238	1,770,778	2,126,210
Taxes (other than income or property) and licences	13,986	30,446	63,195	47,645	757,597	912,869
Office supplies and expenses	12,690	28,256	28,281	26,481	298,413	394,121
Freight, express, duty and cartage	9,717	27,535	19,108	20,296	303,791	380,447
Bad and doubtful accounts	9,006	9,063	13,387	5,701	114,601	151,758
Other operating expenses	57,017	51,815	86,194	38,577	565,199	798,802
Total operating expenses	1,372,544	2,175,601	2,903,414	2,965,577	38,747,078	48,164,214
Net operating revenue	(61,075)	130,842	533,690	456,546	12,075,180	13,135,183
1967						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	291,779	1,267,482	1,807,667	2,160,067	33,248,427	38,775,422
Local advertising	274,876	734,756	1,312,058	1,152,776	4,332,901	7,807,367
Total broadcasting revenue	566,655	2,002,238	3,119,725	3,312,843	37,581,328	46,582,789
Non-broadcasting revenue	19,325	40,742	88,191	99,828	8,489,810	8,737,896
Total operating revenue	585,980	2,042,980	3,207,916	3,412,671	46,071,138	55,320,685
Operating expenses[1]:						
Representatives commissions	12,458	97,247	139,686	127,928	1,938,726	2,316,045
Interest charges	15,196	80,468	57,708	9,094	873,200	1,035,666
Depreciation and amortization of lease-hold improvements	43,909	225,193	205,986	240,076	2,984,273	3,699,437
Rent, repairs and maintenance, and insurance	40,685	188,691	209,073	188,784	2,558,290	3,185,523
Property taxes	5,127	15,081	23,229	24,933	225,373	293,743
Fuel, electricity and water	12,073	53,537	62,832	44,440	263,867	436,749
Car, truck and other property expenses	4,712	14,160	29,615	36,529	100,359	185,375
Salaries, wages and bonuses	272,045	712,840	1,004,576	1,195,620	10,842,933	14,028,014
Staff benefits	3,014	24,943	45,186	97,205	590,388	760,736
Artist and other talent fees	3,015	3,805	17,512	30,505	2,803,588	2,858,425
Performing rights	11,570	29,922	63,496	71,674	915,435	1,092,097
Telephone, telegraph and tele-typewriter services	10,441	30,229	43,988	35,249	346,991	466,898

Table 116. Operating Revenue and Expenses of Privately-Owned TV Stations for those Companies which are not Operating any Radio Stations, by Revenue Group, 1964-1968 – Continued

	Under $250,000 (8 stations)	$250,000-499,999 (5 stations)	$500,000-999,999 (5 stations)	$1,000,000-1,499,999 (3 stations)	$1,500,000-and over (8 stations)	Total (29 stations)
	dollars					
Wire line or microwave services	–	1,508	20,717	4,250	332,019	358,494
Other payments for outside services	22,725	117,205	104,338	112,642	791,917	1,148,827
Films, tapes, recordings-rentals and purchases	58,318	155,754	430,382	371,322	8,394,499	9,410,275
Advertising, promotion and travel	18,742	74,855	120,890	96,115	1,609,011	1,919,613
Taxes (other than income or property) and licences	6,026	16,988	36,345	46,023	716,882	822,264
Office supplies and expenses	6,649	17,289	31,649	25,195	302,516	383,298
Freight, express, duty and cartage	6,845	22,360	24,043	18,752	315,733	387,733
Bad and doubtful accounts	3,281	7,236	16,813	5,139	51,540	84,009
Other operating expenses	10,721	32,439	108,171	39,162	139,308	329,801
Total operating expenses	567,552	1,921,750	2,796,235	2,820,637	37,096,848	45,203,022
Net operating revenue	18,428	121,230	411,681	592,034	8,974,290	10,117,663
1966						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	171,064	1,272,107	2,268,309	1,454,362	28,314,351	33,380,193
Local advertising	173,102	678,843	1,315,678	707,472	3,639,732	6,514,827
Total broadcasting revenue	344,166	1,950,950	3,583,987	2,161,834	31,954,083	39,995,020
Non-broadcasting revenue	25,077	55,906	118,773	61,417	7,771,643	8,032,816
Total operating revenue	369,243	2,006,856	3,702,760	2,223,251	39,725,726	48,027,836
Operating expenses[1]:						
Representatives commissions	7,479	57,099	140,179	91,267	1,838,515	2,134,539
Interest charges	5,213	84,497	64,159	3,804	765,102	922,775

Depreciation and amortization of lease-hold improvements	31,074	258,553	277,325	152,601	2,192,518	2,912,071
Rent, repairs and maintenance, and insurance	25,121	211,519	293,149	113,116	2,165,350	2,808,255
Property taxes	2,892	14,123	27,707	15,333	199,606	259,661
Fuel, electricity and water	7,166	53,142	55,430	30,065	254,109	399,912
Car, truck and other property expenses	3,550	11,263	29,039	9,486	87,864	141,202
Salaries, wages and bonuses	173,056	701,870	1,462,032	861,524	8,878,839	12,077,321
Staff benefits	1,195	26,825	30,599	58,067	521,367	638,053
Artist and other talent fees	2,990	16,059	6,824	35,460	2,316,728	2,378,061
Performing rights	6,786	29,911	53,099	44,237	767,304	901,337
Telephone, telegraph and teletypewriter services						
Wire line or microwave services	25,208	104,632	265,327	100,724	1,220,482	1,716,373
Other payments for outside services						
Films, tapes, recordings-rentals and purchases	41,880	153,219	379,947	293,694	6,702,048	7,570,788
Advertising, promotion and travel	13,998	66,247	256,760	85,177	1,199,019	1,621,201
Taxes (other than income or property) and licences	3,381	17,676	32,667	29,658	608,753	692,135
Office supplies and expenses	5,311	20,579	58,934	11,628	233,361	329,813
Freight, express, duty and cartage	3,531	22,665	42,089	8,676	186,161	263,122
Bad and doubtful accounts	2,247	21,219	30,407	–	88,650	142,523
Other operating expenses	9,368	33,079	118,209	43,412	570,898	774,966
Total operating expenses	371,446	1,904,177	3,623,882	1,987,929	30,796,674	38,684,108
Net operating revenue	(2,203)	102,679	78,878	235,322	8,929,052	9,343,728
1965						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	764,373	1,256,630	3,367,220	1,434,177	27,005,573	33,827,973
Local advertising	516,070	899,384	1,155,962	702,105	6,211,991	9,485,512
Total broadcasting revenue	1,280,443	2,156,014	4,523,132	2,136,282	33,217,564	43,313,485
Non-broadcasting revenue	29,644	108,026	91,690	86,140	2,843,360	3,158,860
Total operating revenue	1,310,087	2,264,040	4,614,872	2,222,422	36,060,924	46,472,345

Table 116. **Operating Revenue and Expenses of Privately-Owned TV Stations for those Companies which are not Operating any Radio Stations, by Revenue Group, 1964-1968** – Continued

	Under $250,000 (8 stations)	$250,000-499,999 (5 stations)	$500,000-999,999 (5 stations)	$1,000,000-1,499,999 (3 stations)	$1,500,000-and over (8 stations)	Total (29 stations)
			dollars			
Operating expenses[1]:						
Representatives commissions	59,829	73,608	170,300	84,556	1,839,813	2,228,106
Interest charges	55,023	83,574	123,247	3,105	845,768	1,110,717
Depreciation and amortization of lease-hold improvements	201,776	100,153	400,219	117,065	1,978,421	2,797,634
Rent, repairs and maintenance, and insurance	113,776	123,913	333,752	140,633	1,526,159	2,238,233
Property taxes	14,456	18,552	26,793	17,049	217,285	294,135
Fuel, electricity and water	38,219	41,746	68,395	44,811	263,582	456,753
Car, truck and other property expenses	18,024	10,574	49,900	23,515	64,457	166,470
Salaries, wages and bonuses	608,661	911,779	1,688,254	861,973	8,117,574	12,188,241
Staff benefits	26,611	23,091	50,737	31,067	401,577	533,083
Artist and other talent fees	9,549	30,802	57,923	26,473	2,230,414	2,355,161
Performing rights	23,526	38,989	63,190	45,898	667,181	838,784
Telephone, telegraph and tele-typewriter services; Wire line or microwave services; Other payments for outside services	104,710	98,902	271,147	65,759	1,111,777	1,652,295
Films, tapes, recordings-rentals and purchases	90,872	267,870	337,812	217,426	5,903,514	6,817,494
Advertising, promotion and travel	42,639	67,356	265,282	63,165	1,352,183	1,790,625
Taxes (other than income or property) and licences	13,176	20,631	65,497	29,130	526,137	654,571
Office supplies and expenses	24,430	24,949	61,399	14,216	243,417	368,411
Freight, express, duty and cartage	7,236	23,667	39,678	14,308	181,420	266,309
Bad and doubtful accounts	6,717	21,761	68,237	6,180	82,757	185,652
Other operating expenses	51,553	30,718	101,212	27,744	445,428	656,655
Total operating expenses	1,510,783	2,012,635	4,242,974	1,834,073	27,998,864	37,599,329
Net operating revenue	(200,696)	251,405	371,898	388,349	8,062,060	8,873,016

1964						
Operating revenue:						
Broadcasting revenue from:						
Network and national advertising	864,957	1,144,880	2,307,533	3,699,303	20,636,879	28,653,552
Local advertising	647,167	908,239	971,161	1,073,074	3,422,178	7,021,819
Total broadcasting revenue	1,512,124	2,053,119	3,278,694	4,772,377	24,059,057	35,675,371
Non-broadcasting revenue	58,711	144,184	78,230	226,229	4,105,532	4,612,886
Total operating revenue	1,570,835	2,197,303	3,356,924	4,998,606	28,164,589	40,288,257
Operating expenses[1]:						
Representatives commissions	65,674	58,885	147,916	176,167	1,606,514	2,055,156
Interest charges	66,430	118,133	24,503	75,498	916,290	1,200,854
Depreciation and amortization of lease-hold improvements	211,223	69,254	255,052	344,080	1,804,503	2,684,112
Rent, repairs and maintenance, and insurance	184,452	191,910	201,881	349,053	1,445,980	2,373,276
Property taxes	17,587	16,687	28,672	29,856	202,594	295,396
Fuel, electricity and water	52,412	44,866	58,351	49,346	248,711	453,686
Car, truck and other property expenses	–	–	–	–	–	–
Salaries, wages and bonuses	737,038	947,550	1,177,612	1,820,848	7,305,437	11,988,485
Staff benefits	17,741	26,311	40,150	65,901	266,584	416,687
Artist and other talent fees	10,247	37,567	31,648	76,494	1,774,040	1,929,996
Performing rights	29,174	32,346	55,932	123,328	434,196	674,976
Telephone, telegraph and tele-typewriter services; Wire line or microwave services; Other payments for outside services	82,042	102,352	143,243	195,463	1,004,284	1,527,384
Films, tapes, recordings-rentals and purchases	111,594	279,334	226,445	661,561	4,158,232	5,437,166
Advertising, promotion and travel	66,468	98,345	148,147	310,999	1,045,443	1,669,402
Taxes (other than income or property) and licences	19,412	35,893	39,893	46,903	437,360	579,461
Office supplies and expenses	40,284	65,570	39,478	89,898	298,233	533,463
Freight, express, duty and cartage	–	–	–	–	–	–
Bad and doubtful accounts	–	–	–	–	–	–
Other operating expenses	61,274	30,432	86,726	163,295	462,020	803,747
Total operating expenses	1,773,052	2,155,435	2,705,649	4,578,690	23,410,421	34,623,247
Net operating revenue	(202,217)	41,868	651,275	419,916	4,754,168	5,665,010

[1]Excludes advertising agency commissions.

Source: Special Tabulation prepared by the D.B.S. for the C.R.T.C., July 1970.

Table 117. Operating Revenue and Expenses of Privately-owned Radio and TV Stations for which Balance Sheets are Consolidated for Radio and TV Operations, 1964-1968

	1964 (76 stations)	1965 (75 stations)	1966 (98 stations)	1967 (100 stations)	1968 (97 stations)
Operating revenue:	$	$	$	$	$
Broadcasting revenue from:					
Network and national advertising	17,624,495	20,561,117	30,409,224	32,062,733	29,999,186
Local advertising	13,922,724	14,686,971	20,363,173	21,647,738	22,095,167
Total broadcasting revenue	31,547,219	35,248,088	50,772,397	53,710,471	52,094,353
Non-broadcasting revenue	1,387,528	4,340,559	1,852,056	2,297,771	2,365,058
Total operating revenue	32,934,747	39,588,647	52,624,453	56,008,242	54,459,411
Operating expenses[1]:					
Representatives commissions	1,524,558	1,663,088	2,371,688	2,419,939	2,234,426
Interest charges	747,990	710,881	644,935	903,473	827,143
Depreciation and amortization of lease-hold improvements	2,271,925	3,144,539	4,101,625	4,224,024	4,044,913
Rent, repairs and maintenance, and insurance	1,793,436	1,973,942	2,499,511	2,815,114	2,609,207
Property taxes	263,262	273,727	388,183	451,686	503,830
Fuel, electricity and water	542,370	527,356	651,961	657,404	696,282
Car, truck and other property expense	–	144,227	239,989	237,112	269,139
Salaries, wages and bonuses	11,511,834	12,870,190	17,134,517	18,498,334	18,879,651
Staff benefits	392,473	468,837	730,730	775,269	996,428
Artist and other talent fees	1,029,379	1,036,416	1,276,610	1,399,050	1,502,403
Performing rights	636,657	798,292	1,005,028	1,168,735	1,192,008
Telephone, telegraph and teletypewriter services	1,587,734	2,168,510	3,148,986	699,762	734,618
Wire line or microwave services	–	–	–	637,429	551,183
Other payments for outside services	–	–	–	2,233,990	2,412,663
Films, tapes, recordings-rentals and purchases	3,521,866	4,063,709	5,389,801	6,406,953	6,397,878
Advertising, promotion and travel	1,289,162	1,375,659	1,947,276	1,938,860	1,750,004
Taxes (other than income or property) and licences	383,048	463,911	777,295	721,193	784,272
Office supplies and expenses	461,497	339,084	462,307	471,061	456,490
Freight, express, duty and cartage	–	169,903	262,112	245,230	281,590
Bad and doubtful accounts	–	188,932	288,951	205,800	169,049
Other operating expenses	548,842	475,641	819,829	830,579	943,538
Total operating expenses	28,506,033	32,856,844	44,141,334	47,940,997	48,236,715
Net operating revenue	4,428,714	6,731,803	8,483,119	8,067,245	6,222,696

[1]Excludes advertising agency commissions.
Source: Special Tabulation prepared by the D.B.S. for the C.R.T.C. July, 1970.

Table 118. Assets, Liabilities and Net Worth of Privately-Owned Radio Stations for those Companies which are not Operating any TV Stations by Revenue Group, 1964-1968

	Under $100,000	$100,000-$249,999	$250,000-$499,999	$500,000-$999,999	$1,000,000 & over	Total
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1968						
Assets						
Current Assets	953,358	5,515,720	9,003,930	7,830,691	16,590,561	39,894,260
Fixed Assets:						
Radio	3,774,331	14,367,829	14,758,166	12,007,093	16,040,621	60,948,040
Television	–	–	–	–	–	–
Sub-total	3,774,331	14,367,829	14,758,166	12,007,093	16,040,621	60,948,040
Less:						
Depreciation reserve	1,175,127	7,109,969	7,801,545	5,522,470	8,941,148	30,550,259
Deferred charges	81,144	119,106	112,585	140,053	15,000	467,888
Other Assets including goodwill	232,672	1,438,962	1,573,869	2,048,547	4,779,214	10,073,264
Total assets	3,866,378	14,331,648	17,647,005	16,503,914	28,484,248	80,833,193
Liabilities & Net Worth						
Current liabilities	1,472,445	3,519,233	4,796,831	3,770,496	5,118,091	18,677,096
Long term debt	1,341,237	3,662,714	4,228,228	5,398,920	6,685,105	21,316,204
Reserves	130,892	317,122	88,744	551,230	–	1,087,988
Preferred stock	1,057,330	2,874,399	2,252,300	1,003,300	4,291,431	11,478,760
Common stock	485,683	1,850,636	1,000,659	1,606,879	429,025	5,372,882
Capital surplus	4,650	351,145	207,152	442,249	75,500	1,080,696
Earned surplus	(625,859)	1,756,399	5,073,091	3,730,840	11,885,096	21,819,567
Total Liabilities & Net Worth	3,866,378	14,331,648	17,647,005	16,503,914	28,484,248	80,833,193

Table 118. Assets, Liabilities and Net Worth of Privately-Owned Radio Stations for those Companies which are not Operating any TV Stations by Revenue Group, 1964-1968 (Continued)

	Under $100,000	$100,000-$249,999	$250,000-$499,999	$500,000-$999,999	$1,000,000 and over	Total
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1967						
Assets						
Current Assets	973,026	5,888,736	8,419,756	5,158,563	14,010,729	34,450,810
Fixed Assets:						
Radio	3,124,762	14,066,272	16,206,555	10,366,517	13,046,908	56,811,014
Television	–	–	–	–	–	–
Sub-Total	3,124,762	14,066,272	16,206,555	10,366,517	13,046,908	56,811,014
Less:						
Depreciation reserve	1,081,060	7,518,445	7,961,033	5,285,753	6,906,508	28,752,799
Deferred charges	67,420	54,154	362,063	34,033	38,054	555,724
Other Assets including goodwill	210,497	1,965,820	2,053,615	1,116,632	3,385,334	8,731,898
Total Assets	3,294,645	14,456,537	19,080,956	11,389,992	23,574,517	71,796,647
Liabilities & Net Worth						
Current Liabilities	1,006,448	3,380,852	5,120,460	2,296,753	4,485,971	16,290,484
Long term debt	986,858	3,039,646	4,969,423	3,090,705	4,493,966	16,580,598
Reserves	244,574	220,673	128,604	338,508	159,357	1,091,716
Perferred stock	679,045	2,549,015	3,212,403	953,400	3,886,330	11,280,193
Common stock	563,449	2,046,748	1,600,981	1,515,376	389,125	6,115,679
Capital surplus	15,896	462,222	234,418	447,822	245,600	1,405,958
Earned surplus	(201,625)	2,757,381	3,814,667	2,747,428	9,914,168	19,032,019
Total Liabilities & Net Worth	3,294,645	14,456,537	19,080,956	11,389,992	23,574,517	71,796,647
1966						
Assets						
Current Assets	1,102,685	7,582,570	7,072,764	3,177,745	11,119,375	30,055,139
Fixed Assets:						
Radio	–	–	–	–	–	–

Television	3,913,232	14,255,148	14,945,968	9,285,899	12,166,848	54,567,095
Sub-Total	3,913,232	14,255,148	14,945,968	9,285,899	12,166,848	54,567,095
Less:						
Depreciation reserve	1,422,415	7,564,231	7,356,481	4,087,830	6,686,298	27,117,255
Deferred charges	78,810	53,410	128,176	22,289	9,325	292,010
Other Assets including goodwill	342,459	1,644,647	2,484,013	3,802,197	581,473	8,854,789
Total Assets	4,014,771	15,971,544	17,274,440	12,200,300	17,190,723	66,651,778
Liabilities & Net Worth						
Current Liabilities	1,291,677	3,662,609	4,652,958	2,942,939	3,982,147	16,532,330
Long term debt	1,633,452	3,365,741	5,051,392	5,306,611	1,725,509	17,082,705
Reserves	256,429	160,202	761,749	162,769	199,962	1,541,111
Preferred stock	663,780	2,627,204	2,428,992	2,444,300	962,100	9,126,376
Common stock	569,656	1,555,793	1,697,909	750,031	389,025	4,962,414
Capital surplus	29,500	319,358	228,518	8,645	–	586,021
Earned surplus	(429,723)	4,280,637	2,452,922	585,005	9,931,980	16,820,821
Total Liabilities & Net Worth	4,014,771	15,971,544	17,274,440	12,200,300	17,190,723	66,651,778
1965						
Assets						
Current Assets	1,053,020	6,088,598	5,319,587	2,933,668	8,396,185	23,791,058
Fixed Assets:						
Radio	3,985,995	14,465,712	12,302,623	7,578,092	11,370,166	49,702,588
Television	–	–	–	–	–	–
Sub-Total	3,985,995	14,465,712	12,302,623	7,578,092	11,370,166	49,702,588
Less:						
Depreciation reserve	1,586,538	6,491,932	6,247,975	3,847,131	6,098,456	24,272,032
Deferred charges	8,164	64,255	92,081	–	45,828	210,328
Other Assets including goodwill	231,786	2,152,553	1,894,440	3,631,633	717,385	8,627,797
Total Assets	3,692,427	16,279,186	13,360,756	10,296,262	14,431,108	58,059,739
Liabilities & Net Worth						
Current Liabilities	1,317,340	4,555,915	4,575,886	2,296,044	3,177,730	15,922,915
Long term debt	1,010,775	3,806,717	2,887,822	5,696,922	755,370	14,157,606

Table 118. Assets, Liabilities and Net Worth of Privately-Owned Radio Stations for those Companies which are not Operating any TV Stations by Revenue Group, 1964-1968 (Continued)

	Under $100,000	$100,000-$249,999	$250,000-$499,999	$500,000-$999,999	$1,000,000 and over	Total
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Reserves	2,985	101,162	95,884	132,647	–	332,678
Preferred stock	847,080	3,145,562	1,698,706	1,031,000	507,000	7,229,348
Common stock	570,657	1,785,017	1,430,520	718,107	444,125	4,948,426
Capital surplus	236,738	373,904	45,719	8,645	157,200	822,206
Earned surplus	(293,148)	2,510,909	2,626,219	412,897	9,389,683	14,646,560
Total Liabilities & Net Worth	3,692,427	16,279,186	13,360,756	10,296,262	14,431,108	58,059,739
1964						
Assets						
Current Assets	1,750,125	4,861,549	3,856,939	2,720,412	7,706,964	20,895,989
Fixed Assets:						
Radio	5,477,851	11,794,867	8,830,770	8,227,816	9,854,599	44,185,903
Television	–	–	–	–	–	–
Sub-Total	5,477,851	11,794,867	8,830,770	8,227,816	9,854,599	44,185,903
Less:						
Depreciation reserve	1,927,703	5,900,837	4,454,910	4,031,357	4,933,437	21,248,244
Deferred charges	39,931	123,618	130,436	8,212	12,215	314,412
Other Assets including goodwill	223,344	1,847,516	1,733,116	3,972,739	694,530	8,471,245
Total Assets	5,563,548	12,726,713	10,096,351	10,897,822	13,334,871	52,619,305
Liabilities & Net Worth						
Current Liabilities	1,886,764	3,002,961	2,608,978	3,316,706	3,638,076	14,453,485
Long term debt	2,222,747	2,202,135	3,246,009	5,612,756	1,077,307	14,360,954
Reserves	21,196	349,111	93,533	101,854	96,900	662,594
Preferred stock	726,525	2,499,780	1,684,000	1,024,542	486,500	6,421,347
Common stock	763,359	1,721,422	611,079	971,450	338,525	4,405,835
Capital surplus	236,688	36,491	–	7,500	–	280,679
Earned surplus	(293,731)	2,914,813	1,852,752	(136,986)	7,697,563	12,034,411
Total Liabilities & Net Worth	5,563,548	12,726,713	10,096,351	10,897,822	13,334,871	52,619,305

SOURCE: Special Tabulation prepared by D.B.S. for the C.R.T.C., July 1970.

SOURCE: Special Tabulation prepared by D.B.S. for the C.R.T.C., July 1970.

Table 119. Assets, Liabilities and Net Worth of Privately-Owned TV Stations for those Companies which are not Operating any Radio Stations by Revenue Group, 1964-1968

Year	Under $250,000	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 - $1,499,999	$1,500,000 and over	Total
			Dollars			
1968						
Assets						
Current Assets	324,315	678,686	1,435,528	972,861	17,608,954	21,020,344
Fixed Assets:						
Radio	–	–	–	–	–	–
Television	2,138,685	4,622,577	3,096,996	4,195,915	38,908,748	52,962,921
Sub-total	2,138,685	4,622,577	3,096,996	4,195,915	38,908,748	52,962,921
Less:						
Depreciation reserve	751,629	2,252,429	1,431,876	2,984,099	18,353,786	25,773,819
Deferred charges	2,526	84,095	7,994	–	471,835	566,450
Other Assets including goodwill	59,394	21,024	65,000	1,700	1,546,631	1,693,749
Total Assets	1,773,291	3,153,953	3,173,642	2,186,377	40,182,382	50,469,645
Liabilities & New Worth						
Current Liabilities	504,345	1,110,465	887,360	214,595	13,965,015	16,681,780
Long term debt	211,559	922,969	348,158	12,656	6,386,720	7,882,062
Reserves	(5,382)	12,049	66,924	–	1,505,381	1,578,972
Preferred stock	344,700	598,012	471,500	–	3,463,705	4,877,917
Common stock	125,800	314,043	177,700	17,505	2,070,472	2,705,520
Capital surplus	343,000	–	–	172,500	77,737	593,237
Earned surplus	249,269	196,415	1,222,000	1,769,121	12,713,352	16,150,157
Total Liabilities & Net Worth	1,773,291	3,153,953	3,173,642	2,186,377	40,182,382	50,469,645
1967						
Assets						
Current Assets	32,780	750,808	1,457,526	858,841	17,017,822	20,117,777
Fixed Assets:						
Radio	–	–	–	–	–	–

Table 119. Assets, Liabilities and Net Worth of Privately-Owned TV Stations for those Companies which are not Operating any Radio Stations by Revenue Group, 1964-1968 (Continued)

Year	Under $250,000	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 - $1,499,999	$1,500,000 and over	Total
			Dollars			
Television	556,828	5,385,944	3,868,527	3,887,076	44,235,626	57,934,001
Sub-total	556,828	5,385,944	3,868,527	3,887,076	44,235,626	57,934,001
Less:						
Depreciation reserve	99,298	2,090,518	1,887,720	2,791,216	17,451,991	24,320,743
Deferred charges	16,900	59,280	31,926	–	797,067	905,173
Other Assets including goodwill	9,508	92,442	95,391	5,788	2,020,593	2,223,722
Total Assets	516,718	4,197,956	3,565,650	1,960,489	46,619,117	56,859,930
Liabilities & Net Worth						
Current Liabilities	54,630	1,501,636	873,407	269,189	16,187,605	18,886,467
Long term debt	197,343	1,236,360	626,365	18,490	8,025,314	10,103,872
Reserves	(7,093)	343,000	77,644	103,500	1,092,002	1,609,053
Preferred stock	264,000	676,310	472,500	–	3,956,705	5,369,515
Common stock	76,000	288,222	252,722	17,505	1,832,072	2,466,521
Capital surplus	–	–	–	–	2,042,898	2,042,898
Earned surplus	(68,162)	152,428	1,263,012	1,551,805	13,482,521	16,381,604
Total Liabilities & Net Worth	516,718	4,197,956	3,565,650	1,960,489	46,619,117	56,859,930
1966						
Assets						
Current Assets	26,091	710,055	3,618,597	1,748,371	12,385,221	18,488,335
Fixed Assets:						
Radio	–	–	–	–	–	–
Television	515,110	4,616,438	5,032,466	5,446,503	34,800,973	50,411,490
Sub-total	515,110	4,616,438	5,032,466	5,446,503	34,800,973	50,411,490
Less:						
Depreciation reserve	44,870	2,082,359	1,678,708	2,981,542	13,702,782	20,490,261
Deferred charges	15,400	9,709	113,300	–	836,094	974,503

Other Assets including goodwill	9,571	114,827	254,938	2,805	3,021,299	3,403,440
Total Assets	521,302	3,368,670	7,340,593	4,216,137	37,340,805	52,787,507
Liabilities & Net Worth						
Current Liabilities	119,710	1,354,601	3,719,151	773,117	13,066,115	19,032,694
Long term debt	154,384	915,551	1,261,253	954,873	8,403,670	11,689,731
Reserves	(8,891)	–	343,000	103,810	546,724	984,643
Preferred stock	240,000	674,810	1,965,916	86,000	2,945,589	5,912,315
Common stock	70,000	325,794	215,000	177,505	2,872,118	3,660,417
Capital surplus	–	–	–	–	101,699	101,699
Earned surplus	(53,901)	97,914	(163,727)	2,120,832	9,404,890	11,406,008
Total Liabilities & Net Worth	521,302	3,368,670	7,340,593	4,216,137	37,340,805	52,787,507
1965						
Assets						
Current Assets	274,161	553,882	3,142,035	452,840	9,920,445	14,343,363
Fixed Assets:						
Radio	–	–	–	–	–	–
Television	2,012,073	3,468,868	3,875,064	2,241,599	28,694,752	40,292,356
Sub-Total	2,012,073	3,468,868	3,875,064	2,241,599	28,694,752	40,292,356
Less:						
Depreciation reserve	611,431	1,101,007	2,227,381	1,728,421	11,720,435	17,388,675
Deferred charges	42,722	4,249	41,706	–	526,366	615,043
Other Assets including goodwill	24,128	78,815	108,897	14,558	1,119,838	1,346,236
Total Assets	1,741,653	3,004,807	4,940,321	980,576	28,540,966	39,208,323
Liabilities & Net Worth						
Current Liabilities	511,265	895,081	1,967,998	56,815	11,789,768	15,220,927
Long term debt	587,983	982,879	751,298	–	7,894,575	10,216,735
Reserves	(25,702)	209,500	–	103,500	117,250	404,548
Preferred stock	589,000	613,910	1,565,300	–	2,645,789	5,413,999
Common stock	224,600	233,185	388,203	6,150	1,235,787	2,087,925
Capital surplus	–	–	–	–	77,737	77,737
Earned surplus	(145,493)	70,252	267,522	814,111	4,780,060	5,786,452
Total Liabilities & Net Worth	1,741,653	3,004,807	4,940,321	980,576	28,540,966	39,208,323

Table 119. Assets, Liabilities and Net Worth of Privately-Owned TV Stations for those Companies which are not Operating any Radio Stations by Revenue Group, 1964-1968 (Continued)

Year	Under $250,000	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 - $1,499,999	$1,500,000 and over	Total
				Dollars		
1964						
Assets						
Current Assets	328,095	502,504	1,140,140	2,241,404	8,058,612	12,270,755
Fixed Assets:						
Radio	–	–	–	–	–	–
Television	2,483,569	3,580,523	3,818,095	2,861,720	24,143,556	36,887,463
Sub-Total	2,483,569	3,580,523	3,818,095	2,861,720	24,143,556	36,887,463
Less:						
Depreciation reserve	606,200	858,794	2,347,613	1,545,036	8,354,668	13,712,311
Deterred charges	57,704	52,390	44,322	880	913,664	1,068,960
Other Assets including goodwill	24,129	226,847	19,790	20,169	349,093	640,028
Total Assets	2,287,297	3,503,470	2,674,734	3,579,137	25,110,257	37,154,895
Liabilities & Net Worth						
Current Liabilities	402,205	1,046,581	289,263	1,529,790	11,503,636	14,771,475
Long term debt	1,145,075	1,225,995	396,343	713,456	8,780,659	12,261,528
Reserves	(7,164)	140,000	–	–	391,422	524,258
Preferred stock	667,625	668,490	337,000	1,230,500	2,645,789	5,549,404
Common stock	224,700	277,494	98,855	402,686	1,057,228	2,060,963
Capital surplus	–	148,418	–	–	77,737	226,155
Earned surplus	(145,144)	(3,508)	1,553,273	(297,295)	653,786	1,761,112
Total Liabilities & Net Worth	2,287,297	3,503,470	2,674,734	3,579,137	25,110,257	37,154,895

Source: Special Tabulation prepared by the D.B.S. for the C.R.T.C. July, 1970.

Table 120. Assets, Liabilities and Net Worth of Privately Owned Radio and TV Stations for which Balance Sheets are Consolidated for Radio and TV Operations, 1964 – 1968

	1964 (76 stations)	1965 (75 stations)	1966 (98 stations)	1967 (100 stations)	1968 (97 stations)
			Dollars		
Assets					
Current assets	12,017,256	13,365,167	13,222,156	14,559,623	15,308,154
Fixed assets:					
Radio	8,982,228	8,879,246	9,553,477	10,157,161	10,841,818
Television	27,738,377	29,768,214	33,061,135	35,751,471	44,644,789
Sub-Total	36,720,605	38,647,460	42,614,612	45,908,632	55,486,607
Less:					
Depreciation reserve	19,594,714	21,094,806	22,858,905	26,413,066	31,842,919
Deferred charges	79,785	87,505	114,589	116,332	103,336
Other assets, including goodwill	2,542,246	2,057,311	1,971,366	2,287,014	2,553,854
Total Assets	31,765,178	33,062,637	35,063,818	36,458,535	41,609,032
Liabilities and net worth					
Current liabilities	6,962,215	7,847,864	7,735,372	8,246,116	8,487,618
Long term debt	10,006,159	8,431,883	10,035,651	14,008,765	12,118,123
Reserves	1,744,183	1,786,356	1,894,374	1,953,298	850,357
Preferred stock	1,862,445	1,365,440	1,236,190	1,049,800	1,859,800
Common stock	1,109,361	1,239,394	898,389	1,079,454	3,274,455
Capital surplus	21,977	27,674	78,234	26,094	32,724
Earned surplus	10,058,838	12,364,026	13,185,608	10,095,008	14,985,955
Total liabilities and net worth	31,765,178	33,062,637	35,063,818	36,458,535	41,609,032

SOURCE: Special Tabulation prepared by the D.B.S. for the C.R.T.C. July, 1970.

Table 121. Number of Radio Stations Reporting an Operating Profit, and the Number Reporting Operating Loss, 1964-68, by Revenue Group

	Under $100,000		$100,000 – 249,999		$250,000 – 499,999		$500,000 – 999,999		$1,000,000 and over		Total	
	Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss
1968	16	31	72	41	79	11	38	6	24	1	229	90
1967	19	26	82	31	77	11	36	3	20	–	234	71
1966	29	21	91	14	68	14	34	2	16	2	238	53
1965	33	22	87	26	52	12	25	6	16	2	215	66
1964	32	31	81	26	41	12	23	3	15	1	192	73

Number of Television Stations Reporting an Operating Profit, and the Number Reporting an Operating Loss, 1964-1968, by Revenue Group

	Under $250,000		$250,000 – 499,999		$500,000 – 999,999		$1,000,000 – 1,499,999		$1,500,000 and over		Total	
	Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss	Profit	Loss
1968	9	6	11	4	13	–	5	4	14	2	52	16
1967	5	4	12	5	15	–	5	3	16	1	53	13
1966	2	7	12	2	16	2	8	2	14	–	52	13
1965	5	7	14	1	15	2	5	2	15	–	53	12
1964	8	7	12	4	13	2	4	2	14	–	51	15

SOURCE: Special Tabulation prepared by the D.B.S. for the C.R.T.C. July, 1970

Table 122. Property Account of Privately-owned Radio Stations by Revenue Group, 1964 - 1968

Year	Under $100,000	$100,000 - $249,999	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 and over	Total
			Dollars			
1968						
Land	169,460	971,725	1,537,709	923,202	1,612,073	5,214,169
Buildings	624,889	2,430,431	3,946,097	2,160,816	3,451,096	12,613,329
Technical & Studio Equipment	2,814,462	9,482,491	12,554,329	8,918,414	8,482,600	42,252,296
Mortorized Vehicles & Equipment . .	69,105	338,687	1,022,296	534,978	301,719	2,266,785
Furniture & Fixtures	196,757	901,114	1,395,233	940,651	1,158,844	4,592,599
Unamortized Portion of leasehold improvements	164,476	465,403	325,332	508,708	456,192	1,920,111
Other	46,922	977,686	282,347	552,897	1,070,717	2,930,569
Total Fixed Assets	4,086,071	15,567,537	21,063,343	14,539,666	16,533,241	71,789,858
Depreciation	1,299,256	7,887,817	11,314,450	7,696,435	8,642,107	36,840,065
Net Fixed Assets	2,786,815	7,679,720	9,748,893	6,843,231	7,891,134	34,949,793
1967						
Land	158,912	902,511	1,311,624	700,461	1,011,360	4,084,868
Buildings	589,425	2,854,429	3,608,827	2,771,251	2,550,046	12,373,978
Technical & Studio Equipment	2,229,450	8,622,692	14,267,357	8,415,134	6,997,338	40,531,971
Motorized Vehicles & Equipment . . .	69,514	333,720	691,971	246,915	230,157	1,572,277
Furniture & Fixtures	170,269	856,261	1,520,948	925,820	982,650	4,455,948
Unamortized Portion of leasehold improvements	101,752	174,699	473,784	159,205	465,665	1,375,105
Other	47,115	1,001,390	623,699	92,132	809,692	2,574,028
Total Fixed Assets	3,366,437	14,745,702	22,498,210	13,310,918	13,046,908	66,968,175
Depreciation	1,220,057	8,023,605	11,097,887	7,845,612	6,906,508	35,093,669
Net Fixed Assets	2,146,380	6,722,097	11,400,323	5,465,306	6,140,400	31,874,506

Table 122. Property Account of Privately-owned Radio Stations by Revenue Group, 1964 - 1968 (Continued)

Year	Under $100,000	$100,000 - $249,999	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 and over	Total
			Dollars			
1966						
Land	173,764	820,582	1,094,448	590,455	1,076,421	3,755,670
Buildings	735,699	2,402,524	3,381,392	2,138,107	1,953,305	10,611,027
Technical & Studio Equipment	2,732,220	8,770,697	13,450,096	7,705,216	7,434,848	40,093,077
Motorized Vehicles & Equipment	77,327	370,822	661,696	241,950	200,131	1,551,926
Furniture & Fixtures	173,519	900,400	1,320,107	844,658	953,726	4,192,410
Unamortized Portion of leasehold improvements	85,416	217,857	274,712	233,132	520,790	1,331,907
Other	45,123	1,024,282	146,538	1,340,985	27,627	2,584,555
Total Fixed Assets	4,023,068	14,507,164	20,328,989	13,094,503	12,166,848	64,120,572
Depreciation	1,471,982	7,790,090	10,219,721	6,607,238	6,686,298	32,775,329
Net Fixed Assets	2,551,086	6,717,074	10,109,268	6,487,265	5,480,550	31,345,243
1965						
Land	191,507	1,439,432	1,201,827	508,174	1,402,616	4,743,556
Buildings	924,342	2,542,048	2,141,015	2,872,456	1,511,136	9,990,997
Technical & Studio Equipment	3,293,940	10,229,732	8,051,296	7,338,709	6,592,340	35,506,017
Motorized Vehicles & Equipment	90,118	410,300	440,697	221,143	206,663	1,368,921
Furniture & Fixtures	253,150	1,033,203	945,215	757,355	783,160	3,772,083
Unamortized Portion of leasehold improvements	88,199	273,986	144,411	168,190	311,638	986,424
Other	91,839	1,276,373	334,298	493,217	18,109	2,213,836
Total Fixed Assets	4,933,095	17,205,074	13,258,759	12,335,244	10,825,662	58,581,834
Depreciation	2,094,959	7,862,584	7,352,666	6,501,470	5,747,157	29,558,836
Net Fixed Assets	2,838,136	9,342,490	5,906,093	5,857,774	5,078,505	29,022,998

1964						
Land	338,965	946,736	735,147	346,836	1,348,392	3,716,076
Buildings	873,318	2,778,189	2,366,025	1,966,812	1,305,294	9,289,638
Technical & Studio Equipment	3,374,624	9,711,276	8,038,910	5,938,765	5,781,473	32,845,048
Motorized Vehicles & Equipment . .) Furniture & Fixtures . . . .)	252,277	989,800	928,120	691,835	642,806	3,504,838
Unamortized Portion of leasehold improvements	106,169	204,335	202,797	157,829	385,520	1,056,650
Other	814,609	464,525	716,791	680,955	303,568	2,980,448
Total Fixed Assets	5,759,962	15,094,861	12,987,790	9,783,032	9,767,053	53,392,698
Depreciation	1,986,150	7,824,243	6,619,791	5,324,730	4,933,437	26,688,351
Net Fixed Assets	3,773,812	7,270,618	6,367,999	4,458,302	4,833,616	26,704,347

SOURCE: Special Tabulation prepared by the D.B.S. for the C.R.T.C. July, 1970.

Table 123. Property Account of Privately-owned Television Stations by Revenue Group, 1964 - 1968

Year	Under $250,000	$250,000 - $499,999	$500,000 - $999,999	$1,000,000 - $1,499,999	$1,500,000 and over	Total
			Dollars			
1968						
Land	40,471	115,782	187,429	141,709	1,122,728	1,608,119
Buildings	458,866	2,002,741	1,375,562	1,783,563	12,896,148	18,516,880
Technical & Studio Equipment	2,899,626	7,453,227	9,337,380	9,272,696	40,979,616	69,942,545
Motorized Vehicles & Equipment	43,786	96,096	121,852	1,480,365	766,855	2,508,954
Furniture & Fixtures	72,998	279,508	263,764	545,536	2,167,621	3,329,427
Unamortized Portion of leasehold improvements	1,749	(50,526)	74,394	124,971	258,140	408,728
Other	20,639	230,845	119,371	558,382	363,819	1,293,056
Total Fixed Assets	3,538,135	10,127,673	11,479,752	13,907,222	58,554,927	97,607,709
Depreciation	1,756,339	5,448,109	6,664,602	9,084,986	27,850,633	50,804,669
Net Fixed Assets	1,781,796	4,679,564	4,815,150	4,822,236	30,704,294	46,803,040
1967						
Land	10,284	109,856	184,137	169,396	1,187,386	1,661,059
Buildings	227,865	2,087,748	1,432,180	2,019,245	13,096,083	18,863,121
Technical & Studio Equipment	1,608,946	8,536,047	8,790,579	9,114,063	38,118,229	66,167,864
Motorized Vehicles & Equipment	14,685	140,608	123,185	121,163	1,796,109	2,195,750
Furniture & Fixtures	14,948	317,467	339,620	481,762	2,059,266	3,213,063
Unamortized Portion of leasehold improvements	–	–	59,879	23,963	212,763	296,605
Other	17,452	228,845	77,073	550,308	414,332	1,288,010
Total Fixed Assets	1,894,180	11,420,571	11,006,653	12,479,900	56,884,168	93,685,472
Depreciation	986,142	5,353,615	6,613,959	7,843,359	23,595,864	44,392,939
Net Fixed Assets	908,038	6,066,956	4,392,694	4,636,541	33,288,304	49,292,533
1966						
Land	21,663	104,877	148,581	249,361	1,036,806	1,561,288
Buildings	253,872	1,505,362	1,911,289	3,196,425	10,790,882	17,657,830
Technical & Studio Equipment	1,686,994	5,936,455	10,761,027	9,852,522	29,618,210	57,855,208
Motorized Vehicles & Equipment	23,775	113,164	149,985	231,648	487,465	1,006,037
Furniture & Fixtures	19,707	242,937	434,808	1,452,790	1,695,167	3,845,409
Unamortized Portion of leasehold improvements						

Motorized Vehicles & Equipment . . .	23,775	113,164	[illegible]	[illegible]	[illegible]	[illegible]
Furniture & Fixtures	19,707	242,937	434,808	1,452,790	1,695,167	3,845,409
Unamortized Portion of leasehold improvements	–	289	91,509	27,195	154,397	273,390
Other	6,123	213,138	173,726	535,340	345,136	1,273,463
Total Fixed Assets	2,012,134	8,116,222	13,670,925	15,545,281	44,128,063	83,472,625
Depreciation	899,749	3,539,044	7,019,366	8,359,937	17,872,996	37,691,092
Net Fixed Assets	1,112,385	4,577,178	6,651,559	7,185,344	26,255,067	45,781,533
1965						
Land	40,375	103,752	159,186	144,142	1,058,918	1,506,373
Buildings	561,958	1,656,676	1,930,676	1,872,990	10,775,240	16,797,540
Technical & Studio Equipment	2,745,411	6,518,927	8,703,957	5,356,377	22,667,372	45,992,044
Motorized Vehicles & Equipment . . .	82,003	79,415	146,672	57,495	591,021	956,606
Furniture & Fixtures	91,668	208,668	450,392	1,176,030	1,349,433	3,276,191
Unamortized Portion of leasehold improvements	–	47,029	63,883	–	141,537	252,449
Other	10,872	315,211	120,869	459,839	372,576	1,279,367
Total Fixed Assets	3,532,287	8,929,678	11,575,635	9,066,873	36,956,097	70,060,570
Depreciation	1,355,639	4,314,156	7,048,892	4,856,993	15,620,997	33,196,677
Net Fixed Assets	2,176,648	4,615,522	4,526,743	4,209,880	21,335,100	36,863,893
1964						
Land	47,203	112,941	134,721	106,572	1,081,226	1,482,663
Buildings	827,483	1,466,180	2,169,583	1,416,192	9,595,059	15,474,497
Technical & Studio Equipment	3,700,766	6,424,147	9,200,026	4,610,618	18,905,345	42,840,902
Motorized Vehicles & Equipment . . / Furniture & Fixtures	106,972	246,976	432,579	258,989	1,100,937	2,146,453
Unamortized Portion of leasehold improvements	–	60,175	36,274	23,177	243,434	363,060
Other	382,777	410,299	318,886	90,446	891,291	2,093,699
Total Fixed Assets	5,065,201	8,720,718	12,292,069	6,505,994	31,817,292	64,401,274
Depreciation	1,898,701	3,758,735	7,170,867	3,311,823	11,726,796	27,866,922
Net Fixed Assets	3,166,500	4,961,983	5,121,202	3,194,171	20,090,496	36,534,352

SOURCE: Special Tabulation prepared by D.B.S. for the C.R.T.C. July, 1970.

Table 124. Rates of Profit in Private Broadcasting, Canada 1964 - 68

Type of Broadcaster by Revenue Group	1964	1965	1966	1967	1968
		Before Tax Return on Equity			
*Radio**					
Less than $100,000	-11.0	- 9.2	-17.3	-8.0	-32.3
$100,000 to 249,999	10.3	12.4	15.6	8.3	6.9
$250,000 to 499,999	13.8	28.0	11.8	11.8	12.8
$500,000 to 999,999	60.5	22.6	27.8	31.5	28.4
$1,000,000 and over	33.2	37.0	37.9	39.6	43.1
All Stations	22.1	21.1	22.8	23.9	25.8
Television†					
Less than $250,000	-27.3	-31.2	- 0.9	+ 7.0	- 5.8
$250,000 to 499,999	3.4	22.3	9.4	8.3	11.7
$500,000 to 999,999	32.7	16.7	3.3	19.9	27.5
$1,000,000 to 1,499,999	31.4	42.0	9.5	35.4	23.3
$1,500,000 and over	98.5	91.0	56.3	40.1	60.8
All Stations	56.0	64.4	42.3	36.3	50.7
Combined Radio and Television‡	29.9	50.2		56.8	29.6
All Stations	42.1	48.1	49.1	47.4	21.1
		Before Tax Return on Assets			
*Radio**					
Less than $100,000	- 0.7	- 1.5	- 2.7	- 1.2	- 7.0
$100,000 to 249,999	8.2	7.7	9.9	6.1	5.4
$250,000 to 499,999	7.9	4.6	6.8	6.9	8.1
$500,000 to 999,999	14.9	9.3	10.5	18.5	14.3
$1,000,000 and over	21.8	27.5	26.0	25.0	25.6
All Stations	12.0	11.6	12.6	14.2	14.3
Television†					
Less than $250,000	- 5.9	- 8.4	- 0.6	+ 6.5	- 1.6
$250,000 to 499,999	4.6	11.2	5.6	4.8	6.5
$500,000 to 999,999	25.3	10.0	2.0	13.2	18.3
$1,000,000 to 1,499,999	16.7	39.9	5.7	30.7	21.4
$1,500,000 and over	22.6	31.2	26.0	21.1	31.9
All Stations	18.5	25.5	19.4	19.6	27.9
Combined Radio and Television‡	16.3	22.5		24.6	16.8
All Stations	22.1	27.1	26.0	20.4	12.7
*Radio**					
Less than $100,000	- 4.5	- 4.1	- 6.3	- 4.3	-12.3
$100,000 to 249,999	6.2	7.6	10.2	4.7	3.4
$250,000 to 499,999	5.5	3.5	5.9	6.4	6.8
$500,000 to 999,999	11.0	6.2	8.9	12.5	12.7
$1,000,000 and over	16.0	19.8	21.3	23.9	24.1
All Stations	9.5	9.9	11.7	12.8	13.2
Television†					
Less than $250,000	-12.9	-15.3	- 0.6	+ 3.2	- 4.7
$250,000 to 499,999	1.9	11.1	5.1	5.9	5.7
$500,000 to 999,999	19.4	8.1	2.1	12.8	15.5
$1,000,000 to 1,499,999	8.4	17.5	10.6	17.3	13.3
$1,500,000 and over	16.9	22.4	22.7	19.5	23.8
All Stations	14.1	19.1	19.5	18.3	21.4
Combined Radio and Television‡	13.4	17.0		14.4	11.2
All Stations	18.9	20.4	16.1	12.0	8.1

* Privately owned radio stations operated by companies which do not operate television stations.
† Privately owned television stations operated by companies which do not operate radio stations.
‡ Privately owned radio and television stations which are operated jointly by the same company (and which therefore have consolidated balance sheets for the radio and television operations).
SOURCE: Calculated from preceding tables.

Part of the year-to-year instability in the profit rates as presented in these tables is accounted for by the high degree of variability in profit rates between individual stations. Some stations shift categories from one year to the next, giving the impression of a greater degree of annual overall variation than actually exists.

The data in this table indicate a very strong relationship between size and profitability. In most years, the largest revenue groups have the highest rates of profit, regardless of which profit measure is used.

It should also be recognized that the largest revenue groups account for a low proportion of the stations and a high proportion of the net operating revenues for the industry as a whole. For instance, in 1968, of the total of 221 radio stations operating independently of television stations, only twenty-two stations or 8.4 per cent of the total, had gross revenues of $1,000,000 or more. Nevertheless, these twenty-two stations accounted for slightly over 68 per cent of the total net operating revenue for all such stations.

Similarly, in 1968, out of a total of 29 television stations operating independently of radio stations, 8 stations, or 27.6 per cent of the total, had gross revenues of $1,500,000 or more. These 8 stations accounted for 92 per cent of the total net operating revenue for all such stations.

Two reasons may be advanced for the greater profitability of larger stations. First, such stations are generally located in larger urban centres, where there is a much greater absolute demand for advertising than in smaller centres. Second, the larger audiences in the larger urban centres permit stations to maintain high advertising rates while still offering advertisers a relatively low rate when rates are converted to a per viewer or listener basis. As a consequence, advertising rates which would be so high as to discourage advertising on small stations have no corresponding effect on large stations. Costs may not increase as rapidly as it is possible to increase rates with progressively larger size operations, with the result that profits are generally higher for larger size operations.

The data indicate that broadcasting operations are generally more profitable than manufacturing companies taken as a group. The before tax rates of return on equity for manufacturing industries in 1965 and 1966 were 18.9 per cent and 16.9 per cent respectively, and the before tax rates of return on assets were 10.9 per cent and 10.0 per cent.[1]

The trend in profitability for combined radio and television broadcasters has been generally downward since 1966. The decline is particularly noticeable in 1968. However, companies submitting returns to D.B.S. for 1968 were required to adjust

[1] D.B.S., Corporation Financial Returns.

their fiscal year, for reporting purposes, to end on August 31. These figures were adjusted by D.B.S. to account for a twelve month period. As may be seen in Appendix E, the 1968 data are not in line with 1967 and 1969 information. While this may be due to inaccuracy caused by adjustment, there were other factors in 1968 which may have affected cash flow:

(a) a decline in the rate of growth of total advertising expenditures in broadcasting in 1968,

(b) stations forming part of combined radio-television operations are generally located in smaller urban centres where the downward trend in advertising revenues in 1968 was most apparent.

It is interesting to note that the revenue of radio stations in Canada increased by 21.7 per cent from 1967 to 1969 while expenses increased by 21.1 per cent. In 1969 profit ($14.7 million) as a per cent of revenue ($108.1 million) was 13.6 per cent as compared to 13.1 per cent in 1967. In the same period, television revenue rose by 12.0 per cent while expenses grew only 6.7 per cent. In 1969 profit ($21.9 million) as a percent of revenue ($106.6 million) was 20.6 per cent as compared to 16.7 per cent in 1967.

THE COST-PRICE SQUEEZE

No financial analysis is complete without a detailed examination of the trends of all costs in relation to the trend in revenues.

"Cost-price squeeze" occurs when input prices rise at a faster rate than the owners of capital are able to increase the price of their product. Turning this idea around we get the so-called "profit-squeeze" in which the rate of profit declines as the rate of increase in costs exceeds the rate of increase in the price of the final product. There is an inherent weakness in any attempt to measure this "squeeze" because the quality of inputs and the input mix itself, does change over time; in a sense we are not measuring exactly the same input at every point in time.

TELEVISION BROADCASTING INDUSTRY

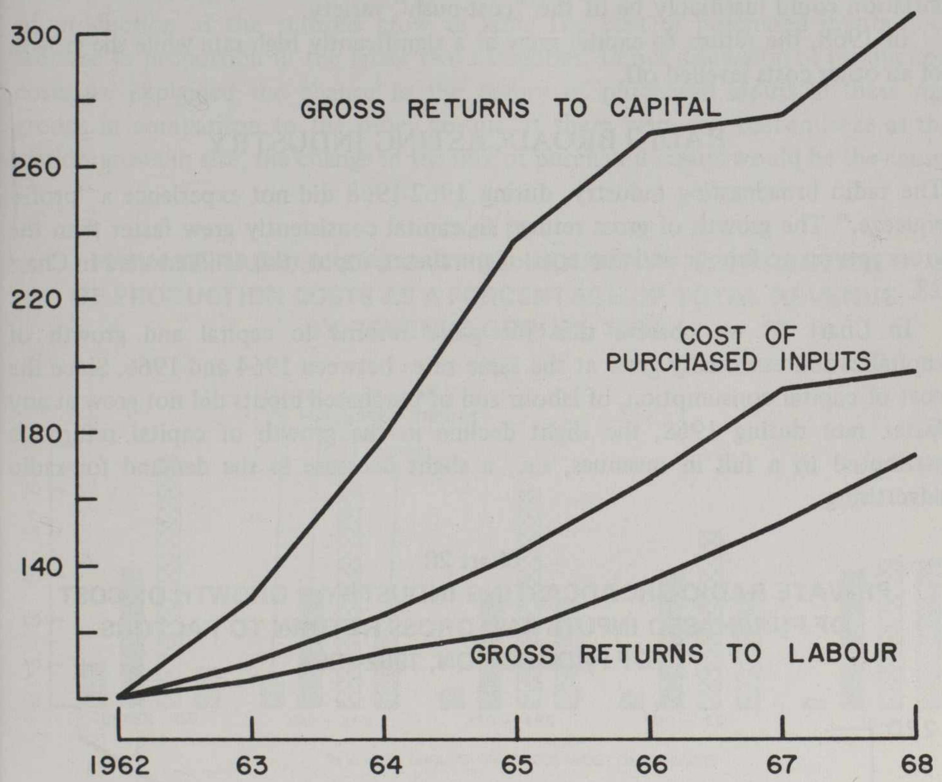
In Chart 26 we have outlined the growth pattern of all costs in the industry; labour, capital, and purchased inputs.

The return to capital increased significantly between 1962-68, by approximately 303 per cent. Increases in wages and salaries and the cost of purchased inputs during the same period were 63 per cent and 97 per cent respectively. (See Chart 27.)

From 1963 to 1966, the rate of growth of gross returns to capital exceeded the rates of changes in the cost of purchased inputs and in the cost of labour (gross returns to labour).

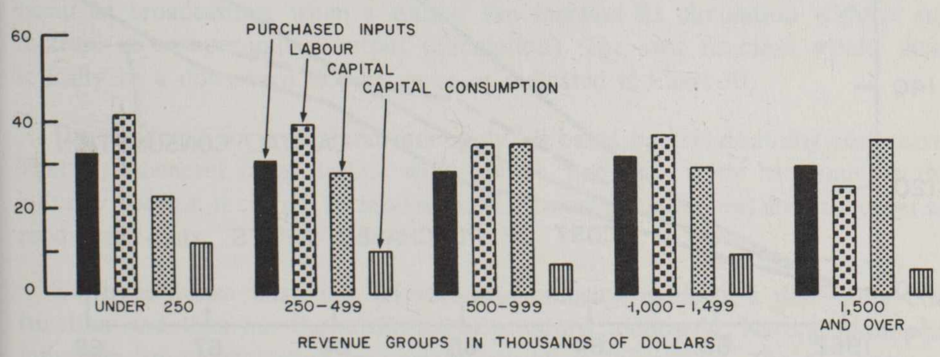
This is illustrated in the chart by the widening of the gaps between the "gross returns to capital" curve and all other curves, over time. In this same period the rate of growth in depreciation allowances was less than the rate of growth of gross returns to capital; thus, we can conclude that during the period 1963-66 the television industry did not experience a "profit-squeeze," but rather, a growth in the rate of profits.

Chart 26
PRIVATE TELEVISION BROADCASTING INDUSTRY – GROWTH OF RETURNS TO FACTORS OF PRODUCTION, 1962-1968.



SOURCE: D.B.S., 56-204.

Chart 27
PRIVATE TELEVISION BROADCASTING INDUSTRY – DISTRIBUTION OF PRODUCTION COSTS AS A PERCENTAGE OF TOTAL REVENUE, BY REVENUE GROUPS, 1968.



SOURCE: D.B.S., 56-204.

The year 1967 was a year of profit-squeeze as the cost of purchased inputs, of wages and salaries, and of capital all grew at faster rates than did the return to capital. If any inflation in the advertising rates structure occurred during 1967, the inflation could justifiably be of the "cost-push" variety.

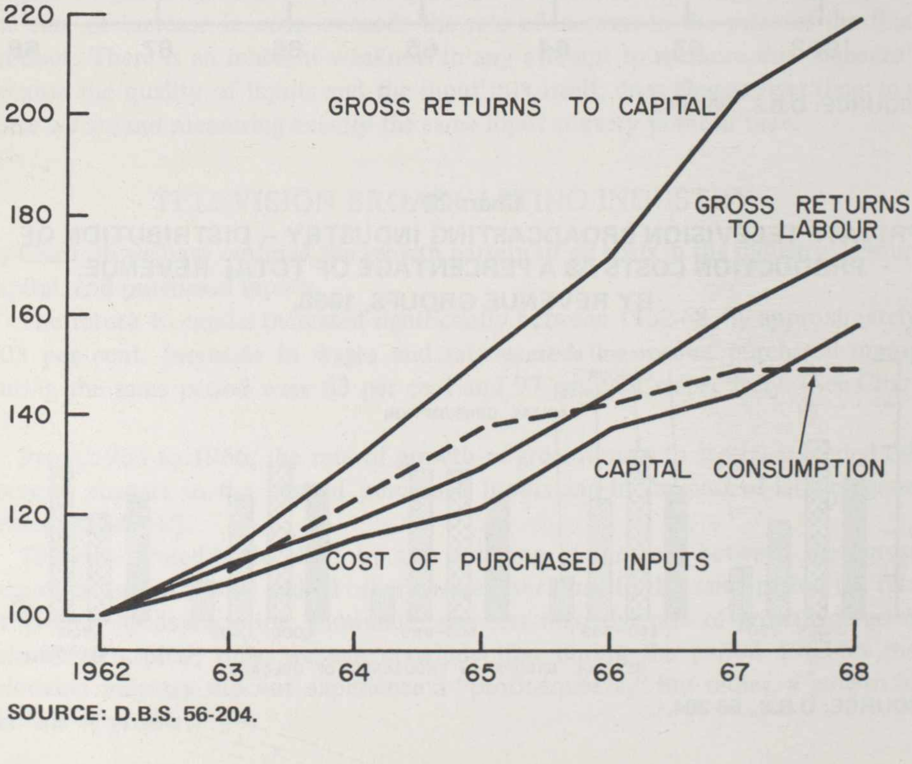
In 1968, the return to capital grew at a significantly high rate while the growth of all other costs levelled off.

RADIO BROADCASTING INDUSTRY

The radio broadcasting industry, during 1962-1968 did not experience a "profit-squeeze." The growth of gross returns to capital consistently grew faster than the gross returns to labour and the cost of purchased input; this is illustrated in Chart 28.

In Chart 28 we observe that the gross returns to capital and growth of capitalization essentially grew at the same rates between 1964 and 1966. Since the cost of capital consumption, of labour and of purchased inputs did not grow at any faster rate during 1968, the slight decline in the growth of capital returns is attributed to a fall in revenues, i.e., a slight decrease in the demand for radio advertising.

Chart 28
PRIVATE RADIO BROADCASTING INDUSTRY – GROWTH OF COST OF PURCHASED INPUTS AND GROSS RETURN TO FACTORS OF PRODUCTION, 1962-1968.

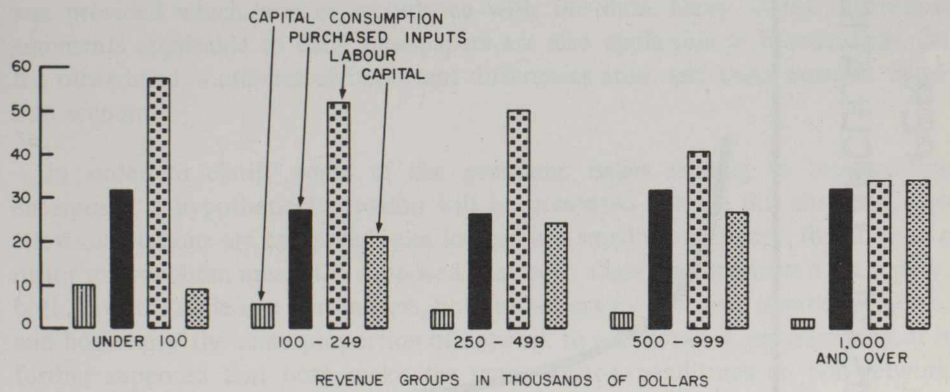


SOURCE: D.B.S. 56-204.

Chart 29 illustrates the distribution of production costs by size of station.

The cost of labour and the cost of capital decrease in proportion to the size of the station, indicating that there is no possible "cost-squeeze" from these two factors of production as the stations grow in size. The cost of purchased inputs does increase in proportion in the latter two categories. In our discussion of production costs we explained the change in the nature of purchased inputs in these size groups in comparison to the other groups. If there were any cost-squeeze as the station grows in size, the change in the mix of purchased inputs would be the cause.

Chart 29
PRIVATE RADIO BROADCASTING INDUSTRY – DISTRIBUTION OF PRODUCTION COSTS AS A PERCENTAGE OF TOTAL REVENUE, BY REVENUE GROUPS, 1968.



SOURCE: D.B.S., 56-204.

COST ECONOMIES AND THE PROBLEM OF MARKET INSTABILITY

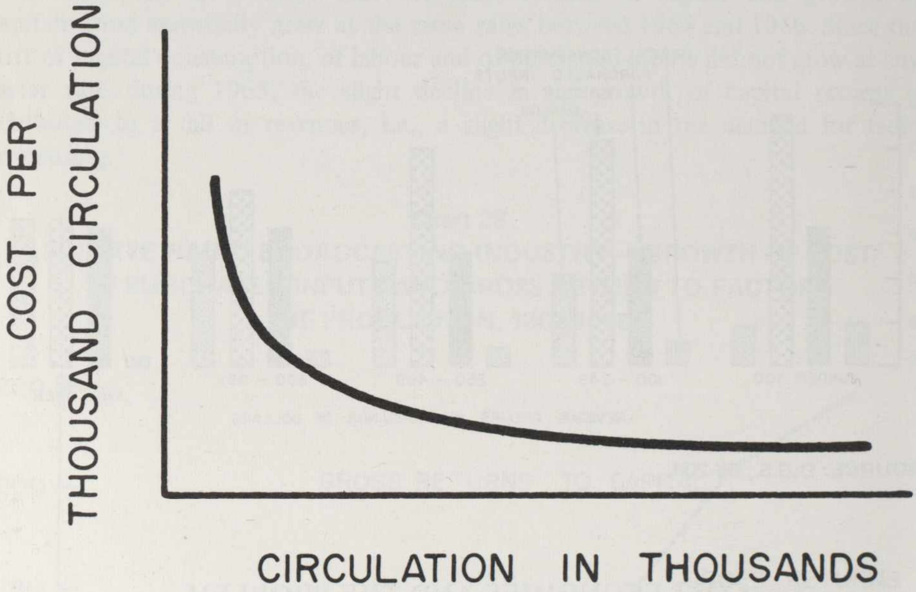
As we noted in connection with newspapers economies of large-scale production occur in broadcasting, when a station can increase its circulation without any increase in cost-per-unit-of-output (circulation). The cost function would theoretically be a downward sloping curve as indicated in Chart 30.

The argument for a "natural monopoly" is based on this declining cost curve. That is, whenever costs decline with output, one firm tends to dominate the industry because it can sell its product at the lowest price-per-unit and still cover all production costs.

We hypothesize that the broadcasting industry exhibits a decreasing cost function and thus has the attributes of a natural monopoly. Natural monopoly industries are characterized by unstable shares of the market. The instability of market shares exists as long as one or more of the firms in the industry compete for the existing market. Competition for a greater share of the existing market is explained by the fact that as each firm increases its output, the costs-per-unit fall. As one firm is increasing its share of the market, its competitor's share is decreasing. Thus the larger firm's competitive position improves on two accounts: its cost-per-unit-of-output falls as it expands, and the competitor's cost-per-unit increases as its share of the market decreases. As a result, the larger firms tend to drive the smaller firms out of the market.

Chart 30

RADIO AND TELEVISION – THE COST FUNCTION.



The broadcasting industries differ somewhat from the true "natural monopoly" industry. In the main, each broadcasting station operates within a restricted market. The industry cost curve indicates that the optimal market for any station would be all of Canada. However, each station is confined to a specific market. When a station is established, its frequency, in the case of radio, or channel in the case of television, and its area of broadcasting are well established. In fact, the C.R.T.C. will not issue broadcasting licenses if it deems that the particular market will not support an additional station. All these regulating restrictions explicitly confine each broadcasting station to a specific market.

Therefore, in hypothesizing that the broadcasting industry is a "natural monopoly," we are explicitly referring to a local "natural monopoly," however one wishes to define the size of the local market.

In large metropolitan areas, the community is so diverse that, given the large revenue base, the adjustment towards a monopoly is slow or perhaps non-existent. The diversity in the listening greatly accounts for the stability of these markets. For example, with the CBC, CTV and independent CHCH (Hamilton) sharing the Toronto market, the individual has the choice of different types of programming, especially between CBC and CTV.

COST ECONOMIES, CONCENTRATION AND MONOPOLY PROFITS

In the study of daily newspapers, found in the first section of this report, significant cost economies were found to be associated with increasing circulation size. The evidence for this was largely empirical, although theoretical framework was provided which was in accordance with the data. Many of the theoretical arguments applicable to daily newspapers are also applicable to broadcasters. On the other hand, a number of important differences arise, and these must be taken into account.

In order to clarify some of the economic issues relating to broadcasting enterprises, a hypothetical situation will be presented first. In this situation, two television stations are compared, one located in a small urban centre, the other in a major metropolitan area. It is supposed that both these stations have a monopoly, both have the same size transmitters, both broadcast for the same number of hours, and both carry the same proportion of network to non-network programming. It is further supposed that both make the same dollar-expenditures on non-network programming, and both carry the same number of advertising minutes per hour.

The point of making these many assumptions is to create a hypothetical situation in which two stations are as alike as possible in all respects except audience size. As a result, it is possible to assume that both would require the same amount of gross income to meet all costs and to earn an acceptable or normal rate of profit.

However, suppose that one station had a listening audience of 500,000, and the other a listening audience of 100,000. Under the above assumptions, if both stations were to meet all costs and earn the same profit, their rates per minute for advertising would have to be exactly the same. Let us arbitrarily assume that this rate is $200 per minute.

The advertising rate per thousand viewers in the case of the larger station would be forty cents, while in the case of the smaller station it would be two dollars. As a consequence, advertisers would have to pay five times as much per potential customer on the smaller station as on the larger station.

As a corollary to this, broadcaster expenditures per viewer would also be significantly lower for the larger station than for the smaller station. This suggests that the potential exists for achieving considerable cost economies in broadcasting through expanded audience size.

Now suppose that two stations broadcast within the same geographical area, and as a result, compete for the same viewing audience and for the same advertising dollars. If one station gains this type of advantage over another in terms of viewer preferences, and is able to do so without undertaking expenditures greatly in excess of its competitor, it will have a competitive edge in attracting advertiser dollars due to its lower advertising cost per viewer. Advertisers would be expected to prefer the lower cost medium, thus shifting revenue away from the smaller station and toward the larger station. It might be expected that, in this way, larger stations would generally have such an advantage over smaller competitors as to make it impossible for the latter to remain competitive.

A number of factors tend to retard this type of adjustment, particularly at points with a large viewing audience which is confined within a relatively small geographical area. First, regulations exist which limit the amount of time which may be used for advertising. In a large market, a single station would not be able to command all of the available advertising revenue, no matter how attractive it might be able to make its rates. A "spillover" of advertising would take place, providing a source of revenue to a competing station.

Second, it is not generally possible for a station to gain a large advantage in viewing audience without expenditures on programming and promotion substantially greater than its competitor. As a consequence, any improvement in the advertising rate per viewer which might be achieved through larger numbers of viewers could be offset by increases in the advertising rate per minute necessitated by the larger expenditures.

Third, advertisers are not attracted, in a completely indiscriminate manner, to stations with the lowest rate-per-viewer. Many advertisers are interested in a select sector of the community, and the important consideration to these advertisers is the cost of reaching these particular members of the audience. For instance, a station with a very large total audience may have a much smaller number of teenage viewers or listeners than a competitor with a much smaller total audience. As a consequence, advertisers wishing to reach the teenage market might actually find it more economical to use the broadcasters with the smaller total audience.

The limitation on the amount of advertising on a station would appear to be most important in the television sector, where, in most large centres, advertising dollars have generally been sufficient to maintain more than one station operative. In addition, with a strong demand for advertising time, and with the largest and most popular station able to provide only a limited number of minutes per day to advertisers, there is an incentive for such a station to maintain its advertising rate per viewer at a relatively high level, even though the large size reduces operating costs per viewer. The reason for this is simply that any reduction in the rate would decrease the station's revenue, since there is no room to accept extra advertising time which might be induced to come forward as a result of the rate reduction. As a direct consequence, it is possible for relatively large stations to generate profits significantly in excess of rates generally prevailing in other parts of the economy.

This explains the relatively high profit rates found to prevail among the large television stations in Canada.

Table 125 indicates prime-time rates per 60 second spot. These rates are calculated on the basis of the charge per thousand viewers for selected Canadian television stations. Rates per thousand do tend to decline as circulation size increases, although there is considerable variation depending upon the station. This indicates that a part, at least, of the economies from larger circulation are passed on to advertisers through lower rates per thousand. However, it can also be seen that, for example, CFTO (Toronto) has utilized its larger circulation size to maintain its per sixty second rate 25 per cent higher than its competitor, CHCH (Hamilton), thus creating a rate per thousand only slightly below that of CHCH. CFTO is, no doubt, able to set its rate at this level because its available time for advertising is fully utilized, and a lower rate per thousand would be of no benefit to it.

Table 125. Rate per Thousand for Selected television stations, 1968

Station	Daily Circulation* Night-time	Rate per 60 Seconds	Rate per Thousand
		Dollars	Dollars
CFTO (Toronto)	1,222,200	500	.41
CHCH (Hamilton)	819,800	425	.52
CHAN (Vancouver)	375,900	265	.70
CJAY (Winnipeg)	325,000	270	.83
CFRN (Edmonton)	385,700	280	.73
CFCN (Calgary)	314,300	225	.72
CHSJ (Saint John)	296,200	170	.57
CFQC (Saskatoon)	188,400	150	.80
CKRS (Jonquière)	151,800	85	.56
CJCB (Sydney)	160,600	150	.93
CKVR (Barrie)	219,200	140	.64
CKOS (Yorkton)	185,300	125	.68
CHEK (Victoria)	101,000	120	1.19
CKNX (Wingham)	109,400	90	.82
CKWS (Kingston)	139,600	95	.68
CHAU (Carleton)	122,500	60	.49
CKBL (Matane)	104,700	70	.67
CFCY (Charlottetown)	96,400	60	.62
CKRT (Riv. du Loup)	82,700	50	.60
CHEX (Peterborough)	119,800	95	.79
CKRD (Red Deer)	56,800	85	1.50
CFCH (North Bay)	60,400	70	1.16

*Total number of viewers above two years of age.
SOURCE: Canadian Advertising Rates and Data, December 1969. BBM Circulation Report, Oct. 27 to Nov. 9, 1969.

Radio broadcasting in Canada is characterized by a large number of stations offering a diverse content and by a large number of competitive situations. This can be attributed to the success which radio broadcasters have had in devising programming that appeals to a select portion of the total audience technically in reach of any given station. As a consequence, many small stations are successfully competing against larger stations with lower rates per thousand simply by being able to guarantee delivery of advertising messages to the select clientele served by the smaller stations.

CONCLUSIONS

Profitability of broadcasting in Canada is, as a general rule, a direct function of size: the larger the station, the higher the rates of profitability, whichever profit measure is used.

In 1968, for example, of the total of 221 radio stations operating independently of television stations, only twenty-two radio stations, or 8.4 per cent of the total, had gross revenues of $1,000,000 or more. But these twenty-two stations accounted for just over 68 per cent of the total net operating revenue for all such stations.

The size-profitability relationship is even more striking in television. In 1968, out of a total of twenty-nine television stations operating independently of radio stations, eight stations, or 27.6 per cent of the total, had gross revenues of $1.5 million or more. These eight stations accounted for 92 per cent total net operating revenue of the twenty-nine stations in the group.

Profitability in both radio and television broadcasting showed wide fluctuation in the years studied. This is accounted for primarily by the high degree of variability in profit rates among individual stations.

Levels of profitability vary significantly depending on the nature of the broadcast organization. For example, general profit trends for combined radio and television operations were downward in the period 1964-1968. For television operations alone, there is no consistent trend and profitability varies widely among individual stations. For radio stations operating independently of television stations, profitability showed a relatively stable upward trend over the period.

The evident trend toward local monopolies found in the daily newspaper industry is not so apparent in broadcasting. This is due primarily to the fact that time available for advertising in television and radio is limited by regulation, and to the fact that relatively small radio and television stations can compete with large operations in the major metropolitan areas by developing programming that appeals to selective audiences, thus enabling the smaller stations to attract advertising that might otherwise go to the larger broadcast outlets with lower viewer rates per thousand.

Section Four : CABLE TELEVISION

Chapter 1:

THE CABLE REVOLUTION

INTRODUCTION

Canadian cable television had its beginning in London, Ontario in 1952. For a number of years it grew only slowly and fitfully. But it is now showing distinct signs of growing into a lusty giant that is likely to revolutionize the broadcasting industry and many other facets of our life.

It was not until 1967 that the Dominion Bureau of Statistics considered cable television of sufficient importance to measure its dimensions. It reported 314 systems operating in Canada that year with 408,853 individual subscribers and 107,631 other outlets, such as apartment buildings making a total of 516,484.

In a speech to the Canadian Cable Television Association in Quebec City on May 14, 1969, Pierre Juneau, the Chairman of the C.R.T.C., calculated the industry was growing at the rate of 25 per cent a year. Today, there are over 400 systems operating in Canada. The best available estimate is that some 900,000 household units have cable television; this represents about 17 per cent of all homes with television in Canada. There are, in fact, indications that the number of Canadians viewing television by cable is increasing more swiftly than the 25 per cent annual rate foreseen by the C.R.T.C. chairman. A CBC study of the March, 1969, audience analysis by the Bureau of Broadcast Measurement concluded that an estimated 3.1 million people watched some television via cable in an average week during that month. This amounted to around 15.3 per cent of the total Canadian population two years of age and over, and about 15.9 per cent of those who watched television during the week. "This 3.1 million represents about a 59 per cent increase over the number of people using cable TV in an average week 16 months earlier, in November, 1967. That is, over these sixteen months, the extent of usage of cable TV facilities has grown at an average rate of between 3½ per cent and 4 per cent per month nationally."[1] On that basis, it appears that cable has been growing over the past several months at an annual rate of as much as 48 per cent.

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[1] The results of this study by the CBC research department, kindly made available by the corporation, are reproduced in full at the end of this section because they provide the most comprehensive and detailed picture of the extent of cable television development in Canada ever portrayed publicly.

In relative terms, the growth of cable television in Canada has out-paced that in the United States. The *Television Factbook* estimates that at the beginning of 1969 there were 3.6 million subscribers to cable systems in the United States, which represents only 6.29 per cent of the number of homes with television. The largest Canadian cable television system, that in Vancouver, has some 85,000 subscribers and is more than twice the size of the biggest system south of the border.

At the outset, cable systems were established to provide reception of television signals in areas where little or no off-the-air reception was available by ordinary household antennas. The greatest impetus for the swift spread of cable systems today has come from a desire to obtain better-quality reception, particularly in the case of colour, for signals that may be distorted by off-the-air pickup because of distance or of interference caused by high-rise buildings, or both.

To many in television broadcasting, this swiftly spreading web of coaxial cable through the country has become a matter of mounting concern. In its first annual report, the C.R.T.C. described it as the single most complex area of its concern. In the growing years of its own new technology, television broadcasting caused grave concern throughout the newspaper and radio industries because of its hold on audience attention and its concomitant ability to attract advertising dollars. Now, ironically, television owners find themselves confronted by a still newer technology, making use of their own programming product, that threatens to splinter the mass audiences from which their revenues are derived.

There are, undoubtedly, many reasons for the much swifter growth of cable television in Canada than in the United States. Probably the most important is the limited or non-existent choice of programmes from Canadian television stations and the desire on the part of many Canadian viewers to obtain good quality reception of popular American television stations. By contrast, viewers in most larger American centres have a multiple choice of programmes that can be received clearly without cable.

The approach of government authorities to cable television has also differed markedly in the two countries, which in turn has had a bearing on the rate of growth on both sides of the border. In Canada, cable television has been allowed to develop almost willy-nilly. Until the new Broadcasting Act came into effect and transferred the authority to the Canadian Radio-Television Commission, cable systems were licensed by the Department of Transport, usually on the advice of the B.B.G. While the B.B.G. occasionally recommended the rejection of certain applications for fear of the impact they would have on existing television stations or in the development of new ones, neither D.O.T. nor B.B.G. appeared to have had much awareness of the economics of cable systems as such, nor much knowledge based on fact of the impact of cable on existing television stations.

In the United States, the Federal Communications Commission generally has been far more apprehensive about the impact of cable television and far more restrictive in the policies established. For example, the F.C.C. has not only required cable systems to carry the signals of local stations on request, but also on request to avoid duplicating programmes to be carried the same day by a local broadcaster. Cable systems are prohibited from bringing distant stations into the primary broadcast area (within the grade A contour) of a local television station in any of the 100 largest markets in the United States. The only exception is if a cable system can demonstrate that such a course "will be consistent with the public interest and, particularly, with the establishment and healthy maintenance of television – especially UHF – broadcast service in the area."[2]

In December, 1968, the F.C.C. proposed a new rule under which cable systems located in the top 100 markets would be permitted to import distant signals only with the permission of the originating station. The commission also raised for consideration a proposal that cable systems be required to originate programming and asked for views on the regulation that should apply to commercials, political broadcasts, and fairness.

As Mr. Juneau told the Canadian Cable Television Association in his address, cable systems were regulated in the past by the Department of Transport "largely on the basis of technical aspects." Under the Broadcast Act, he pointed out, "CATV becomes a part of the Canadian broadcasting system and decisions, policies and regulations which concern it must take into account the effects they may have on other aspects of the system."

As the chairman noted, the commission has had little in the way of precedent established in other countries to go by, since Canada is a pioneer in the development of cable systems. While the commission has been rapidly assembling much background information on the nature of cable and its impact on the country generally, and broadcasting in particular, its approach must inevitably be inhibited by the tremendous growth that has already taken place.

At its hearing in Vancouver in October, 1969, the C.R.T.C. considered the general policy it had inherited from the Department of Transport of prohibiting more than one microwave relay hop from the head-end receiver to connect with the cable system itself, an issue that will be discussed at greater length later. During the course of this hearing, the commissioners indicated some considerable concern about the economic impact of cable systems on television broadcasters and about its effect in bringing a still greater infusion of American programmes into the country.

A question that arises at the outset is whether the commission's concern is rather belated. In its report of 1965, the Fowler Committee estimated that some 54 per cent of Canadian television homes could receive broadcasts directly from American television stations. In his testimony before the October, 1969, hearing of the C.R.T.C., Hon. Raymond Reierson, Alberta's Minister of Telephones, contended that some 80 per cent of the Canadian people were within reach of American television signals. A more conservative and more widely accepted estimate is approximately 68 per cent.

Some authorities within the broadcasting industry estimate that approximately 60 per cent of the Canadian population may receive American television broadcasts off-the-air and perhaps as many as an additional 5 per cent by cable, making a total of only 65 per cent. Much of the present development of cable television is taking place in areas where there is already substantial access to American stations through

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[2] Testimony of Rosel H. Hyde, then Chairman of the F.C.C., to Sub-Committee on Communications of the Senate Committee on Commerce, March 4, 1969, page 47.

off-the-air reception, Toronto being a prime example. By making available additional American channels or offering improved reception of those already received off-the-air, cable television may well increase the amount of Canadian viewing of American stations.

This increase in the proportion of Canadian audiences with direct access to American television is the result of a number of factors, including the increased concentration of audiences in cities close to the border, improved off-the-air reception, and cable television. Even if the further spread of cable television is limited by continuing restrictions on the use of microwave to relay signals of distant American stations, the extent of viewing of American stations is certain to increase as more and more Canadians become subscribers of the hundreds of cable systems already licensed by the C.R.T.C. (It might be noted that these new or renewed licences have been issued during a period when the commission has still been searching for an understanding of the economics of cable systems and of their economic impact – actual or potential – on television stations.)

The Dominion Bureau of Statistics has estimated that 3.6 million potential subscribers reside in areas already licensed for cable television operation in 1967; this represents 75 per cent of the actual number of television homes in Canada that year.

AUTHORITY OF THE C.R.T.C. OVER CABLE TELEVISION

For a number of years, the federal government has assumed some authority to regulate community antenna television systems. Until 1968, this regulation was undertaken by the Department of Transport. As Mr. Juneau has suggested, the Department was primarily concerned with technical matters, but its decisions also at times took into account such issues as the economic impact of a cable system on television broadcasting. The limitation on the use of microwave relays clearly reflected a government policy aimed primarily at restricting the influx of American television broadcasting via cable television in areas not located close to American stations.

The Broadcasting Act, which handed over regulatory authority to the C.R.T.C., defined cable systems as broadcasting undertakings and makes it clear that they should be controlled as an integral part of the whole broadcast system in Canada.

On the strength of that authority, the C.R.T.C. has assumed a right to regulate two distinct and separate aspects of cable operation. In an announcement on May 13, 1969, the Commission laid down a number of rules governing the role of cable systems as a relayer of broadcasts by television stations. This included the priority to be given to the stations that were to be carried, the availability of community antenna service throughout the franchise area and a prohibition against the formation of cable television networks.

In addition to picking up the signals of television stations from the airwaves and relaying them to television receivers by coaxial cable, cable systems also have a capacity to originate their own programming, which is transmitted solely by cable. In its May announcement, the C.R.T.C. presumed a right to regulate this function as well. The Commission not only indicated the type of programming that it favoured, and, in fact, encouraged, but further declared that it would not permit cable systems to carry commercials during such programming except under special circumstances or for experimental purposes.

The Commission also laid down a condition that the rate structure stipulated in the licence could be changed only with approval of the regulatory authority. This provision affects both functions of a cable system, more particularly since the Commission's prohibition of commercials during programming originated by a cable company largely restricts its revenue to the monthly rental charges.

Past declarations by senior federal officials appear to raise a possibility that the Commission's attempt to exercise jurisdiction over the programming operation of a cable system may be subject to challenge in the courts. The issue was discussed at some length on November 21, 1967, before the Standing Committee of the House of Commons on Broadcasting, Films, and Assistance to the Arts by J.R. Baldwin, then Deputy Minister of Transport, F.C. Nixon, Director of the Department's Telecommunication and Electronics Branch and Fred Gibson, Senior Advisory Counsel of the Department of Justice. All of the officials acknowledged that the federal government lacked authority, at least under any existing or proposed legislation to regulate closed circuit television programming undertaken entirely by wire and making no use of any over-the-air broadcast facility at any point. Mr. Nixon, in fact, went so far as to suggest that neither the Radio Act nor the Broadcasting Act would give the federal government authority to regulate the transmission entirely by wire of an American television station's signal to Canadian outlets. "If it is a cable operation throughout, I do not believe it would be subject to any legislation now or any that is proposed at this time," Mr. Nixon conceded.

The specific question of the federal government's right to regulate the programming originated by cable companies was raised during this hearing, but elicited no clear answer:

> The undertaking as a whole would be subject to licence. I presume that the Canadian Radio Commission, in licensing it, would attach certain conditions to its licence. It is not inconceivable that those conditions could affect the terms on which it entered into direct cable transmissions to supplement its broadcasting receiving function.

Subsequently, however, a member of the committee suggested that it might be strongly argued that the regulatory authority lacked any jurisdiction over the direct programming of cable systems. Mr. Gibson's reply did nothing to diminish this possibility:

> Yes, Sir, it could be argued; but I believe it would have to be argued on the specific terminology of any condition that the C.R.C. proposed to improve on a CATV system. The C.R.C.'s jurisdiction is limited of course by the terms of the Bill – referring to clause 17 (1) (a) (i) on page 8 of the new Bill – and to the extent that any condition is appropriate for the implementation of the broadcasting policy enunciated in section 2, it would be my view that it was within the powers of the Commission to provide such a condition. On the other hand, if a condition was clearly aimed not at implementing broadcasting policy but at some other element of the undertaking's activity which is unrelated to its broadcasting receiving activity, then in my view there would be a good chance that that condition would be invalid.

The government's White Paper on Broadcasting itself noted (on page 14) that

> study is being given to special problems of jurisdiction involved in the regulation of closed-circuit television operations and the reception of transmissions from antennae in the United States fed through a coaxial cable or microwave system to Canadian communities for local distribution over cable networks.

While these problems of jursidiction remain, the C.R.T.C. has, in effect, assumed the right to regulate the closed-circuit operations of a cable system by virtue of its unchallenged power to regulate their quite separate function as a community antenna system.

Should the former exercise of power by the Commission ever be successfully challenged in the courts, it could conceivably mean the loss of regulatory control not only over programming but also over commercials that might be carried on a closed-circuit basis. By the same token, the prohibition of the C.R.T.C. against cable systems forming networks might also be wiped out, at least so far as closed-circuit programming carried over a group of cable systems.

Chapter 2:

THE ECONOMICS OF CABLE TELEVISION

INTRODUCTION

In a public announcement on July 10, 1969, touching on some of the considerations it took into account in licensing community antenna television systems, the C.R.T.C. observed that following the public hearings, begun in September the previous year, the importance of cable television became more apparent: "Many persons or companies with the resources to provide a service became actively interested." This massive upsurge in interest in cable television is related in a direct way, as the Commission seemed to imply, to the disclosure that came out of hearing of the very large profit potential offered by the cable-television business. While the outlook for future profits from cable television may, in fact, be considerably less bright today because of the thrust of C.R.T.C. policy, the scramble to enter the field has not diminished. On the Commission's schedule for hearings in Ottawa beginning November 25, 1969, there were ten different applications for cable television licences in Sudbury and district alone.

This section of our report seeks only to indicate in a general way some of the economic dimensions of the cable television industry. There are, of course, wide variations between systems, depending on a number of factors affecting costs and revenues; the size and density of the market; the extent to which a multiple choice of programming is available off-the-air in any given area; the nature of the terrain and the proximity of stations whose signal is to be relayed over the cable system and the related cost of the head-end antenna; the distance the signal must be carried from the head-end antenna to the market area; the cost of installing or leasing the main trunk cable, distribution cables to serve each area and the cables running to the television sets in each household, together with all the associated electronic equipment. The amount of time any system has been in operation and the extent to which it has been able to take advantage of its market potential are equally vital elements in the whole economic picture.

The 1967 examination of the cable industry by D.B.S. only partially revealed its earnings potential. The Bureau estimated that there were 406 licensed systems in that year, of which 314 were in operation. Operating revenues amounted to $22,114,690, and operating expenditures came to $20,463,027 – leaving a net operating profit of $1,651,663. After including other revenues and expenses, the net income before tax amounted to $1,605,061. An apparently exceptionally high income tax payment, not explained by D.B.S., of $1,131,380 reduced net income to $473,681.

On the face of it, this net return appears far from high. It represents only 2.14 per cent of operating revenue, 1.38 per cent of fixed assets and 0.87 per cent of total assets. That return amounts to 3.81 per cent of invested equity in the form of common and preferred stocks.

Despite this apparently low return, the industry added $1,292,669 to its surplus, offset by a deduction of $33,545 during the period, representing funds acquired from such items as profit on the sales of capital assets, adjustments for prior years' income tax, depreciation, connection costs, the writing off of goodwill, incorporation expenses, etc. On balance, the industry succeeded in adding $977,417 to its surplus during the year, despite the fact that dividend payments exceeded after-tax income by $311,707.

Of the 314 systems in operation during 1967, 231 were relatively small, with operating revenue of less than $100,000 and a total loss of more than $350,000. Cable systems with operating revenues of more than $100,000 made some profit as a group. A total of 19 systems with operating revenues exceeding $400,000, which implies a system of at least some 6,000 subscribers, had an average operating profit of $81,283, which represented an average profit on operating revenues of 15.7 per cent.

If the D.B.S. report did not paint an overly bright earnings picture for 1967, it pointed to the possibility of substantially greater returns in the future. The bureau calculated that the number of individual subscribers and the number of outlets under commercial and bulk contracts came to around 515,000 that year. But it estimated that the number of potential subscribers in areas already wired with cable amounted to 1.2 million while there was a total of 3.6 million potential subscribers in the franchise area the companies were licensed to serve.

A brief preliminary report by D.B.S. on the financial results of the industry for 1968 – issued November 10, 1969 – appeared to confirm the high profit potential hinted at in the survey of the previous year. The bureau estimated total operating revenue in the industry rose by 41.5 per cent in 1968 to a total of $31.3 million, an increase of $9.2 million.

Operating expenses rose by only $5.9 million to a total of $24.4 million. The result was that operating profits climbed to $4.9 million, an increase of $3.2 million over 1967.

In 1967, the Advertising Research Foundation estimated as a result of a study reported in the 1968 annual issue of *Broadcasting Magazine* that "virtually all CATV systems earn a high rate of return on invested capital." As of 1966, only four out of a total of 1,600 systems were known to have failed, the study added.

A similar picture was painted in the Canadian Telephone and Cable Television Journal by David R. Graham and James D. Meekison, two Canadians who have been actively involved in the financing of major Canadian cable television systems following extensive experience in the United States. "The average system has a 'pay-back' period of six to eight years" they wrote. "That is, after this time period, the system has generated sufficient cash after paying all expenditures to pay back to the original investors all of their advances and equity investment."[3] The authors appeared to confirm the impression of the C.R.T.C. announcement in July 1969, that until recently there was relatively little appreciation among Canadian financial interests of the profit potential offered by cable television.

> Currently, a significant number of Canada's cable TV systems are controlled and financed directly or indirectly by foreign corporations. Such financing has played a useful and important role in the development of cable TV in Canada. It was only a very few years ago that the financing of a system by an independent operator was a monumental task. With a number of exceptions, the industry's pioneers soon became frustrated in their attempts to raise capital in Canada – even the large Canadian broadcasting groups had shown little interest in cable TV at that time. The best alternative source of money was from the large American corporations who were willing to invest in Canada in an industry that was growing at an enormous rate in the United States.

Because many of the assets of a cable system are leased, operators lacked sufficiently large collateral to put up as security against necessary loans. Underwriters were equally reluctant to raise capital through the market because of their lack of understanding of a cable system's investment potential. The authors suggested that because of the new regulation restricting foreign ownership, American corporations would no longer be a source of capital for cable development. For reasons that are not altogether clear, they suggested that Canadian broadcasters and publishers would also cease to be a prime source of capital in future as a result of policy decisions of the C.R.T.C. The possibility of raising public financing has now improved substantially, they concluded. Furthermore, many lenders were becoming aware that the highly stable influx of revenue from subscribers offered a steady cash flow that could substitute for physical assets as security against borrowed funds.

A monthly rental payment by subscribers is the principal source of a cable system's revenue. While there are substantial variations, representatives of one group with widespread interests in cable estimates that the rental charge usually ranges between \$3.95 and \$5.00 monthly, with the weighted average coming to \$4.50. On average, there is an extra charge of \$1.00 monthly for every additional television set hooked into the cable system. If the monthly charge is \$5.00 a month, amounting to \$60.00 over a full year, the rental is generally reduced to around \$50.00 if paid in advance for a twelve-month period.

There are much wider variations with regard to installation charges. While many systems impose no charge to hook up the first television set and only a nominal amount for additional receivers, others levy fees ranging anywhere from \$10 or \$15 upwards to \$165 or more.

One public company in the United States that has entered the cable television field in a major way is Vikoa Inc., which has published its summary of the economics of a cable system with a subscriber potential of 10,000 homes. While this estimate should probably be viewed with some reservation, particularly as to its application to systems in Canada, it nevertheless throws some light on a subject that is otherwise shrouded in darkness so far as the Canadian public generally is concerned.

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[3] Page 8, December 1968/January 1969 issue.

Vikoa estimated the capital cost of such a system would approximate $600,000; $20,000 for the tower supporting the head-end antenna, which was valued at $60,000; 100 miles of cable and associated electronic equipment costing $5,000 per mile (which is reasonably close to the Canadian experience), for a total of $500,000.

As the following outline illustrates, Vikoa estimated that such a representative system would begin to generate a favourable cash flow by its third year, rising to $180,240 by the eighth year. By the fifth year, it is shown as paying an after-tax return on equity of 20.9 per cent, and 40 per cent by the eighth year.

Table 126. Cable Television System Economics as Estimated by Vikoa, Inc. of the United States

Subscriber potential: 10,000 homes
Investment $600,000 (50% equity, 50% debt)

Year	*1st*	*3rd*	*5th*	*8th*
Saturation Level	10%	25%	50%	75%
		Dollars		
Annual Revenues				
Service Charge . . .	60,000	150,000	300,000	450,000
Hookup Fee	8,000	8,000	8,000	8,000
Total	68,000	158,000	308,000	458,000
Expenses				
Payroll	30,000	30,000	40,000	40,000
Pole Rent	12,000	12,000	12,000	12,000
Franchise Fee	1,800	4,500	9,000	13,500
Marketing	25,000	25,000	25,000	15,000
Hookup Cost	10,000	10,000	10,000	10,000
Maintenance	10,000	10,000	20,000	20,000
Other	9,000	9,000	13,000	13,000
Depreciation*	60,000	60,000	60,000	60,000
Interest†	24,000	24,000	24,000	24,000
Total	181,800	184,500	213,000	207,500
Pre-Tax Income	(113,800)	(42,500)	95,000	250,000
Taxes	–	–	41,250‡	130.260§
Net Income	(113,800)	(42,500)	80,750	120,240
Cash Flow	(53,800)	17,500	140,750	180,240
Return on Capital	–	–	13.5%	20.0%
Return on Equity	–	–	20.9%	40.0%

* 10 year straight life
† 8% interest
‡ 15% tax rate
§ 52% tax rate

From the point of view of a system operator, the economics are very powerful. Cash flow breakeven is achieved very early, no taxes are paid for five to six years and at that time the system can be sold for $400 per subscriber, compared to the initial $100 per subscriber investment. Such systems are attractive to an acquiring company because in many instances they have not been effectively marketed and a company like Vikoa can sharply increase the subscriber saturation level in a short period of time.

This theoretical model presupposes that the system will attract at least 6,000 subscribers out of the potential total of 10,000, involving an investment per subscriber of $100. While Vikoa estimated that such a system could be sold for a return of $400 per subscriber in the United States, this is a much higher multiple than generally could be secured in Canada. Experts in the field indicate a sale price based on around $200 to $250 per subscriber is a more usual figure in this country. The actual price, of course, depends on a number of factors, one of the most important being the potential for future growth of the system. In London, Ontario, Community Television Ltd., with 11,000 subscribers was reported by the September, 1968, issue of Canadian Broadcaster to have been sold for around $2.5 million, which would bring its value per subscriber to $227.

A senior executive of one of Canada's larger investment houses, who has carefully studied the cable television industry, cited the example of two systems operated jointly in northern Quebec since 1962. By 1968 these two systems had 17,000 subscribers and a total income of $828,000. Total expenditures amounted to $290,000, providing an operating cash income of $530,000. Depreciation amounted to around $84,000. Even after payment of a management fee of $158,000 to the parent company, the after-tax net earnings amounted to $152,000.

It was estimated that if the company was restructured to eliminate the management fee, net income would come to approximately $210,000, a return of more than twenty-five cents on the sales dollar.

This financial analyst maintained that these two systems could be sold for $200 per subscriber, the total coming to $3.4 million. This was based on an assumption that the capital cost would be covered by returns from the systems within eight years. This was based on projected increases in income resulting from an estimated increase in the number of subscribers from 17,000 to 23,000 out of 28,000 homes in the market area by 1976.

While a price per subscriber provides a rough rule-of-thumb approach to the sale value of a cable television system, the determination of price is usually arrived at in a more complex and sophisticated way and ultimately reflects the bargaining position of the buyer and the seller. For a system in the very early years of its development and a bright future ahead of it, the determining factor is likely to be a projection of the cash flow expected over the next six to six and a half years, based on the potential for growth in the number of subscribers, with a discount factor for outstanding debt forming part of the calculation.

In the case of more mature systems which have largely exploited the potential of their market, a price based on a multiple of annual earnings appears to be the most usual approach. Public companies have a substantial edge as buyers. The price of their own outstanding shares is usually based on a considerably higher multiple of earnings than is the case with privately held companies. A public company whose stock was trading at, say, twenty times earnings might have little hesitation in acquiring a cable television system at a price that represented eighteen times current earnings of that system. According to authorities in the industry, most private groups would hesitate to pay a price that represented more than 10 to 12 per cent of current earnings of the cable system because of the lower multiple that their own shares would command in the marketplace.

Something of a profile of the economics of cable television in Canada is provided by the following outlines of a number of reasonably representative systems currently operating in various parts of Canada. These outlines were prepared by a group with extensive cable interests and made available on the understanding that the names of the individual systems would not be identified.

Profiles of Representative Cable Television Companies

COMPANY A

Subscriber Information:

Subscribers @ April 19th, 1969:	35,603
Present Density:	80%
Potential – present under cable	44,973
– by 1975	53,500

Financial Information: (latest year end December 31st, 1968)

Total Fixed Assets:

Cost:	$2,192,358
Accumulated Depreciation:	$1,259,655
Loans:	Nil

	1964	1965	1966	1967	1968
			Dollars		
Total Revenue After Discount	869,000	1,000,000	1,126,000	1,306,000	1,525,000
Total Operating Expense	289,000	385,000	446,000	467,000	568,000
Depreciation	149,000	178,000	206,000	235,000	243,000
Income Taxes	213,000	217,000	233,000	295,000	386,000
Net Income	218,000	220,000	241,000	309,000	328,000
Interest Included in Expense	16,000	9,000	5,000	–	–

Net income in last year: 35.16 per cent of undepreciated capital investment.

Personnel: 33.

Subscriber Projection **(Including estimated community growth):**

	1968	1969	1970	1971	1972	1973	1974	1975
Potential	44,793	46,400	48,000	49,600	51,200	52,300	53,000	53,500
Individual Subs	23,930	25,530	27,117	28,566	30,084	31,050	31,450	31,747
Bulk Outlets	10,785	11,470	12,813	12,834	13,516	13,950	14,130	14,263
Total	34,715	37,000	39,000	41,400	43,600	45,000	45,580	46,010
Density	77.5%	80%	81.7%	83.3%	85.2%	86%	86%	86%

Rates:

Individual:	$4.95
Extra Outlets:	–
Bulk Scale:	$1.00 – $3.25
Connection Charge:	Nil

Company B

Subscriber Information:

Subscribers @May 24th, 1969:	8,000
Present Density:	64%
Potential – present under cable	12,500
– by 1975	13,375

Financial Information: (latest year end December 31st, 1968)

Total Fixed Assets (December 31st, 1968):
Cost $672,094
Accumulated Depreciation $364,998
Loans: Nil

	1964	1965	1966	1967	1968
			Dollars		
Total Revenue After Discount	190,000	225,000	265,000	320,000	362,000
Total Operating Expense	74,000	85,000	87,000	123,000	128,000
Depreciation	43,000	49,000	55,000	64,000	61,000
Income Taxes............	8,000	17,000	37,000	59,000	82,000
Net Income	65,000	74,000	86,000	74,000	91,000
Interest Included in Expense ..	–	–	–	–	–

Net income in last year: 29.6 per cent of undepreciated capital investment

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	12,500	12,625	12,750	12,875	13,000	13,125	13,250	13,375
Individual Subs	7,275	8,285	8,905	9,460	9,970	10,285	10,555	10,780
Bulk Outlets ..	546	550	570	590	610	630	650	670
Total	7,821	8,835	9,475	10,050	10,580	10,915	11,205	11,450
Density ...	62.6%	70.0%	74.3%	78.1%	81.4%	83.2%	84.6%	85.6%

Rates:

Individual: $3.95
Extra Outlets: $1.00
Bulk Scale: $1.00 to $3.75
Connection Charge: $25.00 extra outlet $5.00

Company C

Subscriber Information:

Subscribers @ May 24th, 1969:	4,398
Present Density:	63%
Potential – present under cable	7,000
– by 1975	7,880

Financial Information: (latest year end December 31st, 1968):

Total Fixed Assets (December 31st, 1968):
Equip. Cost: $413,804 Land Cost: $3,697
Accumulated Depreciation: $186,689
Loans: $202,500

	1964	1965	1966	1967	1968
			Dollars		
Total Revenue After Discount .	53,000	79,000	101,000	142,000	189,000
Total Operating Expense	68,000	72,000	74,000	91,000	101,000
Depreciation	25,000	30,000	34,000	39,000	46,000
Income Taxes............	–	–	–	–	–
Net Income (loss).........	(40,000)	(23,000)	(7,000)	12,000	42,000
Interest Included in Expense .	8,000	9,000	12,000	14,000	16,000

Net income in last year: 18.5 per cent of undepreciated capital investment

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	6,500	7,000	7,140	7,280	7,430	7,580	7,730	7,880
Individual Subs	3,575	4,090	4,350	4,525	4,650	4,795	4,885	4,980
Bulk Outlets ..	779	890	955	990	1,020	1,050	1,070	1,090
Total	4,354	4,980	5,305	5,515	5,670	5,845	5,955	6,070
Density ...	67.0%	71.1%	74.3%	75.8%	76.3%	77.1%	77.0%	77.0%

Rates:

Individual: $4.50
Extra Outlets: $1.00
Bulk Scale: $1.00 to $3.50
Connection Charge: None

Company D

Subscriber Information:

Subscribers @ December 31st, 1968: 4,307
Present Density: 97%
Potential – present under cable 4,420
– by 1975 5,430

Financial Information (latest year end December 31st, 1968):

Total Fixed Assets:
Cost: $259,500
Accumulated
Depreciation: $186,443
Loans: $160,000

	1964	1965	1966	1967	1968
			Dollars		
Total Revenue After Discount	131,000	153,000	172,000	175,000	203,000
Total Operating Expense	60,000	76,000	94,000	101,000	111,000
Depreciation	(44,000)	–	28,000	26,000	25,000
Income Taxes............	8,000	14,000	16,000	16,000	26,000
Net Income	107,000	63,000	34,000	32,000	41,000
Interest Included in Expense .	3,000	12,000	13,000	13,000	13,000

Net income in last year: 56.16 per cent of undepreciated capital investment

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	4,420	4,550	4,685	4,825	4,970	5,120	5,275	5,430
Individual Subs	3,842	3,915	3,995	4,100	4,215	4,345	4,485	4,630
Bulk Outlets ..	465	480	485	485	490	490	490	490
Total	4,307	4,395	4,480	4,585	4,705	4,835	4,975	5,120
Density ...	97.4%	96.6%	95.6%	95.0%	94.7%	94.4%	94.3%	94.3%

Rates:

Individual: $4.50
Extra Outlets: $1.00
Bulk Scale: _
Connection Charge: $15.00

Company E

Subscriber Information:

Subscribers @ May 30th, 1969:	35,940
Present Density:	21.2%
Potential – present under cable	169,272
– by 1975	237,100

Financial Information (latest year end December 31st, 1968):

Total Fixed Assets:
Cost: $6,125,145
Accumulated
Depreciation: $2,865,108
Loans: $1,748,000

Net income in last year: 4.1 per cent of undepreciated capital investment

Personnel: 59

	1964	1965	1966	1967	1968
Total Revenue After Discount	1,034,000	1,226,000	1,348,000	1,530,000	1,836,000
Total Operating Expense	639,000	752,000	889,000	946,000	1,044,000
Depreciation	375,000	431,000	419,000	358,000	502,000
Income Taxes	(9,000)	15,000	Nil	6,000	156,000
Net Income	29,000	28,000	40,000	220,000	134,000
Interest Included in Expense .	88,000	101,000	112,000	113,000	121,000

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	165,772	197,170	204,570	210,700	217,000	223,500	230,200	237,100
Individual Subs	27,218	33,495	39,240	44,335	49,100	53,740	58,465	63,105
Bulk Outlets ..	6,901	8,375	9,800	11,100	12,275	13,500	14,600	15,750
Total	34,119	41,870	49,040	55,435	61,375	67,240	73,065	78,855
Density ...	20.6%	21.2%	24.0%	26.3%	28.3%	30.1%	31.7%	33.3%

Rates:

Individual: $4.95
Extra Outlets: $2.50
Bulk Scale: $0.70 to $2.00
Connection Charge: $12.50 (including extra outlets)

Company F

Subscriber Information:

Subscribers @ May 17th, 1969:	3,819
Present Density:	51%
Potential – present under cable	7,500
– by 1975	8,040

Financial Information (latest year end December 31st, 1968):

Total Fixed Assets:
Cost: $409,769
Accumulated Depreciation: $176,066
Loans: $118,000

	1964	1965	1966	1967	1968
			Dollars		
Total Revenue After Discount	–	79,000	157,000	179,000	214,000
Total Operating Expense	13,000	82,000	93,000	101,000	107,000
Depreciation	23,000	34,000	37,000	40,000	42,000
Income Taxes	–	–	–	–	8,000
Net Income (loss)	(39,000)	(37,000)	27,000	38,000	57,000
Interest Included in Expense .	–	16,000	13,000	12,000	11,000

Net income in last year: 24.46 per cent of undepreciated capital investment

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	7,500	7,575	7,650	7,725	7,800	7,880	7,960	8,040
Individual Subs	3,479	3,800	4,090	4,320	4,531	4,667	4,716	4,751
Bulk Outlets ..	376	420	450	480	504	518	524	524
Total	3,855	4,220	4,540	4,800	5,035	5,185	5,240	5,275
Density ...	51.4%	55.7 %	59.4%	62.1%	64.6%	65.8%	65.8%	65.6%

Rates:

Individual:	$5.00
Extra Outlets:	$1.00
Bulk Scale:	$1.00 to $3.75
Connection Charge:	$10.00

Company G

Subscriber Information:

Subscribers @ April 19th, 1969:	6,638
Present Density:	32%
Potential – present under cable	20,650
– by 1975	

Financial Information (latest year end June 30th, 1968):

Total Fixed Assets (December 31st, 1968):
Cost: $759,833
Accumulated Depreciation: $88,096
Loans: $867,000

	1964	1965	1966	1967	1968
Total Revenue After Discount	–	–	Nil	28,000	104,000
Total Operating Expense	–	–	15,000	112,000	172,000
Depreciation	–	–	Nil	13,000	42,000
Income Taxes	–	–	Nil	Nil	Nil
Net Income (loss)	–	–	(15,000)	(97,000)	(110,000)
Interest Included in Expense .	–	–	Nil	8,000	37,000

Net income in last year: nil of undepreciated capital investment

Personnel: 8

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	20,650	24,300	32,000	33,500	35,000	36,500	38,000	39,500
Individual Subs	3,533	6,472	8,528	10,452	12,512	14,440	16,302	16,945
Bulk Outlets ..	2,047	3,490	4,592	5,628	6,738	7,775	8,778	9,125
Total	5,580	9,962	13,120	16,080	19,250	22,215	25,080	26,070
Density ...	27%	34%	41%	48%	55%	61%	66%	66%

Rates:

Individual: $4.95
Extra Outlets: Nil
Bulk Scale: $1.45 to $4.45
Connection Charge: $9.95

Company H

Subscriber Information:

Subscribers @ May 22nd, 1969: 5,093
Present Density: 11.8%
Potential – present under cable 43,283 (May 22nd, 1969)
– by 1975 104,500

Financial Information (latest year end June 30th, 1968):

Total Fixed Assets (December 31st, 1968):
Cost: $1,843,040
Accumulated Depreciation: $161,987
Loans: $2,453,616

	1964	1965	1966	1967	1968
			Dollars		
Total Revenue After Discount	3,000	9,000	15,000	20,000	39,000
Total Operating Expense	3,000	16,000	14,000	12,000	231,000
Depreciation	–	–	8,000	16,000	30,000
Income taxes	–	–	–	–	–
Net Income (loss)	–	(7,000)	(7,000)	(12,000)	(222,000)
Interest Included in Expense .	–	–	8,000	16,000	30,000

Net income in last year: nil of undepreciated capital investment

Subscriber Projection (Including estimated community growth):

	1968	1969	1970	1971	1972	1973	1974	1975
Potential ..	–	52,673	94,500	96,500	98,500	100,500	102,500	104,500
Individual Subs	–	6,300	16,000	22,300	26,650	29,500	32,050	34,000
Bulk Outlets ..	–	50	4,000	7,400	8,850	9,800	10,650	11,300
Total	–	6,350	20,000	29,700	35,500	39,300	42,700	45,300
Density ...	–	12.1%	21.2%	30.8%	36.0%	39.1%	41.7%	43.4%

Rates:

Individual:	$5.00
Extra Outlets:	Nil
Bulk (No Scale):	$2.00
Connection Charge:	$10.00

ECONOMIC OUTLOOK FOR CABLE TV: CLOUDY

Although many cable television systems have earned substantial profits up to now, a number of new factors affecting both the cost and revenue side suggest that the industry may be facing some troubled times ahead.

As noted earlier, the C.R.T.C. in its announcement of May 13, 1969, indicated that it would take a close look at the structure of rates charged subscribers in considering new licence applications and would not permit these rates to be increased without its approval. In another related announcement on July 10, 1969, the Commission declared that it "will not entertain applications for changes in the conditions of CATV licences as regards customer charges solely to adjust to capital valuation or terms of payment arrived at in the bargaining between the seller and the buyer." In addition, the Commission has also, at least for the present, denied cable systems the possibility of obtaining additional revenue by running their own commercials over closed-circuit channels.

At the same time, however, operators of cable television systems face the possibility of a substantial increase in their expenses. The cost of acquiring cable facilities, particularly those leased from the common carriers, has been rising sharply. The cable companies are also under increasing pressure to provide more extensive service, which will force some systems into a heavy investment at an early date to switch over from cable with a capacity of up to twelve channels to twenty channels or more.

That cable systems will be expected in future to undertake increasingly extensive programming of their own, without the promise of any offsetting increase in rates or ability to seek commercial revenue, is already evident.

> CATV can assist in the development of community identity through locally produced programmes; they can also assist provincial and local authorities in the development of educational services. They can participate in the enrichment of the community's cultural life through the distribution of Canadian produced films, educational information and other films of particular interest produced for public showing but not normally available in that area. CATV local programming should complement rather than compete with programming already available to the community through television and commercial movie houses.

To many in the industry the message that comes through is that if the operators of a particular system fail to develop adequate programming of their own, the licence may be granted to other interests that will.

Despite the restriction indicated by the Commission on rates and on advertising revenue, at least some cable operators believe that the cost of closed-circuit programming cannot only be covered but converted into a profitable operation by attracting additional subscribers to the system. "Local programme origination is clearly in the public interest and it is our responsibility and obligation to provide it – because it will not come from any other source," declared Udo Salewsky, General Manager of Grand River Cable TV Ltd., in the September-October 1968 issue of the Canadian Telephone and Cable Television Journal. "Why cablecast when it means a sizeable investment in expensive origination equipment plus increased operating costs when you have already achieved a high saturation percentage for your system without it? ," he asked.

> Many operators were satisfied to sign up 70 to 75 per cent of the potential customers in their area. If all they had to offer was a relay system for other television stations, they had good reason to be satisfied with this percentage. However, actual facts and figures obtainable from cablecasting systems south of the border prove that cablecasting can be rewarding in terms of extra revenues from new subscribers attracted by it. With cablecasting, you are able to offer programmes unavailable to people not on cable; with cablecasting you have a selling tool of proven power and appeal and you are offering something extra people in your community will want to receive. With a cable channel in your community and imaginative programming there is no reason why you shouldn't be able to attain a 90 per cent saturation figure or better, with the revenue obtained from subscribers you had originally written off as unobtainable actually paying for your cablecasting equipment costs and your increased operating costs.

To support his case, Mr. Salewsky cited the hypothetical example of a system with 9,000 subscribers, 70 per cent of a potential 14,000. He estimated that equipment for black-and-white programming could be acquired for $25,000, with an additional investment of $10,000 for time and weather dials, background music, and a slide projector with an audio tape-recorder to carry prerecorded announcements.

Operating expenses to provide forty-two hours of programming per week were estimated at $43,000. Another $26,950 would be added in the first year, diminishing slightly in succeeding years, to cover interest, depreciation and additional sales and installation costs, for a total of $69,950. Assuming that programming would add another 700 subscribers in each of the first two years at a charge of $4.50 per month to bring saturation of the market up to 80 per cent, Mr. Salewsky estimated the cost, revenue and profit picture for cablecasting alone would take the shape outlined in Table 127. "It follows," the author observed, "that after five years you would have recovered the full cost of your equipment, met your increased operating expenses out of increased revenues and realized a satisfactory profit from your cablecasting operation."

He maintained that substantially higher profits could be obtained by larger systems that would face very much the same costs but expect to gain a sharper increase in revenues. Table 128 shows Mr. Salewsky's estimate of the picture for a system with 28,000 subscribers and a potential of 40,000.

Table 127. Hypothetical cablecasting System Costs and Operating Return – 14,000 Subscriber Potential

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
			Dollars			
Revenues	19,851	56,399	75,600	75,600	75,600	303,000
Operating Expenses	43,000	43,000	43,000	43,000	43,000	215,000
Depreciation:						
Cablecasting Equipment	7,000	7,000	7,000	7,000	7,000	35,000
Depreciation:*						
Installation Costs	1,400	2,800	2,800	2,800	2,800	12,600
Sales Costs	3,500	3,500				7,000
Interest:†						
Cablecasting Equipment Loan	2,450	1,960	1,470	980	490	7,350
Profits before Taxes	(37,499)	(1,861)	21,330	21,820	22,310	26,100

*Depreciation. Based on a cost of $20.00 per new installation and 10 per cent straight line cost depreciation per year for a maximum of 10 years.
†Interest – Equipment Loan. Based on a $35,000 five year loan at 7 per cent interest annually on a diminishing balance.
SOURCE: Udo Salewsky, Can. Telephone and Cable Television Journal, Sept.-Oct., 1968.

Table 128. Hypothetical Cablecasting System Costs and Operating Return – 40,000 Subscriber Potential

1st Year 2nd Year	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
			Dollars			
Revenues	58,500	167,500	216,000	216,000	116,000	874,000
Operating Expenses	43,000	43,000	43,000	43,000	43,000	215,000
Depreciation:						
Cablecasting Equipment	7,000	7,000	7,000	7,000	7,000	35,000
Depreciation:						
Installation Costs	2,000	4,000	4,000	4,000	4,000	18,000
Sales Costs	10,000	10,000				20,000
Interest:						
Cablecasting Equipment Loan	2,450	1,960	1,470	980	490	7,350
Increase in regular system maintenance costs*		4,200	16,400	16,400	16,400	53,400
Profits before Taxes	(5,950)	97,340	144,130	144,620	145,110	525,250

* Increase in regular maintenance costs. Calculated on the basis that an increase of 2,000 new subscribers would require 1 additional office girl and 4,000 new subscribers would require one additional maintenance technician, fully equipped with a truck and test equipment. Assumed salary of office girl: $4,200 per year. Assumed salary of technician: $6,240 per year. Assumed vehicle leasing and test equipment cost: $1,760 per year.

While the use of colour would sharply increase capital costs, the general manager of the Grand River system maintained that it could well enable a company to realize 90 per cent of its potential market. Taking the hypothetical example of the system shown in Table 129 the economics of colour programming were calculated.

As mentioned previously, systems in some areas with a capacity of only twelve channels are confronted by imminent pressures to expand their system to twenty channels. In a city such as Toronto, an estimate of the cost of making this conversion on one system is estimated at approximately $100 per subscriber, roughly two-thirds as much as the original cost of installation. Included in this figure is the cost of equipment that must be added to a television set to make possible reception of the added channels.

In the case of one Toronto system that was examined as an example, only ten of the existing twelve channels are usable. Both channel 6 (CBLT-TV) and channel 9 (CFTO-TV) must be converted to other channels in the system to avoid the distorted image that results from the time lag in the signal received over-the-air and by cable from transmitters within ten to fifteen miles.

The system carries four other Ontario television stations in Hamilton, Barrie, Kitchener, and Peterborough, bringing the total to six. In addition, four stations are relayed from Buffalo, three of them VHF and one, an educational television station, that is converted from UHF to VHF before being idstributed through the cable system, raising the total to 10.

There is a prospective requirement on the system to employ an additional four channels to provide for: a provincial educational television station; a CBC French-language station and another commercial television station, all broadcasting on UHF; local programming by the cable system.

Unless the capacity of the system were increased, it is probable that the stations in Barrie, Kitchener, and Peterborough would be eliminated from the system (Hamilton must be carried under existing C.R.T.C. rules). The fourth station to go would likely be the ETV outlet in Buffalo, which is highly popular with a relatively small minority of cable subscribers. The three Buffalo VHF stations would be retained at virtually any cost, since their reception is regarded as the prime motivating force to subscribe to cable.

Obviously, the elimination of the three Canadian channels from the cable system would not be well received by the station operators and their displeasure could conceivably be reflected in new rules by the C.R.T.C. regarding priority of programme distribution. These rules might leave a cable operator in this situation, with virtually no other choice but to install a system with a greater channel capacity. If the current dreams of the visionaries are ever realized, this tendency could be reinforced by the eventual development of a multiplicity of other services that might be provided by cable systems.

Reference was made earlier to the higher costs of installing cable systems being faced by operating companies, particularly because of higher leasing charges levied by the common carriers. This question will be touched on in the following section dealing with the relationship of cable systems and television broadcasting with the common carriers and the closely related inquiry being conducted at present by the Department of Communications.

Table 129. Hypothetical Cablecasting System Costs and Operating Return – 40,000 Subscriber Potential Colour Casting Capability

	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
			Dollars			
Revenues	58,500	167,500	216,000	216,000	216,000	874,000
Operating Expenses	55,000	55,000	55,000	55,000	55,000	275,000
Depreciation:*						
Cablecasting Equipment	21,000	21,000	21,000	21,000	21,000	105,000
Depreciation:						
Installation Costs	2,000	4,000	4,000	4,000	4,000	18,000
Sales Costs	10,000	10,000				20,000
Interest:						
†Colorcasting Equipment Loan	7,350	5,880	4,410	2,940	1,470	22,050
Increase in regular system maintenance costs	4,200	16,400	16,400	16,400	16,400	53,400
Profits Before Taxes	(36,850)	67,420	115,190	116,660	118,130	380,550

* Depreciation: Cablecasting Equipment. Based on an equipment cost of $105,000

† Interest: Colorcasting Equipment Loan. Based on a five year loan of $105,000 at 7% interest per year on a diminishing balance.

CABLE TELEVISION AND THE TELEVISION BROADCASTING INDUSTRY

In no area involving the mass media are there so many claims, counter-claims, conflicts and contradictions as that involving the impact – actual and potential – of cable television on the television broadcasting industry. Seldom has so much controversy been supported by so few facts.

The Canadian Association of Broadcasters, in a brief to the C.R.T.C. on the whole question of cable television, said it would come as no surprise that broadcasters "have not developed a unanimous view on either possibilities or policy." That is a major understatement.

C.A.B. President Raymond Crépault told the Commission that the extension of cable coverage through the use of long-distance microwave relay facilities – the immediate issue before the C.R.T.C. – involved, "a basic question of survival" for Canadian broadcasting as it was conceived by the Federal Government.

> If we are to maintain our Canadian identity and to safeguard, enrich and strengthen the cultural, political social and economic fabric of Canada, we must look to extension of the second Canadian service to all Canadians before considering microwave delivery of American cable signals to those Canadians in the heavily populated urban areas,

insisted the British Columbia Television Broadcasting System.

> Clearly, further fragmentation of the audience will affect the economic viability of a privately owned operation such as CTV and any damage will necessarily limit our capacity to serve the objects of the Broadcasting Act with respect to Canadian program service,

submitted Murray Chercover, President of the CTV network.

In sharp contrast, Maclean-Hunter, which has substantial television and cable interest, told the Commission that the use of microwave to allow the extension of cable television to urban centres now unserved was a "pre-requisite to solving our national communications problems."

Canada, the company said, must "make use of every advance in technology if we are to achieve even our minimum television service goal of giving all Canadians a choice of programs in either language."

The eventual establishment of a cable distribution network would help to "enhance the Canadian way of life. We view microwave as the only practical technological means by which distant Canadian and U.S. signals can be placed on cable systems in many of Canada's communities," declared Selkirk Holdings, another major owner of both television and cable interests. "We see microwave as a means to an end – but not as an end in itself. If it can enhance cablevision's growth, the development of Canadian productions using Canadian talent will ultimately outweigh the use of U.S. originated programs."

These sharply conflicting views reflect widely different opinions about the impact cable television is having, will have and should have, on television broadcasting as we know it today.

The extent of the disagreement over the impact of cable systems is further illustrated on the question of UHF television stations. In its submission to the

C.R.T.C., the Canadian Association of Broadcasters contended that the extension of cable systems would inhibit the development of UHF stations, if not rule them out completely.

A diametrically opposite view has been argued by cable operators, who maintain that their systems offer the only method of introducing UHF broadcasting on a viable basis for a number of years to come.

They maintain that it will be at least four to five years before 50 per cent of the television sets in use are equipped to receive UHF broadcasts, in line with the requirement that went into effect in mid-1969, and some eight years before the greater proportion of sets are UHF-equipped. Under these circumstances, they insist, the only way in which UHF television stations could reach audiences of any appreciable size is to distribute their signal over cable systems, which convert it to the standard VHF frequencies.

In part, the issue must be considered in relation to a time factor, as Mr. Juneau implied in his May, 1969, address to the Canadian Cable Television Association in Quebec City. "We have been developing both a long-term and immediate view of what cable television could and should become," he said.

> Some of these goals are so radically different from what applies today that their immediate application might bring chaos to the communications industry of this country. And yet, within the framework of our responsibility, it is our overall aim to help bring the maximum advantage of communication technology to the people of Canada within the shortest period of time compatible with ordered growth.

Although the ramifications are complex, and to a considerable extent remain a matter of conjecture, the nature of the problem, real or potential, presented to television broadcasters by the widespread installation of cable television is reasonably simple. At issue is whether or not cable does, or will, result in Canadian audiences spending more of their viewing time watching a multiplicity of American and Canadian television stations and less time watching local stations, causing the advertising revenue of the latter either to decline or at least to grow more slowly than in the past.

The advertising revenue of Canadian stations could be affected in four different ways. The fragmentation of audiences caused by cable and the resulting decline in the relative amount of man-hours spent viewing a Canadian station could lead to a decline or at least slower growth of advertising rates that the station could charge. It could also induce some companies to put a greater proportion of their advertising dollars in other mediums.

Increased Canadian viewing of American stations might persuade manufacturers of North American brand-name products to rely more heavily on their American television advertising "spilling over" into Canada, making it less necessary to place advertising of these brands on Canadian stations.

Increased viewing of American television could lead to an increase in the present volume of advertising by Canadian companies on American stations aimed primarily at Canadian audiences. One source within the industry estimates this amounts to about $6 million a year at present, but another has calculated that up to this amount is spent on advertising over KVOS-TV in Bellingham, Washington alone.

It might be observed in passing that some Canadian companies with markets on both sides of the border already place advertising on American stations that is aimed at both American and Canadian viewers.

While the advertising revenue of Canadian television stations could be affected in all four of the ways outlined above, the vital question obviously concerns the degree to which they may be affected individually and collectively. There is a natural tendency for any industry faced with an impediment to its growth to exaggerate the extent of its difficulties in the hope of retaining or being granted a measure of protection against its competitors. During the past year, there has been a growing demand within the broadcasting industry for protection through some form of restriction on the spread of cable television or on the number of alternate channels it makes available, or through ownership of community cable systems by the interests that control the local station or stations.

Those seeking to justify continuation of the protection now enjoyed, or the provision of protection in some amended form, frequently have done so on the grounds, among others, that it is necessary either to maintain or improve the present level of programing or to make possible the extension of alternate Canadian television service across the country. "Wide-ranging extension of signal importation could siphon the program fare of existing television services, erode its economic base, force reduction in its news and public affairs programming, stifle the growth of UHF and result in less, rather than more diversity," the Canadian Association of Broadcasters maintained in a brief to the C.R.T.C. "In smaller markets, regardless of present viability, such developments could produce adverse consequences for radio broadcasting stations and seriously vitiate the possible development of frequency modulation broadcasting."

If there is one thing that everyone agrees on, it is the fact that the improved reception and multi-channel viewing offered by cable television is becoming immensely popular with Canadians. Any protection granted to television broadcasters therefore, is bound to be at the expense of Canadian viewers.

In these circumstances, it is obviously important to form some judgment about the real extent to which Canadian television broadcasters are being hurt or are likely to be hurt by cable facilities and of its probable effect on Canadian television service.

Given the sharply rising profitability of the industry as a whole in recent years, some slowing down in the rate of future growth is hardly likely to be viewed by the majority of Canadians as sufficient justification for protecting the industry against the impact of technological and economic change. Even if it is accepted that cable is likely to have a major adverse impact on television broadcasting, crucial questions remain to be answered as to whether protection is justified and, if so, to what extent and for how long.

The fact is of course, that in some parts of the country – those that are many miles away from the nearest American stations – Canadian television broadcasters have for some years enjoyed a substantial degree of protection from cable television. This protection has taken the form of a policy first instituted by the Department of Transport prohibiting cable operators from employing more than a single microwave hop to relay signals picked up by the head-end receiver to the beginning of the trunk cable. Since up to now microwave has been the only economic method of relaying signals over long distances, the policy has effectively prevented the importation of American signals into such communities as Calgary, Edmonton, Red Deer, Saskatoon, Sudbury, Moncton, Halifax, and St. John's.

This policy clearly discriminates against certain parts of the country solely on the basis of geography, since in recent years few impediments have been put in the way of the establishment of cable systems in areas where American signals could be received either without benefit of microwave or with a one-hop relay facility. It was the growing outcry of the public in these areas against this kind of arbitrary discrimination that led the C.R.T.C. to re-examine at its public hearing in Vancouver in October 1969 the microwave policy it inherited from the Transport Department. The Hon. Raymond Reierson, Alberta's Minister of Telephones, spoke for a large number of Canadians when he told the Commission in his brief: "All residents of Alberta should have the same opportunity to receive Canadian and American television via community antenna television systems as do Canadians living in close proximity to the Canada-United States border."

It is important to maintain some perspective about the dimensions of the issue at hand. As noted earlier, some 17 per cent of all television homes in Canada are now equipped with cable. In its March 1969 report, the Bureau of Broadcast Measurement indicated, according to a CBC analysis, that 15.9 per cent of all those who watched some television during the survey week made use of a cable-equipped set.

From an analysis of its previous survey, that for November, 1968, B.B.M. estimated that some 37 per cent of Canadians who watched television during the week tuned at least once to an American station. It is also estimated by a C.R.T.C. study that Canadians spent about 17 per cent of total viewing hours watching American television stations in that week. This compares with the estimate that some 68 per cent of all Canadian television homes are capable of receiving American stations either directly or by cable.

While only some 17 per cent of Canadian television homes are now wired, it will be recalled that D.B.S. estimated that as of 1967, 75 per cent of Canadian television homes lay within areas for which cable licences have been granted.

It needs to be borne in mind that the great bulk of the estimated 68 per cent of Canadian television homes within reach of American stations can and do receive these signals off-the-air with their own antennae. For the great majority of these people, cable only brought in more American stations, usually with a better quality of reception. The claim of the Canadian Association of Broadcasters that "the bulk of cable systems, especially in more populous areas, are bringing one or more United States' signals into homes which could not otherwise have access to them," appears disputable on the basis of the extent of cable viewing estimated by the CBC in communities within reach of American stations by off-the-air pickup.

It seems unlikely that the C.R.T.C. would be prepared to close down the cable systems now in operation or to restrict the extension of their service to new customers in the licensed area. On the contrary, the Commission has already decreed that cable companies must stand ready to provide service to all of those in the franchise area who request it. There would seem to be an only slightly less remote possibility that the C.R.T.C. would order some cutback in the range of service now being provided by these companies, although it was urged to do so by the Canadian Association of Broadcasters. If these assumptions are correct, what may be really at issue is the nature of the cable service, if any, to be made available to approximately one-quarter of Canadian homes with television that are beyond cable service, or at least were as of 1967. "The public is demonstrably interested in multi-service television and in many areas this can only be provided in a practical way by CATV systems," the CBC pointed out in its own submission to the C.R.T.C.

To do a proper job in the provision of multi-service television, cable systems need microwave. It seems to the corporation that the principle of authorizing cable systems to use microwave has already been taken. The question involved is whether Canadians should have single television service, alternative service, or multi-service. The principle that multi-service should be made available to the public (on which the use of microwave by cable should presumably rest) was first established when cable systems were allowed to bring the signals of "outside" stations into areas already served by one or more "local" stations. In most cases, cable was permitted to make additional television program service available in cities where broadcasters were not permitted to establish additional broadcasting transmitters because of limited market resources.

> The licensing of CATV systems by Canadian authorities indicated a belief that Canadian broadcasting has grown and matured to the point where it should be able to hold its own in head-to-head competition with American stations and networks and at the same time be capable of meeting the objectives of the Broadcasting Act and the requirements of the commission. The wish of the public for multi-service is shared by urban and rural dwellers alike, wherever domiciled. This wish can and is being met by CATV systems in all areas where "distant" stations (especially American) can be received through CATV antennae and these areas embrace some 60 to 70 per cent of the total Canadian population.
>
> It is, therefore, difficult to argue that similar service should not be made available to the remaining 30-40 per cent of the population when all that is needed to achieve it is the will of the people to pay and the granting of authority to CATV systems to use microwave.

CABLE'S IMPACT ON CANADIAN TELEVISION STATIONS

The present controversy grows out of fundamental differences of opinion on a question that lies at the very root of the entire issue – whether any significant proportion of Canadian television stations is being or will be substantially hurt financially by cable systems because of the fragmentation, loss or slow growth of audiences, and resulting pressure on advertising revenue.

In its brief to the C.R.T.C. on microwave policy, Maclean-Hunter Cable TV Ltd. acknowledged that the availability of additional channels would cause some fragmentation of audiences. "It is questionable that in so doing it will have an appreciable effect on the [Canadian broadcaster's] revenue and hence his ability to pay for local programming," the company added.

> The continuing growth of advertising revenue should make up the difference, providing that a significant amount does not go to the American stations which are being microwaved into the market. This very real problem could be overcome by the same method of non-deductible expenses for income tax as has been used for Canadian magazines.

Ironically enough, a very different view was taken by a cable television company seeking a licence to establish a system in Calgary, Microwave Cablevision Ltd., in which Maclean-Hunter and Selkirk Holdings each have a 23 per cent interest, the remaining 54 per cent being in the hands of the public. "From the engineering and economic information available to us, we are satisfied that the only practical way to provide cablevision in Calgary is by microwave," the company said.

> We are aware that the provision of U.S. television programs would be welcomed by the viewers in Calgary. We are, however, equally aware that this additional service brings a number of attendant obligations to existing broadcast stations which, if not protected, will result in a grave deterioration of those particular services which they are presently providing to the community.
>
> It is quite obvious that if these U.S. programs are provided to the viewing audiences in Calgary, it will result in a serious loss of advertising revenue to the established television stations which will result in reduction of services that are presently being extended to the community by those television stations.
>
> However, we feel cablevision is inevitable in a city the size of Calgary at some point of time, and therefore, we feel it essential that the T.V. stations be a part of cablevision in Calgary.

Mr. Reierson, the Alberta Minister of Telephones, provided the C.R.T.C. with a contrasting assessment of the economic impact of cable. "We feel the day has arrived when our stations are capable of meeting this competition," he told the commissioners. Studies he had made, the minister added, "have not indicated this type of competition is going to cripple our stations in any way."

It should be noted that both Maclean-Hunter and Selkirk own television stations in Calgary and Lethbridge. Maclean-Hunter maintained in its own brief that local broadcasters should be permitted to be minority participants in cable systems using long-haul microwave and that co-operation between local broadcasters and cable companies was "both desirable and necessary." The company did not explain why this was so, nor did it deal with the question of public policy raised by the common ownership of potentially competitive companies. (In the United States, the F.C.C. – supported by the Justice Department – has proposed that broadcasters should not be permitted to acquire an interest in a cable system in the same community. The Justice Department went further and argued that it should also be denied to local newspaper interests, as well.)

On this same point, the Canadian Association of Broadcasters suggested that dual ownership of broadcasting and cable facilities should not be considered to amount to excessive concentration.

> Other factors being equal, we feel that the licensing of broadcasting transmitting undertakings does not, on the face of it, usually fall within the framework of excessive concentration. In doing this, we submit the C.R.T.C. is simply assisting licensees of broadcasting transmitting undertakings to extend their service for the purposes of further assisting the objectives of Section 2 (b) of the Broadcasting Act.

This argument ignored the potential competition that may and perhaps should develop between conventional broadcasters and the programming function of cable systems. Furthermore, the suggestion that it was in the national interest for television station interests also to control cable systems within the same community appeared to conflict rather sharply with the contention of C.A.B. President, Raymond Crépault, that the whole issue of cable raised "a basic question of survival" of the national broadcasting policy.

Microwave Cablevision Ltd., in effect, argued that the participation of MacLean-Hunter and Selkirk, owners of competing stations in Calgary and Lethbridge, was justified because of the serious loss of revenue each of their stations would suffer from the introduction of American stations via cable.

This assessment of the economic probabilites was in obvious contrast to Maclean-Hunter's general view about the economic impact of cable television on broadcasting stations. It is notable, also, that in its own brief Selkirk Holdings called for abandonment of restrictions on the use of microwave in conjunction with cable and made no reference to any adverse effect such a policy might have on its own stations or any others.

Many of the fears expressed about the adverse impact of cable television are based on conjecture about the future, rather than on the past or present situation confronting Canadian television stations already heavily exposed to the effects of competition for audiences from American stations, either directly or via cable.

The Toronto-Hamilton market in particular has long been fragmented. The fall 1968 Survey of B.B.M., for example, indicated that audiences on the Canadian side of the border spent nearly thirty-four million hours watching the three Buffalo stations as a group compared to approximately fifteen million hours for CBLT-TV and sixteen million for CFTO-TV in Toronto, the CBC and CTV affiliated station respectively, and 11.7 million for the independent station in Hamilton, CHCH-TV. Not only have the Toronto-Hamiltion stations faced competition from the three Buffalo stations for audiences, but they have also been forced to compete directly for advertising dollars.

While the CBC station is in a special situation, there is no indication that either of the two private stations in the Toronto-Hamilton area have suffered unduly from this competition, although undoubtedly they would be more prosperous without it.

Of the three Toronto-Hamilton stations, CHCH-TV has the smallest circulation and total hours of tuning. Late in October, 1969, it was announced that Selkirk Holdings, which already had a 15 per cent interest in CHCH-TV through Niagara Television Ltd., had bought out the other shareholders to acquire full ownership subject to C.R.T.C. approval. Selkirk paid $4.5 million in cash, plus 721,280 class A shares. Based on the price of the shares at the time, the total amount involved in acquisition of the other 85 per cent of the shares was estimated at approximately $16 million.

On the basis of the offering price by Selkirk, that suggests a total value for the property of nearly $19 million. If it is assumed, for the purpose of illustration, that this price represents around 20 times current earnings, the profits of the station would amount to around $950,000. Reporting in the Toronto *Star* on the transaction October 25, 1969, correspondent Jeremy Brown wrote:

> Quietly, a license to make money changed hands yesterday and Canada's only independent, English non-network television station vanished into the bland bosom of a communications conglomerate.
>
> And in the transaction, which saw Hamilton's Channel 11 sold to Selkirk Holdings Ltd. for something over $16 million, died the visions of its founder, the late Kenneth D. Soble.

> It was the end to an era that saw a textbook rise from rags interrupted before the ultimate grand vision was realized.
>
> The rise involved some of the famous communications families in Canada, highly placed politicians, enormous sums of money, and the tale of a little television station which set itself up against three American and two Canadian networks and emerged with recent grosses in excess of $7 million a year.

Carrying the conjecture a step further, if revenues amount to around $7 million and profits of around $950,000, this would suggest that the station was making in the neighborhood of thirteen cents on the sales dollar.

THE EXPERIENCE IN BRITISH COLUMBIA

The most outspoken opposition to cable television has come from the British Columbia Television Broadcasting System Ltd., in which Western Broadcasting, Selkirk and Famous Players each hold substantial minority interests. Each company also has interests in cable television, those of Selkirk and Famous Players being very extensive. Western Broadcasting recently is reported to have acquired an interest of 38 per cent in a cable system in the Metropolitan Vancouver area, subject to C.R.T.C. approval.

In his submission to the commisssion regarding the issue of microwave relay use in conjunction with cable, J.R. Peters, president of British Columbia Television, contended that the extended employment of microwave by cable systems to import broadcasts from the three American networks "is not in the public interest in Canada at this time." Mr. Peters said he reached this conclusion on the basis of the experience with one of the largest cable enterprises in the world faced by his company, which operates CHAN-TV in Vancouver and CHEK-TV in Victoria. "The CATV systems in our viewing areas are most successful systems indeed," he told the commission.

> They are able to take advantage of the terrain, which is not conducive to good television reception because of the multipath signals which are reflected from the surrounding mountains. Also they are able to offer reception of several stations in the Seattle-Tacoma area of Washington State, which is too far away for good reception by most of the homes using a conventional antenna. As a result of these factors, nearly 200,000 homes subscribe to these CATV systems. [Although British Columbia has the highest per capita cable coverage in Canada, it is estimated that only 45 per cent of all homes receive television via cable. This is significantly lower than the number of cable homes within the broadcasting area of CFPL-TV in London.]

Mr. Peters told the commission that British Columbia Television has become increasingly concerned about the growth of Canadian audiences for television stations in the Seattle-Tacoma area.

In the Vancouver and Lower Mainland area of British Columbia, non-cable households have a choice of four stations: CHAN-TV and CHEK-TV, both owned by British Columbia Television; CBUT-TV, the CBC station in Vancouver, and KVOS-TV, the American station in Bellingham, Washington, which exists primarily to serve the Canadian market. Cable viewers, however, have a choice of nine stations, the additions being: KIRO-TV, KOMO-TV, KING-TV and KTNT-TV, from the Seattle-Tacoma area; and an education television station, also in Seattle; programming originated by the largest cable system in the Vancouver area.

To support his contention about the adverse impact of cable on the British Columbia Television stations, Mr. Peters appended to his brief an extract from an analysis of viewing patterns prepared by the A.C. Nielsen Company of Canada Ltd.

Commenting on the Nielsen study in his brief, Mr. Peters noted that the viewing of distant American stations was four times greater in cable households than it is in non-cable households. "Put another way, it shows that 10 per cent of total hours viewed is directed towards the Seattle-Tacoma area in non-cable homes, whereas in cable households this increases to 40 per cent of the total hours viewed." The chart prepared by Nielsen indicates that the station that has been most drastically affected by the introduction of cable is KVOS in Bellingham. Its proportion of total viewing hours over the whole week falls from 36 per cent for non-cable households to 20 per cent, a decline of sixteen percentage points. This compares with a drop for all three Canadian stations of a total of fourteen percentage points, eight for CHAN and six for CBUT, with CHEK unchanged. "Speculation as to why this viewing pattern emerges can cover many possible explanations," the president of British Columbia Television wrote in his brief.

> Programming might be examined, but one quickly realizes that the better programs offered by the U.S. stations are also offered by either the CBC or CTV network stations Canada on a pre-lease schedule. Our view is that it is a simple case of audience fragmentation caused by a larger selection of channels available,

Mr. Peters contended.

While the clear implication of his submission was that cable had adversely affected British Columbia Television, Mr. Peters acknowledged that in major market areas such as Vancouver and Victoria "The effect of pronounced audience fragmentation has been absorbed – it has not been a crippling blow at this point in time."

Mr. Peters did not explain to the commission how the company had been able to absorb the impact of cable television. But he warned that the use of microwave to make possible the extended importation of American stations and the extension of the alternative Canadian television service were "mutually incompatible." It should be noted that such problems as British Columbia Television may face from U.S. competition are rather different than those confronting other Canadian stations, such as those in Toronto. While some Canadian advertising dollars are spent on the Buffalo stations by Canadian companies for messages directed primarily at Canadian audiences and some Canadian and American companies undoubtedly depend on advertising over Buffalo stations to serve their markets on both sides of the border, the total dollar amount is probably not excessively high.

In British Columbia, however, the Vancouver and Victoria stations face direct competition for Canadian advertising dollars from an American station just south of the border that is not required to observe the rules laid down in Canada. It is not required to provide Canadian-content programming, which often drives Canadian viewers away unless it is a popular sports event. It may accept beer and wine commercials, which are prohibited under British Columbia law, and it does not face the same strictures on advertising of foods and drugs. It may also carry a considerably higher proportion of advertising content, although perhaps at the expense of viewing audience.

The table below, based on the D.B.S. report on radio and television broadcasting for 1967 and on household television sets, indicates that the amount of advertising revenue received by private television stations per television household is substantially lower in British Columbia than other parts of Canada.

Table 130. D.B.S. Report on Broadcasting and Television Sets.

Area	Number of Television Homes (000's)	Total Privately Owned Television Broadcasting Revenue	Average Annual Privately Owned Television Broadcasting Revenue per TV Home
B. C.	538	$ 4,805,738	$ 8.93
Alta.	377	7,532,926	19.98
Man. & Sask. .	480	8,017,881	16.70
Ont.	1,917	36,532,112	19.06
Que.	1,408	22,120,812	15.71
Atlantic Area .	413	5,881,481	14.24
TOTAL	5,135	84,890,950	16.53

The per household revenue of the private stations in British Columbia is only slightly more than half the national average and much less than received in the other wealthy provinces of Ontario and Alberta.

It is persuasively argued that this sharp differential is explained by the fact that the revenue drained off from the province by KVOS-TV is excluded from the D.B.S. figures. It has been estimated that if the advertising revenue of private stations per household were calculated on the basis of the national average, British Columbia's total would be some $4 million higher and if based on the Alberta average, it would be nearly $6 million higher.

It has been suggested that, in fact, close to $6 million represents the actual amount of advertising revenue obtained by KVOS-TV in Bellingham. This assumption is open to question. Given the fact that both the reach and the number of viewing hours of KVOS are only moderately higher than that of CHAN-TV (according to the B.B.M. survey for November, 1968) it seems to be a long leap to the conclusion that the advertising revenue of KVOS alone is equal to or greater than the revenue of all the private stations in the province combined.

In its brief, Microwave Cablevision Ltd. of Calgary contended that Alberta television stations might face the same problem of direct advertising competition from the three television stations in Spokane, Washington, if they developed substantial Canadian audiences through their importation by cable. Of various alternatives discussed to avoid this possibility, the company favoured an amendment to the Income Tax Act to make Canadian advertising on American stations a non-deductible expense for tax purposes, as it is now for American publications. This course has been advocated by a number of broadcasters and appears to deserve consideration as a means of providing a degree of protection for Canadian stations faced with direct competition for advertising revenue from American stations, without having a significantly adverse effect on Canadian viewers.

As one Canadian broadcasting executive has pointed out, however, this may provide only a "50 per cent answer" to the problem. He estimated that in the case of KVOS-TV, about half of the advertising carried on the station was by companies that could readily switch payment to an American entity and continue to claim the full deduction from American income tax.

THE EXPERIENCE OF LONDON, ONTARIO

In trying to assess the impact of cable television on broadcasting, London, Ontario is Exhibit A. Two cable systems have been operating in the city since 1952, longer than any other community in Canada. Exactly 37.4 per cent of all the households reached by CFPL-TV, the only station in London, are served by cable, according to the report submitted to the Special Senate Committee on Mass Media by the broadcasting company. In Middlesex County, which embraces London, 87.1 per cent of the households are receiving cable television. According to the CBC estimate, 71.5 per cent of London viewers watched some television via cable during the March survey period of the B.B.M., the highest proportion of any city in Canada.

Cable systems operate in ten out of the eleven counties reached by CFPT-TV. The station itself was instrumental in starting one of the systems, that in Chatham, in order to extend its reach. Of the two systems operating in Middlesex County, London TV Cable Service – the largest, with 34,988 subscribers – brings in seven American stations, CHCH-TV in Hamilton, CKCO-TV in Kitchener, the local station, CFPL-TV, and five FM radio stations.

The smaller system, recently taken over by Maclean-Hunter, has 11,000 subscribers and brings in eight American stations, the same three Canadian stations and four FM stations.

London became an early market for cable because many of the homes in the city were located in a valley and could not receive American stations that would normally be available by off-the-air pickup because of their proximity to the area.

From all the available evidence, there is little room to doubt that the widespread installation of cable has had a marked effect in restricting the audience that otherwise almost certainly would have been attracted by CFPL-TV.

The following table, prepared on behalf of the station, shows an almost steady decline in the number of households (as opposed to individuals) tuned to CFPL-TV on average throughout the prime nighttime period during the fall from 1961 to 1967 and in January, 1968.

Table 131. Average Homes Viewing in Prime Time (CFPL-TV, London), 1961 – 1969

Fall, 1961	7 – 10 P.M.	55,100
Fall, 1962	7 – 10 P.M.	51,800
Fall, 1963	7 – 10 P.M.	49,700
Fall, 1964	8 – 10 P.M.	51,600
Fall, 1965	8 – 10 P.M.	49,600
Fall, 1966	7 – 10 P.M.	47,100
Fall, 1967	7 – 10 P.M.	46,200
January, 1968	7 – 11 P.M.	47,800

Table 132 provides a rather startling insight into the effect of cable in diverting audience viewing from the local station to other channels. The figures under each column marked (00) indicate the number of people in hundreds included in the survey sample. The percentage figure indicates the proportion of the sample tuned to each station on average during each quarter-hour during the designated time period according to whether they viewed television by off-the-air pickup or via either the London or Community cable systems.

In all cases, the proportion of the audience viewing CFPL-TV off-the-air is substantially higher than that by cable. It should be noted that the proportion of cable viewers subscribing to the community (now Maclean-Hunter) cable system who watch CFPL is significantly lower than in the case of the London cable system. In the view of the station management, this discrepancy is explained by the fact that the quality of the CFPL-TV signal has been inferior to that of the London company, which for seven years has received transmissions from the stations directly by cable. (London TV Cable Service Ltd. also has its head-end receivers for other stations erected on CFPL's transmitting tower. The broadcasting company agreed to this arrangement on the theory that since the antennae were going to be erected somewhere, it was better to accept installation on their own tower in exchange for a direct feed from CFPL to the cable system, thus ensuring transmission of the highest quality signal possible.)

It is estimated by the Bureau of Broadcast Measurement that the amount of viewing hours devoted to the main Canadian stations received in the London area – CFPL-TV and CKCO-TV in Kitchener – declined from 66.6 per cent of the total in March, 1967, to 63.9 per cent in February, 1968, and to 62.9 per cent by March of 1969.

A study of the impact of cable in terms of the audience reach and proportion of viewing hours for each station received in London was prepared by the Committee's research staff. Included in the study was a projection of the total number of viewing hours that might be expected to be devoted to each station by the London audience if there was no such thing as cable television.

Table 132. Station Shares of Viewing, Metro London (Average Quarter-Hour Audience)

	MEN						WOMEN						ADULTS					
			Cable Systems						Cable Systems						Cable Systems			
	Non-CATV		London		Community		Non-CATV		London		Community		Non-CATV		London		Community	
	(00)	(%)	(00)	(%)	(00)	(%)	(00)	(%)	(00)	(%)	(00)	(%)	(00)	(%)	(00)	(%)	(00)	(%)
MON-FRI NOON – 6:00 p.m.																		
CFPL	12	80	3	30	3	22	4	80	14	32	16	23	16	80	17	31	19	23
CKCO	2	13	–	–	1	7	1	20	2	5	1	1	3	15	2	4	2	2
WICU (IND)	–	–	2	20	4	29	–	–	11	26	8	12	–	–	13	24	12	14
WXYZ (ABC)	–	–	1	10	–	–	–	–	1	2	18	26	–	–	2	4	19	23
WEWS (ABC)	–	–	1	10	1	7	–	–	3	7	2	3	–	–	5	9	2	2
WJBK (CBS)	1	7	–	–	–	–	–	–	3	7	10	15	1	5	3	6	10	12
WKYC (NBC)	–	–	1	10	1	7	–	–	5	12	–	–	–	–	6	11	1	1
WJW (CBS)	–	–	2	20	2	14	–	–	1	2	1	1	–	–	3	6	3	4
WSEE (CBS)	–	–	–	–	1	7	–	–	2	5	–	–	–	–	2	4	2	2
CHCH	–	–	–	–	1	7	–	–	–	–	9	13	–	–	–	–	10	12
WWJ (NBC)	–	–	–	–	–	–	–	–	1	2	4	6	–	–	1	1	4	5
TOTAL	15	100	10	100	14	100	5	100	43	100	69	100	20	100	54	100	84	100
MON-SUN 6:00 p.m. – 11:30 p.m.																		
CFPL	49	82	35	44	22	41	51	89	47	42	32	29	100	85	83	43	54	34
CKCO	10	17	8	10	8	15	6	11	18	16	5	5	16	14	26	13	13	8
WICU (IND)	–	–	10	13	6	11	–	–	9	8	4	4	–	–	19	10	10	6
WXYZ (ABC)	1	1	7	9	5	9	–	–	5	4	10	9	1	1	12	6	15	9
WEWS (ABC)	–	–	2	3	1	2	–	–	10	9	13	12	–	–	12	6	14	9
WJBK (CBS)	–	–	5	6	2	4	–	–	6	5	8	7	–	–	11	6.	10	6
WKYC (NBC)	–	–	3	4	1	2	–	–	7	6	3	3	–	–	10	6	4	2
WJW (CBS)	–	–	4	5	2	4	–	–	1	1	7	6	–	–	5	3	9	6
WSEE (CBS)	–	–	4	5	2	4	–	–	9	8	–	–	–	–	13	7	2	1
CHCH	–	–	–	–	2	4	–	–	1	1	10	9	–	–	1	–	11	7
WWJ (NBC)	–	–	1	1	2	4	–	–	–	–	17	16	–	–	1	–	19	12
TOTAL	60	100	79	100	53	100	57	100	113	100	109	100	117	100	193	100	161	100

Note: The figures under each column marked (00) indicate the number of people in hundreds included in the sample survey. The percentage figure indicates the proportion of the sample tuned to each station during each quarter hour during the designated time period according to whether they viewed television by off-the-air pickup or via either the London or Community cable systems.

Source: March 1969 Survey, BBM BUREAU OF MEASUREMENT.

As part of our own inquiry, we took a similar approach in an effort to determine the impact of cable on two stations – CFPL-TV in London and CHCH-TV in Hamilton – in each of the counties which they reach.

Based on this approach, the figures indicate that in every county CFPL-TV could expect to gain viewing hours, in some cases very substantially. In a number of counties, CHCH-TV would lose viewing hours if there were no cable, which means, conversely, that it has gained an advantage from cable in those counties.

In all, the number of viewing hours devoted to CFPL-TV would increase by 1,803,563 hours to 10,573,863, an increase of 20.6 per cent. In the case of CHCH-TV, however, the projection indicates that after weighing losses against gains, the number of viewing hours would increase by only 470,208, to a total of 21,630,294, a rise of 2.2 per cent.

Given heavy impact on audiences over an extended period of time, the question that arises is what effect this has had on the rates, revenues, and profits of the station. There appears to be little room for doubt that in the absence of cable, CFPL-TV would obtain a significantly higher total of viewing hours, more advertising revenue and higher profits. On the other hand, there is also a strong likelihood that in the absence of cable, CFPL-TV would have found itself confronted by direct competition for audiences and advertising dollars from a second Canadian television station. Just such a development has taken place in other centres with a similar potential audience. From a financial point of view, therefore, the present London station might be no better off under these circumstances and, in fact, might well be worse off.

It has been suggested that the erosion of audiences for CFPL-TV resulting from cable has had the effect of increasing significantly the cost of advertising over the station in terms of viewers reached. The advertising rate per 1,000 viewers for London, based on the B.B.M. daily nighttime circulation for November and the sixty-second advertising rate in effect at the time amounted to seventy-one cents. This rate does not appear to be out-of-line with other private stations of similar size and, if anything, is rather low. The rate per thousand for the Vancouver station, for example, was sixty-nine cents, for Edmonton seventy-five cents, for Winnipeg ninety-one cents, and for Ottawa eighty-six cents.

While the management of CFPL-TV can foresee the possibility that its profit position may begin to face a squeeze as a result of revenues hitting a plateau and costs continuing to rise, it is frank to admit that it has no cause for complaint about its present financial position – even if it finds cause for concern about the future. "We are not crying; we are doing very well," one official acknowledged.

Unquestionably, however, both the present and the future would be less bright if CFPL-TV were confronted by competition not only from cable, but from another Canadian station operating in its own backyard. The fact that London viewers do not have the benefit of a second local station probably has to be counted as one of the costs of the cable television invasion of the area.

THE DEMAND FOR PROTECTION

A number of proposals have been advanced to provide a degree of protection for Canadian television broadcasters against the reputed ill-effects of cable systems.

One of the most extreme positions was taken by British Columbia Television, which argued strongly against allowing any extension of cable television by microwave at the present time.

Both the CBC and the Canadian Association of Broadcasters agreed in their submissions to the C.R.T.C. that it would be desirable to hold the line on any further development of cable systems through the unrestricted use of microwave relays. "Until the future path of CATV development clarifies, and until everything possible has been done to reach a concensus among broadcasters, CATV and the Commission on the probable effect of CATV on broadcasting and the public, the Corporation urges the commission to carefully control any CATV-microwave development," the CBC brief asserted.

While the C.A.B. urged a similar policy, it was not content to await the outcome of a study to propose the imposition of a series of restrictions on future cable development. Among other things, it urged that cable systems be limited to carrying no more than six television channels and be required to black out any programme originating from an out-of-town station if it was to be carried within twenty-four hours by the local one.

The CTV Television Network pressed the C.R.T.C. to prohibit cable systems from importing distant signals not normally received in an area

> unless, where expanded service through importation of foreign signals may be in the public interest, the existing licensee should be given priority consideration respecting prospective ownership in such CATV systems, thereby ameliorating to some extent the consequent direct economic damage by the benefits which may be derived from operating such CATV systems. Thus, the programming commitment will be able to be maintained and expanded.

A similar argument, it might be noted, could also have been advanced by newspaper and radio station owners at the time television made its entry into the field of communications media and for a number of years seriously restricted their continued growth.

On the basis of actual experience to date, the case has certainly not been proved that cable television has imposed an undue hardship on Canadian television stations generally. One broadcaster with whom we held discussions privately confided: "I'm not crying, mind you; we are doing very well," echoing virtually word-for-word the sentiment of the management of CFPL-TV in London. Unlike the London management, however, this broadcaster has been among the most publicly outspoken opponents of any extension of cable television by microwave relay and has urged the C.R.T.C. to reach decisions on this important question of national policy based in part on the experience of his own operation. His representations, however, did not include an acknowledgment of the operation's continued healthy profits.

It is quite conceivable that the economic position of television broadcasters could be seriously affected, at least in some markets, by the extensive development of programming by cable systems and the introduction of their own commercials.

In the United States, the F.C.C. on October 24, 1969, decreed that all systems with more than 3,500 subscribers must originate some programming of their own by the beginning of 1971 and has ruled that they may carry commercials during natural breaks in such programs. The commission accepted the contention of cable operators that the right to carry commercials was essential to cover programming costs.

In Canada, the C.R.T.C. has actively encouraged cable systems to develop their own programming. While the commission has suggested this should complement, rather than compete with the programming of broadcasting stations, it is obviously difficult – if not impossible – to lay down any hard-and-fast lines. For the present, the commission has prohibited cable systems from carrying their own commercials. But this policy is obviously always subject to change. Furthermore, as suggested earlier, there is also a reasonable possibility that the C.R.T.C.'s jurisdiction over the programming of cable systems, including commercials, could be successfully challenged in the courts.

However and whenever it comes about, extensive programming and advertising by cable systems could present new problems in providing for some degree of orderly transition to radically new technologies.

CABLE TELEVISION AND THE FUTURE

Even if it is assumed that cable television will in time have a seriously adverse impact on television broadcasters, the question that remains is whether Canadian stations should be granted protection and, if so, to what degree and for what period. Even if they want to, for how long can public authorities stand against the public's demand for the benefits of a new technology, no matter what the consequences for established corporate interests? "Burgeoning CATV and cable systems are already making it quite clear that the customers are looking for maximum station-program choice and good signal quality," Eugene S. Hallman, Vice-President and General Manager of the C.B.C.'s English broadcasting network told the Association of Canadian Advertisers in Toronto in May, 1969. "Television is, of course, more than a delivery system of receivers and station networks and satellites, collecting and distributing services," he continued.

> But the economics of television is so closely related to the profitability of the delivery system that technological change of a significant character, for example, direct home satellite reception or massive cable multiplication or EVR availability could affect television profoundly. We in television are in for a big shake-up.

Mr. Hallman suggested that during the coming decade, today's great broadcasting networks might well become obsolete. His prediction was reinforced by Stuart Griffiths, President of Bushnell Communications, who was reported in the October, 1969, issue of *Broadcaster Magazine* to have maintained that a national cable television network would be established in Canada within the next ten years. Within that period he forecast that the CBC and CTV networks would disappear, along with a number of private stations "and we will have a new beast."

Apparently acting on this premise, Bushnell Communications is understood to have acquired interests in a large number of cable television systems, in addition to buying the Canadian Marconi broadcasting stations in Montreal and all the broadcasting properties owned jointly or separately by the Davies and Thomson families, subject to C.R.T.C. approval, in North Bay, Kingston, Peterborough, Timmins, and Kirkland Lake.

In its own submission to the C.R.T.C., the CBC envisaged the possibility that cable television might well revolutionize the present broadcast delivery system, the method of broadcast financing and programming itself. R.C. Fraser, the CBC's Vice-President for Corporate Affairs, raised the possibility that private broadcasters might close down their transmitters and rely on cable for transmission of their programming if some 80 per cent of the homes in their receiving area became wired. Advertising, he suggested, might be reduced or eliminated completely if the public was prepared to pay up to $100 a year for program service. Present television stations might become only originators of programming, which they sold to cable systems for distribution, the latter covering their costs through direct payments or commercials of their own.

The potential future of cable television as a means of shopping, banking, obtaining selective programming, information retrieval and a myriad of other purposes have become subjects of common speculation among broadcasters in recent years. Much of this speculation has revolved around the possible introduction of cable systems with many times the present capacity. While twelve channels is the usual limit, some systems have already been built with twenty channels and systems with forty or more channels are in the advanced stage of experimentation.

It is equally conceivable, however, that the system of the future will consist not of an infinite number of channels in a coaxial cable, but only a single channel with a capacity for infinite choice. Such a system would be based on the same approach as the telephone, which through a single wire to an exchange permits the user to direct a call to the four corners of the earth. Through the use of a single cable and a dial, this "program exchange" system would permit the user to link his television set with an endless number of channels serving an endless number of purposes.

The development of such a system within the foreseeable future appears to be well within the limits of reality. The necessary equipment has already been developed and employed experimentally. Some authorities have estimated that with as many as 5,000 subscribers a programme exchange system providing access to some eighteen channels would be economically feasible if the necessary regulating provisions – including permission to carry commercials and impose special charges for special services – were made.

While the future, as always, remains unclear, one thing that seems certain is that neither vested private interests nor governments are likely to be successful for long in keeping it waiting.

In its own submission to the C.R.T.C., the CBC suggested the possibility that cable television might well revolutionize the general broadcast delivery system, the method of broadcast financing and programming itself. R.C. Fraser, the CBC's Vice-President for Corporate Affairs, raised the possibility that private broadcasters might close down their transmitters and rely on cable for transmission of their programming if some 80 per cent of the homes in their coverage area became wired. Advertising, he suggested, might be reduced or eliminated completely if the public was prepared to pay up to $100 a year for program service. Present television stations would become only originators of programming, which they sold to cable systems for distribution, the latter covering their costs through direct payments or commercials of their own.

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The development of such a system within the foreseeable future appears to be well within the limits of reality. The necessary technology has already been developed and employed experimentally. Some authorities have estimated that with as many as 5,000 subscribers, a programme exchange system allowing access to some eighteen channels would be economically feasible if the necessary computer procedures — including [illegible] — could be [illegible] and special programs prove feasible.

While the future, as always, remains unclear, one thing that seems certain is that cable television will become increasingly likely to be the means by which a new economy is evolving.

Chapter 3:

CBC RESEARCH REPORT: EXTENT OF USE OF CABLE TV IN CANADA

See earlier report: A Measure of the Impact of Cable TV in Canada (TV/68/43) which described the audience situation in November 1967. The present situation, as of March 1969, is summarized below. The attached tables provide the detailed statistics. The source of audience data on which this analysis is based is again the BBM Bureau of Measurement national survey, in this case the survey for March 1969:

* Throughout the country as a whole, in an average week, about 3.1 million people watched some television via cable TV. This is approximately 15.3 per cent of the total Canadian population aged 2 years and over, or about 15.9 per cent of those who watched any television, by cable or by direct means, in an average week in mid-March.

* This 3.1 million represents about a 59 per cent increase over the number of people using cable TV in an average week 16 months earlier, in November 1967. That is, over these 16 months, the extent of usage of cable TV facilities has grown at an average rate of between 3 1/2 and 4 per cent per month nationally.

* This analysis of March 1969 data confirms the findings of the earlier study that those who watch television via cable tend to spend only very slightly more time viewing than those who do not have cable. Throughout the country as a whole, in March 1969, the per capita difference amounted to no more than an average 6 minutes per week: the average cable TV user spent 23 hours 36 minutes a week watching television, the average non-cable TV user 23 hours 30 minutes.

* As in November 1967, the greatest numbers of cable TV subscribers in March 1969 were located in the two most heavily-populated provinces, Ontario and Quebec. With a growth rate of about 67 per cent in cable TV usage over the 16 months November 1967 to March 1969, British Columbia continues, however, to be proportionately the most heavily saturated province with just under 38 per cent of its population watching television via cable in an average week, to Ontario's 18 per cent and Quebec's 15 per cent.

* As noted in the report on the November 1967 situation, while there are in general more cable TV sets per capita in the major population centres than elsewhere in the country, the expansion of cable TV in Canada is by no means confined to the big cities. The main factors contributing to the growth of cable continue to be the amount and variety of available on-air television, the proximity of on-air signals that can be "taped" by cable (particularly the signals of American stations along the U.S. border) and of course the commercial acumen of the local cable TV operator.

* Below are shown the 12 centres of population with the greatest numbers of cable TV users in an average week (in each case over 40,000), also the 12 centres with the highest proportions of cable TV users – i.e. per head of population. These figures update to March 1969 the figures given on page 3 of the earlier report. The fact that, in two of these cities, cable usage has now reached the 70 per cent level, and that in four other centres it is between 60 and 70 per cent suggests that, given the present favorable conditions for expansion, viewing via cable is well on its way to becoming the more 'normal' means of watching television throughout large areas of urban Canada, with direct on-air viewing tending to become the minority practice.

In An Average Week in March, 1969

Numbers of persons watching any TV via cable		Percentages of persons watching any TV via cable	
Vancouver	398,500	London	71.5
Montreal	343,700	Victoria	70.0
Toronto	307,600	Shawinigan	67.8
Ottawa-Hull	171,200	Trois Rivieres	65.1
London	146,800	Fort William – Port Arthur	65.1
Victoria	120,700	Sherbrooke	62.5
Hamilton	90,900	Peterborough	59.6
Kitchener	73,700	Guelph	58.8
Trois Rivieres	59,900	Belleville	47.5
Fort William-Port Arthur	58,800	Vancouver	47.4
Sherbrooke	49,200	Ottawa-Hull	37.7
Shawinigan	40,800	Kitchener	34.3

For similar information on other major urban centres, see Table 3.

***Source: CBC Research Report, TV/69/56**

Table A. Number of Persons Using On-air Television, Cable Television and No Television in an Average 7-day Week, March, 1969, by Province

	Used On-Air TV	Used Cable TV	Used No TV	Total* (Aged 2 plus)
CANADA	16,381,710	3,095,900	701,990	20,179,600
Newfoundland	428,860	1,000	54,240	484,100
Prince Edward Island	101,120	–	5,080	106,200
Nova Scotia	699,870	5,000	29,530	734,400
New Brunswick	540,350	45,800	15,550	601,700
Quebec	4,758,980	890,300	131,220	5,780,500
Ontario	5,637,870	1,293,000	211,430	7,142,300
Manitoba	844,550	46,200	51,150	941,900
Saskatchewan	872,510	22,300	33,190	928,000
Alberta	1,367,530	46,100	70,570	1,484,200
British Columbia	1,130,070	746,200	100,030	1,976,300

*Excluding the Yukon and N.W. Territories. It is to be noted also that BBM's base for audience measurement is now the population aged 2 years and over. At the time of our November 1967 analysis the base included persons under the age of two.

Table B. Proportions of Persons Using On-Air Television, Cable Television, and No Television in an Average 7-day Week; March, 1969, by Province

	Used On-Air TV	Used Cable TV	Used No TV	Total*	Number of Cable TV Users Expressed as Percentage of All TV Users
CANADA	81.2	15.3	3.5	100	15.9
Newfoundland	88.6	0.2	11.2	100	0.2
Prince Edward Island	95.2	–	4.8	100	–
Nova Scotia	95.3	0.7	4.0	100	0.7
New Brunswick	89.8	7.6	2.6	100	7.8
Quebec	82.3	15.4	2.3	100	15.8
Ontario	78.9	18.1	3.0	100	18.7
Manitoba	89.7	4.9	5.4	100	5.2
Saskatchewan	94.0	2.4	3.6	100	2.5
Alberta	92.1	3.1	4.8	100	3.3
British Columbia	57.2	37.8	5.0	100	39.8

*See footnote to Table 1.

Table C. **Number and Proportion of Persons Watching Cable Television in an Average 7-day Week in Each of 46 Major Urban Centres with Age 2-plus Populations of Over 32,000, March, 1969**

Area	Population[1] (Aged 2 plus)	Persons Using Cable TV Number	Per Cent of Population (Aged 2 plus)
CANADA	20,179,600	3,095,900	15.3
Newfoundland			
St. John's	100,990	–	–
Nova Scotia			
Sydney-Glace Bay	101,770	–	–
Halifax	195,280	–	–
New Brunswick			
Moncton	59,580	–	–
Saint John	99,940	–	–
Quebec			
Chicoutimi-Jonquière	106,710	–	–
Quebec	420,320	27,600	6.6
Sherbrooke	80,190	49,200	61.4
Granby City	34,270	No information	
Drummondville	42,780	–	–
St. Jean	42,570	–	–
Montreal	2,476,300	343,700	13.9
Trois Rivières	93,790	59,900	63.9
Shawinigan	63,040	40,800	64.7
Ontario			
Cornwall	45,430	No information	
Ottawa-Hull	511,680	171,200	33.5
Kingston	74,010	–	–
Belleville	32,970	14,800	44.9
Peterborough	56,850	32,900	57.9
Oshawa	107,340	15,000	14.0
Toronto	2,278,930	307,600	13.5

*See footnote to Table A.

Persons Using Cable TV

Area	Population (Aged 2 plus)	Number	Per Cent of Population (Aged 2 plus)
Ontario (cont'd)			
Brampton	57,420	13,900	24.2
Hamilton	464,740	90,900	19.6
St. Catharines	113,710	4,800	4.2
Niagara Falls	61,200	–	–
Welland	60,150	–	–
Brantford	63,250	18,600	29.4
Kitchener	206,410	73,700	35.7
Guelph	53,740	28,300	52.7
London	215,590	146,800	68.1
Sarnia	67,590	11,900	17.6
Chatham	32,620	6,900	21.2
Windsor	214,760	–	–
Sudbury	115,810	–	–
Timmins	38,170	700	1.8
Sault Ste. Marie	77,030	16,800	21.8
Ft.William-Pt.Arthur	98,390	58,800	59.8
Manitoba			
Winnipeg	501,730	30,200	6.0
Saskatchewan			
Regina	130,580	–	–
Moose Jaw	32,060	–	–
Saskatoon	116,380	–	–
Alberta			
Lethbridge	35,880	6,900	19.2
Calgary	347,950	–	–
Edmonton	422,370	–	–
British Columbia			
Vancouver	935,350	398,500	42.6
Victoria	181,920	120,700	66.3

Chapter 4:

ECONOMIC REALITIES OF CABLE IN 1970*

INTRODUCTION

The first North American cable system was installed in 1949 in Oregon. It was followed soon after by a system in Lansford, Pennsylvania. Both cable operations were necessary to facilitate clear reception of television signals distorted or blocked by land anomalies.

In 1952, two cable systems were begun in London, Ontario, for the purpose of transmitting American television channels previously unattainable. Quickly the commercial value of cable was recognized. It offered clear reception of distant signals, particularly necessary with the birth of colour television, and a means of clearing obstacles which blocked the passage of broadcast signals. By 1970 Canada, with approximately 400 operating systems, had more cable systems per capita than any other country in the world.

From its inception, cable television came under the licensing authority of a federal government regulatory body. Initially, it was the Department of Transport, under the Radio Act of Canada. These regulations were confined to technical matters, such as antenna height and site and radiation characteristics of the cable. They prohibited the use of more than one microwave relay connection to extend the possible reception distance of a cable system.

By the 1968 Broadcasting Act, authority was given to the C.R.T.C. to establish a number of other policies which affect or could potentially affect the operations of cable. The key aspects of these regulations are:

1. a priority list of channels to be carried, which proposes a limitation to one commercial and one non-commercial American channel, except at the discretion of the Commission. (Proposed.)
2. a blackout of American programmes appearing simultaneously with, or one week before or after, the same programme on a Canadian channel. (Proposed.)
3. encouragement to cable operators to produce local programmes of particular interest to the area which they serve and to assist in the development of educational programming. (Approved.)
4. refusal to permit advertising on local programme channels, meaning their source of revenue should be monthly subscriptions to the system. (Approved.)

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*Prepared by research staff of the Special Senate Committee on Mass Media

5. licensing of only one operator per license area, preventing competition for potential subscribers. (Approved.)

The components of a cable system – head end receiver, coaxial cable, amplifiers and drop wires – may be owned by the cable operator or rented, in part or in whole, from a common carrier or public utility. If a microwave system is required to transmit signals to the head end, the microwave equipment is owned by the common carrier. The rental charges for poles on which to hang the coaxial cable and for rental of other equipment from the common carrier or public utility have been a matter of considerable public discussion. It has been claimed that the rental charges are excessive. Whether rented or owned, the cost outlay on equipment may be written off as a business expense in the form of rent or depreciation.

The cable systems of the future are capable of more than transmitting broadcast signals or producing local programmes. The concept of the wired city includes plans for data retrieval systems, facsimile in-home print-out, computerized programme requests, and in-home shopping. The technical equipment necessary for these developments is currently feasible in theory. In time they will become economically feasible. Both common carriers and cable operators have given thought to expanding into these new fields. It has not yet been resolved with whom this responsibility will lie.

CURRENT SUBSCRIPTION

The rapid expansion of cable systems throughout Canada defies accurate maintenance of records regarding the number of cable subscribers. Further, the records of the C.R.T.C. and D.B.S. do not correspond since the two organizations define cable operations differently. To the C.R.T.C., a cable operation is a "broadcast receiving undertaking" which distributes audio-video programming via wired systems to subscribers. The D.B.S. definition includes those systems as defined by the C.R.T.C., but also includes closed-circuit television systems which receive no off-the-air signals and hence do not come under C.R.T.C. regulations; a few systems licensed by the Department of Transport not yet relicensed by the C.R.T.C., and some master antenna television systems.

Table 133. C.R.T.C. Data on Cablevision Companies and Subscribers

	D.B.S. Annual Report			C.R.T.C. Annual Report and Records
	1967	1968	1969	1969
Number of Systems	314	377	400	307
Number of households subscribing	409,000	555,000	723,000	783,000
Commercial and bulk contracts – Number of outlets	108,000	155,000	201,000	244,000
Number of potential subscribers in cabled areas	1,225,000	1,607,000	1,700,000	2,495,000

The D.B.S. figures are provided below since all the financial data used are based on D.B.S. definitions of system size. Also a consistant base must be used for an adequate appraisal of the growth of the cable industry. Individual subscriptions increased by 36 per cent from 1967 to 1968 and by a further 30 per cent from 1968 to 1969. The C.R.T.C. data on systems and subscriptions provide a more accurate assessment of the size of the cable industry by its more common definition. By December, 1969, there were 307 cable systems licensed in Canada which had 783,000 individual subscribers and 244,000 bulk contracts, of a total potential of approximately 2.5 million subscribers.

REVENUE

SOURCES OF REVENUE

Unlike radio and television, cable operations do not derive their revenue from advertising. Programmes carried on cable, with the exception of local programming produced by the cable operator, do include commercials but the revenue for such advertising is received by the television broadcaster who transmits the air signal.

To date, the C.R.T.C. has forbidden cable operators to sell advertising time in the programmes which they produce or transmit over the local cable channel. Nor would it appear that this ban is likely to be lifted in Canada in the near future, although the Federal Communications Commission has allowed advertising in programmes produced by cable operators in the United States.

The majority of revenue for the cable system is provided by installation and monthly rate charges. Typically, an individual householder pays a $10 installation charge and a $5 monthly subscription fee. Multi-unit contracts with apartment buildings, hospitals, etc. are worked out between the individual cable operator and bulk contractor. On a per-unit basis, bulk contracts yield somewhat less revenue than individual households, but the operational expenses to the cable operators are obviously less under these circumstances.

The C.R.T.C. decision to grant a license to David R. Graham, President of Cablecasting Ltd. in Calgary, approved a second source of revenue. In this area, subscribers will be charged an additional $.50 per month, the total of which is to be devoted to the development of local programming. Further, it was recommended by Mr. Graham that the other Calgary system and two Edmonton systems also adopt this plan and that a certain amount of programme exchange and combined production be allowed. It is estimated that the four systems combined will have approximately 200,000 subscribers within two to three years. This would yield an annual programming budget of $1,200,000. To date no other license applicants have requested this additional rate charge nor have any current licensees sought permission from the C.R.T.C. to increase their rates for this purpose. However, it would appear to be an acceptable and lucrative second source of revenue.

FACTORS AFFECTING REVENUE

Obviously the amount of revenue derived from a system is directly related to the number of subscribers to that system. In assigning licenses, the C.R.T.C. is responsible for designating the boundaries of the license area and hence the potential size of the system. The boundaries are usually governed by availability of territory where population is sufficiently dense to permit a reasonable chance of appropriate return on investment. However, there are a number of instances where geographic anomalies necessitate cable transmission if television reception is to occur but where the potential subscription to the system is so small that the chances of profitability and reclaiming capital investment are slim. The C.R.T.C. has declined to license more than one operator per area, and hence each operator has a monopoly within the licensed boundaries.

Revenue per mile of a system can be expected to vary according to the density of the population. Fast-growth areas are obviously more attractive propositions than slow-growth areas. Areas developing high-rise apartments tend to increase revenue for three reasons: the number of household units per acre is considerably increased; high rise buildings tend to distort air waves and hence create the need for cable to ensure clear reception; and many apartment building owners subscribe to cable, using it as an incentive to attract tenants thereby expanding revenue for the cable operator with relatively low sale cost per unit subscriber.

It has already been stated that geographic anomalies or solid heights such as high-rise apartments or skyscrapers can necessitate cable for clear reception. Colour television requires a stronger signal for clear reception than does black-and-white television. Colour television signals usually can be picked up off-the-air sufficiently strong for approximately thirty-five miles from the point of transmission. Black and white signals can be transmitted 50 to 100 miles satisfactorily. Hence an area with a considerable number of colour television sets – usually upper-income areas and areas with high-rise apartments – tends to be more lucrative. The growth of sales of colour television sets is expanding rapidly. In 1968, 10 per cent of Canadian homes had colour television. By 1971, it is estimated 23 per cent of Canadian homes will have colour sets.

The reasons people subscribe to cable – other than the need for better-quality reception – are difficult to determine. Undoubtedly increased selection of channels, particularly American channels, is taken to be a considerable advantage. So too reception of FM radio may be an incentive. According to a media usage survey conducted for the Committee by Canadian Facts Co. Ltd. in the fall of 1969, 60 per cent of Canadian households had AM-FM radios, although not all these owners may be in a position to pick up clear FM signals off-the-air.

This same survey gives some insight into the most probable householders to subscribe to cable. In total, 20 per cent of Canadian households claimed to have cable reception in their homes. Households in British Columbia and Ontario are more likely to subscribe to cable (in part at least reflecting cable availability in these provinces). The likelihood of cable subscription increases in higher-income-level groups and among homes where the chief wage earner is a professional, executive, manager, or salesman.

Table 134. Subscribing Households by Region, Annual Income and Occupation

	Percent of Households Subscribing to Cable
	%
Total Canada	20
Region	
Maritimes	12
Quebec	17
Ontario	24
Prairies	7
British Columbia	41
Annual Income	
Less than $4,000	17
$4,000 – $6,999	16
$7,000 – $9,000	24
$10,000 and over	37
Employment	
Manager, Professional, Executive, Salesman	26
Skilled Worker	17
Unskilled Worker, Farmer	2
Other	22

The Canadian Facts survey was conducted prior to the release of the C.R.T.C. cable guidelines. Based on receiving multiple channels, including more than one American, and clear reception, seven in ten subscribers claimed cable was an excellent or good value. Two-thirds stated it was a major improvement over off-the-air reception.

ANNUAL REVENUE

By 1969, cable had become more than a $37 million industry. Just over $33 million of this revenue derived from the monthly service charges to individual and bulk subscribers. This was an increase of 19.5 per cent over 1968. The increase between 1967 and 1968 had been 41 per cent.

Table 135. Revenue of Community Antenna Television Systems

	Total Annual Revenue	Revenue Derived from Installations	Revenue Derived from Monthly Service Charges	% increase in total revenue over previous year
	$	$	$	%
1967	22,115,000	2,031,000	19,093,000	
1968	31,286,000	2,444,000	27,917,000	+41
1969	37,380,000	2,870,000	33,440,000	19.5

Source: D.B.S. Annual Reports: Community Antenna Television Systems.

The Canadian Cable Television Association retained Woods, Gordon and Company to conduct a consumer survey concerning the effect of the C.R.T.C. proposed cable regulations. The survey included cable and non-cable subscribers in Toronto, Montreal, and Ottawa. The study was conducted by mail. The low number of responses, particularly from Montreal, suggests the study should be interpreted with some degree of caution, but it probably approximates consumer reaction. The response rate is thought to be low because of the mail strike at the time it was conducted, rather than a low interest in the subject.

The study indicated that 11 per cent to 27 per cent of subscribers, depending on the city, would "definitely cancel" should the blackout regulation be imposed. If one of the American channels was dropped, in accordance with the proposed station priorities, 16 per cent to 30 per cent claimed they would "definitely cancel" their subscriptions. An additional 20 per cent (approximate) suggested they could "seriously consider cancelling" if either regulation were implemented.

Current non-subscribers were also critical of the blackout proposal. About 20 per cent stated they "would definitely not subscribe" should it be adopted. A further 50 per cent said they would be "less likely to subscribe."

The results of the study suggest then that at least 20 per cent of current subscribers and perhaps as many as one-third would cancel their subscriptions. They also indicate that non-cable householders would be less likely to subscribe. Probably about one in five who might subscribe without the blackout ruling would refuse. It is not likely to be higher than this since most of these non-subscribers presumably have access to cable at this time but have not yet taken advantage of it despite the availability of more than one American channel and no blackout. Nevertheless, the study indicates that cable revenue would probably be reduced by 20 per cent under these conditions.

The study did not assess the positive advantages of local programming or other service extensions which could in time be undertaken by cable operators. It must, however, be realized that many cable operations are not yet sufficiently profitable to expand into local programming or other services to counteract the effect of the proposed regulations on blackout and reduction of American channels.

Nor did the study determine whether the positive advantage of clear reception in colour would assist in counteracting loss of subscribers. However, as it is estimated that only 23 per cent of homes in Canada will have colour television sets by 1971, this factor can only affect the decision of a portion of the subscribers.

COST FACTOR ANALYSIS

Since cable is still very much in the developmental stages, unlike radio and even unlike television which is already established, it is difficult to assess cost factors on an industry-wide basis. As long as a cable system is a signal transmission service as opposed to a signal producing unit (through programme production), its main costs are in equipment, financing, and installation, maintenance, and repairmen salaries.

Unless an operator is expanding into local programming, once a system is installed fully, capital expenditure and labour costs are reduced considerably, although loan payments and interest on loans continue for some time. The condition of new licenses, that the entire area be cabled within the first two years, creates the need for considerable financing in this period.

We now examine cost of equipment, labour costs, cost of financing, and finally estimated cost of local programming. The considerable variance in costs from province to province according to the common carrier or public utility policy, differences in labour costs and staffing policies, and escalating equipment costs make it extremely difficult to generalize on any cost factors.

The financial information provided in these sections derives from financial returns of individual systems and group owned systems filed directly with the Committee and from public information released in the D.B.S. Community Antenna Television Systems annual reports. The information referred to has been averaged or is shown in aggregate form to protect its confidentiality. Any relationship between the figures shown and those of an individual system is purely coincidental.

TRANSMISSION EQUIPMENT

A cable system consists of a head end antenna, which receives off-the-air signals and filters and reamplifies the channels to be re-transmitted, a coaxial cable or trunk line, which carries the multi-channels, and which is equipped with amplifiers at intervals to retain uniform signal strength, and tap units at each point where a subscriber's own drop wire is to be attached to the trunk line. The coaxial cable is strung on poles or laid through underground conduits belonging to the common carrier or public utility. The cable operator is charged approximately $3 per pole annually or charged similarly on a footage basis for use of a conduit. In some instances it is necessary to dig trenches in which to lay the cable, for which a higher rental fee is accorded.

There is neither a consistent policy regarding ownership of the equipment comprising a cable system nor a consistent rate structure for rental of such equipment from common carrier to common carrier. Alberta Government Telephones, for example, insists it must own all the equipment and rent to the cable operator, whereas Bell Telephone (which operates in Ontario, Quebec, Newfoundland and New Brunswick) gives the cable operator the option of owning or renting all or part of the system. Typically, the common carrier or public utility owns the coaxial cable and the cable operator owns the remainder of the system.

A study conducted by David J. Workman of the Institutional Securities Commission in Montreal in April, 1970, suggests the cost which must be allotted for installing a coaxial cable and amplifiers is $4,000 per mile of the system. It has been suggested by cable operators that this figure is somewhat low and, due to escalating costs, already out of date. Probably $5,000 per mile on the average would be more realistic.

These figures include labour costs. In Toronto, where labour costs are particularly high, cable laying averages closer to $7,000 per mile of system which is an increase of approximately 25 per cent over the past two years. This increase in costs is typical of most regions in Canada. Approximately 25 per cent of cable operations are less than two years old and hence have been subject to considerably increased costs of getting into business.

The number of potential subscribers per mile varies between 100 and 200 households according to population density. Assuming then that about 50 per cent of the potential households subscribe, the cost of installing coaxial cable and amplifiers can be estimated at $50 to $100 per subscriber.

On the whole, smaller cable systems are in the less densely populated areas and larger cable systems in the more densely populated urban centres. Hence, the smallest systems which generate the least cash flow pay proportionately more per subscriber to lay the cable than do the larger systems.

INSTALLATION OF TAP UNITS AND DROP WIRES

In the past, cable operators have contracted with a subscriber before installing tap units and drop wires to connect the household to the trunk line. Some cable operators now insert tap units outside each potential subscriber's home at the same time as laying the coaxial cable. This latter system obviously results in a number of unused tap units due to non-subscription but permits greater assurance of correct insertion of the taps which otherwise can result in the loss of signal strength. It is felt the cost of the extra tap units is more than offset by the saving in maintenance and repairs. The cost for one tap unit, one drop wire, and their installation is generally estimated at approximately $10 per household. Installation of drops may be carried out by cable or common carrier staff. In either situation the cost per installation does not vary significantly.

OBSOLESCENCE/TECHNOLOGY ADVANCEMENT

With the speed of advancement in technology and the desire to offer more diversified services, already some cable operators are considering changing portions of their equipment. The coaxial cable is capable of two-way signal transmission. However, this requires two-way amplification. To date, the majority of systems are equipped with only one-way amplifiers. Although the sophistication of in-home programme request, home shopping, away-from-home control over electronic appliances, and a multitude of other services is some distance in the future, the simple problem of sending signals from the local cable studio to the head end for transmission through the system requires this two-way amplification facility. One cable operator has estimated it would cost $350 per mile of system to replace his current amplifiers with the more advanced two-way variety.

MICROWAVE

Not all cable systems require microwave transmission of signals to their head end antenna. However, this facility is necessary for those operations in the Maritimes and the Prairies.

Department of Communications regulations state that the microwave systems of Canada must be owned by the common carrier who will rent such services to those in need of them. The specifications for such equipment require that all systems include an alternate service for transmission in case of faulting in one route. They also require a very high standard of signal delivery. In addition, the common carrier built system is usually designed with additional capacity to serve its own needs or the needs of others who may in time require a transmission service. As a result, the common carrier has been accused of unnecessarily increasing the cost of the microwave service. Further, it is claimed by cable operators (and by broadcasters for whom the same regulations apply) that the rental fee charged is excessive given that they use only a portion of one of the duplicated transmission services. It is also said by broadcasters that this cost has delayed extension of service to outlying areas.

The Special Senate Committee on Mass Media has been supplied with data by the common carriers and by broadcasters regarding CJCH-TV in Halifax, exchange of services between Saint John and Moncton, and a number of cases in British Columbia to illustrate the problem.

LABOUR COSTS

During the first two years, labour costs include executive salaries, salesmen's commission and/or salaries, wages for technicians employed to install, maintain, or repair equipment. The costs of the last group have been computed into the costs of equipment since some companies choose to hire their own staff while others pay the common carrier or public utility to install, maintain and repair equipment, including the final into-the-home taps and drop wires. Regardless of this fact, cable systems must retain one technician per 1,000 to 1,500 subscribers responsible for repair work. According to the location of the system, the salary varies between $6,500 and $9,000 annually. In addition, a repair truck for each repair man valued at approximately $3,000 must be purchased.

Typically cable operations retain few executives, many of whom own and operate the system. Cable operators, owning their systems, report that they claim little salary during the formative years.

Salesmen at least in urban areas usually work on a commission basis. The commission per subscription sale averages $25 to $30. In smaller centres where the smaller systems exist, salaries and/or commissions are somewhat less or the owner-operator may sell himself.

TOTAL SYSTEM COST AND FINANCING

The cost of building a new cable system and/or the cost of purchasing the license and a partially or completely built system is substantial. For a new area, the successful applicant pays $10 for the license, the conditions of which state that the area must be fully cabled within the next two years. Failure to comply with this condition can result in loss of the license.

Estimates suggest that a system with 1,000 potential subscribers will incur costs of approximately $75,000 through laying cables and attaching drop wires and other sundry expenses during the first two years. Revenue in this period could be expected to total no more than $20,000. A system with 15,000 potential subscribers would incur nearly $800,000 in expenses and receive about $300,000 in revenue. A system with 50,000 potential subscribers would have expenses of over $2 million with revenue of about $1,000,000.

It is obvious from this that the smaller the system the slower the return on investment. Approximately one-third of the expenditure is used to purchase capital assets, the remainder is expended on labour costs and other expenses. Part of these expenses occur because the cable operator pays a common carrier or public utility for part of the system and then has to pay additional rent for use of that system. Loss of license after two years would then result in substantial financial loss to the owner. While it is true that the installed system can be sold as a unit, the operator is unlikely to recover anything close to his investment.

As a result, cable operators have experienced considerable difficulty in locating reasonable finance which could be paid off over six to ten year periods. This length of payoff was too long for the demand loans of chartered banks and too short for loans from insurance companies or pension plans. Financiers like to lend funds equivalent only to half the value of tangible assets. RoyNat have been willing to finance cable operations with ten-year paybacks but at a price – in some instances 12.5 per cent interest and a 10 per cent share in the company of stock issued free. According to David R. Graham and James D. Meekison in their article "Today's Challenge of Financing Cable Television," appearing in the 1968-69 winter edition of *Canadian Telephone and Cable Television*, "institutional lenders are beginning to accept a pledge of cash flow rather than a pledge of physical assets as security for loans."

It is thought that banks would be more willing to invest if they could be equity shareholders. To date the C.R.T.C. has rejected them as suitable partners. However, bank participation is under review by the C.R.T.C.

When the cost of interest on such loans is added to other expenses, most cable operations cannot hope to break even in less than three to four years.

PROGRAMMING

The Special Senate Committee on Mass Media staff conducted research to attempt to assess the interest in and cost of local programming. Since few cable operations have as yet started local programme production, and since the C.R.T.C. guidelines for such programming are not clear, it was difficult to make any accurate assessment of this cost factor. However, since it is obvious that the C.R.T.C. is in favour of such a development, the following estimates are provided.

Obviously the larger systems have more revenue with which to expand into programming. It is thought that it will cost systems with revenues of $400,000 or more annually between $200,000 and $250,000 to purchase the necessary equipment. This equipment would include such things as black and VTR cameras, studios, modulators, lights, monitors, etc. The middle-sized systems of $200,000 to $400,000 annual revenue estimate expenditures of about $90,000. Some of the smaller systems suggested they might expend $10,000 in equipment, but the majority of this size did not feel local programming could be feasible for them.

Annual salaries for programme creative and production staff were estimated to be comparable annually to the investment costs in equipment – for the largest groups $200,000 to $250,000 with approximately 40 employees, for the middle group $70,000 with ten to twelve employees, and for the smallest operators who thought they might do some programming, $10,000 for two to three people; but here, it was suggested, current employees would have to double up their responsibilities if local programming were to be feasible.

Cable operators owning more than one system plan to exchange programmes of suitable subject matter from one system to another. This will permit, it is argued, higher quality production and/or would increase the number of hours of programming per week. These multi-system owners tend to be in the higher revenue groups. It is likely that if programme exchange were forbidden, the estimates for purchase of equipment and the quality of that equipment would change considerably to something affordable by an individual system rather than by the group as a whole.

PROFITABILITY

The potential profitability of cable has been generally recognized. Stock brokers have not been slow to recommend investment in cable companies to their clients. Despite rising costs and the heavy expenditure necessary in the first two years of operation, there seems to be little reason to question this supposition.

Table 136 provides data on itemized revenue and expense items and a net operating profit for the community antenna television industry as shown in D.B.S. Annual Reports 1967 to 1969. In examining these figures, the reader is cautioned that the information includes closed-circuit television as well as cable systems licensed by the C.R.T.C.

During the years 1967 to 1969, revenue increased proportionately faster than expenses broadening the profit margin of cable systems. In 1967 operating profit as a per cent of revenue was 8.7; in 1968, 14.6 per cent; and in 1969, 19.5 per cent. In 1968 the profit margin on sales for radio was 13.2 per cent and for television was 21.4 per cent. Cable's profit as a per cent of revenue at 14.6 per cent and higher again in 1969 compares very favourably, and there seems little doubt then when fully established cable will generate even higher profit margins.

Regionally in 1969 cable systems in British Columbia were considerably more profitable than those in other provinces. On the average a cable system in this province showed a profit of $37,900, more than twice the average for Canada as a whole. The average is undoubtedly affected by the fact that one British Columbia system is the largest in the world. British Columbia is followed by Manitoba and Saskatchewan at $12,400 on the average. Atlantic province systems are the least profitable averaging only $5,000 in 1969 (See Table 137.)

Table 138 examines profitability by revenue group. As in the case of television and radio stations, those operations with less than $100,000 in sales, show an overall loss for the year. Like broadcast too, the largest revenue group with annual sales in excess of $400,000 account for the majority of the overall industry's profit. Although in 1969 only 11 per cent of the cable systems generated more than $400,000 in revenue, they accounted for 91 per cent of the total industry's profit.

Table 136. D.B.S. Annual Report on Community Antenna Systems

	1967	1968	1969
Total systems	314	377	400
	$	$	$
Revenue			
Installation charges	2,031,000	2,444,000	2,870,000
Monthly service charges	19,093,000	27,917,000	33,440,000
Other revenue	991,000	925,000	1,070,000
Total:	22,115,000	31,286,000	37,380,000
Expenses			
Interest	1,530,000	1,716,000	2,428,000
Depreciation	5,234,000	6,159,000	6,603,000
Rental of land, buildings, equipment	1,572,000	2,033,000	2,287,000
Repairs and maintenance	1,742,000	2,232,000	2,267,000
Salaries, wages, bonuses	5,202,000	6,941,000	9,119,000
Professional services, management fees	1,217,000	1,187,000	2,040,000
Other	3,966,000	6,166,000	6,534,000
Total:	20,463,000	26,434,000	31,278,000
Net Operating Profit	1,652,000	4,852,000	6,102,000
Net Operating Profit as Per Cent of Revenue	8.7%	14.6%	19.5%
Average Net Operating Profit Per System	5,300	12,900	15,300

Table 137. Profitability Data on Community Antenna Television Systems

	Number of Systems	Net Operating Profit 1969	Average Net Operating Profit per System 1969
British Columbia	76	$2,877,200	$37,900
Alberta	10	73,400	7,300
Manitoba and Saskatchewan	6	74,600	12,400
Ontario	138	1,139,500	8,300
Quebec	159	1,881,600	11,800
Atlantic Provinces	11	55,200	5,000
Total Canada	400	$6,101,500	$15,300

The largest revenue groups seem to be the most profitable because they not only have the most potential subscribers, but they have signed up proportionately more subscribers. According to a study conducted by the Special Senate Committee on Mass Media staff, on the average systems with over $400,000 revenue have achieved a 66 per cent penetration whereas those between $50,000 and $399,999 have reached only about 35 per cent. These latter systems would almost double their

Table 138. Profitability by Revenue Group, 1969

	Total	Under $50,000	$50,000 - 99,999	$100,000 - 199,999	$200,000 - 399,999	$400,000 and over
Number of Systems	400	225	56	40	34	45
Total Revenue	$37,380,000	$2,632,000	$3,270,000	$4,743,000	$6,812,000	$19,923,000
Net Operating Profit (Loss)	$ 6,101,400	($ 295,700)	$ 244,800	$ 256,000	$ 361,800	$ 5,534,500

revenue if at the same stage of development as the largest ones. The smallest revenue group, under $50,000, have by far the smallest average potential subscribers in their areas and are nearing 50 per cent penetration. The hope for expanded revenue among this group is therefore very limited (See Table 139.)

Table 139. Penetration by Revenue Groups

Revenue Group	Average Potential Subscribers per System	Percent of Potential Actually Subscribing as of December, 1969
Under $50,000	972	45%
$ 50,000 – $ 99,999	2,964	35%
$100,000 – $399,999	9,950	36%
$400,000 and over	31,451	66%

Table 140 examines profitability by revenue group for the year 1969 providing the average revenue, expenses and profit per system. As in the case of radio and television, some operators filed one report for two or more systems. The total revenue of such a group determined the category into which they were placed, but the total number of systems represented is accounted for. This has deflated the average revenue per system to some extent, but does not seriously affect the conclusions which are drawn.

The analysis is useful to determine the financial capacity of cable systems to produce local programming or to diversify into other services. In the year 1969, those systems with revenues of less than $50,000 recorded an average loss of $1,300 per system. If these systems were able to expand their subscriptions from 45 per cent to 60 per cent, it is probable they would break even, but the feasibility of developing local programming is impossible for systems of this size. This applies to 225 of the 400 cable systems reported by D.B.S.

The $50,000 to $399,999 revenue groups do not on the average generate sufficient profit to expand into local programming either. However, it would seem that with an average subscription of approximately 35 per cent at this time, many of these systems would find local programming feasible in time. No doubt a number of systems, particularly at the top end of this revenue group could consider some programming at this time.

The largest revenue group, over $400,000 annually, with average profits of $122,900 in 1969 should be able to expand into programming. However it is recognized that not all systems could provide an equal number of hours of programming each week nor probably programmes of comparable quality.

Table 140. Profitability by Revenue Group, 1969

	Net Operating Revenue	Net Operating Expenses	Net Operating Profit	Number of Systems
	Dollars	Dollars	Dollars	
Revenue Group				
Under $50,000				
Total	2,632,000	2,927,000	(295,000)	225
Average per system . . .	11,700	13,000	(1,300)	
$50,000 – $99,999				
Total	3,270,000	3,025,000	245,000	56
Average per system . . .	58,400	54,000	4,400	
$100,000 – $199,999				
Total	4,743,000	4,487,000	256,000	40
Average per system . . .	118,600	112,200	6,400	
$200,000 – $399,999				
Total	6,812,000	6,450,000	362,000	34
Average per system . . .	200,000	189,700	10,300	
$400,000 and over				
Total	19,923,000	14,389,000	5,534,000	45
Average per system . . .	442,700	319,800	122,900	

Table 141. Profitability by Revenue Group, 1969 – 1971

	Profit as a Per Cent of		
Revenue Group	Revenue	Equity	Assets
1969			
Under $50,000	8.5	11.2	3.5
$50,000 – $99,999	16.8	35.2	11.2
$100,000 – $399,999	2.3	1.1	.9
$400,000 and over	43.9	68.8	20.9
1970			
Under $50,000	15.6	13.3	6.7
$50,000 – $99,999	16.3	23.8	10.6
$100,000 – $399,999	14.4	7.3	5.9
$400,000 and over	46.2	63.3	33.2
1971			
Under $50,000	33.6	29.3	17.3
$50,000 – 99,999	16.0	25.2	17.7
$100,000 – $399,999	18.3	9.9	8.2
$400,000 and over	44.3	60.5	33.3

Part III

VARIOUS FACTORS AFFECTING CONCENTRATION AND ECONOMICS IN THE MASS MEDIA

Chapter 1:

SOME OBSERVATIONS ON THE RELATIONSHIP BETWEEN INCOME TAXES, ESTATE AND SUCCESSION DUTIES, ANTI-COMBINES LEGISLATION, AND CONCENTRATION OF NEWSPAPER OWNERSHIP

INTRODUCTION

This section is concerned primarily with the effect of tax and combines policy upon newspaper ownership. Obviously these are equally applicable to the broadcast media. But the existence of the Canadian Radio-Television Commission introduces an entirely different factor in the transfer of ownership of radio and television stations. To the extent that the C.R.T.C. chooses to make it, the broadcast marketplace is a controlled one, rather than a true free-enterprise market.

In the newspaper field, the laws of supply and demand operate to a larger extent, although the marketplace is not "natural" in the classic sense. It is limited by two important factors:

1 Tax regulation effectively prevents non-Canadian interests from controlling a Canadian newspaper; the cost of advertising in a foreign-owned newspaper would not be a deductible expense for income tax purposes by the advertiser, thus rendering advertising impractical in that newspaper.

2 The economics of daily newspaper publishing during the past quarter-century clearly indicate that the most advantageous way of entering a market is to acquire an existing property rather than originating a new one, especially in a market where newspaper competition exists.

COMBINES LEGISLATION

The Interim Report on Competition Policy, Economic Council of Canada, July, 1969, has great potential for impact on this industry, just as it has in others. It is hoped within the Department of Consumer and Corporate Affairs that new combines legislation can be devised and passed by Parliament in 1971. Accordingly, this section is in two parts: "Past and Present" and "The Future? "

On no known occasion in Canada have the joint resources of the Combines and Investigation Branch and the Restrictive Trade Practices Commission prevented a newspaper sale, consolidation or merger. As a result, it is often said that anti-combines legislation in this country has had no bearing whatsoever on concentration of newspaper ownership.

In a positive sense the statement is true. But there must remain room for conjecture that certain newspaper sales or purchases have not taken place because the principals were aware of the continuing concern of the Branch and its willingness to investigate in this area. However, unless newspaper executives themselves care to offer disinterested testimony on the point, there is no way of attaching weight to the conjecture.

Since 1960 three major studies in the newspaper field have been conducted by the Restrictive Trade Practices Commission. They concerned Pacific Press, Vancouver; the Fort William *Times-Journal* and the operation of certain weekly newspapers in the Sudbury-Copper Cliff area.

In its approach to concentration of media ownership the Branch has been hampered by staff shortages; the reliance of the Act on marketplace conditions; the exclusion of social policy considerations; and the reliance of the Act on commodities to the exclusion of services. To amplify in order:

1 Staff in July was only 49 officers and 10 research senior personnel with 117 supporting personnel. By fiscal 1974-75 these totals will rise respectively to 109, 20 and 212 under plans now approved, but additional responsibilities have recently devolved upon the branch which will engage a considerable percentage of this staff increase. The Branch still feels it will be short of staff in overall terms, even with the increases planned.

Staff limitations have prevented a long-desired overall research project into media concentration; a study that would embrace the whole field. With as many as 80 different investigations in progress at any one time it has proven impossible to allocate staff for so major a project in this and other important areas.

The Branch notes, however, that the three studies mentioned above, in that each relates to newspapers, constitute more activity in this field than has been produced in any other field. (It should be noted, though, that the Sudbury-Copper Cliff study was initiated through the provision in the Act which makes a study mandatory upon application by six citizens of Canada. It should be added that despite often-voiced concern over concentration of ownership this is the only case wherein six citizens have so applied in the newspaper consolidation field.)

2 In the view of its administrators, the Act gives no scope whatever for social policy considerations in the media field. The whole presumption of the legislation is that it shall be used in the field of the manufacture and sale of articles for ultimate public consumption and such newspaper studies as have been launched so far hang on the slender thread that a newspaper is indeed a commodity that is sold for 10 or 15 cents. There is no legislative basis for concern and action in the field of contraction of sources of information, ideas, vehicles of communications, etc.

3 Branch officials have spent some time trying to find a plausible way to stretch the existing Act to cover broadcast advertising and public information as commodities, but have decided that they simply cannot do so. Advertising and information are services and arrangements for joint, combined or packaged advertising rates, could, in the view of the Branch, only fall within the purview of the Act in the event that these were overtly used to drive a competitor out of business or to prevent a competitor from entering business.

In a static situation wherein competition has long been absent and no potential but incapacitated competitor can be defined, advertising is considered clearly a service not covered by the commodity orientation of the existing Act.

Of the three studies, the Branch was most disappointed by the outcome of the Fort William investigation; this may have dampened the enthusiasm of the Branch for further forays into the newspaper concentration field.

In that case, the sale of the privately held Fort William *Times-Journal* to the Thomson organization, which also owned the only daily in adjacent Port Arthur, went to the heart of the Branch's conception of the Act, but the Restrictive Trade Practices Commission found no cause for interference.

A main Branch contention was that the two communities would eventually consolidate and that common ownership of both newspapers would lead to almost automatic merger instead of the more prolonged competition that might have resulted if separate owners were unprepared to yield.

(The municipal consolidation of the two cities into one – named Thunder Bay – has now taken place.)

The Branch professes to be deeply concerned by such situations as London, Ontario, where newspaper, radio and television interests are under common ownership, but says that in view of the restrictions in (2) and (3) the chances of a successful investigation would be slim. In a more relaxed staff situation, it was stated that the Branch would have instituted a study for at least the peripheral benefits of public information of the situation, but this was impossible because of the limitations of (1).

Given this situation the Branch considers a more fruitful approach its close relationship to the C.R.T.C., which consults the Combines Investigations Branch in all sale transactions which appear remotely connected with its sphere of interest. The C.R.T.C. is closely guided by Branch advice. It was suggested inferentially, although not directly, that Branch advice was a factor in recent C.R.T.C. decisions to remove the Bassett interests from the cable television field in Toronto.

THE FUTURE?

The Economic Council's Interim Report on Competition Policy would appear upon first reading to satisfy most of the deficiencies the Branch considers to exist in the present legislation.

For instance, advertising in all its implications and consequences would be covered under the proposed new legislation. However, much can happen between the publication of an interim report and its eventual translation into legislation.

Assuming that advertising will probably be covered by the new Act, it is also probable that the process of newspaper consolidation will be largely stabilized by the time the Act passes. However, further speculation is of little point.

ESTATE AND SUCCESSION DUTIES

It is difficult to imagine an area of more profound contradiction.

On one hand it is widely held by reasonable, intelligent men with access to the best possible professional advice, that these duties have contributed materially to concentration of newspaper ownership because the necessity of paying duties has forced the sale of newspapers; and group or conglomerate owners are the most ready buyers.

It is further contended that the very presence of the conglomerate owners aggravates the estate duty problem considerably because the Department of Finance tends to value a newspaper estate on its value in a marketplace where these conglomerates are dominant.

Conversely, men of equal reason and intelligence, with access to the same calibre of technical advice, hold that the contrary is true – that estate and succession duties are no more than a predictable difficulty under a certain form of ownership; a difficulty that can be resolved in a variety of ways.

They contend further that the market is in fact artificial because no interplay of foreign competition is allowed, which has a depressing effect on potential prices.

In this area, emotions can become intertwined with fact and may assume an independent reality of their own. A man convinced that a certain proposition is true will govern his actions accordingly.

The assumption that estate taxes (most people interviewed regarded provincial succession duties as a relatively minor factor) lead to the sale of businesses to foreign interests has often been made in Canada. If it is true in that area, it must perforce be true in the newspaper field, even though foreign ownership is not a factor. Here, again, agreement is scarce.

The Royal Commission on Taxation (Carter) could not (Volume 3, Pages 476-477) find satisfactory evidence that estate duties were anything other than a minor factor in most sales – and added that if a forced sale were really mandatory for this purpose, the sale "may in economic terms be good or bad depending on whether or not it advances the future prospects of the company."

The Report on Transfer Taxes, Ontario Economic Council, September, 1968, takes a sharply contrary view and in strong language condemns the estate tax as a major ingredient in the sale of family-owned companies to American and other foreign control.[1]

In this field, too, a past and present situation exists. Much criticism was previously attached to the requirement that succession duties be paid forthwith.

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[1] It should be mentioned in this connection that the methodology of the Ontario study has been subjected to considerable academic and professional criticism; that of the Carter Commission has not, at least in the same degree.

However, the 1968-69 Gift and Estate Tax amendments now permit an executor or successor to make payments in six annual installments. This applies to deaths on or after October 23, 1968, and is held by family owners of newspapers to be a highly useful change. Also, complications are reduced by the provision that allows the property to be left to the widow without taxation.

ATTITUDES

During the course of interviews, a number of attitudes were discovered. These are summarized below. More complete accounts of three interviews obtained under the Confidentiality Guidelines of the Committee have been filed as a separate memo with the Committee's research director.

Attitude I

This is held in common by persons now connected with conglomerate companies; by senior officials of the departments of revenue and finance; and a distinct minority of owners, or previous owners, of family newspapers.

Briefly summarized it is that estate and succession duties are but one ingredient, and not a particularly large one, in the very complex process of deciding whether to sell, or not to sell a property.

Attitude 2

This is exemplified by the publisher of a large, family-owned paper.

The estate tax has been a central part of this man's thinking for more than thirty years. For several years he carefully gathered up shareholdings that had been diffused throughout his by then scattered family.

Then he spent several more years carefully consolidating the position of the newspaper, completely re-equipping it, and placing it upon the soundest possible footing.

Then he spent the final decade carefully vesting his equity control in his children and grooming a successor from within his family.

He feels, in a story which is at times poignant, that this whole process has come to dominate if not obsess his thinking and he admits to bitterness over what he regards as the complicity of the federal government in the decline and fall of the family business, which he feels is one of the central institutions upon which all Canadian values were founded.

He adds that the transfer of equity (he retains voting control) has robbed him of a chance to be a wealthy man in his own right and that the whole operation was possible only because he was able to remain down through the years as chief executive officer and therefore pay himself a substantial salary from the company. It is his belief that although he has largely solved the problem of duties which might have been attendant upon his death, he has possibly only compounded it for his heirs, unless they, too, enjoy longevity and are fortunate in their heirs.

Attitude 3

This was exemplified by an executive of a paper recently upset by the death of its principal shareholder. "Only dedication, determination, good luck and good advice have saved this newspaper," he asserts, (the death occurred before October 23, 1968) "and it will be five years before this newspaper is really financially solvent again." Nevertheless he was confident that it would remain "out of the clutches" of the chains and groups, and regarded this possibility as a triumphant victory.

Attitude 4

This was exemplified by the former major shareholder of a newspaper sold to a media conglomerate. The respondent now participates in the conglomerate's management.

His company had not been particularly profitable and required capital; he felt family ownership had been rooted in family pride and was not necessarily valid relative to community and corporate needs; estate duties had been solved for his generation but would have contributed to greater difficulties for his heirs; the challenge of participating in the larger company combined with relief from the financial cares of the smaller, was a welcome one in personal terms.

SUMMARY OF ATTITUDES

The variations of attitude could be described almost without end, but the most common themes are represented in the four above.

Most of the family owners interviewed were not disposed to turn their private companies into public companies, even though this device might have materially assisted in the future estate duty problem. This is one point at which the argument against estate duties tends to develop flaws.

Close questioning revealed, in most cases, factors other than a simple desire to retain the property in the hands of the community. A good many family owners are firmly wedded to the concept of total privacy in their business affairs and refuse to contemplate the idea of outside members of the board, or of public disclosure of any financial data.

Indeed, this concept is so widespread (it exists in privately held group operations as well) that it constitutes a paradox on the part of men responsible for businesses which frequently, as a matter of course, demand the utmost disclosure on the part of other segments of the community and of society.

In addition, the subjective impression was gained from several interviews that the individual or family that sells a previously private newspaper property feels defensive in community terms. He may be accused by friends or even vocal, organized voices within his community, of selling out the interests of that community for crass profit even though he may, as an heir, have no personal interest in operating the newspaper or particular competence to do so.

In such cases, the estate duty argument, although it may have been a legitimate factor in the decision to sell, may be allowed to assume undue proportion when the fact of the sale is later being justified.

More than one family owner, or previous family owner, suggested that the federal government should look closely at provisions that permit the relatively easy transfer of farms and fishing equipment from generation to generation as a model for protection of the independent newspaper from the acquisitive chains. This and related ideas are examined more closely below.

THE OPTION OF GOING PUBLIC

With very few exceptions, publishers of independent newspapers contacted in the course of the study described their operations as being conducted against a background of continually increasing financial pressures.

There was also a commonality in the major causes cited for these pressures: estate taxes, increased capital investment necessitated by modernization programs and competitive factors, and rapidly increasing costs in all areas of operations.

And while there were wide philosophical differences as to its desirability, many publishers saw the only practical solution to these financial pressures for many independent newspapers in access to the financial resources of the large publishing chains.

In short, strong doubts were expressed as to the economic viability of independently owned newspapers operating under traditional ownership structures. Moreover, a change in ownership through sale to a chain was seen as the inevitable way out of the present owners' financial dilemma.

To accept this proposition in total, however, implies acceptance also of the premise that a newspaper is a unique business organization, subject to different strictures than companies in other industries.

There are perhaps important differences in the social and political implications of the product, and society has generally accepted the need for mechanisms to safeguard the public trust in the newspaper product. But it is equally true that at the business level, a newspaper enterprise is essentially an entrepreneurial activity, operated to yield a satisfactory level of profit to its proprietors.

It thus follows that the newspaper enterprise should have recourse to the same sources of finance as enterprises in other industries facing similar financial or tax questions. The evidence suggests that independent newspaper operators have utilized sources of conventional debt financing consistent with their size and earnings in much the same way as any other business.

The other traditional Canadian source of new capital – sale of equity to the public – has not been used to any great extent by independent newspaper enterprises in Canada. In fact, equity transactions have generally been restricted to sale of total or controlling interest to a larger organization. In view of the role played by equity financing across Canadian industry – and the repeated reference to the problems arising from financial pressures – the question must be asked whether managers of independent newspapers have fully explored this source of new capital.

Moreover, since many seem to regard the financial resources of the publishing chains as a strong incentive for merger, could not this same objective be reached by drawing on the financial resources of the investing public? In effect, is offering the public an opportunity to invest in an independent newspaper company a viable alternative to selling the company to a chain organization?

Before attempting to answer these questions it is necessary to point out that no general principles can be enunciated that will apply equally to all independent newspaper companies. Some, by virtue of their financial stability and earning power, have no operational need for public financing; shares in these companies would undoubtedly find ready purchasers were they to be placed on the market. Others with less economic strength would be considered poor investment risks.

Any discussion of the merits or demerits of public financing is further complicated by the lack of empirical evidence – only one independent company is known to have gone public and its interests in other newspaper operations are so wide that it exhibits many of the characteristics of a chain operation.

Two independent companies are, however, in the process of offering shares for public subscription. The reasons underlying their decision to take this step, together with the opinions of other publishers who have considered and discarded the option of going public, will serve to provide at least some insight into the factors involved.

In both cases, the companies planning to offer shares have the same principal motivation: to obtain capital for expansion purposes.

The first, a long established and influential daily, is wholly owned by family interests and occupies a dominant role in its community and the surrounding region. During the past six years more than $7 million has been spent on plant modernization and new equipment; 80 per cent of the physical plant has been changed within the last ten years. From a technological standpoint, the operation is one of the most advanced in Canada.

Despite the efficient operation implied by this investment in technology and a good earnings record, the present management considers the company to be in an exposed position with the total resources directed toward one product. As the president and a major stockholder of the company explained:

> The labour situation is developing new trends which are impossible to predict. We could be closed down by a strike at any time and since the newspaper represents the major part of the family holdings, a shutdown directly affects those members of the family who depend on it for their income.

The solution, as he sees it, is to diversify corporate activities into areas where income can be generated independently of the newspaper operation. With capital expenditures already planned for the newspaper plant, family resources are not sufficient to provide the needed funds for diversification and a public subscription offered the best and most advantages. Additional debt financing was discounted because it would "in effect, boil down to asking the family for the money because they would be guaranteeing it."

The decision to go public took two years for this company to reach. Expert advice was sought on tax and legal questions, both in a corporate sense and the possible ramifications for individual family shareholders. The opinions of other publishers in Canada and abroad were also sought out. As the president put it:

> Our prime motivation was financial – but finances must not run the mind of a person. If I had not been convinced that the advantages would be gained at the philosophical level, we would not have taken this step.

A major preoccupation in this context was how the editorial integrity of the newspaper might be affected should a sizeable block of shares be acquired by a particular interest or pressure group. This was resolved by deciding to place only 25 per cent of the shares on the market initially and placing an upper limit of 45 per cent of shares to be held at any one time outside the family. Shareholder agreements require all family-held shares to be offered first to other members before sale outside.

> By these measures we will ensure continuity of the present management philosophies. In addition, by being able to participate in the affairs of the company the community at large will obtain a more accurate view of how we acquit our responsibilities and thus can base its confidence in us accordingly.

Not inconsequentially, the family shareholders will reap significant advantages from going public. The shares to be distributed for public subscription represent a mixture of individual holdings and treasury shares. The two principal shareholders, for example, will receive a cash consideration that will reduce their personal indebtedness resulting from acquiring their holdings but still leave them in a controlling position.

The age of some of the family shareholders also poses potential cash problems arising from estate taxes. Reducing the individual holdings and at the same time providing each estate with cash from the proceeds of sale enhances the ability to meet estate taxes without a forced sale of the newspaper stock. This also provides against the contingency of other family shareholders having to commit cash to buy a deceased shareholder's interests because of estate tax difficulties.

Another advantage seen in estate tax matters to be gained from going public is elimination of any arbitrary evaluation of holdings. Current practice is to value the enterprise on the basis of what a purchaser would reasonably be willing to pay for it. With a market created for the company's shares, the value of an estate's holdings can be readily ascertained without the intervention of a third-party arbitrator.

In the case of the second company in the process of going public, the circumstances are much more clear-cut. A relatively new publishing enterprise producing daily newspapers and special interest weekly publications, the company has enjoyed rapid growth almost from its inception. The opportunities it sees for further growth, however, are beyond the present financial resources of the company and its outside debt financing sources.

Ownership is almost wholly held by the founder and president of the company and his ambitions for the organization psychologically rule out the option of raising capital through a partnership arrangement or sale to a chain.

In this particular case, going public will hopefully result in needed new capital without yielding control. And if expansion plans meet with success, it is entirely possible that the dollar value of the principal's holdings will be enhanced. In effect, he will hold a somewhat diluted but substantial interest in a potentially much larger organization.

Present plans call for 10 per cent of the shares to be offered for public subscription during the first year, with a possibility of a second 10 per cent to be sold the following year.

Estate taxes and other considerations played little or no part in the decision, taxes being separately provided for by insurance.

It should be emphasized that both these organizations are in the process of offering their shares to the public. Both exhibit a natural optimism that their views will be confirmed by experience. Only time will tell if their objectives can be realized by the method they have chosen.

One of the questions put to officers of the two companies was how would they respond to the potential situation of a chain achieving a significant minority interest through open market purchases. (Both had stated categorically that they were not interested in selling to a chain.) Both seemed unconvinced that such an eventuality would arise. Moreover, they were of the opinion that should it happen there would be no harmful effects.

A third publisher disagreed strongly with this view and cited his own experience of the type of situation that can result from significant minority chain holdings. While a private company with 74 per cent of the shares held by the principal, some 25 per cent of the shares were acquired by the predecessors of one of the large chains in the early days of the company. The chain has resisted all attempts to buy its holdings and has made counter-offers to acquire the principal's shares.

This particular publisher expressed a strong desire to rationalize his holdings to guard against foreseeable estate tax difficulties but feels his flexibility has been considerably eroded by the chain's minority holdings. To go public, in his opinion, would mean to enable the chain to increase its holdings, bringing it closer to its stated goal of ultimately achieving control.

Before drawing any conclusions from this experience, however, it should be noted that the minority interest was acquired at a time when the company's assets were considerably less than their present level. Whether a chain would deem it a good investment to tie up the kind of funds needed today to obtain a minority position in the hope that it can be ultimately expanded to a controlling position is a matter of some conjecture.

When control is securely vested in a particular family or group and is backed by sufficient financial resources to resist outside pressures, minority holdings must be regarded as little more than portfolio investments. And the chains have shown no propensity to employ their resources in that way.

One final point that bears examination is the potential effect on the overall financial operation of an independent company when its shares are publicly traded. Under private ownership the question of financing is a matter between the operator and his bankers. When the company's investment potential, its earning power, its strengths and weaknesses, become matters of wider public discussion – as they inevitably must when the stock is publicly traded – a new element enters the equation.

To what extent would financing decisions now be conditioned by the market's evaluation of the company? Would credit lines be harder to justify by a bank manager to his head office in the event of negative market attitude toward the company?

These are unanswerable questions, of course. But by the same token it must be recognized that the relationship between the independent publisher and his sources of finance is often a highly personal one built over many years. In the case of some independent companies at least, there is a distinct possibility that a purely technical evaluation of the company may yield different risk results.

In this respect, the value of the owner's personal holdings may also suffer. In the absence of publicly traded shares, a chain evaluating a newspaper property for possible purchase will consider many factors in addition to physical assets in determining its offer. As a number of publishers have pointed out, chains are often prepared to pay a substantial premium for a property based on the corporate benefits they anticipate through acquisition.

Would such an offer still be made if publicly traded shares of the company were at a depressed level? Again, the question is unanswerable but a matter of some consequence to a publisher who may be contemplating relinquishing his holdings at some future time.

It is not possible at this point in time to provide a definitive answer on whether going public is a viable alternative for an independent publisher to selling to a chain. The question cannot be answered with any certitude until some empirical evidence is available.

One conclusion has emerged however. Equity financing is widely used among Canadian companies in most industries to good effect. Public participation has also been a strong factor in the capitalization of the Canadian broadcast industry.

Of the 116 daily newspapers published in Canada, seventy-seven are controlled by chains or companies with multiple media holdings. Operated in much the same way as other businesses and making full use of appropriate financing options, many of these organizations have made shares available to the public.

The remaining thirty-nine independently-published newspapers are for the most part closely-held family interests. Strong traditions of family ownership predominate, often to the point where undiluted ownership is seen as a trust. To this point, no independently owned and operated newspaper has obtained financing through public subscription for shares.

It is from this latter group, however, that most of the comments concerning financial presssures came. There is an element of inconsistency in the apparent reluctance to use equity financing when, by normal business practices, the option is available.

Those now planning to go public are confident they have found the correct solution to their particular financial and operating situations. Interestingly, they emphasize their decisions were reached as businessmen, not publishers. As one president said: "The intellectual approach to running a newspaper no longer works. If you can't make a profit, you're out of business. There's no place for dreams when you're talking to bankers."

Others are less convinced that the philosophies or economics inherent in this position are sound.

Such divergent opinions are not surprising. Companies are subject to a wide number of conditions and influences and their decisions must reflect the realities of their particular circumstances. And other factors than personal and corporate economics enter the picture. In any given situation, therefore, a course of action that offers discernible advantages for one, may be entirely unacceptable to another.

On the opinions expressed during this research, it would seem that offering shares for public subscription fits into this category. To some independent newspaper managements it is a viable financing option with distinct advantages; to others it has no validity in the newspaper industry.

Only practical experience will provide the perspective.

INCOME TAX

The argument is frequently heard that federal income and corporation taxes are weighted in favor of the large, expansion-minded company and thus, in the newspaper context, place the smaller company at a disadvantage that hastens concentration of ownership.

Once again, there exists a past, present and future situation. The Proposals for Taxation tabled in Parliament by the Minister of Finance, November 7, 1969, will create, if enacted in part or in full, a situation different than that which exists today.

PAST AND PRESENT

Senior federal officials in the finance and revenue fields argue that the tax system is neutral in that it does not specifically encourage the large to devour the small.

It is conceded that one provision might be of specific benefit to large newspaper companies, – that of a rate of depreciation on capital equipment more accelerated for tax purposes than the rate at which business might otherwise depreciate equipment on its own books.

This might enable a large company to buy a newspaper and provide it with needed equipment – and newspapers are capital equipment-intensive – and obtain thereby a relatively beneficial tax situation for the next five years.

In general, however, it is argued that it is the natural predisposition of all business to grow, and that in general terms it is not the business of tax policy to impede such growth (although other legislation, such as anti-combines may come into play in certain growth situations.) Indeed, it is the view of many taxation experts, and of parts of the Carter Report, that consolidation of small and inefficient industry in larger and more competitive units is in general beneficial to the broader Canadian interest, particularly in the export field. (The contradiction this poses for the internal, non-exporting newspaper industry is outlined below).

Businesses cannot grow unless they first make profits, as a general rule. Insofar as it has an opinion, it is clearly the view of Canadian tax policy that it is desirable that lawful business should generate lawful profits. Our entire economy is based upon this premise.

Taxation officials, while professing individual concern over the concentration of newspaper ownership, are fairly unanimous in their belief that tax policy does not cause such concentration, and are reluctant to concede that their policies should be used to prevent it.

THE FUTURE?

A preliminary study of the Proposals for Taxation (and it is a document with complicated ramifications), indicates that takeovers of remaining independent newspapers by large chains or groups would be facilitated by the proposed new system.

One important provision in the White Paper would permit the interest on monies borrowed for the purpose of merger, purchase or takeover to be deducted for income tax purposes. This could be useful for chains that are public companies and are reluctant to issue additional shares for further acquisitions. It could be even more useful for private companies because their shares are often valued at a lower price to earnings ratio than are shares traded in the public market place.

The interest-deductibility feature would appear to be designed at least in part to place Canadian companies on a more equal footing with American and other foreign firms in the matter of acquisitions. The complaint has often been heard that an American company bidding for a Canadian property can pay more because it can deduct interest against American tax while the Canadian competitor could not do likewise.

The provision would correct that imbalance. But the Canadian newspaper market is for all practical purposes closed to the American investor. In this one field, the provision provides a remedy for a problem of foreign competition that did not exist in the first place.

On the other side of the equation, of course, is the proposal to institute a capital gains tax at marginal rates of income taxation. Will it slow or otherwise inhibit sales of various properties, including newspapers? Certainly, at the rates of taxation proposed, a potent new consideration would enter any decision to sell. But it is possible that given the dwindling number of properties available for purchase, combined with the profitability of the major potential purchasers, a capital gains tax might simply force up sales prices to accommodate part of the new tax ingredient. Also, even with a capital gains tax, a substantial profit is still a substantial profit, and the person seeking to make a profit is not likely to be deterred by the recollection that before 1970 the profit would have been even greater.

DISCUSSION-SUMMARY

This discussion must of necessity be relatively subjective.

In brief, the central problem of concentration of newspaper ownership is easy to state in terms of its potential danger in respect to the flow of information and ideas and in its mercantile, advertising, connotation. It is a great deal less easy to solve, at least in terms of a market place that is free in any sense of the word.

There are three initial points, based on the foregoing sections:

1. If the Combines policy envisioned in the Interim Report had been in effect twenty years ago the patterns of concentration today might be different. But had concentration been effectively halted, other problems of a similarly grave complexion in the newspaper field might well have arisen.

2. Estate and succession duties do not appear to be a pivotal factor in the concentration process, although they do constitute one factor.

3. The use of tax policy as a direct tool to retard concentration might not, in social terms, be either equitable or just.

In the newspaper field today, Canada has four or five large, expanding companies, making substantial profits, and seemingly intent on acquiring the dwindling remainder of independent newspapers.

Yet, these companies are acting within the law. To hamper their growth by curtailing their profits would be to, first, treat them on a basis unequal to other corporations engaged in lawful business, and second, run the risk of inhibiting the freedom of the press, because it is only with advertising profits that newspapers can provide news and comment.

In most businesses, the natural instinct of the proprietor with money to invest is to continue to do on a larger scale that which he has already done successfully; that which he knows how to do. But individual newspapers are finite, limited in size by the markets they serve. New ones are in most circumstances vastly expensive to start up, and the chances of success on the basis of past experience are extremely low. Simple logic, for this proprietor, suggests the acquisition of additional newspapers – or entry into allied fields for which his experience has at least in part equipped him.

Accordingly, newspaper proprietors have constantly nibbled at the radio and television industries, there to be met by widespread, and understandable, public concern over the implications of multi-media concentration in the same hands.

Therefore, broadcast investments from this source, while substantial in Canada today, have been limited at levels well below that which would have resulted had newspaper owners felt they enjoyed full access to this market place.

Suppose, for sake of argument, that a combination of tax and competition policy were to bar these large companies from further newspaper acquisitions, and from further entry into the broadcast field. This would be considered desirable by many people in the public interest.

But they would still be in business with what they have, and what they have is a demonstrated ability to make substantial profits. These profits would still have to go somewhere. Any reasonable businessman, denied access to ownership of the related technology which might help his primary business to survive in future, uncertain years, would probably feel bound to diversify; to enter fields not related to the newspaper business but which promised future growth and therefore corporate survival.

This could create another, potentially socially undesirable problem. If a newspaper, or a group of them, is merely part of an overall business package, the temptation to use the newspapers to further, or protect, the interests of the rest of the package must surely arise, and will less surely be fought down. It is in recognition of this danger that a group as large as Southam Press Limited has specifically eschewed participation in fields unrelated to media communications.

Suppose instead of specifically limiting the larger companies, Canada takes steps to preserve the existing independent papers by a variety of means? Theoretical possibilities exist.

1. Community, non-chain control could conceivably be guaranteed by protecting some sort of community co-operative ownership, closely enough held to avoid outside takeover. But it is important to remember that Canadian newspapers are very much community affairs. The logical investors and participants in such community arrangements would be those already in positions of mercantile dominance.

Thus a newspaper might very well find itself controlled by a consortium of its own major advertisers, a development which could have the most profound and deleterious effect upon its editorial content and which would simply be a more direct and potent local counterpart of the broader danger seen in the diversification of the large companies above.

2. Steps could be taken to preserve family control of newspapers. In various forms this solution has often been posed but its inherent dangers are fairly obvious.

One, of course, would be the creation of local baronies; families growing steadily more affluent, generation by generation, in undisputed control of what has become in most communities an indispensable local utility. And the growth of wealth, generation by generation, might not in fact be matched by the individual capacity to manage the enterprise. One specific type of property owner would be allowed to pass on his estate, while all the others looked on with envious reflections upon the equity of tax policy.

The purpose of this discussion has not been that of manifest pessimism in the face of growing concentration of ownership. It is merely to suggest to the Committee that a solution to the problem may well require questions of the most probing sort to obtain creative ideas and proposals of an order not commonly heard so far in the debate on this question.

Chapter 2 :

NEWSPAPER EDITORIAL SALARIES

INTRODUCTION

This section is concerned primarily with the salaries of the men and women who write and edit Canada's daily newspapers – writers, reporters, deskmen and other non-management personnel.

The true income of newspapermen is one of the most submerged sectors of remuneration in the country. Even if time and resources had permitted a complete formal survey of all publishers, inquiring into their rates of pay, it would have produced only part of an answer. In countless cases there is a substantial difference between what the newspaper pays an individual and what that individual actually earns, largely by virtue of being a newspaperman. The opportunities for outisde income are unusually large in this field.

A complete survey of all working newspapermen in the country would clearly have been impossible. (In the chapter on newspapers and periodicals in Part II regional differences in pay in aggregate terms, by classification of worker, are presented and analysed).

There exist, then, two methods of producing information in this area. Both will be accurate enough in general terms, but subject to almost limitless question by the individuals concerned. The first involves expensive and time consuming general surveys. The second, which is employed in this paper, combines the visible portion of pay scales as represented by union contracts, contacts throughout the country at both management and non-management levels, and direct experience in the industry.

Several basic assumptions are made:

1 Fringe benefits in the industry as a whole are sufficiently comparable to industry in general to eliminate the necessity for a special examination of this area.

2 The relationship between the organized journalists of the Quebec French-language press and their employers differs interestingly from the comparable relationship elsewhere in tone, emphasis and concept, but is not of itself germane to this paper. The tangible results in direct salaries would appear to have produced slightly higher salaries than in comparable English-language circulation brackets.

3 No purpose would be served by burdening this paper with the considerable range of editorial staff classifications and sub-categories that exist in most

newspapers. Only a few reasonably typical, recognizable, and important categories have been abstracted. Representative ranges of categorization may be found in Guild contracts.

4 Although newspapers customarily pay salaries weekly, every two weeks, or twice monthly and industry salaries are almost always calculated or negotiated on a weekly basis, this paper expresses salaries annually, rounded to the highest dollar.

5 The Parliamentary Press Gallery was not directly included in this paper because a separate survey, including salaries, was conducted by the Committee's research staff. However, the general range of Gallery *base pay* would appear to be from $8,000 to $13,000 per annum, 'star' columnists excepted.

AMERICAN NEWSPAPER GUILD CONTRACTS

During the past twenty years the Guild, which also bargains in many cases for employees in the advertising, circulation, business and other departments of newspapers (mechanical usually excepted) has had a major impact on salaries.

Even today, although the growth of the Guild appears to have levelled off in terms of new contracts and bargaining units, the union scales tend to set the pace elsewhere.

Once signed, copies of Guild contracts fan out across the country for interested perusal by management elsewhere. The degree of interest is often dictated by the geographical proximity of one's newspaper to the union shop.

Thus, a good many non-union employers adjust their basic rates in almost automatic reflex to new Guild contracts, or to the periodic escalations in two and three year contracts. The base rates might be lower, but the proportion is maintained.

The Guild's entrenchment in all three Toronto dailies heightens its bellwether effect because this, the most competitive newspaper market in the country, would almost automatically set the pace for the nation even if the union did not exist. Employment in Toronto is still the goal of countless young newspapermen, rewarded in terms of both professional standing and money. Only direct assignment to the Parliamentary Press Gallery has equal or greater lustre for the aspiring reporter.

Toronto salaries may occasionally be exceeded elsewhere under special circumstances (particularly at executive levels) but as a general proposition the working newspaperman in Toronto is the highest paid in the country.

It is important to bear in mind that all Guild contracts are expressed in terms of minimums. The individual may strike a better bargain.

The Toronto contracts vary by a few dollars per week in most categories but the differences do not seriously affect the overall economic status of the individual. For purposes of giving expression to this concept the contracts at the *Star*, *Telegram*, and *Globe and Mail* have been averaged, with the result that as of January 1, 1970, the following categories as seen in Table 142 can be said to receive the following minimum average remuneration:

Table 142. Minimum Annual Wage For Employees, Toronto Guild, 1970

Senior Deskman, Political Writer, Editorial Writer (the highest levels of Guild Coverage)	$11,433 per annum
Columnists	$10,757
Deskmen, 5 years experience	$10,157
Reporters, 5 years experience	$ 9,620
Reporter, 1st year	$ 6,100

These are, if the phrase can be endured, the maximum minimums payable in Canada. When one recalls that all other base newspaper scales flow *downward* from this representative level, the economic status of the Canadian journalist as defined by negotiations between his representatives and his employers becomes more clear.

Other Guild contracts are lower. Some samples are given in Table 143 (in Vancouver and Victoria both papers are covered and are averaged).

Table 143. Minimum Annual Wage for Selected Guild Members Outside Toronto 1969-1970

	Ottawa *(Citizen)*	Vancouver *(Province-Sun)*	Victoria *(Times-Colonist)*	New Westminster *(Columbian)*
Senior Deskman, Writer (highest level)	$10,140	$11,175	$9,016	$9,360
Columnists	9,620	n.a.	n.a.	9,100
Deskmen	9,360	10,907	8,736	8,320
Reporters*	8,996	10,907	8,680	8,320
Reporter 1st Year	5,668	6,424	4,487	4,888

*Senior experience categories, which vary from 4 to 6 years depending on contract.

Ottawa and New Westminster based on rates payable in early 1970; Vancouver to be effective in November, 1970; Victoria, November, 1969. At the time of writing, a new contract had been tentatively settled in Victoria that provided increases in the area of $30 per week for senior reporters and deskmen.

The Guild also holds contracts in Oshawa (*Times*) and Brantford (*Expositor*). In each of the senior categories remuneration is $2,000 or more per year less than above. In the *Reporter*, first year category, the difference is about $700.

The Guild also has contracts with the non-newspaper McMurray Publishing Company and with editorial employees of Baton Broadcasting Limited, CFTO-TV.

Until 1968 the Guild had a contract in force with the Peterborough *Examiner*. During that year an unsuccessful strike terminated the relationship. At that time the top classification, editorial writer, was making $7,280; senior reporters and deskmen between $5,720 and $5,830.

As a general proposition the overall influence of Guild rates, while real, is tempered by regional considerations, except for the few papers directly competitive with Guild papers (e.g., the Hamilton *Spectator* and the Ottawa *Journal* are known to match closely Toronto Guild and Ottawa *Citizen* Guild base rates respectively).

On the Prairies Edmonton, Calgary, Regina and Winnipeg, although there are fluctuations among them, by and large set the base Prairie rate.

It is reliably estimated to be, on average, 10% lower than the prevailing Vancouver Guild rates.

These newspapers, in turn, recruit staff and help set the rates for all the smaller dailies in Manitoba, Saskatchewan, Alberta and, to a considerable extent, interior British Columbia.

These rates in the various categories can vary between 10 and 20 percent *below* the Prairie "big city" average.

In Ontario the base rates work down from the Toronto plateau in ratio to newspaper circulation. Very small dailies might be as much as 40 percent below the higher categories, 25 percent below in the lower categories.

In Quebec Montreal sets the pace with the French-language press on a rough par with Toronto Guild level. From there the same downward variation appears to be operative throughout the province – 40 percent to 25 percent.

Insofar as Quebec is concerned the English language Montreal press constitutes a finite minority factor. Up until recent months the *Star* would have been estimated at approximately 5 percent below Toronto Guild rates; the *Gazette* as much as 10 percent in some areas. Recent editorial changes within the *Star* may have contributed to closing that gap.

In the Maritimes the major cities are estimated at 25 percent below Toronto Guild, with the newspapers in smaller cities running 10 to 30 percent below the major cities in the higher categories.

The foregoing makes possible the general statement that in Canada the great majority of working newspapermen and women earn from their direct employers less than $9,000 per annum.

Another major general factor influences these rates of pay, in addition to the Guild and regional considerations. This is the negotiated salary progress of the internal mechanical unions.

It is estimated that on papers from 5,000 to 50,000 circulation editorial employees tend to earn less than mechanical union employees; from 50,000 to 150,000 an unacknowledged rough parity tends to exist, with the editorial employee sometimes following the mechanical employee by about a year in annual increments; past 150,000 the relationship tends to reverse, although not in great degree. This is a rough rule of thumb only and there are exceptions.

Another influence may be starting to come into force – that of salaries for comparable work in the broadcast industry. While remuneration for newsmen in local, regional, radio and television stations would not appear to differ significantly from newspapers in the same locale (individual "star" newscasters excepted), the unionized newsroom employees of network television, public and private, are now tending to earn as much as $1,000 or $2,000 per annum more than counter parts in newspapers. This may have an effect on Toronto Guild levels, which in turn would radiate throughout the country.

A final influence, difficult to quantify, but believed to exist in relation to the larger regional newspapers, is that of the Canadian Press. No detailed inquiries were made in relation to this agency in the knowledge that an additional, separate study was being conducted of its operations.

However, it is understood in the industry that CP staffers in centres other than Toronto, Ottawa and Vancouver tend to be more highly paid than the resident locals – a situation which leads to comparisons, and presumably, some local pressure.

ADDITIONAL INCOME

It is stressed again that all the foregoing salary levels are, in the case of Guilds, minimums, and in the case of everyone exclusive of outside earnings. The fact is that a significant proportion of Canadian newspapermen augment their incomes in large or small degree. The source can be either inside the newspaper or, perhaps more frequently, outside.

INSIDE ADDITIONAL REMUNERATION

On Guild newspapers the minimums are just that. The individual can negotiate his own terms at a higher level, although it is difficult to estimate how many succeed in this. It is reasonable to suppose, for instance, that columnists with large followings succeed in making more lucrative arrangements in a competitive market such as Toronto. The same would apply in that market to reporters and deskmen of acknowledged professional standing.

By the same token, however, this bargaining factor tends to be greatly diminished outside Toronto. Relatively speaking, there appears to be much less movement of personnel between papers in Ottawa, Vancouver, Winnipeg, Victoria and Montreal. Only when one paper is indisputably dominant and the other traditionally marginal, e.g., Calgary *Herald* and Calgary *Albertan* respectively, is there a predictably steady flow, and that is in large part (although not entirely) one-way.

Even in the Toronto situation there is some evidence to suggest that trade gossip tends to magnify the number of persons receiving salaries in excess of Guild minimums.

However, the Guild does provide another potent income factor – that of paid overtime at rates varying between time and a half and double time depending on time of work and contract provision.

This is known to be a substantial factor in the income of many Guild newspapermen, particularly in the case of reporters whose work often does not or cannot fall into a seven-hour or eight-hour time span and which is not always of an easily shared nature.

It is also fairly common for reporters or deskmen assigned to one primary function to possess skills, such as theatre or music reviewing, or specialized columns of one sort or another, which are performed for the newspaper on off hours on a fee basis.

Very occasionally, perquisites of office can affect the standard of living of a working newspaperman. These can include full time use of a company car, or a mileage allowance for a personal car large enough to remove this form of transportation from the family budget. In a very few cases, on certain types of assignments, (Parliamentary Press Gallery, provincial legislative press galleries, sports), travel allowances, and expense accounts may be sufficiently generous to have a bearing on net personal income.

Some newspapers permit selected employees to "turn out" advertising supplements of the type which surround advertising with so-called "editorial" matter (gardening, travel pages) on a fee for column basis, the work often consisting of processing press release material derived from the advertiser.

Finally, a small number of papers include home produced "magazines" or supplements, the material for which is largely staff produced, but on a separate fee basis.

This section cannot hope to touch all internal sources (for instance, book and record review editors have been known to turn tidy profits on the wares presented to them free by the issuing companies) but most principal sources of direct cash are included. (For others see Paternalism, below).

OUTSIDE ADDITIONAL REMUNERATION

This falls into two broad categories:

1 Radio and television broadcasting. While the influence of newspapermen on national network news and public affairs appears to be stabilizing and even declining (and thereby affecting the incomes of the people involved, largely members of the Parliamentary Press Gallery) a considerable number can still be heard and seen. It is possible for a newspaper correspondent of stature in Ottawa to augment his income in this manner by several thousand dollars a year.

At the same time there are signs that regional and local use of resident newspapermen on television and radio is actually increasing as newspaper publishers gradually discard a previous marked antipathy to their people associating with a "competing" medium. While the rates of pay are not comparable to network broadcasting it is possible to augment one's income by $100 to $150 a month in this manner without undue strain.

2 Writing for other publications etc. This activity is of great significance to people on the larger regional newspapers. Upwards of 200 Canadian periodicals of one sort or another are estimated to buy material from non-staff freelancers or stringers. Many of these revolve around a core staff in Toronto or Montreal and depend for much of their editorial matter upon moonlighting newspapermen across the country.

The rates are not high individually, but the work is not usually difficult or time consuming for a competent newspaperman who can, with a small string of trade magazines to his name, add $100 to $200 a month to his income fairly easily.

The Toronto newspapers also maintain stringers in various regional centres, and such groups as the Southam newspapers exchange articles written by staffers on a fee basis.

In larger cities one, and sometimes two or three newspapermen can make considerable sums of money working for *Time* Magazine. This work is more strenuous but is also more lucrative.

(By way of personal illustration this researcher was able to count on $3,600 annual income above his base salary in Calgary nearly ten years ago – from *Time* Magazine and the *Globe and Mail* only.)

Also, there are numerous local projects with which the newspaperman can busy himself – such as producing newsletters and annual yearbooks for organizations, writing advertising copy for advertisers in his own newspaper (this last is often rewarded in kind, not cash) or turning his hand to radio continuity.

The practice of writing speeches for politicians and others is declining but not yet dead.

Sportswriters are often asked to contribute articles to programs, at a fee, for professional sports. Those less senior, doomed to coverage of intermediate and junior sports, sometimes act as time keepers or perform other officials functions for a fee, on the theory that they have to be there anyway.

Political writers receive a variety of state emolument ranging from use of subsidized Parliamentary facilities in Ottawa, to the outright payment of $100 granted per session by the Saskatchewan legislature to its attendant reporters, to the Ontario system of permitting reporters to act as secretaries to committees at a fee.

Many newspapers have arrangements whereby photographers share the proceeds of the sale of reprints of pictures used in the paper.

Editorial cartoonists are often bombarded with requests for extra work at a fee.

Taken together, these two diverse categories constitute a large but incalculable pool of extra income for the newspaperman.

PATERNALISM

It should be noted that the concept of employer as protector is by no means dead in Canadian journalism, including group and chain proprietors and even some newspapers which negotiate with Guilds.

Stories of Christmas Eve firings and the jocular savageries of *The Front Page* notwithstanding, Canadian reality abounds with cases wherein the physically ill, alcoholics, persons in deep personal, emotional or financial difficulty, the elderly or partially disabled, have been maintained by their newspaper employers far beyond any requirement of law or any moral standard applicable to industry in general.

Apart from this aspect, which is difficult to quantify but which is more widespread than is commonly supposed, some newspapers strive on a calculated basis to retain a nucleus of key non-management personnel.

Thus, longterm reporters might be found to have low-interest loans from their employers for the purpose of house-buying or various perquisites such as club memberships which are denied the rank-and-file.

Other people's money can sometimes be employed to this end with good effect. The entire travel industry, and a considerable sprinkling of foreign governments, regularly ask editors of papers of medium-size and larger to despatch personnel on expense-paid trips to all manner of interesting places.

Distributed judiciously among the staff these trips can make for excellent employee-employer relations on one hand – and confer upon the individual a substantial benefit on the other. He makes trips to places he could never afford on his basic salary.

Most newspapermen appear to actively enjoy travel, and the amount of travelling one does is still a barometer of one's success in the field.

Most newspapers of any size pay for a good many "out of town assignments" on their own, of course. These, too, are much prized by staff. People earning $7,000 to $10,000 a year are permitted to live for a few days on a scale usually enjoyed only by affluent businessmen or wealthy private citizens.

EXECUTIVE OR MANAGEMENT STATUS

A substantial number of non-union papers extend the umbrella of this status farther down the ladder than might be the case in many industries, to the assistant city editor level and even below.

Some papers make a very conscious differentiation between management and staff, according the former generous expense accounts, and other perquisites, which are denied the general run of staff.

CONCLUSION

It has been demonstrated that the newspaperman is not highly paid in basic terms, but he does have access to additional income by virtue of being a newspaperman, and he does have frequent opportunities to live briefly on a scale enjoyed only by a minority of Canadians. However, it is still a business with a heavy turnover of personnel. The linkage of salaries to circulation size is superficially supported by logic and economics, but it denies the fact that a properly written story, or a properly edited story, demands similar competence whether the readership is 25,000 or 225,000. The effect of this imbalance is to keep newspapermen on the move to ever bigger papers if they wish to secure bigger salaries. Yet the turnover is large on bigger papers, too. Reporters have a discernible tendency to desert the business when they approach forty. There is a high rate of turnover among the university graduates who have entered newspapers in increasing number during recent years. It is impossible to measure the effect of salary levels on these personal decisions, but it is true to state that editorial departments in Canada, by and large, lack the stability that accrues to most other organizations.

One final point, not immediately germane to this paper but mentioned as a matter of interest – discrimination against women in both financial and job-opportunity terms appears to be a marked feature of newspaper editorial departments.

Chapter 3:

TECHNOLOGY AND RESEARCH

BROADCASTING

Few industries are undergoing such rapid technological innovation as the television and radio broadcast industry. To quote one industry spokesman: "Things are moving so fast the equipment you order today will be obsolete by the time it's installed." As might be expected in such an environment, research and development is vital to manufacturers of broadcast equipment and there is no shortage of funds allocated for the purpose. The broadcast field seems to have adapted extremely well to this technology. The competitive nature of the broadcast business is probably the largest single influence underlying the industry's willingness to embrace and adjust to new technology. As a relatively new and essentially innovative field, broadcasting has not been hampered by long-held traditions and practices, and the technological orientation of broadcast employees has encouraged adoption of new techniques and equipment. Much of the equipment used in broadcasting has a relatively short usable life, which has also aided the process of technological change.

Technological research is mostly confined to manufacturers and is largely aimed at gaining a competitive sales advantage. As a result, manufacturers are extremely conscious of the need to determine where technical deficiencies lie, and thus, potential for equipment sales. From the user's standpoint this has provided an extremely wide choice of equipment and an ability to match operating requirements with equipment specifically designed for his purposes.

Larger stations have engineering staff to assist management in evaluating and selecting new equipment. Smaller operations are also well-served through technical advice from the Canadian Association of Broadcasters, professional consultants, and through informal exchanges with non-competing stations.

Relatively little technological research in this field is initiated in Canada. Much of the manufacture of broadcast equipment in this country is based on American-parent-company research or is produced under licence. C.A.B. sponsors no ongoing research programs and sees no real need for such activities in light of the massive investment in research by American and other interests, most of which is applicable to Canadian conditions. The CBC development department undertakes original research into technology required to meet unique Canadian conditions, particularly with respect to providing broadcast service to thinly populated areas. Two notable results of this research are the non-connected television package – a videotape-fed remote station that can be operated by relatively unskilled hands – and the low-power repeater transmitter used to bring radio service to remote communities. Because of the extremely high cost and low financial return of such facilities, private broadcasters have displayed no interest in developing northern service.

Two other research-oriented bodies operate at the industry level, the Canadian Telecasting Practices Committee, and the broadcast industry Technical Advisory Committee. The former is largely interested in establishing broadcast industry technical standards; it is, for example, working with color film manufacturers to arrive at specifications for color film intended for television use. The T.A.C. represents the CBC, private interests, and consultants and has as its primary aim the determination of ways to make broader use of the broadcast spectrum. One T.A.C. project involved research into the use of adjacent television channels in the same community. The project was abandoned when no private sponsors could be found to carry the cost of practical tests, estimated at $250,000. Preliminary research in this case was financed by a private station.

AUDIENCE RESEARCH

One area where research funds are amply available is audience research. Large sums are expended each year to find out what Canadians are watching and listening to by such organizations as the Bureau of Broadcast Measurement, Neilsen Ratings, the CBC Research Department, trade associations, and *ad hoc* audience studies sponsored by advertising agencies and individual stations.

Quantitative measurement of broadcast audiences has thus been well-served, but Canadian research into the qualitative aspect of programming has been minimal. It appears that very little money is being spent to determine why Canadians tune in to a particular program or to study the sociological implications of programme content.

The situation in the United States is sharply different. Most major American universities have ongoing research programs, many financed by grants from the national networks.

Studies of this nature have had a significant effect on program content, particularly in the recent move to de-emphasize violence on television. The lead in the United States was taken by academics who initiated original research on an unsponsored basis. The networks subsequently saw the value of this work and in addition to providing funds for further research, applied many of the findings to their programming. The greater emphasis on news and information programming is attributed in part to a wider appreciation of television's potential as revealed by sociological and communications research.

According to John E. Twomey, director of communications at Ryerson Polytechnical Institute in Toronto and a former CBC staff member, Canadian academicians have not displayed a similar interest in communications research and few universities have adequate facilities for such studies. He points out, however, that Canadian broadcasters do not seem to have made any strenuous effort to encourage the academic community to undertake research in the field. No formal system of research grants is maintained by either private or public broadcasting interests on an individual or a collective basis.

A spokesman for C.A.B. commented that the association co-operates, whenever it is approached, in studies of Canadian broadcasting but that most enquiries come from American sources. Both Mr. Twomey and the C.A.B. spokesman indicated that the last few years have produced signs that the academic community is becoming more aware of the research potential in communications.

The relatively small number of research papers available and the absence of any industry sponsored activities would suggest that both industry and the academic community have been less than aggressive in their approach to the question of program content and its sociological implications.

Canadian Radio – Television Commission Chairman Pierre Juneau was quoted recently as saying that C.R.T.C. will be developing program policies during the present year. The commission has authority to conduct research under the Broadcasting Act of 1968, which directs C.R.T.C. to "undertake, sponsor, promote or assist in research relating to any aspect of broadcasting." In the absence of qualitative research into the social and cultural effects of program content originating from academic or broadcast industry sources, C.R.T.C. may in future play an enlarged role in this important area.

THE NEWSPAPER INDUSTRY

Lord Thomson of Fleet had this to say about newspaper industry attitudes toward technological change:

> The newspaper industry has been remarkable in the past for its lack of any radical technological innovations over a long period. Much of this has been due to the cautious attitude of management, with its vast investments in heavy, conventional equipment, backed by the conservatism of the trade unions which have been suspicious of the effects of new methods on security of employment.[1]

A contributing factor to the pervasiveness of these attitudes through the industry has been the limited competition between newspapers serving individual markets. This essentially non-competitive environment has not produced the needed incentive for ongoing development programs of the type seen in many other industries. Several publishers in reply to our questionnaire commented that their competitive position has not forced them to seek faster and cheaper ways of production. The publisher of a leading daily in Ontario noted that lack of competition among newspapers in most major markets has helped to impede technological improvement in the industry.

While there have been few compelling pressures from within the industry for innovation over the years, recent developments outside the industry – such as television, rising wages, and the conglomerate corporation – have produced the necessary stimuli for technological change. As a result, the last fifteen years and less have seen significant changes in newspaper technology and a discernible shift in management approach.

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[1] Canadian Printer and Publisher: February 1969.

Put another way: the Canadian newspaper – at least in its non-editorial functions – seems firmly set on the road to becoming more identifiable as a modern business, motivated by the same considerations of corporate growth and profitability as other business organizations. One result has been a continuing rationalization of the industry into larger and more viable corporate units, recruitment of professional business managers, and a seeming willingness to embrace new technology and new business techniques.

It is difficult to determine cause and effect. For example, did the emergence of groups owned by individuals and organizations not previously associated with newspapers provide the catalyst for proprietors to become acquisition minded, or were outside interests attracted to the opportunities revealed by the formation of larger units within the industry? Similar questions can be asked about other developments in the industry. Is the increasing use of professional business managers an underlying reason for the greater emphasis on technological innovation in newspaper operations and administration, or are they being recruited because of the growing complexity of the business? To what extent are decisions to modernize plant and equipment influenced by the availability of new and more efficient machinery, by the need to replace present equipment at the end of its usable life, or by the need to automate because of rising labor costs?

These and other questions bear importantly on the direction future development will take.

At present, the main thrust would seem to be aimed at upgrading the technological and administrative efficiency of the industry – and thus its ability to cope with prevailing social and economic forces. There seems little doubt that the industry is undergoing a period of intense self-examination so far as its operations are concerned, which will undoubtedly have implications for further technological change over the short-term.

Rising costs are frequently cited as one of the major problems faced by publishers and industry attention is clearly focussed on finding solutions. Frank G. Swanson, publisher of the Calgary *Herald* had this to say on the subject:

> There seems no doubt that the over-riding problem that will face the Canadian newspaper industry and individual newspapers in the months and years ahead is in doing something to overtake the fantastic cost spiral which has beset all of us. Labor charges, material costs and the cost of just about everything that go into the production of a daily newspaper have risen or will be rising sharply. The answer, apart from making every possible economy, lies in the direction of raising further revenues. . . .[2]

John Bassett, publisher of the Toronto *Telegram*, echoed these sentiments, but added another dimension to the introduction of technological change: "The problem of rising labor costs can be met through reasonable negotiations with unions which will provide publishers with the right to avail themselves of new processes while protecting existing jobs."[3]

Union resistance was cited by most publishers approached as the greatest impediment to technological change in the industry. The strongest statements

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[2] Canadian Printer and Publisher: February 1969.

[3] Op. cit.

concerning union reluctance to go along with a greater degree of automation came from Ontario and British Columbia, but whether this indicates a higher rate of technological innovation in those areas or a lower content of unionized labor elsewhere is not known.

Craft trades attitude to automated operations is a predictable one. Unlike their counterparts in other industries, tradesmen in the printing and allied newspaper trades have skills which are for the most part non-transferable. When the requirement for their particular skill in the newspaper industry ceases to exist, therefore, their status and job security are threatened. Consequently, technological change thus far has been regarded with deep suspicion and often, hostility on the part of unionized crafts. The result has been what publishers term "restrictive" union practices built into labor agreements providing for duplicate staffing of jobs replaced by automation, high journeyman wage rates for comparatively simple jobs on new processes and in some cases, refusal by unions to go along with planned technological change. A complicating factor has been the number of craft guilds representing employees in a particular organization. Problems of union jurisdiction frequently arise when jobs are reorganized because of new technology.

The major technological changes affecting craft trades have been made by the large newspapers. Data elsewhere in this report would suggest that neither corporate nor union interests have been unduly harmed in the process.

The problem takes on a somewhat different dimension when applied to smaller newspapers, however. For some, the decision to automate may be the only route to financial survival or to continued independent operation. Union resistance to such change could endanger the operation. By the same token, while craft tradesmen see their job security threatened, they may find themselves in an inferior bargaining position to their counterparts on the large newspapers.

It is worth noting that while some organizations – notably the large metropolitan dailies – have faced hard bargaining with unions when introducing certain new equipment, the craft trades generally have taken a realistic approach in their demands on smaller and economically less viable operations. As a result, a number of changes have been accepted in some newspapers without the same concessions demanded elsewhere. Whether this is union policy or is at the discretion of individual locals has not been determined.

Introduction of new technology is an expensive proposition requiring heavy capital investment. While all publishers point to the high cost of new and improved equipment as an impediment to plant modernization, for many Canadian newspapers it is a financial impossibility. The following comment summarizes the position many newspapers find themselves in:

> It should be recognized that many new developments in the industry are as yet beyond the reach of newspapers of the limited resources of the smaller city newspaper. Such developments as photocomposition and the use of sophisticated computers should be reported on by larger city newspapers which already are using them. Much of this equipment is still beyond our reach.

Another publisher stated his position more bluntly:

> At 54 years of age, you are loth to make a capital expenditure of $200,000 or more (compared with the present estimated worth of the business of $300,000) even if the required capital could be raised in the current tight money period.

This publisher saw selling to a younger man or to a group as the only hope of introducing new technology into his operations. But even with the financial resources of a group to draw from, the problem still remains for many, as the following comment from the publisher of a western daily partly owned by a national group indicates:

> There is one major impediment in the way of technological advancement: the extremely heavy capital costs of traditional printing equipment.
>
> A newspaper of this size requires seven or eight linotype machines worth approximately $30,000 each; and a 24-page press with a replacement value of close to a quarter of a million dollars. The weight and size of this equipment is such that even when replacement occurs, it usually is necessary to house them in specially constructed plant additions which, of course, increase still further the capital cost outlay. To make a full recovery of capital, presses are operated over scores of years and this length of time mitigates against easy acceptance of new techniques when they are developed.

While the financial considerations pose a formidable barrier to technological change, there are indications this may not be the only factor influencing the rate of plant modernization. Newspapers of all sizes referred to such sophisticated equipment as computer typesetting when asked about significant developments in the industry, but generally with the rider that these were feasible for the large dailies. Very few mentioned technological advances they considered applicable to their own scale of operations, suggesting either there have been no developments of significance to the smaller plant, or that dissemination of information in this area is inadequate. In light of the strides made in the development of small, relatively inexpensive computer type-setters, photo composition, offset printing, computer time-sharing for administrative functions – all with significance to the smaller enterprise – the latter would seem to be the case.

A number of publishers referred to the lack of research in Canada on matters related to newspaper technology; others commented that too little money is available for research purposes. Both views would seem to be substantiated, but it is debatable whether the deficiency of research or research funds has been particularly detrimental to the industry.

In view of the limited market and the wide range of equipment needs of the different-sized newspaper operations, Canada has been unable to develop a printing equipment industry that could compete with manufacturers in the United States, France, Germany, and the United Kingdom – the principal suppliers of machinery to the newspaper industry. The international market is extremely competitive and manufacturers have turned increasingly to research and technological innovation to build product acceptance. Canadian users have benefited from research on a scale that would not have been possible on a national basis, with the added advantage of being able to draw on the experience of users around the world.

The American Daily Newspaper Association maintains an extensive research centre to conduct original research and testing of new technology. Many Canadian daily newspapers are members of the association and thus have access to information from the centre. The Canadian Daily Newspaper Publishers Association also maintains a continuing liaison with the centre through its research committee and has a full-time research director on staff. Some original research work is done in Canada under the auspices of the C.D.N.P.A. and cooperating newspapers, particularly in the fields of graphic arts and inks. Individual engraving and allied companies conduct limited reserach programs, mostly oriented to product improvement rather than original research.

From the foregoing, it would seem that technological improvement has not been hindered by the relative lack of research in Canada. Indeed, it could be argued that Canadian newspapers have been very fortunate in having access to the benefits of technological research without carrying the full burden of its financial costs.

The dissemination of technological information within the industry, however, is at best uneven and informally organized. Manufacturers' representatives appear to be the chief source of information on new products and processes – a source that may not provide wholly objective comparisons of performance and other data.

Other sources of technological information are trade journals and periodic bulletins issued by the C.D.N.P.A. The Canadian Weekly Newspapers Association has no system for providing technical information for its members.

In the case of the large daily newspapers, this situation poses no major problems. Most have specialist technical staffs capable of analyzing and evaluating the potential application of new technology. Even here, however, there are indications that co-operative sharing of technical information is not widely practised. Offset printing, for example, is regarded by many publishers as a major and significant development for daily newspapers. Many others question the economics of offset, while still others maintain that letterpress is a superior process. No organized industry activity is evident to collect and evaluate operating experience of companies using offset equipment.

The seemingly low priority assigned to the dissemination of technical information may indicate lack of recognition by the industry of the potential self-interest value of such activities. In other areas, notably measurement of the effectiveness of newspaper advertising, the industry has been in the forefront in initiating research and has pioneered new research concepts in audience evaluation. In what is believed to be the first undertaking of its kind anywhere, in 1967 C.D.N.P.A. introduced a continuing research program aimed at measuring the cumulative effect of newspaper editorial and advertising content on a community. Studies have been conducted in centres in Ontario, Quebec, and Manitoba. Certain elements of study findings are confidential to individual newspapers but most of the information collected is made available through C.D.N.P.A. for use by the industry as a whole.

One publisher had this comment:

> More rapid advances in new equipment and techniques might have been accomplished if top management had had a broader understanding of how new technology could be utilized. The chief impediment to the future of the newspaper industry will be a reluctance to accept the necessity within the trade itself.

To what extent a freer flow of technical information within the industry would aid management in decisions related to technological change cannot be determined. But it would undoubtedly be beneficial to the smaller components of the daily and weekly newspaper industry.

The weekly segment of the newspaper industry is at present the poorest served by information of this type, yet the benefits to be gained from a wider use of new technology or new methods of production might well have greater significance in their overall economic position. Co-operative use of printing and computer facilities by independent weeklies within a geographic region, for example, could permit proprietors to employ technology now outside their financial reach.

Chapter 4:

POSTAL RATES AND THE POST OFFICE

POST OFFICE FINANCIAL SITUATION

When the Honourable Eric Kierans took office in 1968 as postmaster-general, he noted that the single largest contributing factor to the deficit of the Post Office was second-class mail. About half as large a deficit was incurred through each of first- and third-class mail.

The postmaster-general is permitted to adjust third- and fourth-class rates without parliamentary approval. However, first and second class rate changes require Parliament's assent. Hence, Mr. Kierans reviewed the old Post Office Act establishing rates and introduced Bill C-116. According to a notice to publishers from the deputy postmaster-general on November 27, 1968, Bill C-116 aimed:

> "to take a long step towards assuring that second class mail pay its fair share of postal costs by substantially increasing the relevant postage rates"

and

> "to modify and clarify the terms and conditions under which the statutory second class rates apply and thereby establish a more logical basis for determining the entitlement to second class privileges."

DEFICIT

Table 144 gives the actual and estimated deficits of the Post Office as derived from all classes and services. The estimates are taken from the financial statements presented to Parliament in October, 1968 to justify assent to Bill C-116. The actual deficits are found in the annual reports of the Post Office for 1968 and 1969. The Post Office fiscal year ends March 31. Hence the 1967 fiscal year, for example, extended from April 1, 1967 to March 31, 1968.

In 1967 the Post Office incurred a deficit of $67.2 million. It was thought this would increase to $99.7 million in 1968 and to $131.8 million in 1969, if first and second class rates were not increased.

The increases in first and third class rates became effective November 1, 1968. However, second class rate changes were delayed until April 1, 1969 and hence did not effect the financial state of the Post Office in the fiscal year 1968. The effect of first and third class increases was felt for four of the twelve months.

Table 144. Summary of Post Office Deficits

		$
1967	Actual[1]	67,191,044
1968	Estimated without postal rate increases[1]	99,654,000
1968	Estimated with postal rate increases[1]	63,570,000
1968	Actual[2]	88,187,000
1969	Estimated without postal rate increases[1]	131,788,000
1969	Estimated with postal rate increases[1]	40,527,000

[1] Financial Statements and Details of Proposed Rate Adjustments - Canada Post Office: October, 1968
[2] Annual Report - Canada Post Office: 1969

For this reason, at least in part, the actual deficit of the Post Office for the year ending March 31, 1969 ($88.2 million) was more than the estimated amount assuming imposed rate increases but less than the estimate with no changes in rates. The staggered introduction of second class rate increases – April 1, 1969, November 1, 1969 and April 1, 1970 – also means that the estimated deficit for 1969-70 (assuming rate increases in existence) will also be somewhat too low, even if no other factors had to be taken into account.

REVENUE/COST IN 1968–1969

Obviously the intent of the rate increases is to expand revenue at a faster rate than costs, thereby reducing the deficit. In 1968-69 the Post Office increased revenue to a record high of $374.9 million, an increase of 11.2 per cent over the year before. In the same period costs increased by 14.5 per cent to $463.1 million, thereby increasing rather than reducing the deficit.

The main factors to affect costs were salaries and employee benefits. Salary disbursements rose from $223.6 million to $266.9 million (14.9 per cent) and employee benefits from $17.0 million to $32.2 million (89.7 per cent).

Effective February 17, 1969, six weeks before the end of the fiscal year, came the cessation of Saturday urban postal delivery. This change, it is estimated, saves the Post Office $13 million annually.

LOOKING AHEAD

If the rate changes are to achieve their objective, it is obvious that use of the postal service must remain constant or preferably increase, and that costs must be kept at the lowest possible level.

Although this examination does not concern itself in detail with mailings other than publications, Table 145 is interesting because it indicates the reduction in the use of mail service in first, second and fourth classes, even though the rate changes for first and fourth existed for only four months of the year and had not yet occurred for second class. It should be remembered that this fiscal year coincided with increasing economic prosperity which should, it can be presumed, expand communication.

Table 145. Number of Pieces of Mail Carried

	1967/68	1968/69	Net Change
	(000's)	(000's)	(000's)
First Class Mail	2,586,377	2,531,654	-44,723
Second Class Mail	694,346	673,133	-21,193
Third Class Mail	1,331,374	1,375,110	+33,746
Fourth Class Mail	96,560	85,446	-11,114
Special Mail Services	31,288	28,540	- 2,748
Government of Canada Mail	257,680	263,063	+ 5,383
Total Number of Pieces of Mail	4,997,625	4,956,946	-40,679

The effect of rate changes on publications is examined further in the following section.

Whether costs expanded faster in 1969-70 than revenue will have to await the release of the 1970 annual report. In 1969-70, a good year economically and a year without renewal of postal union contracts, it would seem the deficit ought to be substantially reduced. However, it would seem equally likely that the 1970-71 deficit may again increase. As of the end of July, 1970, four months into the fiscal year, the Post Office had been crippled for over two months with rotating strikes which forced business and public alike to use alternate systems of distribution. Another considerable increase in postal salaries and employee benefits is anticipated. Tighter money generally could affect the number of pieces of mail transferred.

Nor could it be estimated in mid-1970 whether the alternate systems of distribution being used during the strike would be entirely dropped in favour of the postal service, which has failed for a number of months in two of the past three years.

EFFECT OF BILL C-116 ON PUBLICATIONS

Almost without exception, publishers of all types of printed matter testifying before or submitting briefs to the Special Senate Committee on Mass Media were critical of the Post Office. If daily newspaper publishers have been less vehement in their criticism, it is because they rely on the Post Office less as a means of distribution. However, some of the complaints came from those dailies with exceptionally high proportions of mail circulation as will be illustrated later.

QUALIFICATIONS AND RATES

Before the assent to Bill C-116 almost every commercial and non-commercial publication qualified for second class rates. Following it, publications found themselves reclassified to higher and different rate structures within second class or shifted to third class with even higher rates. Bill C-116 excluded from second-class statutory privileges unpaid-circulation publications, periodicals published by associations, unions, co-operatives or local church congregations, and house organs. In addition, semi-weeklies were reclassified as dailies at the highest of the second class statutory rates.

Table 146 summarizes the rates applying to different types of publications prior to and after the changes. Only the final of three rate increases is shown.

Table 146. Postal Rates Before and After Bill C–116.

Categories of Publications	Previous Rates	Revised Rates (Max.) (2nd class statutory unless otherwise stated)
PAID-CIRCULATION COMMERCIAL		
Daily Newspapers		
Circulation:		
10,000 or more	2½¢/lb. non-adv. 4¢/lb. advertising	5¢/lb. non-adv.
Less than 10,000	2½¢/lb.	15¢/lb. advertising 2¢/piece minimum
Semi-Weeklies		
Circulation:		
10,000 or more	3¢/lb.	
Less than 10,000	2¢/lb.	
Weekly Publications		
Newspapers and Magazines		Newspapers:
Circulation:		5¢/lb.
50,000 or more	3¢/lb.	2¢/piece minimum plus free zone privileges for those under 10,000 circulation.
10,000 – 49,999	2½¢/lb.	
Less than 10,000	1½¢/lb. plus free zone privileges	Magazines: 5¢/lb. 2¢/piece minimum
Monthly Publications		
General Interest		
Circulation:		
10,000 or more	1¾¢/lb.	5¢/lb.
Less than 10,000	1½¢/lb. plus free zone privileges	2¢/piece minimum
Special-Interest Publications (agriculture, science, religion)	1½¢/lb.	5¢/lb. 2¢/piece minimum
Quarterly Publications	2¢/lb.	5¢/lb. 2¢/ piece minimum unless a catalogue or directory thereof (4th class with variable rates)

Table 146. Postal Rates Before and After Bill C–116. (Continued)

Categories of Publications	Previous Rates	Revised Rates (Max') (2nd class statutory unless otherwise stated)
UNPAID-CIRCULATION COMMERCIAL Same as above according to frequency and circulation		3¢ first 2 oz. 2¢ each additional oz. or part thereof (2nd class regulatory)
UNPAID-CIRCULATION ASSOCIATION Same as above according to frequency and circulation		5¢ first 2 oz. 3¢ each additional oz. or part thereof (3rd class)

It is obvious from this table that circulation size privileges, whether for daily, weekly or monthly publications, have been lost. Hence the increases for smaller publications (which tend to be less profitable) have been relatively more than for larger publications.

Unpaid circulation publications which in July, 1970 paid a rate equivalent to 31¢ per pound (3¢ first 2 ounces and 2¢ each additional ounce or part thereof) are severely taxed in relation to paid circulation publications at 5¢ per pound, but not as severely as association publications at 47¢ per pound (5¢ first 2 ounces and 3¢ each additional ounce or part thereof).

Previously for a one-piece mailing, the postage was computed at a fraction of the per pound rate. Now there is a 2¢ per piece minimum. It was not uncommon for a weekly to be paying $^{1}/_{2}$¢ per piece. These particular weeklies have experienced a 400 per cent increase in postage.

EXAMPLES OF EFFECT OF RATES

Daily Newspapers

Because of their need for fast delivery, daily newspapers are seldom distributed by mail. In total less than 10 per cent of their circulation is by mail. The exceptions occur mostly in Quebec where the number of newspapers per capita is less than in most other provinces and where production is concentrated primarily in Montreal and Quebec City. Also relying on mail are the daily papers circulated nationally such as the *Globe and Mail Report on Business* and the *Daily Oil Bulletin.*

Table 147 shows the average number of copies distributed by mail for a select number of dailies in 1968 and as estimated for 1971. It lists average weekly circulation for eight dailies and two special cases – the St. John's *Evening Telegram* weekend edition and *Globe and Mail Report on Business.*

Table 147. Postal Costs of Daily Newspapers (2nd class)

Name of Publication	1968			1971 estimated		
	Mail Circulation Per Issue	% of Total Circulation	Annual Cost	Mail Circulation Per Issue	% of Total Circulation	Annual Cost
	#	%	$(000)	#	%	$(000)
Globe and Mail (Toronto)	12,788	4.9	113.3	7,500	2.7	181.6
Le Droit (Ottawa)	6,978	37.1	867.2	1,500	3.5	131.3
Daily Record (Sherbrooke)	4,967	57.1	6.2	1,100	13.8	7.5
Guardian (Charlottetown)	11,140	65.4	32.4	7,950	47.0	72.5
Journal (Ottawa)	4,907	6.1	42.8	2,200	2.6	91.8
Daily Star (Toronto)	5,000	1.2	59.5	3,800	0.9	155.6
Standard Freeholder (Cornwall)	1,901	13.2	5.8	1,563	10.2	14.4
Daily Courier (Kelowna)	1,035	13.2	1.9	800	8.1	7.2
Miner and News (Kenora)	400	9.8	0.4	400	9.4	2.4
Evening Telegram (weekend edition) (St. John's)	13,865	27.1	28.0	8,000	16.0	31.2
Report on Business, Globe and Mail	16,791	100.0	15.0	24,850	100.0	119.0

[1]Source: Mail Circulation Study completed by Special Senate Committee on Mass Media staff: July, 1970

The table illustrates the extensive reduction in the amount of circulation distributed by mail which still, due to the dramatic rate increases, resulted in a substantial increase in annual cost to the publisher. The overall annual cost increase to the Sherbrooke *Record* appears surprisingly low. However, this reflects a reduction in mail circulation from 57 per cent to 14 per cent of its total and a reduction by forty in the number of issues annually.

It would be a mistake to accept that the increased postal rates are the only cost to publishers caused by the Post Office. Newspapers finding it too expensive or too slow to ship by mail have been forced to expand home delivery service. In raising subscription rates to cover postal charges, many lost subscribers. Most subscribers receiving only weekend editions by mail were lost with the cessation of Saturday delivery.

Claude Ryan of *Le Devoir* explained to the Senate Committee how the Post Office changes had cost him $89,000 more in 1969 than in 1968. The paper's 50 per cent increase in subscription rates more than offset the increased postal charges. It was the secondary costs that left the paper in a losing position. (See Table 148.)

Table 148. Le Devoir Postal Costs Direct and Indirect 1968-69

Additional revenue from mail subscriptions renewed in 1969	+ $55,000
Increase in postal charges (up from $3.00 to $6.50 per subscriber annually)	– $42,000
Sub-total	+ $13,000
Lost 2,000 mail subscriptions which could not be placed on home delivery	– $50,000
Home delivery to 3,500 subscribers in more than 15 communities, previously mail	– $42,000
Lost 1,200 subscribers by mail to Saturday edition only (no Saturday delivery)	– $10,000
Total loss	– $89,000

The weekend edition of the St. John's *Evening Telegram* was always distributed broadly throughout Newfoundland and the other Atlantic provinces. In order to cover postal costs, the subscription price was raised and the paper lost 1,400 subscribers. Cessation of Saturday delivery threatened to cause greater losses to circulation so new distribution systems were organized. The costs to the *Evening Telegram,* for its weekend edition only, can be conservatively estimated at $3,200 annually for increased postage costs, loss of 1,400 subscribers at $10,900, plus cost of setting up home delivery to 3,000 subscribers previously receiving copies by mail.

The *Globe and Mail Report on Business* relies entirely on the Post Office for coast-to-coast distribution. Between 1968 and 1971, circulation will have increased by one and a half times while mailing costs have multiplied by eight. This amounts to an increase in postage costs of $114,000 in three years.

Weekly Newspapers

Weekly newspapers with circulations under 10,000 published in towns with populations of less than 10,000 are allowed to mail 2,500 copies free within a forty-mile radius of the town. Weeklies are subject now to a rate of 5¢ per pound or a 2¢ per piece minimum. Few weeklies weigh more than 3 ounces. If permitted to compute postage rate per piece on a fraction of the per-pound rate, a 3 ounce weekly would mail at just less than 1¢ per copy. A one and a half ounce paper would cost only $^1/_2$¢ per copy. The 5¢ per pound rate is considerably higher than the previous poundage rate, but the 2¢ per piece minimum has been the key factor affecting increases in postal rates for weeklies. Table 149 illustrates costs to some weeklies. It indicates with an asterisk those enjoying free-zone privileges.

Table 149. Weekly Newspaper Postal Costs 1968-71

Name of Publication	1968 Circulation by Mail	1968 Annual Cost	1971 Circulation by Mail	1971 Annual Cost
		$		$
*Renfrew *Advance*	2,190	1,100	2,000	1,560
*Bradford *Witness*	800	500	1,600	1,560
*Didsbury *Pioneer*	890	37	750	300
*Carstairs *News*	550	25	675	263
Aurora *Banner*	1,136	638	1,260	1,560
Mississauga *News*	676	588	400	920
Richmond Hill *Liberal*	2,372	2,023	2,059	2,600
Bathurst *Northern Light*	1,405	1,136	1,335	1,924
Free Press Weekly	461,622	100,000	402,555	416,160

*Weeklies which enjoy free zone privileges.

Weeklies have not made the same effort as dailies to reduce their reliance on mail circulation. It should be noted that the small scale of many weekly operations makes this incremental cost, although it may not in fact appear great, a proportionately more important disbursement.

The *Free Press Weekly* is a national farm newspaper published by F. P. Publications in Winnipeg and almost 100 per cent carried by mail. In his appearance before the Senate Committee on February 11, 1970, Mr. Kierans said that in the year 1970, the postal bill to the *Free Press Weekly* would total $530,000, but the cost to the Post Office of carrying it would be $2,275,000, representing a loss of $1,745,000, the largest for any single Canadian publication. Mr. Shelford, appearing on behalf of the *Free Press Weekly* six days later, agreed with the estimate of the postal bill but not with the estimated cost to the Post Office.

The estimate of cost by the Post Office is an average of 8.5¢ per copy. The *Free Press Weekly* claims it should be 3.0¢ per copy. The reason for the difference, it is claimed by the company, is that the *Free Press Weekly* performs considerably more of the post office handling, sorting and weighing functions than does the average publication. The *Free Press Weekly* undertakes a high degree of pre-mailing sorting and the physical placing of bundles on railroad cars to be shipped. This reduces substantially handling by the Winnipeg post office and makes it easier to handle at destination post offices. Also as essentially a rural publication, the *Free Press Weekly* notes that only 11 per cent of its circulation is delivered by letter carrier while the remainder is picked up by the subscriber at the wicket. The *Free Press Weekly* management contend that the Post Office establishes rates based on the average cost of carrying publications, which are excessive in individual cases.

Although the postal costs have become severe for some weeklies, their chief criticism of the Post Office appears to be inefficient delivery service. One of the prime reasons for maintaining Saturday delivery in rural areas was to allow distribution of local newspapers. However, registered post offices, at which publications must be mailed, tend to be in urban areas and are closed on Saturdays. These post offices cannot always sort all the mail before the weekend and hence weeklies, which receive second priority in handling, often are not moved through until Monday or Tuesday.

Because slow delivery was resulting in loss of subscribers, many publishers started to print and mail their papers one day earlier in the week – usually Tuesday or Wednesday. This means that by Saturday the news is already four or five days old and has lost a considerable amount of its value as news.

Magazines

All but 10.7 per cent of paid-circulation consumer magazines are distributed by mail, the remainder being sold as single copies on news stands. Business and association periodicals rely even more extensively on the Post Office. A few magazines, all with unpaid circulation, such as *Homemaker's Digest, Toronto Calendar* and *en Ville* in Montreal, have elected to set up their own door-to-door delivery systems.

To put this volume into some perspective, paid-circulation consumer magazines have a total circulation of approximately sixty million annually and unpaid-circulation consumer magazines add a further eighteen million copies annually, of which 8.3 million are *Homemaker's Digest* and *Toronto Calendar.* Approximately 55 million copies of business publications are circulated of which 40 per cent are paid circulation periodicals. The largest contributor to this circulation is *Financial Post* which distributes over seven million copies annually. In total, then, 133 million copies are distributed of which over 120 million are mailed.

In examining the 1970 postal rates for magazines, it is important to remember the discrepancies between paid-circulation commercial, unpaid-circulation commercial and unpaid-circulation association publications. It is not necessary to distinguish between consumer and business magazines, among subject matter within these categories, nor between circulation sizes, although these factors had a bearing on rates prior to the adoption of Bill C-116.

Proponents of controlled (unpaid) circulation claim that the cost of obtaining a subscriber is not offset by the subscription price and hence that paid circulation cannot be justified. Special-interest publishers sometimes state that publications with a small maximum potential subscription must use controlled circulation to ensure reaching all qualifiers, thereby making the periodical a viable advertising medium. The Post Office, on the other hand, takes the position that if a reader is willing to pay a price for a publication, the social value of that publication is demonstrated and it should be carried by a public service at a lower rate. In the case of association publications, the Post Office feels more editorial content is free and hence operating costs are lower. Further, associations are not subject to corporate taxation. For this reason, it is said, the higher rate is justified.

Table 150 lists postal charges for a select number of magazines which participated in the Post Office study conducted by the Special Senate Committee on Mass Media staff.

Because of the variations in weight, frequency and circulation, the average cost for mailing one ounce of copy has been computed for each magazine in order that comparisons may be made. These averages are not consistent between the groups of magazines examined – paid commercial, unpaid commercial and unpaid association because the proportion of copies mailed in bulk (at a lesser rate than if by single copy mailing) varies from publication to publication.

The *United Church Observer* has been particularly hard hit in relation to other paid consumer magazines since it lost its extra-special second-class privileges for being religious in content and was assigned the same rate as other paid-circulation magazines. The *Observer* has reduced circulation by about 10,000 but increased its weight by half an ounce per copy. Its additional postal cost per issue is $4,500. The *Observer* in 1968 was published 22 times, in 1970 sixteen and will be published only 12 times in 1971.

The table shows that in 1970 paid commercial magazines average about $^2/_3$¢ for each ounce of copy, while unpaid commercial pay 1.6¢ to 1.7¢ on the average and unpaid association between 1.8¢ and 2.5¢.

While it is obvious that some of these listed publications and others have reduced their weight per copy or number of issues annually since 1968, it would be unfair to attribute these changes entirely to the Post Office rate increases. It is known, however, that some publications have adopted lighter weight paper to effect reduced postal charges. A few others, subject to postal rates based on ounces rather than pounds, have occasionally deleted a page or two to reduce the weight per issue. For example, an unpaid-circulation commercial magazine weighing 5.1 ounces will have a per piece mail cost of 7¢ (3¢ + 2¢ + 2¢) while a 5.0 ounce magazine would cost only 5¢.

Some publications did not feel they could afford the higher cost of postal service and so set up their own distribution service. *Homemaker's Digest,* an unpaid-circulation publication for above-average-income housewives, blankets suitable areas coast-to-coast with a total circulation of 1.2 million. The new postal rates meant an increased annual postal bill from $66,000 to $462,000. (This change was caused partially by an increase in the publication's weight from 2 to 2½ ounces. However, at $2^1/_2$ ounces the previous bill would have been only $132,000 leaving a real increase of $330,000.) The magazine at first was folded. However, in 1970 it was refinanced by new Canadian owners and initiated a self-distributing system. This system, involving bulk transport in railway cars to central points with door-to-door drop off thereafter, costs about half what the Post Office would charge. In addition, it has a greater guarantee of quick delivery.

Toronto Calendar, also faced with 600-700 per cent increases in postal costs, went to door-to-door personal delivery. *Toronto Calendar* is delivered by hand to

Table 150. Magazine Postal Costs

	Average weight per copy		Average mail circulation per issue		Average postage cost per issue		Average cost per ounce of copy mailed
	1968	1970	1968	1970	1968	1970	1970
	(oz.)	(oz.)	('000)	('000)	$	$	¢
Paid/Commercial							
United Church Observer	2.9	2.95	309.0	300.0	1,500	6,000	.68
Saturday Night	4.3	3.3	82.1	93.9	722	1,962	.63
Maclean's	8.75	5.5	695.0	757.0	5,025	5,975	.14
Unpaid/Commercial							
Modern Medicine	8.0	8.5	28.2	31.6	1,936	4,400	1.8
Canadian Wood Products	3.6	4.5	3.3	4.65	1,446	3,684	1.7
Canadian Automotive Trade	6.0	5.5	30.6	29.8	210	265	1.6
Canadian Petroleum	5.9	6.5	8.6	9.2	316	884	1.5
Unpaid/Association							
Royal Bank of Canada *Newsletter*	.75	.75	9,180.0	9,180.0	6,107	18,667	1.9
B.C. Motorist	3.0	3.0	106.0	120.0	1,800	8,400	2.3
Farm and Country	1.5	2.25	118.1	122.6	524	4,750	1.8
Canadian Labour	4.7	4.7	11.2.	10.6	200	1,273	2.55

120,000 households. The nature of the magazine requires that it arrive at its destination no later than three days after publishing. Distribution by third class took an average of nine days. Although the time schedule could be met by first class mailing, this cost $21,600 per issue or just over $2.2 million annually or 18¢ per copy.

En Ville, a small business publication distributed in downtown Montreal, hires university students at $1.50 an hour and packages the magazine in plastic together with direct mail inserts sold to offset the cost of distribution. Thus its cost of distribution increase has been minimal whereas it too faced destruction through a 600 per cent increase.

It has been suggested that a number of publications in Canada expired because of the postal increases. Although this may be true, it is just as likely that this incremental cost was simply the straw that broke the camel's back; they might have died in any case for any number of marketing or product reasons. The concern would seem to be the discrepancy in rates between paid commercial, unpaid commercial and unpaid association publications. Undoubtedly, to the unpaid circulation publications, particularly those published by associations, postage has become a major cost factor.

It should be noted that distribution costs in 1970 for the *Homemaker's Digest, Toronto Calendar* and *En Ville* are less than if they used the postal service. This suggests that the postal service is too costly for the service performed. While it is probably true that a number of efficiencies could be introduced in the Post Office, it should be recognized that these three publications differ from others in having localized concentrated distribution areas and hence lend themselves more easily to door-to-door distribution. Self-distribution for *Chatelaine* or *Chemistry in Canada* or other scattered subscriber publications would probably be more costly than by mail.

THE VIEW FROM THE POST OFFICE

It was considered desirable to interview senior postal officials, touching on points which have been of concern within the industry, in the hope that this might assist the Committee. Accordingly, F. Pageau and G.S. McLachlan, Director and Assistant Director respectively of the Postal Rates and Classifications Branch were interviewed on July 4, 1969.

Three questions were discussed:

1 The effect of postal rate increases, and delivery contractions, upon daily newspapers.

2 The effect on Canadian magazines of solicitation by the Canada Post Office of business from U.S. magazines.

3 The "import-export" imbalance that Canada Post Office encounters in the publications field.

It was immediately clear that, from the standpoint of the Civil Service, the main impact upon daily newspapers of changes in postal rates and regulations in the 1968-69 period stemmed not from the additional costs of mailing newspapers, but of the contraction of daily deliveries from six to five per week.

The effect of this loss of a delivery day, causing papers to pile up and lag yet another day from publication delivery, has resulted in determined efforts on the part of a number of newspapers with a fairly substantial mail circulation to bypass the post office as much as possible by extending their carrier and truck delivery routes.

The Post Office certainly conceived this as a major problem from the standpoint of the publishers. But it was subjectively obvious from the tone of the interview that the Post Office feels the other considerations involved in the five-day decision out weigh this factor and that the department would be happy to be relieved of the newspaper distribution burden altogether.

In the matter of postage rate increases the Post Office, to its regret, feels it is still heavily subsidizing weekly newspapers, general-interest farm papers, consumer magazines, and the religious press. Under the postal rates effective April 1, 1969, for instance, weekly newspapers still pay only 12 per cent of the actual cost of mailing their product, compared to 9 per cent under the old schedule, according to Post Office figures.

So far as daily newspapers alone are concerned the Post Office is of the view that a great deal of the complaint has ranged from the irrelevant to the dishonest. It maintains a list compiled in late 1968, containing the total circulation of each paper, the percentage of circulation distributed by mail, the prices to subscribers for home delivery vs mail delivery, and the cost of mail delivery increase and impact upon mail subscribers of the increases. The Post Office view in every case is that non-punitive upward rate adjustments in the mail subscriber category could completely recover the additional postal cost without causing any serious problems.

For instance, *Le Devoir* and *L'Evangeline*, Moncton, are the two Canadian papers hardest hit ("We tried hard to find comparative English papers but it wasn't possible"). Of a circulation of 8,405 *L'Evangeline* distributes 6,262 by mail. Its subscription price to mail subscribers is $15.00 per annum, by carrier $26.00. The full impact, according to postal calculation, is $5.00 per mail subscription. *Le Devoir* distributes 18,000 of a circulation of 42,000 by mail and subscription rates vary from $20.00 for mail to $31.00 for carrier. The postal cost impact would be $3.57 per mail subscriber. These two cases are regarded as unique.

One of the most adversely affected English language newspapers is the Orillia *Packet and Times*, which distributes 2,500 of a total circulation of 8,000 by mail. Its subscription prices are $10.00 by mail and $31.00 by carrier boy and it is calculated that an increase of $4.81 in the mail subscription would accommodate the additional postal burden and still leave the mail subscriber buying at half the carrier boy rate.

A far more typical case is that of the Edmonton *Journal* which distributes only 10,000 of a total circulation of 150,000 by mail and which charges $32.50 for home delivery as compared to $15.00 for mail subscribers. In general, then, the official attitude of the Post Office to the problems of daily newspapers is not sympathetic insofar as the rate increases are concerned, even in such extreme cases as *Le Devoir* and *L'Evangeline.* There did appear to be genuine sympathy for the problems engendered by the five-day as opposed to the-six-day delivery.

QUESTION 2

One complaint levelled against the Canadian postal service has been its effort during the past several years to encourage magazine publishers in the United States to truck their products across the U.S.-Canadian border and mail them in Canada. This has brought accusations from Canadian publishers that the Government of Canada through its Post Office is subsidising foreign competitors.

The Post Office takes an entirely contrary view. Although the Canadian rates are cheaper once an initial distance has been covered by truck, the Post office points out that under international convention it is honour-bound to deliver for nothing articles of mail which originate in foreign countries and destined for Canadian receivers. In other words, if the American publishers involved (*Life* is an example) mailed their product in the United States the delivery costs in Canada would be a net loss to the Canadian postal system.

For instance, in the last fiscal year, the Canada Post Office *earned* $3 million in this way which, it contends, would otherwise have been lost revenue. It contends that the rates are no lower or no higher for American magazines compared to Canadian magazines and that no element of unfair competition exists.

QUESTION 3

One concrete by-product of the foreign publications that enter Canada in large numbers is that the Post Office loses a good deal of money delivering them, because the international postal agreements simply call for reciprocity of delivery and do not take an imbalance of quantity into account.

Thus, Canada exports relatively few of her publications, and practically none of them in quantity. Yet it is, in the words of postal officials, inundated "by carload lots" by publications from the United States, Britain, France, Germany and Italy, in that approximate order.

After complaining ineffectually about this for a number of years Canada has found common cause in its grievance with a number of African and Asian countries, and such smaller European countries as Belgium, which suffer from the same imbalance.

Accordingly, at the sessions of the world Postal Congress in Tokyo last fall, Canada, in conjunction with a number of other small countries, set in motion steps which it is hoped will lead eventually (it apparently takes several years to get a change through this body) to an arrangement which compensates countries that are net importers of publications, at the expense of the exporters.

APPENDICES

Appendix I

OWNERSHIP AND INDICATED CONTROL OF MEDIA OUTLETS IN 103 SURVEYED COMMUNITIES AT JULY 31, 1970.

INTRODUCTION

The following table lists all the daily newspapers, radio and television stations, and cable television systems for each community, by province, covered in this survey. Not every community served by the mass media in Canada is included. The study has been confined to those communities in which a daily newspaper is published or in which a primary television station is located. Some additional communities, in which major group companies have an interest in one or more radio stations, have also been included. The table shows the population of each community, the company or individual owning each of the media, and, where ascertainable, the indicated source of control.

Population figures have been taken from the *Financial Post's Survey of Markets* (1969), projected population as at April 1, 1969. Where a listing for a community at this date was not available, the 1966 census figure was used. The census figures are denoted by the symbol "C" and metropolitan populations are denoted by the symbol "M". Circulation figures for newspapers have been taken, in most cases, from the December, 1969, issue of *Canadian Advertising Rates and Data* and represent average daily total paid circulation, excluding bulk Monday through Saturday. Circulation figures for radio and television are taken from the October 7-November 9, 1969 *Coverage and Circulation Report* of the Bureau of Broadcast Measurement. Radio data are based on the average daily circulation, in day-time hours, for all persons, two years old and over. For cable television systems there are no call letters; therefore, under the heading "Media Name" only the symbol CATV is used. Cable television circulation data have been provided by individual operators; the unbracketed figure is the actual number of subscribing households as of December 31, 1969, including apartment and bulk units; the bracketed figure represents the maximum potential on the same basis.

Where applicable, the network affiliation of each of the listed radio and television stations is indicated. CBC stations are listed as CBCO (CBC-owned) and CBCA (CBC affiliated).

The column headed "Media Owner" indicates only those media outlets which are owned by groups. All others are independently owned. The words "See Group Profile" in the column headed "Remarks" refer to profiles of major ownership groups in Part I of this volume.

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
British Columbia							
Cranbrook (7,849)	*Daily Townsman*			William O. Atkinson		Daily except Saturday	2,410
	CKEK-AM			East Kootenay Broadcasting Company Limited	L.J. Hoole	Station also serves Kimberley. Circulation not shown separately.	8,900
	CBUBT-TV	CBCO		Canadian Broadcasting Corp.	CBC		8,300
	CATV			Cranbrook Television Limited	H.E. Wheeler J.R. Atchison D.R. Leyden C. Hanemayer		
Dawson Creek (14,200)	CJDC-AM			Radio Station CJDC (Dawson Creek, B.C.) Limited	Michaud Family		15,000
	CJDC-TV	CBCA			Michaud Family		38,200
Kamloops (26,500)	*Daily Sentinel*		Group	Thomson B.C. Newspapers Limited	Thomson	See Group Profile	9,493
	CFJC-AM	CBCA		Twin Cities Radio Limited	Clark Family		26,600
	CFFM-FM	CBCA		Twin Cities Radio Limited	Clark Family		
	CFCR-TV	CBCA		Twin Cities Television Limited	Clark Family	As this station sells time jointly with CHBC-TV, Kelowna, B.C., only combined circulation figures are available.	152,100

Kamloops Continued	CHNL-AM		Group	NL Broadcasting Ltd.	Skelly, Moen Holdings Limited (J. Skelly, I.P. Moen)	Also owns CJNL, Merritt, B.C.	
Kelowna (20,300)	*Daily Courier*		Group	Thomson B.C. Newspapers Limited	Thomson	See Group Profile.	8,115
	CKOV-AM	CBCA	Group	Okanagan Broadcasters Limited	Bromley-Browne		22,500
	CJOV-FM	CBCA	Group	Okanagan FM Broadcasters Limited	Bromley-Browne		
	CHBC-TV	CBCA	Group	Okanagan Valley Television Company Limited	Bromley-Browne 33 1/3%, Selkirk 33 1/3%, B.C. Television Systems Limited (in which Selkirk and Western have a substantial minority interest) 33 1/3%	As this station sells time jointly with CFCR-TV, Kamloops, B.C., only combined circulation figures are available. See Group Profiles.	152,100
	CATV		Group	Black Knight Television Company Limited	S.O.T.V. Holdings Limited (Diverse)		2,888 (8,500)
Kimberley (5,901C)	*Daily Bulletin*			Today Publications Limited	W.D. Taylor	Daily except Saturday.	2,515
	CATV			Kootenay Enterprises Limited	W.J. Gillespie T.D. Birrell	Serves Kimberley, Chapman Camp, Marysville and Meadowbrook.	
Nanaimo (17,100)	*Daily Free Press*		Group	Thomson B.C. Newspapers Limited	Thomson	See Group Profile	9,342

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Nanaimo (Continued)	CHUB-AM			Nanaimo Broadcasting Corporation Limited	R.D. Giles, J.A. Kyle, J.J. Lawlor, G.F. Lawlor		17,800
	CATV		Group	Community Video (Nanaimo) Limited	L. Wolinsky 39%, Bessin Family 39%	Also own five other systems in British Columbia and one in Red Dear, Alberta.	
Nelson (9,504C)	*Daily News*		Group	News Publishing Company Limited	Green Family	Also publishes The Times, Trail, B.C.	9,442
	CKKC-AM	CBCA	Group	Kokanee Broadcasting Limited	Green Family	Also own CFKC, Preston, B.C.	5,700
	CBUCT-TV	CBCO		Canadian Broadcasting Corp.	CBC		22,800
	CATV		Group	North West Community Video Limited	L. Wolinsky 39%, Bessin Family 39%	Also own five other systems in British Columbia and one in Red Deer, Alberta.	
Penticton (17,100)	*Herald*		Group	Thomson B.C. Newspapers Limited	Thomson	See Group Profile	6,317
	CKOK-AM	CBCA	Group	Okanagan Radio Limited	M.P. Finnerty	Also owns CKOO, Osoyoos, B.C., and CKGF, Grand Forks, B.C.	29,100
	CKOK-FM	CBCA	Group	Okanagan Radio Limited	M.P. Finnerty		

Penticton Continued	CHBC-TV	CBCA	Group	Okanagan Valley Television Company Limited	Bromley-Browne $33^1/_3\%$, Selkirk $33^1/_3\%$, B.C. Television Systems Limited (in which Selkirk and Western have a substantial minority interest) $33^1/_3\%$	Satellite of CHBC-TV, Kelowna, B.C. Only combined circulation figures are available. See Group Profiles.	152,100
	CATV		Group	South Okanagan Television Distributors Limited	S.O.T.V. Holdings Ltd. (Diverse)		3,548 (6,425)
Prince George (29,800)	*Citizen*		Group	Southam Press Limited	Southam	See Group Profile.	12,087
	CJCI-AM			Prince George Broadcasting Limited	Diverse		
	CKPG-AM	CBCA	Group	Radio Station CKPG Limited	Q Broadcasting Ltd.	Also owns CHQM, Vancouver	39,100
	CKPG-TV	CBCA	Group	CKPG Television Limited	Q Broadcasting Ltd. through Radio Station CKPG Ltd.		58,900
Prince Rupert (17,100)	*Daily News*			Prince Rupert Daily News Limited	Northwest Publications Limited	Sold Prince George Citizen to Southam. Daily except Saturday. Also publishes Terrace Omineca Herald (weekly).	4,001

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Prince Rupert Continued	CFPR-AM	CBCO		Canadian Broadcasting Corp.	CBC		10,600
	CHTK-AM		Group	CHTK Radio Limited	J.F. Weber		7,900
	CFTK-TV	CBCA	Group	Skeena Broadcasters Limited	Diverse	Satellite of CFTK-TV, Terrace, B.C. Also controls CKTK-AM Kitimat, CFTK-AM Terrace.	53,400
Terrace-Kitimat (18,429C)	CKTK-AM (Kitimat)	CBCA	Group	Skeena Broadcasters Limited	Diverse		
	CFTK-AM (Terrace)	CBCA	Group	Skeena Broadcasters Limited	Diverse		15,600
	CFTK-TV (Terrace)	CBCA	Group	Skeena Broadcasters Limited	Diverse	CFTK-TV operates satellites in Prince Rupert and ten other communities.	53,400
Trail (12,900)	*Daily Times*		Group	Trail Times Limited	Controlled by News Publishing Company Limited, owned by the Green family, publisher of The Nelson News.	The Green family also controls CKKC-AM, Nelson, B.C. and CFKC-AM, Preston, B.C.	6,163
	CJAT-AM	CBCA		Kootenay Broadcasting Company Limited	B.A. Stimel Estate		18,600
	CJAT-FM	CBCA			B.A. Stimel Estate		
	CBUAT-TV	CBCO		Canadian Broadcasting Corp.	CBC		22,800

Trail continued	CATV		Group	Community Video Limited	L. Wolinsky 39%, Bessin Family 39%	Also serves Rossland, B.C. Also own five other systems in British Columbia and one in Red Deer, Alberta.	
Vancouver (M978,100)	*Province* (a.m.)		Group	Pacific Press Limited	F.P. Publications Limited and Southam Press Limited each own 50% of Pacific Press Limited	See Group Profiles. The Province is a member of the Southam Group. The Sun is a member of the F.P. Group.	110,677
	Sun (p.m.)		Group	Pacific Press Limited			256,806
	New Westminster *Columbian*,		Group	The Columbian Company Limited		This group comprises the only daily newspapers operating in the suburbs of a metropolitan area.	8,110
	Surrey *Columbian*,		Group	The Columbian Company Limited	Mrs. Mary L. Emes, R.D. Taylor, Mrs. W. Goodwin		8,429
	Burnaby *Columbian*,		Group	The Columbian Company Limited			4,509
	Coquitlam *Columbian*, (all pm)		Group	The Columbian Company Limited			5,477
	CBU-AM	CBCO		Canadian Broadcasting Corp.	CBC		108,500
	CBU-FM	CBCO		Canadian Broadcasting Corp.	CBC		9,200
	CBUF-FM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		2,700
	CKZU (sw)	CBCO		Canadian Broadcasting Corp.	CBC		
	CKVN-AM		Group	Radio Futura Limited	J. Tietolman	Also owns CKVL-AM and FM, Verdun, Quebec.	22,500

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Vancouver Continued	CHQM-AM		Group	Q Broadcasting Limited	Bellman Investments Limited –	Also control CKPG-AM and	113,500
	CHQM-FM		Group	Q Broadcasting Limited	Western Industrial Holdings Limited	CKPG-TV, Prince George B.C.	31,400
	CJOR-AM		Group	C.J.O.R. Limited	J.A. Pattison	Part of Neonex International Limited, a part of conglomerate controlled by James Pattison.	88,600
	CKLG-AM		Group	Moffat Broadcasting Limited	Moffat	See Group Profile.	220,100
	CKLG-FM		Group	Moffat Broadcasting Limited	Moffat	See Group Profile.	13,400
	CKWX-AM		Group	CKWX Radio Limited	Selkirk	See Group Profile.	107,700
	CKFX (sw)		Group	CKWX Radio Limited	Selkirk	See Group Profile.	
	CKNW-AM		Group	Radio NW Limited	Western Broadcasting Company Limited	See Group Profile. Based New Westminster, B.C.	236,500
	CFMI-FM		Group	Radio NW Limited	Western Broadcasting Company Limited	See Group Profile.	
	CBUT-TV	CBCO		Canadian Broadcasting Corp.	CBC		483,300
	CHAN-TV	CTV	Group	British Columbia Television Broadcasting System Limited	Western Broadcasting Company Limited, Selkirk and Famous Players.	See Group Profiles.	375,900
	CATV		Group	Canadian Wirevision Limited	CBS – Welsh group		
	CATV			Western Cablevision Limited	McDonald Family	Serves New Westminster, B.C.	

Vancouver continued	CATV		Group	Express Cable Television Limited	Western Broadcasting Company Limited	See Group Profile. Serves North Vancouver, B.C.	
	CATV		Group	North West Community Video Limited	L. Wolinsky 39%, Bessin Family 39%	Serves North and West Vancouver, B.C. Also own five other systems in British Columbia and one in Red Deer, Alberta.	
	CATV		Group	National Cablevision Limited	CBS Inc.; Welsh Group and others	Serves Coquitlam, Maple Ridge and Mission. Also has several systems in the Montreal area.	
	CATV		Group	Fraser Valley Cablevision Limited	CBS – Welsh Group 50%, McDonald Family and others 50%	Serves Surrey.	
Vernon (12,800)	CJIB-AM	CBCA	Group	Interior Broadcasters Limited	Selkirk	See Group Profile.	18,900
	CHBC-TV	CBCA	Group	Okanagan Valley Television Company Limited	Bromley-Browne 33 1/3%, Selkirk 33 1/3% B.C. Television Systems Limited (in which Selkirk and Western have a substantial minority interest) 33 1/3%	Satellite of CHBC-TV, Kelowna, B.C. Only combined circulation figures are available. See Group Profiles.	152,100

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Victoria (181,100)	*Daily Colonist* (am)		Group	Victoria Press Limited	F.P.	See Group Profile	39,158
	Daily Times (pm)		Group	Victoria Press Limited	F.P.	Published daily except Monday.	31,667
	CFAX-AM			CFAX Radio 1070 Limited	C.G. Copeland		44,400
	CKDA-AM			Capital Broadcasting System Limited	D. Armstrong		38,200
	CFMS-FM				D. Armstrong		
	CJVI-AM	CBCA	Group	Island Broadcasting Company Limited	Selkirk and Selkirk officers	See Group Profile.	32,200
	CHEK-TV	CBCA	Group	CHEK T.V. Limited	British Columbia Television Broadcasting System Limited (Western Broadcasting, Selkirk and Famous Players)	See Group Profiles.	101,000
	CATV		Group	Victoria Cablevision Limited	CBS (25%), Welsh Group (37.5%), F.P. Publications (12.5%)	See Group Profile.	
Alberta							
Calgary (M372,900)	*Albertan* (am)		Group	F.P. Publications Limited	F.P.	See Group Profile.	35,382
	Herald (pm)		Group	Southam Press Limited	Southam	See Group Profile.	100,907
	CBR-AM	CBCO		Canadian Broadcasting Corp.	CBC		23,500

Calgary continued	CFAC-AM		Group	Calgary Broadcasting Company Limited	Selkirk-Southam	See Group Profile.	64,600
	CFCN-AM CFVP (sw)		Group Group	The Voice of the Prairies Limited	Hunco Limited (Maclean-Hunter)	See Group Profile. Hunco Limited is a major shareholder in Maclean-Hunter Limited	101,700
	CFCN-TV	CTV	Group	CFCN Television Limited	Maclean-Hunter	See Group Profile	314,300
	CHFM-FM			Quality F.M. Limited	J.D. Whitehead W.M. Gillott	CRTC has ruled that this frequency will be subject to re-assignment.	19,400
	CKXL-AM		Group	Moffat Broadcasting Limited	Moffat	See Group Profile.	112,100
	CHQR-AM		Group	Bentley Broadcasting Company Limited	Western Broadcasting Company Limited	See Group Profile	62,700
	CHCT-TV	CBCA	Group	Calgary Television Limited	Selkirk	See Group Profile.	206,000
	CATV		Group	Community Antenna Television Limited	Diverse (F.P. holds 16.7% minority interest)	See Group Profile. A Condition of Community Antenna Television Limited licence is that F.P. Publications dispose of its interest within three year life of licence.	
	CATV		Group	A company to be formed by D.R. Graham.	Cablecasting Limited (whose major shareholder is D.R. Graham) 50% diverse local interest 50%		0 (55,000)

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Edmonton (M437,700)	*Journal*		Group	Southam Press Limited	Southam	See Group Profile	150,130
	CBX-AM	CBCO		Canadian Broadcasting Corp.	CBC		50,700
	CBXT-TV	CBCO		Canadian Broadcasting Corp.	CBC		393,800
	CBXFT-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		
	CFRN-AM			Sunwapta Broadcasting Limited	G.R.A. Rice		108,900
	CFRN-FM				G.R.A. Rice		8,600
	CFRN-TV	CTV		Sunwapta Broadcasting Limited	G.R.A. Rice		385,700
	CHED-AM		Group	Radio Station CHED Limited	Moffat Broadcasting and Rawlinson	See Group Profile	170,600
	CHFA-AM (Fr)	CBCA		Radio-Edmonton Limitée	Diverse		
	CHQT-AM			Radio Station CHQT Limited	C.A. Allard through Allarco Developments Limited		57,800
	CJCA-AM		Group	Edmonton Broadcasting Company Limited	Southam-Selkirk	See Group Profile.	141,500
	CJCA-FM		Group		Southam-Selkirk	See Group Profile.	
	CKUA-AM			University of Alberta			20,300
	CKUA-FM			University of Alberta			
	CATV			Capital Cable Television Company Limited	Diverse (G.R.A. Rice 15%)	G.R.A. Rice must dispose of his interest in Capital Cable Television Limited within three year life of licence.	
	CATV			QCTV Limited	Diverse		

Grande Prairie (13,300)	*Daily Herald Tribune*		Group	Bowes Publishers Limited	J.F. Bowes	Daily except Saturday.	4,628
	CFGP-AM	CBCA	Group	Northern Broadcasting Corporation Limited	Selkirk	See Group Profile.	25,700
	CBXAT-TV	CBCO		Canadian Broadcasting Corp.	CBC		
Lethbridge (39,300)	*Herald*		Group	Lethbridge Herald Company Limited	F.P.	See Group Profile	20,844
	CHEC-AM CHEC-FM			Southern Alberta Broadcasting Limited	Brown-Broder Brown-Broder		12,900
	CJOC-AM	CBCA	Group	Lethbridge Broad-casting Limited	Selkirk	See Group Profile.	51,000
	CJLH-TV	CBCA	Group	Lethbridge Television Limited	Selkirk	See Group Profile.	72,400
	CFCN-TV	CTV	Group	CFCN Television Limited	Maclean-Hunter	See Group Profile. Satellite of CFCN-TV, Calgary, Alberta.	
			Group	Cablevision Lethbridge Limited	Agra Industries Limited (a public company) (Torchinsky 75% Selkirk 25%)	See Group Profile.	3,224 (10,000)
Medicine Hat (27,500)	*News*		Group	Southam Press Limited	Southam	See Group Profile.	7,922
	CHAT-AM CHAT-TV	CBCA CBCA		Monarch Broadcasting Company Limited	Yuill-Guifford Yuill-Guifford		23,100 31,700
	CATV			Cablevision Medicine Hat Limited	Monarch Investments Limited (Yuill-Guifford)		

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Red Deer (30,200)	*Advocate*			Red Deer Advocate Company Limited	Liverpool Post and Echo (U.K.) Sir Alick Jeans		10,365
	CKRD-AM			Central Alberta Broadcasting Company (1961) Limited	H.L. Flock		37,900
	CKRD-FM				H.L. Flock		
	CKRD-TV	CBCA		C.H.C.A. Television Limited	Central Alberta Broadcasting Company (1961) Limited (H.L. Flock)		56,800
	CATV		Group	Community Video (Red Deer) Limited	L. Welinsky 39%, Bessin Family 39%	Also owns six systems in British Columbia.	
Saskatchewan							
Lloydminster (7,000)	CKSA-AM			Sask-Alta Broadcasters Limited	A.F. Shortell		
	CKSA-TV	CBCA		CKSA T.V. Limited	A.F. Shortell		74,700
Moose Jaw (33,300)	*Times-Herald*		Group	Western Publishers Limited	Thomson	See Group Profile.	9,318
	CHAB-AM		Group	Moffat Broadcasting Limited	Moffat	See Group Profile	47,300
	CBKMT-TV	CBCO		Canadian Broadcasting Corp.	CBC	Purchased from Moffat in fall of 1969. Formerly CHAB-TV and affiliated with CTV Network.	

Moose Jaw (continued)	CKMJ-TV	CTV	Group	Armadale Communications Limited	Sifton	Satellite of CKCK-TV, Regina, circulation figure combined. See Group Profile.	191,100
Prince Albert (27,200)	*Herald*		Group	Western Publishers Limited	Thomson	See Group Profile.	8,189
	CKBI-AM		Group	Central Broadcasting	Rawlinson Family		57,200
	CKBI-TV	CBCA	Group	Company Limited	Rawlinson Family		91,700
	CATV		Group	Community T.V. Limited	Rawlinson Family		1,143 (5,020)
Regina (136,500)	*Leader-Post*		Group	Regina Leader-Post Limited	Sifton	See Group Profile	65,197
	CBK-AM	CBCO		Canadian Broadcasting Corp.	CBC		48,900
	CBKRT-TV	CBCO		Canadian Broadcasting Corp.	CBC	Purchased from Moffat in fall of 1969. Formerly CHRE-TV and affiliated with CTV Network.	98,400
	CFMQ-FM			Metropolitan Broadcasting Limited	Diverse		
	CJME-AM		Group	Midwest Broadcasters Limited	Rawlinson Family		36,600
	CKCK-AM		Group	Armadale Communi-	Sifton	See Group Profile.	165,200
	CKCK-TV	CTV	Group	cations Limited	Sifton	See Group Profile. Formerly an affiliate of CBC Network. Circulation figure combined with CKMJ-TV, Moose Jaw.	191,100

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Regina continued	CKRM-AM			Buffalo Broadcasting Company Limited	Phillips, Gallagher, Lawrence		24,500
Saskatoon (122,900)	*Star-Phoenix*		Group	Armadale Publishers Limited	Sifton	See Group Profile	50,588
	CFNS-AM (Fr)	CBCA		Radio-Prairies Nord Limitée	Diverse		
	CFMC-FM			General Broadcasting Limited	Diverse		5,100
	CKOM-AM			Saskatoon Community Broadcasting Company Limited	Diverse		52,800
	CFQC-AM			A.A. Murphy & Sons Limited	Murphy Family		113,800
	CFQC-TV	CBCA		A.A. Murphy & Sons Limited	Murphy Family		188,400
	CJUS-FM			University of Saskatchewan			600
Swift Current (14,900)	CKSW-AM		Group	Frontier City Broadcasting Company Limited	Scott-Mahaffy	Also own CJSN, Shaunavon, Sask.	22,700
	CJFB-TV	CBCA		Swift Current Telecasting Company Limited	W.D. Forst		41,700

Yorkton (13,100)	CJGX-AM		Yorkton Broadcasting Company Limited	G.G. Gallagher		40,900
	CKOS-TV	CBCA	Yorkton Television Company Limited	Skinner Family		185,300
Manitoba						
Brandon (30,800)	*Sun*		The Sun Publishing Company Limited	Whitehead Family (Southam 49%)	See Group Profile.	14,145
	CKX-AM	CBCA	Western Manitoba Broadcasters Limited	Diverse		46,300
	CKX-FM	CBCA	Western Manitoba Broadcasters Limited	Diverse		2,300
	CKX-TV	CBCA	Western Manitoba Broadcasters Limited	Diverse		107,900
Dauphin (8,650C)	*Daily Bulletin*		Bulletin Publications Limited		Daily except Saturday	3,811
	CKDM-AM		Dauphin Broadcasting Company Limited	Diverse		41,200
Flin Flon (9,600)	*Reminder*		Reminder Publications Limited	T.W. Dobson		3,400
	CFAR-AM	CBCA	Arctic Radio Corporation Limited	Diverse		14,400
	CBWBT-TV	CBCO	Canadian Broadcasting Corp.	CBC		38,000

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Portage La Prairie (13,300)	*Daily Graphic*			Vopni Press Limited	Wilfred H. Vopni	Also owns MacGregor Herald, Portage Leader (weeklies).	3,524
	CFRY-AM			Portage-Delta Broadcasting Company Limited	R.D. Hughes		
Thompson (1,522C)	*Citizen*			Precambrian Press Limited		Daily except Saturday.	3,197
	CHTM-AM	CBCA		Mystery Lake Broadcasting Limited	A.M. Cham – D.R. Sutherland		
	CESM-TV			CESM-TV Limited	A.M. Cham – D.R. Sutherland	Closed circuit.	
	CBWTT-TV	CBCO		Canadian Broadcasting Corp.	CBC		
	CATV			CESM-TV Limited	A.M. Cham – D.R. Sutherland		
Winnipeg (M528,600)	*Free Press* (pm)		Group	Winnipeg Free Press Company Limited	F.P.	See Group Profile.	134,409
	Tribune (am)		Group	Southam Press Limited	Southam	See Group Profile	78,024
	CBW-AM	CBCO		Canadian Broadcasting Corp.	CBC		61,500
	CBW-FM	CBCO		Canadian Broadcasting Corp.	CBC		7,900
	CBWFT-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		9,600

Winnipeg continued	CBWT-TV	CBCO		Canadian Broadcasting Corp.	CBC		391,600
	CFRW-AM		Group	C.J.O.R. Limited	J.A. Pattison		24,000
	CFRW-FM		Group	C.J.O.R. Limited	J.A. Pattison		3,600
	CJOB-AM		Group	Radio O.B. Limited	Western Broadcasting Company Limited	See Group Profile.	141,300
	CJOB-FM		Group	Radio O.B. Limited	Western Broadcasting Company Limited	See Group Profile.	14,800
	CKRC-AM		Group	Armadale Communications Limited	Sifton	See Group Profile	188,500
	CKY-AM		Group	Moffat Broadcasting Limited	Moffat	See Group Profile.	132,900
	CKY-FM		Group	Moffat Broadcasting Limited	Moffat	See Group Profile.	5,500
	CKSB-AM (Fr)	CBCA		Radio Saint-Boniface Limitée	Diverse	Based St. Boniface, Manitoba.	
	CJAY-TV	CTV	Group	Channel Seven Television Limited	Moffat-Misener	See Group Profile.	325,000
	CATV		Group	Metro Videon Limited	Moffat 49.9% and Famous Players	See Group Profile.	14,438 (79,825)
	CATV		Group	Greater Winnipeg Cablevision Limited	Cablecasting Limited (whose major shareholder is D.R. Graham) 50%, Southam 25%, Selkirk 25%	See Group Profile.	12,000 (42,000)
U.S.	KCND-TV – Pembina, North Dakota			McLendon Corporation of Dallas (Texas)		U.S. based, primarily serves Winnipeg market. A subsidiary, Winnipeg Channel 12 Ltd., is a Canadian company established as a production and sales agency.	176,800

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Ontario							
Barrie (25,800)	*Examiner*		Group	Canadian Newspapers Company Limited	Thomson	See Group Profile.	10,183
	CKBB-AM		Group	Barrie Broadcasting Company Limited	Snelgrove Family	Operates jointly with CKCB-AM, Collingwood, Ont. Total reach 35,900.	28,300
	CKVR-TV	CBCA	Group	Ralph Snelgrove Television Limited	CHUM Limited 66 2/3%, Snelgrove Family 33 1/3%	See Group Profile.	219,200
	CATV		Group	Barrie Cable TV Limited	Famous Players		5,186 (7,500)
Belleville (33,300)	*Intelligencer*			Ontario-Intelligencer Limited	Morton family		16,313
	CJBQ-AM	CBCA		Quinte Broadcasting Company Limited	G.A. Morton		50,500
	CJBQ-FM	CBCA			G.A. Morton		4,300
	CATV		Group	Cablevue (Belleville) Limited	Bushnell 50%, Morton Family 50%	See Group Profile. System also includes Trenton, Ontario (population 14,200). Bushnell must dispose of its interest as rapidly as possible to someone acceptable to the CRTC.	

Brampton (41,300)	*Daily Times & Conservator*		Group	Home Newspapers Limited	Thomson	See Group Profile. Previously owned jointly with Toronto Star.	7,863
	CHIC-AM			CHIC Radio Limited	Harry J. Allen		5,200
	CHIC-FM			CHIC Radio Limited	Harry J. Allen		
	CATV		Group	Bramalea Telecable Limited	Rogers Cable TV Limited (Rogers)	See Group Profile.	4,086 (10,847)
Brantford (62,800)	*Expositor*			Preston & Sons Limited	Preston Family		26,912
	CKPC-AM			Telephone City Broadcast Limited	Buchanan Family		52,200
	CKPC-FM				Buchanan Family		2,700
	CATV		Group	Jarmain Cable T.V. Limited	Jarmain Family		10,464 (17,667)
Brockville (20,200)	*Recorder & Times*			The Recorder Printing Company of Brockville Limited	M.O.P. MacNaughton in trust for Helen Maclean estate.		10,891
	CFJR-AM	CBCA		Eastern Ontario Broadcasting Company Limited	Radford Family 75%, Armadale Communications Limited 25%	See Group Profile.	20,300
	CATV		Group	Brockville Amusements Limited	Levitt Family (Famous Players has a minority interest.)		2,614 (5,000)
Chatham (33,300)	*Daily News*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	15,129
	CFCO-AM		Group	Greatlakes Broadcasting System Limited	Maclean-Hunter Limited	See Group Profile.	54,300

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Chatham (continued)	CATV		Group	Chatham Cable TV Limited	Jarmain Cable Systems Limited (Jarmain Family)		3,550 (9,476)
Collingwood (4,000C)	CKCB-AM		Group	Barrie Broadcasting Company Limited	Snelgrove Family	Operates jointly with CKBB-AM, Barrie. Total reach 35,900.	7,600
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	
Cornwall (47,300)	*Standard-Freeholder*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	14,447
	CJSS-AM			Tri-Co Broadcasting Limited	P.V. Emard		31,700
	CJSS-FM			Tri-Co Broadcasting Limited	P.V. Emard		
	CFML-AM (Fr)			CFML Radio (Cornwall) Limited	Bertrand Family		6,100
	CJSS-TV	CTV	Group	Ottawa-Cornwall Broadcasting Limited	Bushnell Communications Limited	See Group Profile.	
	CATV		Group	Cornwall Cable Vision (1961) Limited	Famous Players 50% and diverse interests 50%		
Fort Frances (4,700C)	*Daily Bulletin*			Fort Frances Times Limited	Diverse	Daily except Wed. when it publishes weekly Fort Frances Times. (circulation 4,250)	2,310

Fort Frances (continued)	CFOB-AM	CBCA	Group	Border Broadcasting Limited	Dougall Family	See Group Profile.	11,100
	CBWCT-TV	CBCO		Canadian Broadcasting Corp.	CBC		
Galt (33,500C)	*Evening Reporter*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	13,824
	CFTJ-AM			The Galt Broad-casting Company Limited	J.V. Evans		
	CATV		Group	Grand River Cable TV Limited	Famous Players, Central Ontario Television Limited (20%)	Licenced to serve Stratford, New Hamburg, Baden, Kitchener, Waterloo, and Preston.	38,084 (66,000)
Guelph (57,000)	*Mercury*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	17,519
	CJOY-AM CJOY-FM			CJOY Limited CJOY Limited	W.O. Slatter 50%, F.T. Metcalfe 50%	F.T. Metcalfe holds 10% of Maclean-Hunter Cable TV Limited.	26,700
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	
Hamilton (M479,100)	*Spectator*		Group	Southam Press Limited	Southam	See Group Profile.	127,195
	CHAM-AM		Group	Rogers Broadcasting Limited	E.S. Rogers	See Group Profile. Dancy Broadcasting Ltd. have applied to the CRTC to purchase station. Dancy also owns CKJD in Sarnia, Ontario.	17,600

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Hamilton continued	CHML-AM CKDS-FM			Maple Leaf Broadcasting Company Limited	Soble estate Soble estate		178,200 43,200
	CKOC-AM		Group	Armadale Communications Limited	Sifton	See Group Profile.	139,000
	CHCH-TV	IND.	Group	Niagara Television Limited	Selkirk	See Group Profile. Previously owned by Southam, Soble and Theatre Properties, Hamilton. Carries CBC Ontario School broadcasts.	819,800
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	
	CATV			Northgate Cable T.V. Limited	R.E. Reinke	Also serves parts of Dundas area.	
	CATV			Western Co-axial Limited	Levy Family	Also serves Ancaster, part of Stoney Creek, and Dundas.	
	CATV			Hamilton TV and Appliance Service Company Limited	C. Levy and M. Goldblatt	Serves Dundas, Ancaster, and part of Hamilton.	2,577 (6,000)
	CATV		Group	Hamilton Co-axial (1958) Limited	Famous Players 100%	Also serves Dundas and Ancaster.	15,042 (32,649)
	CATV			General Co-Axial Services Limited	O. Boris 50%, Shadney Family 50%	Two systems in Hamilton.	
	CATV			Niagara Co-Axial Limited	J.M. Curry – G.F. Sparham	Serves part of Hamilton and Stoney Creek.	

Kenora (11,500)	*Miner & News*			Kenora Miner & News Limited	Stuart King		4,250*
	CJRL-AM	CBCA	Group	Lake of the Woods Broadcasting Limited	Dougall Family	See Group Profile.	9,600
	CBWAT-TV	CBCO		Canadian Broadcasting Corp.	CBC		
	CATV			Kenora Cable Vision Limited	Norcom Telecommunications Limited (Johnson)		0 (5,000)
Kingston (62,800)	*Whig-Standard*			The Kingston Whig Standard Company Limited	Davies Family		28,932
	CKLC-AM CKLC-FM			St. Lawrence Broadcasting Company Limited	Diverse Diverse		40,500
	CKWS-AM CKWS-FM	CBCA CBCA	Group Group	Frontenac Broadcasting Company Limited	Bushnell Communications Ltd.	See Group Profile	61,400
	CKWS-TV	CBCA	Group	Frontenac Broadcasting Company Limited	Bushnell Communications Ltd.		139,600
	CFRC-AM CFRC-FM			Queen's University Queen's University			1,800
Kirkland Lake (15,800C)	*Northern Daily News*		Group	The Thomson Corp. Limited	Thomson	See Group Profile.	6,460
	CJKL-AM	CBCA	Group	Kirkland Lake Broadcasting Company Limited	Bushnell Communications Ltd.	See Group Profile.	28,200
	CATV			Fred Lang TV Limited	Fred Lang		3,310 (3,950)

*Publisher's statement

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Kitchener-Waterloo (M204,700)	*Record*			Kitchener-Waterloo Record Limited	John E. Motz (52%), Southam (48%)	Also owns six weeklies in surrounding communities.	52,619
	CHYM-AM CHYM-FM		Group Group	Greatlakes Broadcasting System Limited	Maclean-Hunter Ltd. Maclean-Hunter Ltd.	See Group Profile. See Group Profile.	41,200
	CKKW-AM CFCA-FM			Central Ontario Television Limited	Electrohome Communications Limited (C.A. Pollock)	Previously 48% Famous Players.	36,800 26,900
	CKCO-TV	CTV		Central Ontario Television Limited	Electrohome Communications Limited (C.A. Pollock)		417,400
	CATV		Group	Grand River Cable TV Limited	Famous Players, Central Ontario Television Limited (20%)	Licenced to serve Stratford, New Hamburg, Baden, Preston and Galt.	38,084 (66,000)
Leamington (9,554C)	CHYR-AM		Group	Sun Parlour Broadcasters Limited	Rogers	See Group Profile.	30,900
	CATV		Group	Essex Cable TV Limited	Rogers Broadcasting Limited (Rogers)	See Group Profile. Also serves Kingsville.	759 (4,173)
Lindsay (12,300)	*Daily Post*			Wilson & Wilson Limited	Roy Wilson		4,080
	CKLY-AM	CBCA		Greg-May Broadcasting Limited	Vic Hal Associates Limited		10,500
	CATV			Lindsay CATV System Limited	Kennedy-Thomas Families		

London (M224,200)	*Free Press* (am & pm)			London Free Press Printing Company Limited	W.J. Blackburn	Southam holds 25% interest.	AM 75,660 PM 47,828 123,488
	CFPL-AM	CBCA		CFPL Broadcasting Limited	W.J. Blackburn	Southam has a 25% interest in these three stations.	136,100
	CFPL-FM	CBCA		CFPL Broadcasting Limited	W.J. Blackburn		20,000
	CFPL-TV	CBCA		CFPL Broadcasting Limited	W.J. Blackburn		355,300
	CKSL-AM		Group	London Broadcasters Limited	F.V. Regan 50%, Jeffery Family 50% (Jeffery family also has major interest in London Life Insurance Co.)		50,200
	CJOE-AM		Group	Middlesex Broadcasters Limited	H.J. McManus	Owns sizeable diverse interests including his sizeable holdings in petroleum.	17,700
	CATV		Group	London TV Cable Service Limited	Jarmain Cable Systems Limited (Jarmain Family)	Famous Players sold 50% of common shares but retained 50% of preferred shares.	38,500 (46,889)
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	
Niagara Falls (60,900)	*Review*			F.H. Leslie Limited	Leslie Family		18,114
	CJRN-AM			Radio Niagara Ltd.	J.E. O'Brien		29,400

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
North Bay (51,100)	*Nugget*		Group	Southam Press Ltd.	Southam	See Group Profile.	17,942
	CKAT-FM			CKAT Broadcasters Limited	E.B. McLeod – G.A. Alger		
	CFCH-AM	CBCA	Group	Northern Broadcasting Limited	Bushnell Communications Limited	See Group Profile.	42,400
	CFCH-TV	CBCA	Group	Tel-Ad Company Limited	Bushnell Communications Limited	Based Callander, Ontario. Previously owned by Thomson. Bushnell ordered by CRTC to sell interest as rapidly as possible.	60,400
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	
Oakville (52,800C, Part Metro Toronto)	*Daily Journal-Record*		Group	P.C.O. Publishing Limited	Toronto Star	See Group Profile. Previously owned jointly with Thomson.	7,792
	CHWO-AM			CHWO Radio Limited	Mrs. J. Caine		
	CATV		Group	Oakville Cablevision Limited	Diverse J.G. MacLennan $26^2/_3$%, Evergreen Cablevision Ltd. (Welsh group) $14^2/_3$%, and J.M. Bird $36^2/_3$%		3,000 (10,000)

Orillia (21,200)	*Daily Packet & Times*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	7,953
	CFOR-AM		Group	Orillia Broadcasting Limited	Maclean-Hunter Ltd. 50% Countryside Holdings Ltd. 50%	See Group Profile.	19,700
	CATV		Group	Orillia Cable TV Limited	Famous Players – Burgess		3,916 (5,000)
Oshawa (86,500)	*Times*		Group	Canadian Newspapers Company Limited	Thomson	See Group Profile.	24,452
	CKLB-AM CKQS-FM			Lakeland Broadcasting Company Limited	G.G. Garrison G.G. Garrison		10,900
	CATV		Group	Oshawa Cable TV Limited	Jarmain Cable Systems Limited (Jarmain Family)		9,484 (23,358)
Ottawa-Hull (P.Q.) (M527,400)	*Le Droit* (Fr) (pm)			Le Syndicat, d'Oeuvres Sociales Limitée	Missionnaires Oblats de M.I.		39,020
	Citizen (pm)		Group	Southam Press Ltd.	Southam	See Group Profile.	94,807
	Journal (pm)		Group	The Journal Publishing Company of Ottawa Limited	F.P.	See Group Profile.	81,171
	CBO-AM	CBCO		Canadian Broadcasting Corp.	CBC		40,000
	CBO-FM	CBCO		Canadian Broadcasting Corp.	CBC		9,800

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Ottawa-Hull continued	CBOT-TV	CBCO		Canadian Broadcasting Corp.	CBC		325,800
	CBOF-AM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		8,100
	CBOFT-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		129,400
	CFRA-AM		Group	Radio Station CFRA Limited	CHUM Limited	See Group Profile	210,400
	CFMO-FM		Group	Radio Station CFRA Limited	CHUM Limited	See Group Profile.	52,000
	CKPM-AM			Confederation Broad-casting (Ottawa) Limited	J.A. Stewart	CRTC has ruled that this frequency will be subject to re-assignment.	42,300
	CJRC-AM (Fr)		Group	CJRC Radio Capitale Limitée	R. Crépault	Part of a five station radio network owned by R. Crépault. See Group Profile.	78,700
	CKOY-AM CKBY-FM			CKOY Limited CKOY Limited	The Honourable C. Wilson Estate 30%, Southam 38.1%	See Group Profile.	90,600
	CKCH-AM (Fr) CKCH-FM (Fr)		Group Group	CKCH Radio Limitée CKCH Radio Limitée	Télémédia (Québec) Limitée (Beaubien)	See Group Profile. Based Hull, P.Q.	33,400
	CJOH-TV	CTV	Group	Ottawa-Cornwall Broadcasting Limited	Bushnell Communi-cations Limited	See Group Profile.	338,300

Ottawa-Hull continued	CATV		Group	Laurentian Cablevision Limited	Bushnell 75%, Famous Players 25%	See Group Profile Based Hull, P.Q. Also serves Aylmer, Lucerne, Des Chenes.	9,500 (18,000)
	CATV		Group	Ottawa Cablevision Limited	Diverse (Selkirk-Southam holding substantial minority interest)	See Group Profile.	34,220 (59,153)
	CATV		Group	Skyline Cablevision Limited	Diverse (Holding minority interests Bushnell (23.9%) and Famous Players (14.5%))	See Group Profile.	35,000 (74,285)
Owen Sound (18,300)	*Sun-Times*		Group	Southam Press Ltd.	Southam	See Group Profile.	14,739
	CFOS-AM	CBCA		Grey and Bruce Broadcasting Company Limited	William N. Hawkins		28,500
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile. Also serves Meaford.	
Pembroke (16,200)	*Observer*		Group	Canadian Newspapers Company Limited	Thomson	See Group Profile.	7,861
	CHOV-AM	CBCA		The Ottawa Valley Broadcasting Company Limited	Archibald Family		22,200
	CHOV-TV	CBCA		The Ottawa Valley Television Company Limited.	Archibald Family		43,900
	CATV		Group	Pembroke Cablevision Limited	Ottawa Cablevision Limited (A substantial interest held by Selkirk-Southam)	See Group Profile.	

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Peterborough (58,000)	*Examiner*		Group	Petex Publishing Limited	Thomson	See Group Profile.	23,026
	CKPT-AM		Group	CHUM Limited/Barrie Broadcasting Limited	CHUM Limited 50%, Snelgrove Family 50%	See Group Profile.	18,600
	CHEX-AM	CBCA	Group	Kawartha Broadcasting Company Limited	Bushnell Communications Limited	See Group Profile. Previously owned by Davies-Thomson.	41,400
	CHEX-FM	CBCA	Group	Kawartha Broadcasting Company Limited	Bushnell Communications Limited		
	CHEX-TV	CBCA	Group	Kawartha Broadcasting Company Limited	Bushnell Communications Limited		119,800
	CATV		Group	Peterborough Cable Television Limited	Maclean-Hunter and H.R. Young	See Group Profile.	
Port Hope (8,600C)	*Guide*			Guide Publishing Company Limited	Hugh Murray	Daily except Saturday.	3,068
St. Catharines (105,700)	*Standard*			The St. Catharines Standard Limited	Burgoyne Family		34,707
	CKTB-AM			The Niagara District Broadcasting Company Limited	W.B.C. Burgoyne		38,900
	CKTB-FM				W.B.C. Burgoyne		
	CHSC-AM			Radio Station	Robert Redmond		33,300
	CHSC-FM			C.H.S.C. Limited	Robert Redmond		12,200
	CATV		Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	

St. Thomas (23,800)	*Times-Journal*		Group	The Times-Journal of St. Thomas Limited	L.H. Dingman Estate	Also owns Stratford Beacon Herald.	11,397
	CHLO-AM			Souwesto Broadcasters Limited	J.L. Moore – A.A. McDermott		55,000
	CATV			Allview Cable Service Limited	Diverse		6,633 (11,600)
Sarnia (58,500)	*Observer*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	18,603
	CHOK-AM	CBCA	Group	Sarnia Broadcasting (1964) Limited	IWC Electronics & Telecommunications Ltd., (R.M. Ivey & Family)		31,600
	CKJD-AM			Dancy Broadcasting Limited	K.J. Dancy	Dancy Broadcasting Limited has applied to CRTC for approval to purchase CHAM-AM, Hamilton.	18,900
	CATV		Group	Huron Cable TV Limited	Maclean-Hunter Cable TV Limited (2/3) Allview Cable Service Limited (1/3)	See Group Profile.	
Sault Ste. Marie (77,600)	*Star*			Sault Star Limited	Diverse		21,447
	CKCY-AM CKCY-FM		Group Group	Algonquin Radio-T.V. Company Limited	C.P. Greco 50%, A. Spadoni 50%	Also own CJNR-AM Blind River, and CKNR-AM Elliot Lake.	26,700
	CJIC-AM	CBCA	Group	Hyland Radio-TV Limited	J.G. Hyland Estate	Also owns CJWA-AM Wawa.	32,800
	CJIC-FM	CBCA	Group	Hyland Radio-TV Limited	J.G. Hyland Estate		3,900

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Sault Ste. Marie continued	CJIC-TV	CBCA	Group	Hyland Radio-TV Limited	J.G. Hyland Estate		67,000
	CATV			Dubreuil Brothers Limited	Dubreuil Family		
Simcoe (9,900C)	*Reformer*			Pearce Publishing Company Limited	Diverse		7,616
	CFRS-AM			Simcoe Broadcasting Company Limited	T.M. Fielder		
	CATV			Clearview Cable TV Limited	D.M. Lounsbury – M.P. Vantill		900 (3,500)
Sioux Lookout (2,453C)	*Daily Bulletin*			W.H. Houston		Daily except Sat.	800
	CBWDT-TV	CBCO		Canadian Broadcasting Corp.	CBC	Satellite of CBWDT-TV, Dryden, Ontario.	
Stratford (24,000)	*Beacon-Herald*		Group	The Beacon-Herald of Stratford Limited	L.H. Dingman Estate	Also owns St. Thomas Times Journal.	9,901
	CJCS-AM	CBCA	Group	CJCS Limited	Countryside Holdings Limited		20,400
	CATV		Group	Grand River Cable TV Limited	Famous Players, Central Ontario Television Limited (20%)	Licenced to serve New Hamburg, Baden, Kitchener, Waterloo, Preston and Galt.	38,084 (66,000)

Sudbury (M121,000)	*Star*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	35,362
	CBFST-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC	Satellite of CBFST-TV, Sturgeon Falls.	
	CHNO-AM CFBR-AM (Fr)	 CBCA		The Sudbury Broadcasting Company Limited	F.B. Ricard F.B. Ricard		52,200
	CKSO-AM CKSO-FM	CBCA CBCA	Group Group	Cambrian Broadcasting Limited	J.M. Cooper, G.M. Miller, W.B. Plaunt		67,500
	CKSO-TV	CBCA	Group	Cambrian Broadcasting Limited	J.M. Cooper, G.M. Miller, W.B. Plaunt	Has re-broadcast rights to Timmins and Kerns.	174,500
Thunder Bay (105,800)	*Daily Times–Journal* (pm)		Group	Times-Journal of Fort William Limited	Thomson	See Group Profile.	17,105
	News Chronicle (pm)		Group	Ontario Newspapers Limited	Thomson	See Group Profile.	15,766
	CFPA-AM	CBCA		Ralph H. Parker Limited	R.H. Parker		16,200
	CJLX-AM			Lakehead Broadcasting Company Limited	R.P. MacGowan		32,500
	CKPR-AM CKPR-FM CKPR-TV	 CBCA	Group Group Group	H.F. Dougall Company Limited Thunder Bay Electronics Limited	Dougall Family Dougall Family Dougall Family	See Group Profile. See Group Profile. See Group Profile.	37,600 9,100 87,000
	CATV		Group	Lakehead Videon Limited	Famous Players 50% and diverse interests 50%		

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Timmins (28,800)	*Daily Press*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	11,779
	CKGB-AM	CBCA	Group	Timmins Broadcasting Limited	Bushnell Communications Limited	See Group Profile.	33,400
	CKGB-FM	CBCA	Group	Timmins Broadcasting Limited	Bushnell Communications Limited	See Group Profile.	
	CFCL-AM (Fr)	CBCA	Group	J. Conrad Lavigne Limited	J.C. Lavigne	Also owns CFLH-AM, Hearst, and	20,600
	CFCL-TV	CBCA	Group	J. Conrad Lavigne Limited	J.C. Lavigne	CFLK-AM, Kapuskasing.	129,000
	CBFOT-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		9,400
Toronto (M2,329,200)	*Corriere Canadese*			Daisons Publications Limited	Dan Iannuzzi	Bilingual – Italian and English.	12,855
	Star (pm)		Group	Toronto Star Limited	Diverse A public company, largest shareholders Hindmarsh-Atkinson Families	See Group Profile. Owns Oakville Daily Journal-Record and also 11 weeklies around Toronto. Joint owner with Southam of Southstar Publishers Limited, publisher of The Canadian Magazine, The Canadian Star Weekly, Canadian Homes, Canadian Panorama. The Company, with the Montreal Star has applied for a UHF licence in Toronto. Application has also	387,418

Toronto continued	*Globe & Mail* (am)		Group	The Globe and Mail Limited	F.P.	See Group Profile. Also publishes the Globe Magazine; and Report on Business which is not only included as a section of the Globe and Mail but is also distributed separately (17,467 circulation). It is published daily except Monday.	255,733
	Toronto Telegram (pm)		Group	Telegram Publishing Company Limited	Bassett-Eaton Trusts	See Group Profile. Also owns Inland Publishing Company, publishing seven weeklies in and around Toronto, CFTO-TV Toronto; and 75% of CKLW-TV in Windsor.	242,805
	CBL-AM	CBCO		Canadian Broadcasting Corp.	CBC		217,900
	CBL-FM	CBCO		Canadian Broadcasting Corp.	CBC		21,500
	CJBC-AM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		16,600
	CFRB-AM		Group	CFRB Limited	Standard Broadcasting Corporation Limited	Standard is controlled by Argus Corporation Limited in which Power Corp has 10% interest through Shawinigan Industries Limited. See Group Profile.	852,500
	CKFM-FM		Group	CFRB Limited			81,600
	CFRX (sw)		Group	CFRB Limited			

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Toronto continued	CHFI-AM		Group	Rogers Broadcasting Limited	Rogers	See Group Profile.	185,600
	CHFI-FM		Group	Rogers Broadcasting Limited	Rogers	See Group Profile.	93,800
	CHIN-AM			Radio 1540 Limited	John B. Lombardi	CRTC has ruled that this frequency will be subject to re-assignment.	
	CHIN-FM			Radio CHIN-FM Limited	John B. Lombardi		
	CHUM-AM		Group	CHUM Limited	A.F. Waters	See Group Profile.	554,600
	CHUM-FM		Group	CHUM Limited	A.F. Waters	See Group Profile.	53,600
	CKEY-AM		Group	Shoreacres Broadcasting Company Limited	Maclean-Hunter Limited	See Group Profile.	207,700
	CKFH-AM			Foster Hewitt Broadcasting Limited	Hewitt Family		98,200
	CFGM-AM			CFGM Broadcasting Limited	J.O. Graham – S.H. Coxford	Based Richmond Hill	152,500
	CJRT-FM			The Board of Governors of Ryerson Polytechnical Institute			
	CFTO-TV	CTV	Group	Baton Broadcasting Limited	Bassett-Eaton Trusts	See Group Profile.	1,222,200
	CBLT-TV	CBCO		Canadian Broadcasting Corp.	CBC		1,177,000
	CICA–TV	CBCO		Canadian Broadcasting Corp.	CBC (ETV)	CBC owns and operates facilities. Ontario Department of Education controls content. Commences broadcasting September 28, 1970.	

Toronto continued	CATV	Group	Rogers Cable TV Limited	Rogers Broadcasting Limited (Rogers)	See Group Profile.	14,715 (91,771)
	CATV	Group	Hosick Television Company Limited	Cablecasting Limited (whose major share-holder is D.R. Graham) 90%		800 (22,000)
	CATV	Group	Metro Cable TV Limited	Famous Players (24%)	Famous Players also hold 100% of participating preferred shares.	
	CATV	Group	York Cablevision Limited	National Cablevision Limited (CBS Inc.; Welsh group and others)		
	CATV	Group	Maclean-Hunter Cable TV Limited	Maclean-Hunter	See Group Profile.	
	CATV		Willowdowns Cable Vision Limited	H. Heshku, E. Newton, G. Cymbalisty		
	CATV	Group	Coaxial Colourview Limited	Rogers Cable TV Limited (Rogers)	See Group Profile.	10,065 (41,076)
	CATV	Group	Clear Colour Cable Services Limited	Diverse	Also owns system serving Alliston area.	(42,500)
	CATV		Cable Utility Communications (Scarboro) Limited	Cable Utility Communications Limited. (Diverse)		
	CATV		A company to be incorporated representated by Douglas Leiterman.	Diverse (Mr. Leiterman will hold largest minority interest)		

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Wallaceburg (10,696C)	*News*		Group	Bowes Publishers Limited	J.F. Bowes	Daily except Sat. Began daily publication November 3, 1969.	3,000 (est.)
	CATV		Group	Huron Cable TV Limited	Maclean-Hunter Limited	See Group Profile.	
Welland-Pt. Colborne (61,100)	*Evening Tribune*		Group	Thomson Newspapers Limited	Thomson	See Group Profile.	19,400
	CHOW-AM			Wellport Broadcasting Limited	G.W. Burnett		27,000
Windsor (M222,700)	*Star*			Windsor Star Limited	Graybiel Estate		86,636
	CBE-AM	CBCO		Canadian Broadcasting Corp.	CBC		16,100
Windsor continued	CKWW-AM		Group	Radio Windsor	G.W. Stirling		70,500
	CKWW-FM		Group	Canadian Limited	G.W. Stirling		5,500
	CKLW-AM		Group	Western Ontario	RKO		112,700
	CKLW-FM		Group	Broadcasting Company Limited	RKO		
	CKLW-TV	CBCA/ CTV	Group	Baton Broadcasting Limited/ St. Clair River Broadcasting Limited	Baton (Bassett-Eaton Trusts) 75% St. Clair River (CBC) 25%	Formerly owned by RKO. Bassett-Eaton ordered to sell 75% share to CBC in five years. Receives both CBC and CTV network programming.	121,400

Wingham (3,000C)	CKNX-AM	CBCA		Radio Station CKNX Limited	Cruickshank Family		46,300
	CKNX-TV	CBCA		Radio Station CKNX Limited	Cruickshank Family		109,400
Woodstock (25,400)	*Daily Sentinel Review*		Group	Thomson Newspapers Limited	Thomson	See Group Profile	10,229
	CKOX-AM		Group	Oxford Broadcasting Company Limited	Countryside Holdings Limited 50%, Ferris Family 50%		16,400
	CATV			Western Cable TV Limited	J.R. Shaw L.E. Shaw	Also own minority interest in Capital Cable Television Company Limited (Edmonton).	
Quebec							
Carleton	CHAU-TV (Fr)	CBCA	Group	Télévision de la Baie des Chaleurs Inc.	Desmarais, Brillant, Pratte control through one-third ownership each of Prades Inc.	See Group Profile. (Desmarais, Parisien, Francoeur)	122,500
Chicoutimi (34,000)	CBJ-AM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		16,300
	CJMT-AM (Fr)			C.J.M.T. Limitée	Tremblay-LaRoche		28,100
	CJPM-TV (Fr)	IND.		C.J.P.M. – T.V. Inc.	Diverse. (J.A. DeSeve Estate is largest single shareholder.)	J.A. DeSeve Estate also controls Télé-Métropole Corp., licencee of CFTM-TV, Montreal.	154,500

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Chicoutimi (continued)	CKRS-TV (Fr)	CBCA	Group	Radio Saguenay Limitée	Diverse ownership with La Société Lepage Inc. and Baribeau & Fils Inc. each holding a substantial minority interest which totals more than 50%.	See Group Profile. Satellite of CKRS-TV, Jonquière, P.Q.	
Granby (36,600)	*La Voix de L'Est* (Fr.)		Group	La Voix de L'Est, Limitée	Les Journaux Trans-Canada Ltée (Desmarais, Parisien, Francoeur)	See Group Profile.	11,775
	CHEF-AM (Fr)		Group	La Voix de L'Est, Limitée	Les Journaux Trans-Canada Ltée (Desmarais, Parisien, Francoeur)	See Group Profile.	9,400
	CATV			Transvision (Granby) Ltd.	Diverse		820 (6,000)
Hull (56,929C)	See Ottawa (Hull), Ont.						
Jonquière (31,300)	CKRS-AM (Fr)		Group	Radio Saguenay Limitée	Diverse Ownership with La Société Lepage Inc. and Baribeau & Fils Inc. each holding a substantial minority interest which totals more than 50%	See Group Profile.	
	CKRS-TV (Fr)		Group	Radio Saguenay Limitée			151,800

Matane (11,600)	CKBL-AM (Fr)	CBCA	Group	La Compagnie de Radio-diffusion de Matane Limitée	R. Lapointe	Also owns CKGN-AM, Sept Isles, P.Q.	25,100
	CKBL-TV (Fr)	CBCA	Group		R. Lapointe		104,700
Montreal (M2,563,800)	*Le Devoir* (Fr) (am)			L'Imprimerie Populaire Limitée	A non-profit cooperative.		39,916
	Gazette (am)		Group	Gazette Printing Company Limited	Southam	See Group Profile.	134,934
	Le Journal de Montréal (Fr)		Group	La Société de Publication du Journal de Montréal Limitée	Québecor Inc. (Peladeau)	Also publishes Le Journal de Québec.	48,345
	Montréal-Matin (Fr) (am)			La Fédération des Journalistes Canadiens Inc.	Faribault, Lagarde, Doucet and Cloutier		138,174
	La Presse (Fr) (pm)		Group	La Presse Limitée	Desmarais, Parisien, Francoeur	See Group Profile.	222,184
	Star (pm)		Group	Montreal Star (1968) Limited	McConnell Family	See Group Profile.	195,696
	CFMB-AM			Chateau Broadcasting Company Limited	C.G. Stanczykowski		27,700
	CFOX-AM			Lakeshore Broadcasting Limited	Gordon Sinclair Jr.	Based Pointe Claire, P.Q.	147,000
	CJAD-AM		Group	CJAD Limited	Standard Broadcasting Corporation Limited	Also owns CFRB-AM, Toronto. See Group Profile.	310,000
	CJFM-FM		Group	CJAD Limited			27,000
	CJMS-AM (Fr)		Group	CJMS Radio Montreal Limitée	R. Crépault	Part of a five station radio network owned by R. Crépault. See group profile.	394,300
	CJMS-FM (Fr)		Group	Supravox Corporation Limited	R. Crépault	See group profile.	26,000

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Montreal continued	CKAC-AM (Fr)		Group	CKAC Limitée	Télémédia (Québec) Limitée (Beaubien)	See Group Profile.	264,900
	CKGM-AM		Group	Maisonneuve Broad-	G.W. Stirling		65,300
	CKGM-FM		Group	casting Corporation Limited	G.W. Stirling		38,600
	CKLM-AM (Fr)			Radio Laval Inc.	Diverse (Minority shareholders Baribeau & Fils Inc. own 20%)	See Group Profile.	151,900
	CKVL-AM		Group	Radio Futura Limited	J. Tietolman	Bilingual	378,900
	CKVL-FM		Group	Radio Futura Limited	J. Tietolman	Based Verdun, P.Q.	85,200
	CHRS-AM (Fr)			Radio Iberville Limitée	J-P. Auclair	Based Jacques Cartier P.Q.	23,400
	CBF-AM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		188,600
	CBF-FM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		8,000
	CBFT-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		1,292,700
	CBM-AM	CBCO		Canadian Broadcasting Corp.	CBC		91,300
	CBM-FM	CBCO		Canadian Broadcasting Corp.	CBC		14,800
	CBMT-TV	CBCO		Canadian Broadcasting Corp.	CBC		552,800
	CFCF-AM		Group	Cartier Communi-	Bushnell Communi-	See Group Profile.	113,000
	CFQR-FM		Group	cations Limited	cations Ltd.	Previously owned by	87,100
	CFCX (sw)		Group	Cartier Communi-	Bushnell Communi-	Canadian Marconi Co.	
	CFCF-TV	CTV	Group	cations Limited	cations Ltd.		559,000
	CFTM-TV	IND.		Télé-Métropole Corporation	The J.A. DeSeve Estate	Also holds minority interest in CJPM-TV, Chicoutimi.	1,578,100

Montreal continued	CATV		Télé-câble Boucherville Inc.	R. Letourneau R. Martin	Also serves Ville Jacques Cartier.	
	CATV	Group	National Cablevision Limited	CBS Inc.; Welsh Group and others	Six systems licenced to serve various areas in and around Montreal. Also owns two systems in B.C.	
	CATV		Treeford Limited	H.R. Crabtree		650 (940)
	CATV	Group	Cable TV Limited	Famous Players	Serves Laval and other areas of city.	
	CATV		Câble de T.V. Mont-Bruno Inc.	Diverse (A. Baumann holds largest minority interest)	Serves St. Bruno.	
	CATV		Fernand Rondeau	Fernand Rondeau	Serves St. Michel. Also owns system at St. Zenon.	
Quebec City (M429,600)	*L'Action* (Fr) (pm)		L'Action Sociale Limitée	Diverse		30,702
	Le Soleil (Fr) (pm)		Le Soleil, Limitée	Gilbert Family	The offering to consumers, of shares of Le Soleil Limitée will make Le Soleil the only publicly-owned independent Canadian daily newspaper.	162,116
	Le Journal de Québec (Fr)	Group	Publication du Journal de Quebec Inc.	Québecor Inc. (Peladeau)	Also publishes Le Journal de Montreal.	11,700

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Quebec City continued	*Chronicle Telegraph*		Group	Quebec Newspapers Limited	Thomson	See Group Profile.	4,523
	CFLS-AM (Fr)			Radio Etchemin Inc.	Diverse	Based Levis, P.Q.	27,400
	CHRC-AM (Fr)		Group	C.H.R.C. Limitée	Pratte, Baribeau, Lepage	See Group Profile.	214,400
	CHRC-FM (Fr)		Group	C.H.R.C. Limitée	Pratte, Baribeau, Lepage	See Group Profile.	17,500
	CJRP-AM (Fr)		Group	C.J.L.R. Inc.	R. Crépault	Part of a five station radio network owned by R. Crépault. See Group Profile.	88,500
	CKCV-AM (Fr)		Group	C.K.C.V. (Quebec) Limitée	Pratte, Baribeau, Lepage	See Group Profile.	73,400
	CFOM-AM	CBCA	Group	The Goodwill Broadcasters of Quebec Inc.	Pratte, Baribeau, Lepage	See Group Profile.	
	CBV-AM(Fr)	CBCO		Canadian Broadcasting Corp.	CBC		52,100
	CBVT-TV(Fr)	CBCO		Canadian Broadcasting Corp.	CBC		291,600
	CFCM-TV (Fr) CKMI-TV	IND. CBCA	Group Group	Télévision de Québec (Canada) Limitée	Famous Players (substantial minority interest held by Pratte, Baribeau, Lepage group)	See Group Profile	537,500 54,700
	CATV			Télé Câble de Quebec Limited	National Cablevision Limited (CBS inc.; Welsh Group and others)		

Rimouski (21,600)	CJBR-AM (Fr)	CBCA	Group	CJBR Radio Limitée	Télémédia (Québec) Limitée (Beaubien)	See Group Profile.	96,100
	CJBR-FM (Fr)	CBCA	Group	CJBR Radio Limitée			
	CJBR-TV (Fr)	CBCA	Group	CJBR-TV Limitée	Télémedia (Québec) Limitée (Beaubien)	See Group Profile.	128,400
Rivière-du-Loup (12,400)	CJFP-AM (Fr)	CBCA	Group	Radio CJFP Limitée	Diverse (L. Simard major shareholder)	Also owns CJAF-AM, Cabano, CHRT-AM, St-Eleuthère.	29,700
	CKRT-TV (Fr)	CBCA	Group	C.K.R.T. – T.V. Limitée	Diverse (L. Simard major shareholder)		82,700
	CATV		Group	CKRT – Télévision Limitée	Diverse (L. Simard major shareholder)		0 (3,000)
Rouyn (19,100)	CKRN-AM (Fr)	CBCA	Group	Northern Radio-Radio Nord Inc.	J.Y. Gourd	Also owns CHAD-AM, Amos, CKLS-AM, La Sarre, CKVD-AM, Val d'Or.	62,400
	CKRN-TV (Fr)	CBCA	Group	Northern Radio-Radio Nord Inc.	J.Y. Gourd		126,600
	CATV		Group	Paul Television Service Limitée	Diverse	Also owns a system serving Val d'Or and Bourlamaque, P.Q.	900 (2,500)
Sherbrooke (83,200)	*La Tribune* (Fr) (pm)		Group	La Tribune (1966) Limitée	Les Journaux Trans-Canada Limitée (Desmarais, Parisien, Francoeur)	See Group Profile.	38,885
	Sherbrooke Record (Eng.) (pm)			Eastern Townships Publishing Company Limited	C.M. Black, F.D. Radler, P.G. White	Daily except Sat.	8,586
	CJRS-AM (Fr)		Group	CJRS Radio Sherbrooke Limitée	R. Crépault	Part of a five station radio network owned by R. Crépault. See Group Profile.	54,400

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Sherbrooke	CKTS-AM	CBCA	Group	Telegram Printing and Publishing Limited	Télémédia (Québec) Limitée (Beaubien)	See Group Profile.	18,600
	CHLT-AM (Fr)	CBCA	Group	CHLT Radio	Télémédia (Québec)	See Group Profile	34,900
	CHLT-FM (Fr)	CBCA	Group	Sherbrooke Limitée	Limitée (Beaubien)		10,000
	CHLT-TV (Fr)	CBCA	Group	CHLT Télé 7 Limitée	Télémédia (Québec) Limitée (Beaubien)		411,200
	CATV		Group	Rediffusion Inc.	Broadcast Relay Service (Overseas) Limited	A U.K. company	13,506 (19,000)
	CHLN-AM (Fr)	CBCA	Group	Radio Trois Rivières Inc.	Télémédia (Québec) Limitée (Beaubien)	See Group Profile.	59,800
	CJTR-AM (Fr)		Group	CJTR Radio Trois Rivières Limitée	R. Crépault	Part of a five station radio network owned by R. Crépault.	51,800
Trois-Rivières (59,900)	*Le Nouvelliste* (Fr) (am)		Group	Le Nouvelliste (1967) Limitée	Les Journaux Trans-Canada Ltée (Desmarais, Parisien, Francoeur)	See Group Profile.	46,926
	CKTM-TV (Fr)	CBCA		Télévision St. Maurice Inc.	H. Audet	See Group Profile.	148,100
	CATV			La Belle Vision Quebec Inc.	C.A. Sammons 100% (U.S. Citizen)		

New Brunswick

Fredericton (24,200)	*Gleaner*		Group	University Press of New Brunswick Limited	Irving	See Group Profile. Formerly controlled by Brig. M. Wardell who has retained some shares and is still the Publisher.	16,758
	CBZ-AM	CBCO		Canadian Broadcasting Corp.	CBC		6,600
	CFNB-AM			Radio Atlantic Limited	Neill Family		77,900
	CATV			City Cablevision Limited	M.S. Payne		
Moncton (47,400)	*Times* (am)		Group	Moncton Publishing Company Limited	Irving	See Group Profile.	16,241
	Transcript (pm)		Group		Irving	See Group Profile.	17,044
	L'Evangéline (Fr)			L'Evangeline Limitée		Daily except Sat.	8,180
	CBA-AM	CBCO		Canadian Broadcasting Corp.	CBC		25,700
	CBAF-AM (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		7,000
	CBAFT-TV (Fr)	CBCO		Canadian Broadcasting Corp.	CBC		27,900
	CKCW-AM		Group	Moncton Broadcasting Company Limited	F.A. Lynds 70%, F.J. Brennan 30%		58,300
	CKCW-TV	CTV	Group			CRTC has approved establishment of a satellite at Saint John and a switch from CBC to CTV Network. See note re CHSJ-TV.	208,600
	CHMT-TV	CBCA	Group	New Brunswick Broadcasting Company Limited	Irving	Satellite of CHSJ-TV, Saint John.–See note. See Group Profile.	

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Saint John (M102,500)	*Telegraph-Journal* (am)		Group	New Brunswick Publishing Company Limited	Irving	See Group Profile.	29,229
	Evening Times-Globe (pm)		Group	New Brunswick Publishing Company Limited	Irving	See Group Profile.	25,170
	CBD-AM	CBCO		Canadian Broadcasting Corp.	CBC		6,900
	CFBC-AM CFBC-FM			Fundy Broadcasting Company Limited	Diverse Diverse		52,300 1,500
	CHSJ-AM		Group	New Brunswick Broadcasting Company Limited	Irving	See Group Profile.	52,700
	CHSJ-TV	CBCA	Group	New Brunswick Broadcasting Company Limited	Irving	CRTC has ruled that the licence is subject to the condition that no person with an interest in New Brunswick Broadcasting Co. Ltd. may have direct or indirect ownership or control of any shares of Capital stock in Moncton Broadcasting Ltd. See Group Profile.	296,200
	CKLT-TV	CTV	Group	Moncton Broadcasting Company Limited	F. A. Lynds 70% F. J. Brennan 30%	Satellite of CKCW-TV, Moncton, N.B.	

Nova Scotia

Amherst (10,600)	*News*			News Sentinel Limited	R. MacD. Black		3,822
	CKDH-AM		Group	Tantramar Broadcasting Limited	J. A. Manning	Manning also controls CKCL-AM and CKCL-FM, Truro.	37,700
Halifax (M205,600)	*Chronicle-Herald* (am)			The Halifax Herald Limited	G. W. Dennis		72,082
	Mail Star (pm)			The Halifax Herald Limited	G. W. Dennis		46,766
	CFDR-AM			Radio Dartmouth Limited	J. Cruickshank 37%, C. Patterson 37%	Based Dartmouth, N.S.	49,300
	CHNS-AM CHFX-FM			Maritime Broadcasting Company Limited	L.F.D. Investments Limited 52% (Laurence F. Daley and Family)		57,600 1,100
	CHNX (sw)			Maritime Broadcasting Company Limited			
	CBH-AM	CBCO		Canadian Broadcasting Corp.	CBC		15,700
	CBHT-TV	CBCO		Canadian Broadcasting Corp.	CBC		222,500
	CJCH-AM		Group	Radio CJCH 920 Limited	CHUM Limited	See Group Profile.	78,600
	CJCH-TV	CTV	Group	CJCH Limited	CTV Network 75%. Selkirk and Western Broadcasting have minority interests (25%).	See Group Profile.	236,100

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Halifax continued	CATV			A company to be incorporated represented by Donald D. Anderson	A. I. Barrow, A. G. Brown, J. K. Lawton		
	CATV			A company to be incorporated represented by Frank M. Leaman	Leaman Family 50%	Serves Dartmouth.	
New Glasgow (10,900)	*News*		Group	Scotia Printers Limited	Thomson	See Group Profile.	10,055
	CKEC-AM	CBCA		Hector Broadcasting Company Limited	D.B. Freeman		24,700
	CBCT-TV	CBCO		Canadian Broadcasting Corp.	CBC	Satellite of CBCT-TV, Charlottetown, P.E.I.	
Sydney (32,600)	*Cape Breton Post*			Post Publishing Company Limited	R. D. Duchemin		27,564
	CBI-AM	CBCO		Canadian Broadcasting Corp.	CBC		15,500
	CHER-AM			Cher Broadcasters Limited	Diverse		31,800
	CJCB-AM			Cape Breton Broadcasters Limited	J. M. Nathanson 33 1/3%,		78,300
	CJCB-FM				N. L. Nathanson 33 1/3%,		
	CJCB-TV CJCX (sw)	CBCA		Cape Breton Broadcasters Limited	P. A. Hunt 33 1/3%		160,600

Truro (13,300)	*News*		Group	Atlantic Newspapers Limited	Bowes Publishers Limited (J. F. Bowes)		4,859
	CKCL-AM	CBCA	Group	Colchester Broad-casting Company	J.A. Manning	Also controls CKDH-AM,	23,700
	CKCL-FM	CBCA	Group	Limited	J.A. Manning	Amherst.	
	CATV		Group	Coratel Services Limited	Diverse (RCA International Devel-opment Corp. 20%)	Services a hospital in Truro and owns three hospital systems in Montreal.	
	CATV			Eastern Cable-vision Limited	E. Goguen	Also serves Bible Hill.	650 (5,200)
Charlottetown (18,500)	*Guardian* (am)		Group	Thomson Newspapers Limited	Thomson	See Group Profile	16,414
	Patriot (pm)		Group	Thomson Newspapers Limited	Thomson	See Group Profile	4,478
	CFCY-AM	CBCA		The Island Radio Broadcasting Company Limited	Diverse		66,800
	CBC-FM	CBCO		Canadian Broadcasting Corp.	CBC		
	CBCT-TV	CBCO		Canadian Broadcasting Corp.	CBC	Acquired by CBC from the Island Radio Broadcasting Company Limited.	96,400
Summerside (10,800)	*Journal-Pioneer*			Journal Publishing Company Limited	W. R. Brennan and John Mungall		7,898
	CJRW-AM			The Gulf Broadcasting Company Limited	R. Schurman		16,300

Prov/City (population)	Media Name	Bdcst Net	Media Owner	Publisher or Licensee	Indicated Control	Remarks	Circulation
Corner Brook (28,600)	*Western Star*		Group	Thomson Newspapers Limited	Thomson	See Group Profile. Previously owned by Herder.	7,884
	CFCB-AM			Humber Valley Broadcasting Company	Diverse	Also owns CFSX-AM, Stephenville, Nfld.	35,800
	CBY-AM	CBCO		Canadian Broadcasting Corp.	CBC		21,100
	CBYT-TV	CBCO		Canadian Broadcasting Corp.	CBC		55,400
	CJON-TV	CTV	Group	Newfoundland Broadcasting Company Limited	G. W. Stirling	Satellite of CJON-TV, St. John's, Nfld.	
St. John's (M107,600)	*Daily News* (am)			The Daily News Limited	Edsel Bonnell	Daily except Saturday.	8,726
	Evening Telegram (pm)		Group	Thomson Newspapers Limited	Thomson	See Group Profile. Previously owned by Herder.	29,517
	CBN-AM	CBCO		Canadian Broadcasting Corp.	CBC		27,800
	CBNT-TV	CBCO		Canadian Broadcasting Corp.	CBC		159,500
	CKZN (sw)	CBCO		Canadian Broadcasting Corp.	CBC		
	CJON-AM		Group	Newfoundland Broadcasting Company Limited	G. W. Stirling		84,500

CJON-TV	CTV	Group	Newfoundland Broad-casting Company Limited	G. W. Stirling	Also owns CJOX-AM, CJOX-TV in Grand Falls, and CJCN-AM, CJCN-TV in Grand Bank	184,400
VOAR-AM			Seventh-Day Adventist Church in Newfound-land			
VOWR-AM			Wesley United Church Board			
VOCM-AM		Group	The Colonial Broad-casting System Limited	J. V. Butler	Also owns radio station CKCM-AM, Grand Falls; CHCM-AM, Marystown; CKGA-AM, Gander.	74,800

Appendix II

THE CANADIAN BROADCASTING CORPORATION

INTRODUCTION

Over the past decade, the Canadian Broadcasting Corporation has been the subject of exhaustive and often highly controversial inquiries and debates by the Royal Commission on Government Organization, the Committee on Broadcasting, innumerable committees of Parliament and Parliament itself.

It is not the intention of this study to probe further into the policies and operations of the CBC as such. Our concern is only with those aspects of the Corporation's policies and operations that may have a significant bearing on the private sector of the broadcasting industry.

Although it is heavily financed by public funds, the CBC can have a marked impact on private stations – both its own network affiliates and those of the competing CTV affiliates – through the commercial policies it pursues.

During the mid-1960s, the CBC management of the day took the position that it was required to rely too heavily on commercial revenue to finance its operations, even though the proportion it earned from this source was modest in comparison to the total it received in grants from the public treasury. It pressed the argument on both the Federal Government and the Committee on Broadcasting that it should be permitted to dispense altogether with advertising on radio after a five-year period and to limit its net commercial revenue from television to $25 million.

In its report of 1965, the Fowler Committee strongly recommended against approval of this course. It maintained that the CBC should be required to seek to maintain at least the 4 per cent share of the radio advertising market and 25 per cent share of the television advertising market that it was then obtaining. If television and radio sales can be increased to capture, say, 30 per cent and 6 per cent of the respective advertising markets, so much the better; for the additional revenue so obtained could be devoted to further improvements in programing quality.

The committee contended that the CBC could increase its commercial revenue substantially through more intensive market research and the development of a better organized and more aggressive advertising sales force.

The committee's report recommended that the corporation be given an annual statutory grant of $25 for every television household in Canada to cover both its operating and capital costs. While acknowledging that this would probably provide the corporation with lean fare from the public purse, the committee suggested it would make out satisfactorily if it pared certain excessive costs and actively sought more commercial revenue.

In its White Paper on broadcasting in 1966, the federal government indicated general agreement with this approach:

> The Government accepts the recommendation of the Advisory Committee that the Corporation should be financed by means of a statutory five-year grant based on a formula related to television households, with a suitable borrowing authority for capital requirements.
>
> The details of the actual amounts, which will require the exercise of a tight financial discipline by the Directors of the Corporation but will be adequate for reasonable requirements, will be submitted to Parliament by the Minister of Finance later in the year, when financial requirements of all kinds for the next and ensuing fiscal years are under consideration.

The government said it had concluded that the recommendations of the Committee on Broadcasting regarding commercial operations of the CBC should be implemented. Unlike the committee, however, the White Paper proposed a ceiling.

> It is important both to the Corporation and to private broadcasters that definite limits be set to the amount of revenue to be derived from its commercial activities. The Corporation should not seek to increase its present volume of commercial programming.
>
> Parliament will accordingly be asked to make financial provision for the Corporation on the basis that, while improving its programming, it should seek to retain but not to increase its present 25 per cent share of the television advertising market and 4 per cent of the corresponding market.

Throughout the debate in Parliament revolving around the Fowler Committee's report, the White Paper and the broadcasting bill subsequently introduced by the government, a strong consensus developed in support of this general position on the financing of the CBC.

There appears to be little room for doubt that this evident consensus, together with a change in the senior officers of the corporation, have led to a marked change in CBC policy. Like it or not, the CBC management has been left by force of circumstances with little choice but to pursue a far more aggressive commercial policy than in the past, while at the same time exercising far more rigid control over costs.

The statutory financing provisions which the Fowler Committee recommended and the government proposed, in the White Paper, to introduce later in 1966 are still awaited. In the meantime, however, the corporation has found itself a prime victim of a government economy drive and is under heavy pressure to hold down costs and to seek additional commercial revenue. This pressure comes at the end of an extended period of rapidly rising CBC expenditures. Between the fiscal year ending March 31, 1960, to 1969, total CBC expenditures rose from $94,040,000 to $196,487,000, an increase of 109 per cent. During the same period, CBC's net advertising revenue rose only from $27,236,000 to $29,645,000, an increase of 8.8 per cent. An important factor, of course, was the new competition faced by the CBC from CTV affiliated stations.

Between 1965 and 1968, when the situation had become more stabilized, the operating expenses of private broadcasters rose 33.4 per cent to $165,770,000 and those of the CBC climbed by 40.5 per cent to $175,490,000. During the same period, however, the operating revenue of the private broadcasters rose by 32.6 per cent to $181,955,000, while the CBC revenue increased by only 11.6 per cent to a total of $27,934,000.

It will be recalled that in the White Paper the federal government agreed with the recommendation of the Committee on Broadcasting that the CBC should seek to obtain 25 per cent of television advertising revenue and 4 per cent of radio advertising revenue, although the government stipulated this should be a ceiling rather than the floor suggested in the Committee's report.

In point of fact, the CBC has failed to meet either of the targets proposed by the committee and the government. As indicated in the following table prepared by the CBC in response to our inquiry, the corporation's share of net radio advertising revenue (after deduction of agency commissions) has declined from a peak during the present decade of 4.2 per cent in 1961 to 1.8 per cent in 1968.

The CBC's share of net advertising revenue in television, which has been particularly affected by the establishment of the CTV network, has dropped from a high point of 51.9 per cent in 1960 to 25.1 per cent in 1965 and to 23.9 per cent in 1968.

Table A. CBC's Share of Net Advertising Revenue from Radio and Television, 1960 – 1968

	Radio			
	Total	Private	CBC	CBC % of Total
	Dollars	Dollars	Dollars	Per Cent
1960	47,755,000	46,000,000	1,755,000	3.7
61	49,828,000	47,749,000	2,079,000	4.2
62	53,757,000	51,612,000	2,145,000	4.0
63	59,130,000	57,003,000	2,127,000	3.6
64	65,121,000	63,216,000	1,905,000	2.9
65	70,640,000	68,656,000	1,984,000	2.8
66	80,047,000	78,213,000	1,834,000	2.3
67	88,467,000	86,702,000	1,763,000	2.0
68	95,087,000	93,389,000	1,698,000	1.8
	Television			
1960	48,606,000	23,405,000	25,201,000	51.9
61	54,082,000	33,130,000	20,952,000	38.7
62	61,348,000	41,222,000	20,126,000	32.8
63	69,953,000	48,695,000	21,258,000	30.4
64	80,389,000	58,167,000	22,222,000	27.6
65	91,424,000	68,515,000	22,909,000	25.1
66	100,095,000	76,218,000	23,877,000	23.9
67	111,656,000	84,891,000	26,765,000	24.0
68	116,307,000	88,566,000	27,741,000	23.9

Source: 1960-1967, D.B.S. and CBC figures; 1968, Maclean-Hunter Research Bureau and CBC Actual (Prepared by Canadian Broadcasting Corporation).

Prior to the new policy direction prescribed by the federal government and Parliament, the CBC proposed to extend the number of its own stations. It proposed also that it should be permitted to reduce its reliance on commercial revenues and on the popular American programs that played such a large part in helping to produce them. Under these circumstances, it would have a greater opportunity to devote resources to Canadian programs that were less likely to have the same mass audience appeal and revenue-raising possibilities.

The Fowler Committee, the government evidently concurring, opposed any major extension of the CBC into areas now served by its private affiliates. The committee took the view that the CBC should be required to earn a significant share of its income from advertising to relieve the burden on the treasury, prevent programming from becoming too avant-garde and to help maintain the income received by private affiliates as their share of network advertising revenue.

In connection with this third point, the committee's report noted at another stage (p. 303):

> A separate study of the CBC private affiliates would no doubt show that they are becoming restive under the growing competitive pressure and anxious to achieve sounder financial arrangements with the CBC.

Over the past few years, the CBC has made a substantial number of changes in its commercial policies and practices that are aimed at increasing the revenues received both by private affiliates and its own stations from television network advertising and the revenues obtained by CBC-owned stations from selective advertising placed on individual stations during non-network broadcasting time.

Some CBC officials would undoubtedly argue that these changes are all part of continuing efforts to maximize advertising revenue within the context of the corporation's commercial policy. From the available evidence, however, it seems apparent that there has been a significant shift in policy that places a new emphasis on commercial revenues and a consequent shift in the CBC's commercial practices.

The amount of advertising time during prime network hours has been increased, although it still falls short of the maximum permitted under C.R.T.C. regulations; advertising rates have been substantially increased. More opportunity has been provided for private affiliates and the CBC's own stations to insert more highly remunerative selective advertising during network breaks. During non-network time periods, CBC-operated stations have been permitted to make greater use of spot announcements and to include advertising up to the limit permitted by regulation. This is twelve minutes in an hour. The list of products banned for advertising on the CBC on grounds of taste and propriety has been narrowed. (The corporation no longer considers it offensive to permit advertising of toilet tissue, foundation garments, and depilatories).

For many years, news, public affairs and weather were considered sacrosanct by the CBC, to be isolated from even the remotest association with advertising at any cost. While sponsorship of such programmes is still not permitted as a matter of policy, the CBC increasingly has permitted spot announcements to be inserted around such programmes.

While distinctions are still drawn, they appear to have become increasingly tenuous. A local evening program under the title of *Weekday* on CBL-TV

(Toronto), for example, is made up of a combination of news, public affairs and sports features. Sports broadcasts may not only include spot advertising, but may be sponsored by an advertiser. While no advertising spots are carried during news or public affairs features, they may be inserted between them.

On the CTV network, few programmes are sponsored by advertisers, who as a general rule buy only spot advertising time. The CBC has long tried to maintain its practice of obtaining regular sponsors for its network programmes. It has been steadily forced to give ground, however, and to make more provision for spot advertising during network programming, which it refers to as "participation sponsorship."

There is reason to believe that further changes in commercial practices are being considered by the CBC management in line with the new thrust of its commercial policies. It should be noted that the kinds of changes noted above have been unrelated to programme policy. They have been aimed at securing greater commercial revenues without resorting to a more commercialized programming policy.

We have not sought to inquire into the efficiency or aggressiveness of the CBC advertising sales force, but the very fact that the value of programme time available for advertising which went unused increased from $26,935,000 in fiscal 1965 to $31,177,000 in 1969 suggests there may be some room for improvement.

Apart from the consideration of cost to the public for operation of the CBC raised by the Fowler Committee, the maintenance of some reasonably adequate level of commercial revenue during network programming is of considerable importance for many of the CBC's private affiliates.

DATA RELATIVE TO CBC OPERATIONS

The following financial data were prepared by the Canadian Broadcasting Corporation at the request of Hopkins, Hedlin Limited. Essentially these data bring up to date the financial information for 1960-65 made available by the Corporation to Touche, Ross, Bailey & Smart, Chartered Accountants and Financial Advisers to The Committee on Broadcasting for inclusion in Appendix A of the Committee's report in 1965.

Hopkins, Hedlin would like to express its sincere appreciation to the CBC for its very extensive labours in meeting this and many other requests for information.

Table B. Balance Sheets as at March 31, 1965–1969

	1969	1968	1968	1967	1966	1965
	Dollars					
CURRENT ASSETS						
Cash	15,000,000	8,917,000	8,917,000	6,525,000	6,052,000	3,036,000
Accounts Receivable	6,784,000	6,278,000	5,942,000	4,895,000	4,841,000	3,996,000
Due from Canada in respect of expenditures incurred on behalf of International Broadcasting Service	–	–	336,000	252,000	303,000	195,000
Investment in Canada bonds, (at cost)	–	963,000	963,000	963,000	963,000	963,000
Engineering and production supplies, (at cost)	2,714,000	2,563,000	2,563,000	2,582,000	2,027,000	1,732,000
Programs completed and in process of production	7,051,000	7,882,000	7,882,000	10,790,000	4,878,000	5,249,000
Film and script rights	2,993,000	3,525,000	3,525,000	3,974,000	2,322,000	1,845,000
Prepaid rent, insurance and other items	332,000	359,000	359,000	466,000	208,000	207,000
Total Current Assets	34,874,000	30,487,000	30,487,000	30,447,000	21,594,000	17,223,000
CURRENT LIABILITIES						
Accounts payable and accrued liabilities	18,906,000	14,457,000	14,457,000	15,265,000	12,369,000	7,360,000
Due to Canada – Refundable balance of grant in respect of the net operating amount required to discharge the responsibilities of the national broadcasting service	271,000	644,000	644,000	40,000	181,000	31,000
Total Current Liabilities	19,177,000	15,101,000	15,101,000	15,305,000	12,550,000	7,391,000
Working Capital (See Note 1)	15,697,000	15,386,000	15,386,000	15,142,000	9,044,000	9,832,000
CAPITAL ASSETS (at cost)						
International Broadcasting Service facilities (contra) CBC assets	–	–	6,515,000	6,408,000	6,343,000	6,312,000
Land and buildings	57,477,000	52,688,000	47,911,000	44,370,000	38,494,000	32,461,000
Technical equipment	100,847,000	86,313,000	84,734,000	72,371,000	51,054,000	43,992,000

Furnishings and equipment	5,597,000	5,234,000	5,092,000	4,788,000	4,408,000	4,137,000
Other	2,214,000	1,970,000	1,952,000	1,495,000	990,000	976,000
	166,135,000	146,205,000	139,689,000	123,024,000	94,946,000	81,566,000
Less: accumulated depreciation	65,572,000	56,918,000	51,771,000	46,033,000	40,575,000	36,209,000
Total CBC assets	100,563,000	89,287,000	87,918,000	76,991,000	54,371,000	45,357,000
Total Capital Assets (including International Service facilities)	100,563,000	89,287,000	94,433,000	83,398,000	60,714,000	51,669,000
Net Assets (including International Broadcasting Service facilities)	116,260,000	104,673,000	109,819,000	98,540,000	69,758,000	61,501,000
Equity of Canada in:						
International Broadcasting Service (contra)	–	–	6,515,000	6,407,000	6,343,000	6,312,000
CBC						
Loans to finance the acquisition of capital assets	92,370,000	74,125,000	74,125,000	55,715,000	26,705,000	14,250,000
Proprietor's Equity Account	23,890,000	30,548,000	29,179,000	36,418,000	36,710,000	40,939,000
Total CBC Equity	116,260,000	104,673,000	103,304,000	92,133,000	63,415,000	55,189,000
Total Equity of Canada	116,260,000	104,673,000	109,819,000	98,540,000	69,758,000	61,501,000

[1]NOTE:- Amounts in excess of $9,000,000 in 1965, 1966, and $15,000,000 in 1967, 1968 and 1969 represent unexpended portion of capital loans.
[2]1968 restated to include International Service assets with those of the corporation for comparative purposes per published report.

Table C. Equity of Canada at March 31, 1965–1969

	1969	1968	1967	1966	1965
			Dollars		
Capital Loans					
Balance as at April 1 of the fiscal year	74,125,000	55,715,000	26,705,000	14,250,000	–
Add: Additional Loans for the fiscal year:					
Total Loans approved	25,000,000	30,398,000	30,424,000	14,000,000	14,250,000
Less Loans not drawn	(2,800,000)	(9,098,000)	(43,000)	(833,000)	–
	22,200,000	21,300,000	30,381,000	13,167,000	14,250,000
Sub-Total	96,325,000	77,015,000	57,086,000	27,417,000	–
Deduct: Loan repayment	3,955,000	2,890,000	1,371,000	712,000	–
	92,370,000	74,125,000	55,715,000	26,705,000	14,250,000
Proprietor's Equity Account					
– Balance as at April of the fiscal year	29,179,000	36,418,000	36,710,000	40,939,000	45,612,000
– Advance for purpose of increasing – working capital					
– Net Book Value of Capital Assets of I.S.	1,368,000	–	6,000,000	–	–
– Amount included for repayment of Government of Canada loans in Parliamentary grant in respect of the net operating amount required to discharge the responsibilities of the National Broadcasting Service	3,955,000	2,890,000	1,371,000	712,000	–
Sub-Total	34,502,000	39,308,000	44,081,000	41,651,000	45,612,000
Deduct:					
– Depreciation, included as an operating cost not recoverable from Parliamentary grant	9,914,000	9,072,000	7,013,000	4,738,000	4,522,000
– Net write-off arising from physical inventory of capital assets (including installation costs)	663,000	1,005,000	–	–	–
– Net Loss on retirement of Capital	35,000	52,000	650,000	203,000	151,000
	10,612,000	10,129,000	7,663,000	4,941,000	4,673,000
Balance as at March 31 of the fiscal year	23,890,000	29,179,000	36,418,000	36,710,000	40,939,000
Total Equity of Canada	116,260,000	103,304,000	92,133,000	63,415,000	55,189,000

Table D. Capital Loans, 1965–1969

Year and Rate of Interest	Loans – 20 Year Repayment: Borrowed, Yearly	Borrowed, Cumulative	Repaid, Yearly	Repaid, Cumulative	Balance	Interest Paid
	Dollars					
1964/65 $5\frac{1}{4} - 5\frac{3}{8}\%$	$14,250,000	$ 14,250,000	$ –	$ –	$14,250,000	$ 374,000
1965/66 $5\frac{1}{4} - 5\frac{5}{8}\%$	13,167,000	27,417,000	713,000	713,000	26,704,000	1,009,000
1966/67 $5\frac{3}{4} - 6\%$	30,382,000	57,799,000	1,371,000	2,084,000	55,715,000	2,203,000
1967/68 $5\frac{9}{16} - 6\frac{11}{16}\%$	21,300,000	79,099,000	2,890,000	4,974,000	74,125,000	3,760,000
1968/69 $6\frac{11}{16} - 7\frac{3}{8}\%$	22,200,000	101,299,000	3,955,000	8,929,000	92,370,000	4,762,000

Table E. Funds Provided by Parliament – Years ended March 31, 1960–69

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
					Dollars					
Grants										
For operations (see notes)	$52,300,000	$59,289,000	$70,252,000	$72,655,000	$78,377,000	$85,869,000	$95,063,000	$112,403,000	$139,503,000	$148,329,000
For capital expenditures	6,260,000	5,619,000	6,462,000	6,390,000	7,333,000	–	–	–	–	–
For increasing working capital	–	3,000,000	–	–	–	–	–	6,000,000	–	–
Loans										
For capital expenditures (note 2)	–	–	–	–	–	14,250,000	13,167,000	30,382,000	21,300,000	22,200,000
Total	$58,560,000	$67,908,000	$76,714,000	$79,045,000	$85,710,000	$100,119,000	$108,230,000	$148,785,000	$160,803,000	$170,529,000
Notes:										
1. Net cost of operations	$55,476,000	$62,865,000	$74,291,000	$76,964,000	$82,553,000	$90,392,000	$99,089,000	$118,044,000	$145,685,000	$154,951,000
Add: Amount required for repayment of loan	–	–	–	–	–	–	713,000	1,371,000	2,890,000	3,955,000
Less: Depreciation included therein	(3,176,000)	(3,576,000)	(4,039,000)	(4,039,000)	(4,176,000)	(4,523,000)	(4,729,000)	(7,012,000)	(9,072,000)	(10,577,000)
Provided by Parliamentary Grants	$52,300,000	$59,289,000	$70,252,000	$72,655,000	$78,377,000	$85,869,000	$95,063,000	$112,403,000	$139,503,000	$148,329,000

2. In the year ended March 31, 1965 the government changed its method of providing funds to the Corporation for capital. Instead of making grants for capital expenditures the Government has made loans on which interest is payable and repayments of capital are required in equal annual instalments over a twenty-year period.

3. The year 1969 includes an amount of $3,459,000 for International Service which was financed out of a separate parliamentary appropriation in previous years.

Table F. Analysis of Radio and Television Revenues by Category for the Years 1964/65, 1968/69

	RADIO					TELEVISION					COMBINED REVENUES				
	1968/69	1967/68	1966/67	1965/66	1964/65	1968/69	1967/68	1966/67	1965/66	1964/65	1968/69	1967/68	1966/67	1965/66	1964/65
	Dollars					Dollars					Dollars				
Spot Announcements	1,274,000	1,291,000	1,302,000	1,340,000	1,290,000	11,749,000	9,516,000	8,590,000	7,573,000	6,292,000	13,023,000	10,987,000	9,892,000	8,913,00	7,582,000
Sponsored Programs															
Station Time															
Local	59,000	27,000	69,000	83,000	44,000	347,000	303,000	330,000	351,000	305,000	406,000	330,000	399,000	434,000	349,000
Network	148,000	220,000	174,000	236,000	257,000	5,560,000	5,400,000	4,878,000	4,518,000	4,174,000	5,708,000	5,620,000	5,052,000	4,754,000	4,431,000
Private Stations	177,000	218,000	222,000	254,000	243,000	6,395,000	6,528,000	5,916,000	5,503,000	5,739,000	6,572,000	6,746,000	6,138,000	5,757,000	5,981,000
Total Station Time	384,000	465,000	465,000	573,000	544,000	12,302,000	12,231,000	11,124,000	10,372,000	10,217,000	12,686,000	12,586,000	11,589,000	10,945,000	10,761,000
Network Distribution	–	–	–	–	–	2,116,000	2,177,000	2,079,000	1,904,000	1,962,000	2,116,000	2,177,000	2,079,000	1,904,000	1,962,000
Program Package	179,000	165,000	221,000	255,000	253,000	6,415,000	7,644,000	6,615,000	7,155,000	7,993,000	6,594,000	7,809,000	6,836,000	7,410,000	8,246,000
Total Sponsored Programs	563,000	630,000	685,000	929,000	797,000	20,833,000	22,052,000	19,818,000	19,431,000	20,172,000	21,395,000	22,582,000	20,504,000	20,259,000	20,969,000
Commercial Productions	–	–	1,000	2,000	–	359,000	365,000	324,000	308,000	328,000	359,000	365,000	325,000	312,000	323,000
Agency Commissions & Allowances To U.S. Networks	181,000	204,000	225,000	245,000	253,000	4,607,000	4,232,000	3,919,000	3,699,000	3,802,000	4,788,000	4,436,000	4,144,000	3,945,000	4,055,000
Sub-Total	2,018,000	2,125,000	2,214,000	2,418,000	2,340,000	37,548,000	36,265,000	32,651,000	31,011,000	30,594,000	39,566,000	38,890,000	34,865,000	33,429,000	32,934,000
Export Sales	–	3,000	–	–	–	199,000	341,000	288,000	134,000	331,000	199,000	344,000	288,000	134,000	331,000
Gross Advertising Revenue	2,018,000	2,128,000	2,214,000	2,418,000	2,340,000	37,747,000	36,606,000	32,939,000	31,145,000	30,925,000	39,765,000	38,734,000	35,153,000	33,563,000	33,265,000
Miscellaneous – Operating Centres	8,000	15,000	32,000	23,000	11,000	587,000	449,000	148,000	91,000	83,000	595,000	454,000	180,000	114,000	94,000
Head Office *											222,000	228,000	207,000	189,000	152,000
Supervision I.S. *											–	200,000	157,000	135,000	120,000
Total Miscellaneous Income											917,000	892,000	544,000	438,000	366,000
Interest on Investments *											954,000	574,000	499,000	357,000	212,000
Gross Income – (Including Head Office *)											41,536,000	40,200,000	36,196,000	34,358,000	33,843,000

Table G. Costs and Related Revenue of Programs Available for Advertising for the Years Ended March 31, 1965–1969

	As included in published report				
	1969	1968	1967	1966	1965
Programs which carried advertising	$46,939,000	$43,088,000	$35,338,000	$33,710,000	$32,654,000
Programs available but which did not carry advertising	31,177,000	32,953,000	28,243,000	22,287,000	26,935,000
Programs and related costs (exclusive of operational supervision, selling and general administration)	78,116,000	76,041,000	63,581,000	55,997,000	59,589,000
Advertising revenue – gross	$39,765,000	$38,734,000	$35,153,000	$33,563,000	$33,208,000

Table H. Statement of Operations for the years ended March 31, 1965–1969

	Including International Service		Excluding International Service			
	1969	1968*	1968	1967	1966	1965
EXPENSE						
Cost of production and distribution:						
Programs	$124,174,100	$119,439,507	$119,439,507	$ 98,001,881	$ 85,656,953	$ 79,618,703
Network distribution	15,086,399	14,137,682	14,137,682	12,149,163	11,536,284	10,727,250
Station transmission	8,815,272	7,827,549	7,827,549	5,906,199	5,509,995	5,003,930
Payments to private stations	5,332,007	5,464,020	5,464,020	5,010,405	4,590,870	4,752,553
Commissions to agencies and networks .	4,787,964	4,435,999	4,435,999	4,143,701	3,944,840	4,055,311
	$158,195,742	$151,304,757	$151,304,757	$125,211,349	$111,238,942	$104,157,747
Operational supervision and services:						
Programs	6,373,135	5,636,175	5,636,175	4,899,849	4,044,035	4,315,089
Administration	6,729,100	5,877,009	5,877,009	5,501,765	4,645,489	3,871,424
General	3,134,518	2,868,904	2,868,904	2,660,139	2,185,755	2,130,177
	16,236,753	14,382,088	14,382,088	13,061,753	10,875,279	10,316,690
International Service	3,674,641	3,677,377	-0-	-0-	-0-	-0-
Emergency Broadcasting	505,950	1,008,578	1,008,578	931,238	887,043	869,335
Radio and Television broadcasting services at Canadian Universal and International Exhibition, Montreal, 1967	-0-	3,921,493	3,921,493	2,690,355	301,245	-0-
Total cost of production and distribution	178,613,086	174,294,293	170,616,916	141,894,695	123,302,509	115,343,772
Selling and general administration:						
Selling expense	3,010,304	2,695,722	2,695,722	2,416,259	2,125,359	1,998,579
Engineering and development	1,703,028	1,485,361	1,485,361	1,308,541	1,104,872	1,128,796
Management and central services	8,398,743	7,327,819	7,327,819	6,418,146	5,904,756	5,331,629
	13,112,075	11,508,902	11,508,902	10,142,946	9,134,987	8,459,004
Interest on loans to finance the acquisition of capital assets	4,762,144	3,759,621	3,759,621	2,202,958	1,009,323	373,960
Total expense	196,487,305	189,562,816	185,885,439	154,240,599	133,446,819	124,176,736

Table H. Statement of Operations for the years ended March 31, 1965–1969 (Continued)

	Including International Service		Excluding International Service			
	1969	1968*	1968	1967	1966	1965
INCOME						
Advertising revenue – gross	39,764,781	38,734,295	38,734,295	35,153,014	33,562,816	33,208,050
Interest on investments	954,366	573,568	573,568	498,844	357,006	211,584
Miscellaneous	816,675	692,057	892,939	544,152	438,211	365,669
	41,535,822	39,999,920	40,200,802	36,196,010	34,358,033	33,785,303
Net Cost of Operations	$154,951,483	$149,562,896	$145,684,637	$118,044,589	$ 99,088,786	$ 90,391,433

* For comparison with 1969 operations, International Service figures are includes in this column.

Table I. Analysis of Production and Distribution Costs and of Revenue for the Years Ended March 31, 1965–1969

	1969	1968	1967	1966	1965
			Dollars		
Cost of production and distribution					
Radio Service:					
Programs	25,785,000	22,943,000	20,204,000	17,516,000	15,738,000
Network Distribution	3,219,000	2,837,000	2,664,000	2,542,000	2,367,000
Station Transmission	2,849,000	2,618,000	2,053,000	1,835,000	1,728,000
Payments to Private Stations	136,000	157,000	155,000	188,000	183,000
Commissions to Agencies and Networks	181,000	204,000	225,000	246,000	253,000
Operational Supervision and Services	3,303,000	2,814,000	2,717,000	2,175,000	2,012,000
Total Radio	35,473,000	31,573,000	28,018,000	24,502,000	22,281,000
Television Service:					
Programs	98,388,000	96,497,000	77,798,000	68,141,000	63,881,000
Network Distribution	11,868,000	11,301,000	9,485,000	8,994,000	8,360,000
Station Transmission	5,966,000	5,209,000	3,853,000	3,675,000	3,276,000
Payments to Private Stations	5,196,000	5,307,000	4,855,000	4,403,000	4,570,000
Commissions to Agencies and Networks	4,607,000	4,232,000	3,919,000	3,699,000	3,802,000
Operational Supervision and Services	12,934,000	11,568,000	10,345,000	8,701,000	8,305,000
Total Television	138,959,000	134,114,000	110,255,000	97,613,000	92,194,000
International Service	3,675,000	–	–	–	–
International Broadcasting Centre (Expo '67)	–	3,921,000	2,691,000	301,000	–
Emergency Broadcasting	506,000	1,009,000	931,000	887,000	869,000
Total Cost of Production and Distribution	178,613,000	170,617,000	141,895,000	123,303,000	115,344,000
Advertising Revenue (Gross)					
Radio Service	2,018,000	2,128,000	2,214,000	2,418,000	2,335,000
Television Service	37,747,000	36,606,000	32,939,000	31,145,000	30,537,000
Total Advertising Revenue	39,765,000	38,734,000	35,153,000	33,563,000	32,872,000

Table J. Analysis of Production and Distribution Costs and of Revenue – English Language for Years Ended March 31, 1965–1969

	1969	1968	1967	1966	1965
			Dollars		
Cost of Production and Distribution					
Radio Service:					
Programs	18,148,000	16,238,000	14,268,000	12,351,000	11,353,000
Network Distribution	2,256,000	2,082,000	1,856,000	1,899,000	1,770,000
Station Transmission	2,379,000	2,181,000	1,720,000	1,521,000	1,434,000
Payments to Private Stations	68,000	31,000	22,000	49,000	47,000
Commissions to Agencies and Networks	121,000	114,000	122,000	135,000	140,000
Operational Supervision and Services	2,358,000	2,026,000	1,934,000	1,555,000	1,465,000
Total Radio	25,330,000	22,672,000	19,922,000	17,510,000	16,209,000
Television Service:					
Programs	59,928,000	60,153,000	48,404,000	42,151,000	39,752,000
Network Distribution	9,678,000	8,909,000	7,567,000	7,276,000	6,778,000
Station Transmission	4,109,000	4,133,000	2,746,000	2,597,000	2,276,000
Payments to Private Stations	4,434,000	4,637,000	4,208,000	3,627,000	3,566,000
Commissions to Agencies and Networks	3,812,000	3,561,000	3,236,000	2,978,000	3,055,000
Operational Supervision and Services	8,407,000	7,713,000	6,848,000	5,743,000	5,478,000
Total Television	90,368,000	89,106,000	73,009,000	64,372,000	60,905,000
Advertising Revenue (Gross)					
Radio Service	1,277,000	1,183,000	1,180,000	1,290,000	1,245,000
Television Service	30,232,000	29,929,000	26,279,000	23,613,000	22,593,000
Total Advertising Revenue	31,509,000	31,112,000	27,459,000	24,903,000	23,838,000

Table K. Analysis of Production and Distribution Costs and of Revenue – French Language for Years Ended March 31, 1965–1969

	1969	1968	1967	1966	1965
			Dollars		
Cost of production and distribution					
Radio Service:					
Programs	7,637,000	6,705,000	5,936,000	5,165,000	4,385,000
Network Distribution	963,000	755,000	808,000	643,000	597,000
Station Transmission	470,000	437,000	333,000	314,000	294,000
Payments to Private Stations	68,000	126,000	133,000	139,000	136,000
Commissions to Agencies and Networks	60,000	90,000	103,000	111,000	113,000
Operational Supervision and Services	945,000	788,000	783,000	620,000	547,000
Total Radio	10,143,000	8,901,000	8,096,000	6,992,000	6,072,000
Television Service:					
Programs	38,460,000	36,344,000	29,394,000	25,990,000	24,129,000
Network Distribution	2,190,000	2,392,000	1,918,000	1,718,000	1,582,000
Station Transmission	1,857,000	1,076,000	1,107,000	1,078,000	1,000,000
Payments to Private Stations	762,000	670,000	647,000	776,000	1,004,000
Commissions to Agencies and Networks	795,000	671,000	683,000	721,000	747,000
Operational Supervision and Services	4,527,000	3,855,000	3,497,000	2,958,000	2,827,000
Total Television	48,591,000	45,008,000	37,246,000	33,241,000	31,289,000
Advertising Revenue (Gross)					
Radio Service	741,000	945,000	1,034,000	1,128,000	1,090,000
Television Service	7,515,000	6,677,000	6,660,000	7,532,000	7,944,000
Total Advertising Revenue	8,256,000	7,622,000	7,694,000	8,660,000	9,034,000

Table L. Radio Cost of Programs Broadcast Including Hours Year Ended March 31, 1968–1969

	1969			1968		
	Hours	Costs	Average	Hours	Costs	Average
			Dollars			Dollars
Program Purchase Cost						
News	4,473	317,000	71	3,096	260,000	84
Public Affairs	3,157	1,132,000	358	7,056	1,084,000	154
Farm and Fish	752	225,000	299	408	194,000	475
Light Entertainment	9,618	1,391,000	145	16,693	1,535,000	92
Drama	1,919	1,178,000	614	3,140	1,045,000	333
Serious Music	8,354	2,074,000	248	13,949	1,792,000	128
Schools, Children's and Youth	649	232,000	357	794	220,000	277
Sports	2,226	488,000	219	2,740	430,000	157
Special Events	113	23,000	204	1,049	152,000	145
Religious	300	67,000	223	874	133,000	152
Institutional	295	93,000	316	385	79,000	205
Features	1,881	534,000	284	1,228	421,000	343
Cultural	337	110,000	326	549	127,000	230
Miscellaneous	37,767	824,000	22	18,876	922,000	40
	71,841	8,688,000	121	70,837	8,394,000	118
Labour and Overhead	–	14,452,000		–	12,382,000	
Other Production Costs[1]	–	932,000		73	828,000	
Items Not Charged Directly to Program Categories[2]	–	1,714,000		–	1,339,000	
Total Cost of Programs Broadcast	71,841	25,786,000	359	70,910	22,943,000	307

[1] Contains auditions, promos, program changes and errors, network production services and (surplus) deficit on network program transfers.
[2] Contains local supervision, special programs, improvements to leased properties and depreciation.

Table M. Television Program Costs 1965–1969

	English Language		French Language		Total	
	1965	1969	1965	1969	1965	1969
News	$ 4,495,000	$ 7,427,000	$ 1,576,000	$ 3,655,000	$ 6,071,000	$ 11,082,000
Talks and Public Affairs	5,944,000	9,311,000	2,361,000	3,990,000	8,305,000	13,301,000
Farm and Fish	366,000	1,738,000	200,000	464,000	566,000	2,202,000
Religious	335,000	1,484,000	326,000	561,000	661,000	2,045,000
Children's and Educational	3,980,000	5,358,000	4,305,000	5,503,000	8,485,000	10,861,000
Feminine	186,000	127,000	748,000	1,133,000	934,000	1,260,000
Sports	2,074,000	3,566,000	1,212,000	2,196,000	3,286,000	5,762,000
Special Events, Community & Outside Broadcasts	2,299,000	552,000	309,000	221,000	2,608,000	773,000
Variety & Light Entertainment	6,293,000	9,113,000	3,500,000	4,443,000	9,793,000	13,556,000
Institutional	–	25,000	–	148,000	–	173,000
Cultural	–	29,000	–	647,000	–	676,000
Drama	3,598,000	3,866,000	2,448,000	3,623,000	6,046,000	7,489,000
Music	115,000	971,000	529,000	1,175,000	644,000	2,146,000
Features	–	1,765,000	–	–	–	1,765,000
Other	12,000	394,000	56,000	27,000	68,000	421,000
	29,697,000	45,726,000	17,770,000	27,786,000	47,467,000	73,512,000
Procured Film	5,450,000	6,286,000	3,527,000	5,779,000	8,977,000	12,065,000
Other Production Costs	4,605,000	7,916,000	2,832,000	4,895,000	7,437,000	12,811,000
Distribution and other network costs	6,778,000	9,678,000	1,582,000	2,190,000	8,360,000	11,868,000
Transmission and other local costs	2,276,000	4,109,000	1,000,000	1,857,000	3,276,000	5,966,000
	$48,806,000	$73,715,000	$26,711,000	$42,507,000	$75,517,000	$116,222,000
Television expenditures for 1965 and 1969						
Cost of programs	$39,752,000	59,928,000	24,129,000	38,460,000	63,881,000	98,388,000
Network Distribution	6,778,000	9,678,000	1,582,000	2,190,000	8,360,000	11,868,000
Station Transmission	2,276,000	4,109,000	1,000,000	1,857,000	3,276,000	5,966,000
	$48,806,000	$73,715,000	$26,711,000	$42,507,000	$75,517,000	$116,222,000

Table N. Corporate Statement of Expenses for Years Ended March 31, 1965–1969

Description	1969 (includes Int. Ser.)	1968 (includes Int. Ser.)	1968	1967	1966	1965
Salaries & Wages	$76,359,000	$70,540,000	$68,865,000	$58,993,000	$50,951,000	$47,827,000
Overtime	7,106,000	7,109,000	6,995,000	6,408,000	3,936,000	3,398,000
Other Employment Expenses	6,367,000	5,768,000	5,654,000	4,893,000	4,111,000	3,731,000
Salary Expense	89,832,000	83,417,000	81,514,000	70,294,000	58,998,000	54,956,000
Performers' Fees, Authors', Composers' & Other Rights	23,369,000	23,051,000	22,756,000	22,401,000	18,874,000	18,095,000
Film Rights and Commissioned Productions	15,294,000	15,493,000	15,455,000	13,560,000	11,905,000	10,825,000
Recording and Film Processing	6,949,000	7,301,000	7,027,000	5,565,000	3,871,000	3,493,000
T.V. Staging and Production Costs	4,998,000	5,365,000	5,360,000	5,605,000	3,235,000	3,258,000
Maintenance of Technical Equipment	2,652,000	2,415,000	2,384,000	2,259,000	1,738,000	1,846,000
Building Rental & Maintenance	6,756,000	7,271,000	7,245,000	5,953,000	5,051,000	4,805,000
Lines and Microwave	11,799,000	11,880,000	11,854,000	10,285,000	9,965,000	9,257,000
General Expenses (including Fees, Travelling Allowances, Car & Truck Expenses, Publicity, Office Services, Communications, Miscellaneous General Expenses)	11,815,000	10,511,000	10,451,000	9,617,000	7,963,000	7,010,000
Depreciation	10,577,000	9,284,000	9,072,000	7,013,000	4,739,000	4,522,000
Payments to Private Stations	5,332,000	5,464,000	5,464,000	5,010,000	4,591,000	4,753,000
Agency Commissions and Allowances to U.S. Networks	4,788,000	4,436,000	4,436,000	4,144,000	3,945,000	4,055,000
Capital Loan – Principal	3,955,000	2,890,000	2,890,000	1,370,000	713,000	–
– Interest	4,762,000	3,760,000	3,760,000	2,203,000	1,009,000	374,000
Capital Loan Financing	8,717,000	6,650,000	6,650,000	3,573,000	1,722,000	374,000
Total Gross Expense	$202,878,000	$192,538,000	$189,668,000	$165,279,000	$136,597,000	$127,249,000

Recoveries						
Capitalization of Expenses	$3,019,000	$2,749,000	$2,749,000	$2,731,000	$2,125,000	$1,991,000
Dept. of National Defence	243,000	244,000	302,000	278,000	214,000	205,000
International Service	–	–	569,000	546,000	463,000	438,000
Miscellaneous	4,000	1,000	182,000	222,000	–	–
Total Recoveries	3,266,000	2,994,000	3,802,000	3,777,000	2,802,000	2,634,000
(Increase) Decrease in Program Inventory	830,000	2,909,000	2,909,000	(5,891,000)	365,000	(439,000)
Total Cost of Operations	$200,442,000	$192,453,000	$188,775,000	$155,611,000	$134,610,000	$124,176,000

*** Some of the objects of expenditures shown in this statement were published in Fowler but on a more abbreviated basis.**

Table O. Capital Expenditures – Budgets vs Actual Expenditures

	1968/69			1967/68			1966/67			1965/66			1964/65		
	Budget	Actual	% of Budget Expended	Budget	Actual	% of Budget Expended	Budget	Actual	% of Budget Expended	Budget	Actual	% of Budget Expended	Budget	Actual	% of Budget Expended
	Dollars			Dollars			Dollars			Dollars			Dollars		
Acquisition and Construction of Assets															
(1) Consolidation															
(a) Montreal	3,390,000	2,834,000		4,200,000	3,180,000		2,080,000	1,945,000		2,700,000	705,000		3,040,000	2,902,000	
(b) Toronto	50,000	–		525,000	4,000		25,000	3,000		25,000	–		25,000	100,000	
(c) Ottawa Area	–	20,000		111,000	124,000		709,000	483,000		1,491,000	534,000		50,000	29,000	
(d) Head Office	–	–		–	–		–	6,000		–	121,000		232,000	133,000	
(e) Winnipeg	–	–		10,000	9,000		–	85,000		150,000	42,000		115,000	111,000	
(f) Vancouver	300,000	81,000		500,000	376,000		800,000	457,000		–	7,000		25,000	2,000	
(g) Halifax	–	–		50,000	7,000		–	–		–	–		–	–	
Total Consolidation	3,740,000	2,935,000	79%	5,396,000	3,700,000	69%	3,614,000	2,979,000	82%	4,366,000	1,409,000	32%	3,487,000	3,277,000	94%
(2) Improvements to Coverage															
(a) Television	6,042,000	4,100,000		10,270,000	5,786,000		3,669,000	2,708,000		2,836,000	2,867,000		5,246,000	3,925,000	
(b) Radio	2,050,000	1,574,000		654,000	668,000		1,137,000	1,015,000		626,000	499,000		3,092,000	2,454,000	
(c) Northern Services	–	–		60,000	33,000		67,000	58,000		73,000	80,000		12,000	6,000	
Total Improvements to Coverage	8,092,000	5,674,000	70%	10,984,000*	6,487,000	59%	4,873,000	3,781,000	78%	3,535,000	3,446,000	97%	8,350,000	6,385,000	76%
(3) Other Replacements and Additions to Plant and Facilities, including minor capital items of Office Furniture, Technical equipment and Improvements to Properties															
(a) Television	9,771,000	10,016,000		6,534,000	5,795,000		1,545,000	1,541,000		2,332,000	1,288,000		2,952,000	2,879,000	
(b) Radio	1,276,000	1,452,000		394,000	273,000		251,000	296,000		334,000	83,000		112,000	141,000	
(c) Northern Services	–	–		–	–		–	–		10,000	1,000		–	18,000	
(d) Ordinary Capital & Improvements to Properties	1,910,000	1,894,000		2,000,000	2,159,000		1,500,000	1,809,000		1,500,000	1,431,000		1,000,000	483,000	
Total Replacements	12,957,000	13,362,000	103%	8,928,000	8,227,000	92%	3,296,000	3,646,000	111%	4,176,000	2,803,000	67%	4,064,000	3,521,000	87%
(4) Emergency Broadcasting	211,000	3,000	1%	120,000	10,000	8%	125,000	81,000	65%	200,000	74,000	37%	500,000	130,000	26%
(5) Color Television	–	–		4,860,000	1,396,000	29%	10,172,000	10,812,000	106%	644,000	2,389,000	371%	–	–	–
(6) I.B.C. Expo '67	–	–		–	204,000	–	5,917,000	5,993,000	101%	2,900,000	3,858,000	133%	–	126,000	
(7) Centennial Planning	–	–		1,340,000	1,188,000	89%	3,685,000	3,349,000	91%	–	–	–	–	–	–
TOTAL – Items 1 - 7	25,000,000	21,974,000		31,628,000	21,212,000		31,682,000	30,641,000		15,821,000	13,979,000		16,401,000	13,439,000	
Less: Delay in implementation due to unforseen developments				1,230,000			1,258,000			1,821,000			2,151,000		
Less: Proceeds from sales and trade ins		86,000			155,000			359,000			23,000			22,000	
Net Capital Expenditures	25,000,000	21,888,000	88%	30,398,000*	21,057,000	69%	30,424,000	30,282,000	99.5%	14,000,000	13,956,000	99.7%	14,250,000	13,417,000	94%

* Not changed for austerity cut of $900,000 re Saskatoon

Table P. Analysis of Capital Expenditures as at March 31, 1960–1969

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
New television and radio stations and other expenditures designed to extend coverage	$1,228,000	$1,476,000	$2,470,000	$2,195,000	$1,743,000	$ 6,385,000	$ 3,446,000	$ 3,781,000	$ 6,487,000	$ 5,674,000
Other expenditures on plant and equipment	4,393,000	3,783,000	2,873,000	2,262,000	3,584,000	3,629,000	2,854,000	3,368,000	8,082,000	13,279,000
Acquisition of land and engineering costs incurred in connection with consolidation of facilities at Toronto and Montreal and other consolidation costs	639,000	325,000	793,000	612,000	350,000	3,144,000	1,288,000	2,973,000	3,700,000	2,935,000
Head Office building .	–	–	78,000	1,312,000	1,656,000	133,000	121,000	6,000	–	–
I.B.C. Expo '67	–	–	–	–	–	126,000	3,858,000	5,993,000	204,000	–
Colour Television . . .	–	–	–	–	–	–	2,389,000	10,812,000	1,396,000	–
Centennial Planning .	–	–	–	–	–	–	–	3,349,000	1,188,000	–
	$6,260,000	$5,584,000	$6,214,000	$6,390,000	$7,333,000	$13,417,000	$13,956,000	$30,282,000	$21,057,000	$21,888,000

Table Q. Significant Statistics as at March 31, 1965–1969

	1969	1968	1967	1966	1965
			Dollars		
National Radio Service					
Program Costs	25,786,000	22,943,000	20,204,000	17,516,000	15,738,000
Programming hours	71,841	70,910	70,246	66,912	61,914
Network Distribution	3,219,000	2,837,000	2,664,000	2,542,000	2,367,000
Miles of networks	24,691	23,522	22,121	21,021	20,580
Stations on networks	344	316	286	256	247
Station Transmission	2,850,000	2,618,000	2,053,000	1,835,000	1,728,000
Station hours on air	210,406	205,889	199,416	196,078	176,123
Net Operating Requirement	36,013,000	32,885,000	28,333,000	23,259,000	20,659,000
Radio households	5,326,000	5,208,000	5,071,000	4,942,000	4,828,000
National Television Service					
Program Costs	98,388,000	96,496,000	77,798,000	68,141,000	63,881,000
Programming hours	27,919	26,767	25,897	25,107	24,317
Network Distribution	11,868,000	11,300,000	9,485,000	8,994,000	8,360,000
Miles of networks	10,740	9,970	9,928	8,871	8,865
Stations on networks	286	265	245	214	185
Station Transmission	5,966,000	5,209,000	3,853,000	3,675,000	3,276,000
Station hours on air	80,600	75,456	71,798	68,063	62,008
Net Operating Requirement	104,484,000	102,982,000	81,987,000	70,428,000	64,544,000
Television households	5,250,000	5,105,000	4,953,000	4,777,000	4,589,000
International Service	3,459,000	3,578,000	2,682,000	2,259,000	1,952,000
Emergency Broadcasting	418,000	948,000	870,000	799,000	786,000
Repayment on Capital Loans	3,955,000	2,890,000	1,371,000	712,000	0
Income from Public Funds	148,329,000	143,283,000	115,243,000	97,457,000	87,941,000
Gross Revenues	41,536,000	40,000,000	36,039,000	34,223,000	33,665,000
Gross Expenditures	189,865,000	183,283,000	151,282,000	131,680,000	121,606,000

EXPLANATORY NOTES:

1. Programming hours include the hours of network programs and the total hours of non-network originated by individual stations.
2. Miles of networks comprise the wire lines and microwave connecting all the stations on the English and French networks.
3. The stations on networks include both CBC and privately-owned basic and auxiliary stations.

Table R. CBC Facilities, Coverage and Programming for the Years Ended March 31st

	No. of Units		
	1959	1965	1969
Facilities			
Networks –			
Television	2	2	2
Radio	3	3	3
Broadcasting Stations –			
Television	8	14	16
Radio	18	30	38
Repeater Stations –			
Television	3	28	78
Radio	61	126	206
Coverage			
Estimated coverage by CBC and affiliated stations (percentage of population) –			
Television	85%	94%	97%
Radio	89%	98%	99%

Programming

There was a 5% increase in television programming hours between 1965 and 1969 from an average of 100 hours to 105 hours per week.

Appendix III

FINANCIAL STATISTICS FOR CORPORATIONS PUBLISHING DAILY NEWSPAPERS, CANADA 1958-67

Financial Statistics for Corporations Publishing Daily Newspapers, Canada 1958 – 67

	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
					Dollars					
Balance Sheets										
Cash & Securities	26,241,000	27,713,000	30,430,000	30,553,000	33,200,000	34,912,000	27,668,000	33,772,000	31,796,000	49,370,000
Accounts Receivable	21,682,000	23,559,000	25,023,000	25,941,000	26,869,000	27,598,000	30,083,000	33,301,000	37,502,000	39,109,000
Inventories	8,282,000	7,854,000	8,080,000	8,102,000	7,556,000	7,070,000	9,326,000	9,485,000	10,824,000	9,634,000
Advances to Affiliates	1,182,000	1,495,000	474,000	644,000	599,000	1,606,000	289,000	713,000	1,096,000	607,000
Other Current Assets	2,023,000	2,047,000	1,795,000	1,941,000	1,708,000	1,803,000	2,409,000	2,150,000	2,253,000	2,774,000
Total Current Assets	59,410,000	62,887,000	65,802,000	67,182,000	69,932,000	72,989,000	69,774,000	79,420,000	83,470,000	102,294,000
Land	11,125,000	11,392,000	12,927,000	13,767,000	14,402,000	14,821,000	15,925,000	16,386,000	18,156,000	18,016,000
Buildings	49,951,000	56,427,000	61,345,000	63,006,000	66,803,000	72,494,000	83,789,000	91,249,000	97,160,000	99,016,000
Equipment & Structure	80,506,000	89,597,000	94,986,000	97,349,000	102,126,000	111,106,000	130,194,000	137,150,000	148,970,000	157,859,000
Total Building & Equipment	130,457,000	146,024,000	156,331,000	160,355,000	169,245,000	183,600,000	213,984,000	228,399,000	246,130,000	256,875,000
Less Accumulated Depreciation	57,613,000	66,676,000	72,371,000	76,890,000	83,322,000	90,729,000	112,637,000	117,281,000	127,021,000	139,996,000
Net Building & Equipment	72,844,000	79,348,000	83,960,000	83,465,000	85,923,000	92,871,000	101,347,000	111,118,000	119,109,000	116,879,000
Investment in Affiliates	19,380,000	25,414,000	25,294,000	33,562,000	33,063,000	35,285,000	34,129,000	47,399,000	50,093,000	54,893,000
Other Assets	20,383,000	20,604,000	20,045,000	20,363,000	19,654,000	18,555,000	19,619,000	19,104,000	21,230,000	15,658,000
Total Assets	183,142,000	199,424,000	208,028,000	218,339,000	222,973,000	233,605,000	240,795,000	273,325,000	292,058,000	307,740,000
Bank & Short Term Loans	8,348,000	10,211,000	5,794,000	8,818,000	8,811,000	10,872,000	9,251,000	10,039,000	9,367,000	7,077,000
Accounts Payable	13,177,000	14,810,000	13,444,000	13,485,000	13,960,000	16,926,000	19,426,000	21,916,000	24,166,000	23,894,000
Due to Affiliates Current	371,000	365,000	87,000	331,000	387,000	163,000	1,042,000	1,641,000	1,918,000	1,495,000
Other Current Liabilities	11,783,000	13,496,000	12,427,000	13,015,000	14,458,000	14,691,000	14,735,000	14,444,000	15,982,000	16,551,000
Total Current Liabilities	32,679,000	38,882,000	31,752,000	35.649.000	37,616,000	42,652,000	44,454,000	48,040,000	51,433,000	48,917,000
Due to Affiliates Non-Current	4,191,000	5,188,000	7,740,000	6,750,000	3,712,000	4,474,000	8,951,000	7,855,000	8,913,000	8,753,000
Net Long Term Debt	45.490,000	44,936,000	52,852,000	50,786,000	50,360,000	50,809,000	51,330,000	50,073,000	49,800,000	43,787,000
Other Liabilities	1,858,000	2,306,000	2,881,000	2,885,000	3,406,000	3,416,000	4,362,000	7,177,000	10,121,000	13,352,000
Total Liabilities	85,218,000	91,312,000	95,225,000	96,070,000	95,094,000	101,351,000	109,097,000	113,145,000	120,267,000	114,809,000
Common Shares	12,234,000	12,344,000	12,345,000	12,365,000	12,705,000	12,696,000	12,717,000	23,640,000	25,229,000	26,983,000
Preferred Shares	9,361,000	9,339,000	9,401,000	9,809,000	9,617,000	8,735,000	6,411,000	5,505,000	5,523,000	18,734,000
Retained Earnings	67,811,000	77,864,000	82,016,000	91,251,000	96,780,000	102,227,000	104,127 000	121,706,000	131,770,000	136,660,000
Other Surplus	8,518,000	8,566,000	9,041,000	8,844,000	8,777,000	8,597,000	8,443,000	9,329,000	9,269,000	10,554,000
Total Equity	97,924,000	108,113,000	112,803,000	122,269,000	127,879,000	132,255,000	131,698,000	160,180,000	171,791,000	192,931,000
Total Liabilities & Equity	183,142,000	199,424,000	208,028,000	218,339,000	222,973,000	233,605,000	240,795,000	273,325,000	292,058,000	307,740,000

Financial Statistics for Corporations Publishing Daily Newspapers, Canada 1958 – 67 (Concluded)

	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
					Dollars					
Profit and Loss Statements										
Sales	220,552,000	243,882,000	254,653,000	258,246,000	267,032,000	273,151,000	281,309,000	326,185,000	351,763,000	374,703,000
Interest	482,000	707,000	763,000	923,000	1,040,000	1,092,000	1,140,000	1,370,000	1,567,000	1,680,000
Dividends	1,039,000	1,387,000	1,280,000	1,485,000	1,584,000	1,675,000	1,526,000	1,461,000	1,688,000	3,260,000
Capital Gains	319,000	1,360,000	289,000	453,000	501,000	404,000	2,515,000	3,392,000	343,000	153,000
Other Income	2,021,000	2,930,000	2,872,000	2,112,000	2,363,000	2,217,000	1,948,000	2,868,000	3,107,000	3,667,000
Total Receipts	224,413,000	250,266,000	259,847,000	263,119,000	272,520,000	278,539,000	288,438,000	335,276,000	348,468,000	383,463,000
Material & Supplies	55,076,000	59,581,000	60,228,000	59,618,000	59,441,000	59,294,000	59,602,000	68,428,000	73,659,000	78,315,000
Other Expenses	44,763,000	48,863,000	52,120,000	52,959,000	56,315,000	57,723,000	56,854,000	65,869,000	74,101,000	82,815,000
Wages & Salaries	87,138,000	95,481,000	102,137,000	103,973,000	106,894,000	112,024,000	115,729,000	130,945,000	139,737,000	149,442,000
Repairs & Maintenance	1,490,000	1,704,000	1,943,000	2,471,000	2,187,000	2,308,000	2,412,000	2,485,000	2,688,000	2,703,000
Rent & Royalties	605,000	630,000	694,000	722,000	731,000	767,000	633,000	694,000	839,000	829,000
Depreciation	7,132,000	8,593,000	8,876,000	8,848,000	8,900,000	9,549,000	11,755,000	11,874,000	12,739,000	12,867,000
Other Taxes	1,324,000	973,000	1,365,000	1,455,000	1,543,000	1,520,000	1,564,000	1,639,000	1,830,000	1,954,000
Mgmt & Admin. Fees	309,000	378,000	475,000	525,000	546,000	664,000	733,000	807,000	860,000	823,000
Capital Losses	66,000	11,000	67,000	–	6,000	158,000	9,000	12,000	34,000	145,000
Total Expenses	168,858,000	217,214,000	227,905,000	230,571,000	236,565,000	243,932,000	249,291,000	282,753,000	307,487,000	329,893,000
Net Profit	26,542,000	34,052,000	31,943,000	32,548,000	35,954,000	34,607,000	39,147,000	52,523,000	50,981,000	53,070,000
Interest Payments	2,459,000	2,985,000	3,397,000	3,583,000	3,609,000	3,862,000	3,663,000	3,707,000	3,688,000	3,635,000
Income Taxes	11,011,000	14,101,000	13,988,000	13,869,000	15,164,000	14,355,000	17,105,000	20,773,000	22,756,000	24,061,000
Net Profit (after interest & income tax)	13,073,000	16,966,000	14,557,000	15,096,000	17,182,000	16,589,000	18,379,000	28,043,000	24,537,000	25,874,000
Retained Earnings Continuity										
Opening Balance	56,739,000	67,809,000	77,864,000	82,016,000	91,251,000	96,780,000	102,226,000	104,127,000	121,706,000	133,599,000
Net Profit	13,041,000	16,966,000	14,557,000	15,096,000	17,182,000	16,589,000	18,379,000	28,043,000	24,537,000	25,874,000
Capital Gains (Net)	1,106,000	710,000	(1,415,000)	198,000	1,226,000	975,000	1,119,000	537,000	(863,000)	1,569,000
Dividends Paid	(2,986,000)	(7,126,000)	(8,210,000)	(6,576,000)	7,701,000	11,442,000	16,932,000	10,990,000	(13,015,000)	16,464,000
Other Charges & Credits	(89,000)	(495,000)	(780,000)	518,000	(3,576,000)	1,098,000	1,336,000	887,000	(595,000)	7,918,000
Closing Balance	67,811,000	77,864,000	82,016,000	91,251,000	96,780,000	102,226,000	104,127,000	121,706,000	131,770,000	136,660,000
Capital Expenditures Buildings & Equipment	13,757,000	16,565,000	14,113,000	10,668,000	12,072,000	18,188,000	19,309,000	21,992,000	22,803,000	14,704,000

Source: Dominion Bureau of Statistics, Special Tabulation.

Appendix IV

REVENUE, COST, AND PRODUCTION DATA FOR DAILY NEWSPAPERS, CANADA, 1966-1968

The following tables contain data collected in a special survey undertaken by Hopkins, Hedlin Limited. In this survey, a sample of daily newspapers was selected, and a detailed questionnaire distributed which requested detail revenue, expense and production data. Some of the questionnaires were not returned, and others were not completed either in sufficient detail or in accordance with the format provided. After careful scrutiny of all the returns, eighteen were found to be complete and adequate. These eighteen were used to construct the following table.

The data for the eighteen newspapers have been divided into five groups, with each group representing a different circulation size range. The ranges in the daily circulations of the newspapers included in each group are indicated in a footnote to the table.

As a result of variations in individual returns and the requirement to compare financial information on a common basis, there are minor variations when TOTAL REVENUE figures are equated with TOTAL EXPENSE, DEPRECIATION, and PROFIT AFTER DEPRECIATION figures.

The ranges in the daily circulations of the papers included in each group are as follows:

Group	I	– 120,000 to 350,000
	II	– 75,000 to 85,000
	III	– 25,000 to 35,000
	IV	– 10,000 to 25,000
	V	– 4,500 to 8,500

	Group I (4 papers)			Group II (3 papers)			Group III (3 papers)			Group IV (4 papers)			Group V (4 papers)		
	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968
Revenue from Advertising	44,145,781	46,752,528	51,524,431	12,555,139	13,108,846	14,130,688	3,385,452	3,565,501	3,870,698	3,588,525	3,618,260	3,831,140	1,333,144	1,316,614	1,395,337
Revenue from Circulation	14,993,424	15,647,489	17,721,486	4,293,256	4,673,495	4,979,247	1,583,541	1,747 506	1,826,971	1,200,408	1,289,951	1,405,574	386,113	418,610	454,858
Revenue from Job Printing	192,559	213,356	347,421	128,293	135,722	107.900	–	–	–	25,717	21,543	23,816	711,625	898,926	613,305
Revenue from Investments	251,735	207,688	264,561	143.576	143,057	167,234	–	–	–	–	–	–	–	–	–
Ot'.er Revenue	1,484,695	1,652,673	1,676,360	197,372	196,599	109,070	87,864	87,420	142,330	77,033	69,349	75,474	73,597	70,178	89,675
Total Revenue	61,068,194	64,473,734	71,534,259	17,317,636	18,255,719	19,494,139	5,056,857	5,400,427	5,839,999	4,891,683	4,999,103	5,336,004	2,504,479	2,704,328	2,553,175
Prc duction															
Cir :ulation – Net Paid	716,729	732,074	748,239	235,099	236,643	242,368	84,245	86,952	88,980	74,015	74,934	76,094	25,337	25,710	26,674
Cir :ulation – Other	60,602	67,028	67,982	6,599	7,686	8,090	382	385	414	551	569	514	–	–	–
Total Circulation	777.331	799,102	816,221	241,698	244,329	250,458	84,627	87,337	89,394	74,566	75,503	76,638	25,337	25,710	26,674
Average No. of Pages per Issue†	54	56	59	46	48	48	26	25	25	28	27	28	14	14	14
Average No. of Columns per Issue															
Column News †	171	173	175	150	158	158	126	122	118	110	111	113	68	69	69
Columns Paid Advertising†	280	285	296	212	219	221	101	97	103	116	114	116	47	43	44
Columns Promotion†	6	6	3	3	4	3	–	–	–	–	–	–	–	–	–
Other†	1	1	4	1	2	3	–	–	–	–	–	–	–	–	–
Total Columns†	456	464	478	367	384	385	227	220	221	227	225	229	115	112	113
Pd. Advert. Col. as % of Total Col.†	61	61	62	57	57	57	43	43	45	51	51	51	41	39	39
Newsprint Used, Tons	98,935	104,501	111,473	23,924	25,175	26,285	1,300	1,344	1,415	2,378	2,466	2,609	–	–	–
Average No. of Employees†															
Full-time Employees	890	928	933	311	312	307	134	135	131	93	92	90	59	58	57
Part-time Employees	78	77	79	44	42	41	23	22	23	18	18	11	6	8	10
Total Wages and Salaries	20,808,395	22,229,355	24,282,212	6,581,943	7,014,286	7,623,083	1,998,798	2,113,910	2,254,956	1,822,593	1,931,818	2,073,327	1,154,431	1,216,295	1,278,728

Advertising															
Salaries	2,640,349	2,755,374	3,022,748	768,468	820,724	900,308	231,406	250,998	266,373	252,523	258,059	285,044	140,783	139,509	160,906
Group Advertising Service	200,352	215,569	228,102	92,308	98,345	92,151	37,868	35.820	42,409	22,402	20,960	17,397	28,360	23,749	21,818
Other Advertising Represent	46,090	47,483	52,615	2,200	1,795	1,606	3,150	3,150	3,150	12,797	8,858	7,591	–	–	–
Promotion	349,105	345,266	334,940	97,662	54,117	55,532	18,618	29,498	7,250	7,028	8,195	8,459	3,475	4,524	3,309
Discounts	99,411	103,278	89,912	72,851	44,430	40 219	24,376	32,059	8,102	8,441	8,007	6,856	7,014	6,269	5,922
Other Expenses	668,012	681,813	743,604	194,776	200,728	203,146	25,885	31,620	30,153	45,103	53,842	56,510	14,622	14,848	12,336
Total Advertising Expenses	4,003,319	4,148,783	4,471,921	1,198,265	1,220,139	1,292,962	341,303	383,145	358,327	348,294	357,921	381,857	194,254	188,899	204,291
Editorial															
Salaries	4,231,948	4,613,498	5,007,382	1,373,683	1,536,654	1,687,934	442,778	473,085	496,811	393,844	422,719	449,938	204,433	225,827	244,092
Correspondents	245,310	260,117	281,992	64,873	62.666	68,862	46,774	46,580	41,378	22,186	20,287	20,067	7,251	5,559	5,629
Special Features	169,876	182,416	199,234	175,946	181 999	185,269	42,317	44,620	45,863	39,252	39.082	42,249	18,513	19,502	22,179
Photos	218,589	252,512	280,357	165,352	158,717	173,287	59.237	65,677	85,230	93,486	104,669	105,085	11,847	12,374	10,572
Telegraph Services	235,398	247,396	250,971	111,284	118,699	129,818	5,343	4,485	4,159	62	48	5	–	–	–
Travelling	342,538	403,949	413,200	72,669	78,867	88,426	14,066	13,539	12,557	8,368	6,132	5.867	5,470	5,064	5,114
Long Distance Telephone	132,620	135,130	151,837	29,849	30.638	33,140	15,837	18,660	21,093	16,090	17,374	18,368	–	–	–
News Bureaux – Newspapers Only	152,546	177,939	208,995	169,974	194,312	197,255	–	–	15,218	17,901	18,685	18,148	294	–	1,500
Cdn. Press Levies	186,581	198.980	208,724	87,716	91,395	98,179	79,271	84,868	82,796	53,932	57,754	65,528	41,096	42,618	40,691
Other Wire & News Services	50,729	53,248	58,888	–	–	–	–	–	–	16,498	18,798	20,926	–	–	–
Other Editorial Expenses	659,690	648,161	608,267	65,754	71,117	70,676	17,278	17,531	14,651	35,938	30,172	28,871	4,334	3,993	3,506
Total Editorial Expenses	6,625,825	7,173,346	7,669,847	2,317,100	2,525,064	2,732,846	722,901	769,045	819,756	697,557	735,720	775,052	293,238	314,937	338,283

	Group I			Group II			Group III*			Group IV			Group V*		
	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968	1966	1967	1968
Circulation Department															
Wages	1,662,373	1,808,856	1,951,784	479,867	448,809	473,728	145,058	151,077	159,660	129,549	132,201	140,404	65,973	70,694	76,797
Promotion	607,558	604,115	660,486	126,857	256,321	223,524	13,578	11,450	10,794	19,076	22,740	23,067	8,070	8,769	8,721
Postage	51,912	47,552	55,143	6,446	9,097	8,580	14,913	13,459	14,314	66,624	68,220	75,421	10,109	9,882	9,437
Other Expenses	321,019	334,616	335,878	138,120	136,185	151,386	71,305	72,608	81,747	60,335	62,576	78,115	14,415	14,521	14,705
Total Circulation Expenses	2,642,862	2,795,139	3,012,291	751.290	850,412	857,218	244,854	248,594	266,515	275,584	285,737	311,007	98,567	103,866	109,660
Distribution															
Wages and Salaries	2,173,535	2,487,720	2,459,807	143,446	157,864	177,749	51,741	54,834	59,676	34,494	36,556	39,793	–	–	–
Postage	218,768	224,995	237,564	117,179	92,542	109,689	85,247	99,604	105,830	–	–	–	–	–	–
Other	2,280,534	2,390,181	2,709,311	858,937	982,864	1,058,517	5,924	5,831	6,087	24,172	24,174	24,212	–	–	–
Total Distribution Expenses	4,672,837	5,102,896	5,706,682	1,119,562	1,233,270	1,345,955	228,478	248,228	260,413	87,662	92,182	98,423	25,856	26,859	27,981
Engraving															
Wages and Salaries	244,270	286,854	320,924	113,528	123,319	140,706	2,755	3,205	7,917	3,394	3,899	4,196	8,389	9,659	6,657
Other Expenses	271,115	278,063	362,270	84,201	90,628	97,211	11,881	2,305	(12,382)	(25,848)	(36,661)	(35,274)	17,641	17,977	17,562
Total Engraving Expenses	515,385	564,917	683,194	197,729	213,947	237,917	14,636	5,510	(4,465)	(22,454)	(32,762)	(31,078)	26,030	27,636	24,219
Composing and Stereotype															
Wages	4,599,496	4,745,378	5,077,190	1,880,552	2,030,598	2,221,841	816,927	856,663	901,044	737,565	794,728	849,283	384,158	397,527	420,713
Metal	28,063	40,431	43,704	14,884	15,072	18,602	11,903	13,379	14,738	9,550	11,206	9,660	5,203	3,862	5,175
Matrix Paper	75,381	80,577	89,737	52,057	50,533	50,190	11,293	14,948	14,751	8,692	10,283	10,276	6,973	6,274	7,129
Miscellaneous	564,090	506,783	444,646	106,308	127,238	129,230	42,959	46,430	53,016	41,807	43,120	53,225	19,592	20,251	18,717
Total Composing & Stereotype Exp.	5,267,030	5,373,169	5,655,277	2,053,801	2,223,441	2,419,863	883,082	931,420	983,549	797,614	859,337	922,444	415,926	427,914	451,734
Press															
Wages	1,655,550	1,681,075	1,921,267	361,090	388,884	426,290	65,091	73,029	75,561	67,763	75,475	80,481	–	–	–
Other Press Expenses	305,559	404,886	350,666	66,621	130,923	88,561	10,248	7,467	9,584	13,114	9,438	11,832	–	–	–
Total Press Expenses	1,961,109	2,085,961	2,271,933	427,711	519,837	514,851	75,339	80,496	85,145	80,877	84,913	92,313	–	–	–

Supplies															
Newsprint, frt., cartage, storage	13,037,661	14,106,052	15,243,994	3,027.002	3,227.355	3,446,222	656,634	665,648	703,281	514,278	531,655	553,348	104,772	108,954	114,572
Ink	408,903	420,165	458,899	115,401	123,173	126,505	20,433	22,350	24,119	16,569	16,711	15,929	3,774	3,107	3,751
Electrical Power	134,776	128,465	110,524	18,664	20,016	22,288	23,208	25.030	23,026	22,053	22,790	23,472	10,442	10,453	11,145
Total Supplies Expense	13,581,340	14,654,682	15,813,417	3,161,067	3,370,544	3,595,015	700,275	713,028	750,426	552,900	571,156	592,749	118,988	122,514	129,468
Overhead															
Salaries (incl. Bus. Off.-Data)	1,804,369	1,973,149	2,036,645	636,137	632,225	655,825	189.828	194,640	164,330	136,667	146,067	156,224	145,706	160,646	160,759
Travelling and Executives	14,428	17,655	16,941	13,996	13,966	17,817	7,589	8,184	9,835	6,943	5,826	6,737	7,302	8,379	9,455
Legal and Audit	136,553	163,887	127,399	18,645	59,809	35,854	12,799	9,487	6,109	3,373	5,047	6,398	3,203	5,468	3,950
Head Office Service Charge	149,100	159,936	180,096	88,320	94,080	103,944	97,085	105,431	170,923	83,177	92,922	94,762	72,897	77,146	77,541
Business Taxes	166,227	152,770	163,467	30,757	34,509	37.082	4,699	4,976	15,194	6,301	7,400	8,643	5,043	5,392	6,164
Insurance Premiums	159,612	97,000	106,548	19,971	18.932	19,681	14,664	16,828	16,134	8,039	8,367	25,489	13,101	12,973	14,304
Employees Welfare	719,615	1,182,267	1,275,238	140,207	181,612	237,182	66,092	79,768	91,456	54,071	63,277	71,031	29,619	30,166	34,352
Pensions and Retirement Plan	1,439.420	1,435,082	1,459,167	230,341	272,700	291,435	61,321	65,685	62,841	38,684	40,516	41,965	17,318	17,163	17,791
General – Salaries	244,335	260,307	349,852	21,246	16,408	16,706	–	––	–	–	–	–	–	–	–
– Expenses	965,959	1,025,378	1,557,371	93,810	121,772	81,585	–	–	–	–	–	–	–	–	–
Donations	182,364	195,319	211,892	64,560	75,508	78.265	16,496	6,117	4,207	1,910	1,950	2,320	775	686	1,274
Research	67,491	(2,576)	24,773	–	–	7,250	–	–	–	–	–	–	–	–	–
Miscellaneous (incl. Data Centre)	1,034,465	1,093,690	1,403,288	320,763	373,834	482,729	111,222	114,667	104,847	83,953	110,982	98,302	59,599	46,406	49,910
Total Overhead Expenses	7,083,938	7,753,864	8,912,677	1,678,750	1,895,355	2.065,355	581,795	608,783	645,876	423,118	482,354	511,871	354,563	364,425	375,500
Building															
Wages	579,649	495,712	461,987	146,925	158,737	149,452	28,611	31,854	60,956	23,566	25,317	28,396	13,923	15,041	14,031
Heat	95,082	103,298	165,795	19,325	18,656	19,980	14,323	15,173	18,454	13,869	13,477	12,924	10,670	11,607	12,331
Repairs, Supplies, etc.	482,519	588,101	423,435	107,474	107,655	91,810	52,384	60,232	45,586	26,043	24,623	30,800	11,020	8,965	14,493
Insurance and Taxes	318.922	454,847	518,262	121,749	139,927	156,044	56,766	69,642	64,388	41,755	40,736	44,087	37,001	40,030	42,293
Rent	25,968	–	–	(3,600)	(3,600)	(3,600)	5,574	3,294	1,650	12,000	14,400	16,800	–	–	–
Miscellaneous	113,237	120,655	127,870	70,140	73,881	68,515	–	–	–	64	146	170	9,639	9,639	9,639
Total Building Expenses	1,615,377	1,762,613	1,697,349	462,013	495.256	512,201	157,658	180,195	191,034	117,297	118,699	133,177	82,253	85,282	92,787
Job Printing															
Wages	89,032	103,538	179,247	53,121	38,658	44,490	–	–	–	14,005	11,861	13,777	184,513	187,618	188,575
Materials and Supplies	37,963	43,519	68,468	44,782	33,016	29,898	–	–	–	8,777	6,590	7,943	355,136	489,515	286,762
Miscellaneous	11,769	13,547	13,703	41,753	39,396	8,009	–	–	–	1,096	3,306	1,208	47,936	60,459	34,114
Total Job Printing Expenses	138,764	160,604	261,418	139,656	111,070	82.397	–	–	–	23,878	21,757	22,928	587,585	737,592	509,451
Purchased Sections	807,148	624,616	1,680,378	17,225	151,043	171,614	14,460	28,240	37,853	(27,109)	(19,999)	(16,921)	5,647	8,324	12,005
Other Expenses	881,261	864,229	854,694	175,657	89,923	–	–	–	–	27,385	24,229	20,849	–	–	–
Depreciation															
Building	285,285	303,920	304,774	117,277	109,214	102,503	60,315	63,698	52,341	38,958	37,013	36,756	32,573	28,745	17,921
Printing Press	1,234,534	1,027,005	835,571	298,515	244,452	200,543	–	–	–	37,455	32,256	27,769	–	–	–
Automatic Equipment	134,603	140,570	150,114	17,135	15,010	17,492	8,618	9,854	9,595	41,531	15,485	15,352	15,821	14,200	9,684
Other Equipment	108,976	109.577	11,048	192,491	101,172	114,886	123,788	122,768	42,605	129,699	115,969	100 331	135,665	112,888	73,232
Total Depreciation	1,756,092	1,581,072	1,401,507	625,418	469,848	435.424	340,751	330,007	219,281	240,009	216,174	193,672	184,059	155,833	100,837
Profit After Depreciation	9,516,196	9,827,134	11,439,955	2,992,089	2,869,570	3,230,924	748,366	876,436	1,220,204	1,269,071	1,201,685	1,344,196	117,558	140,247	176,899
Profit as Per Cent of Revenue	19.59%	18.24%	18.48%	10.63%	8.66%	9.21%	3.6%	5.8%	9.6%	24.57%	22.87%	24.15%	5.3%	5.9%	10.3%

†These figures represent averages per paper in each group. All other figures are the totals for all papers in the group.

Appendix V

BALANCE SHEET AND OPERATING PROFIT DATA FOR SELECTED COMPANIES PUBLISHING DAILY NEWSPAPERS, CANADA, 1964 – 1968

The following tables contain aggregations of balance sheet and operating profit data for a number of companies publishing daily newspapers in Canada. The data were collected in a special survey undertaken by Hopkins, Hedlin Limited. Questionnaires were sent to all companies publishing daily newspapers in Canada. The tables contain an aggregation of the data for individual companies which returned the questionnaire in sufficient detail to permit their use.

As a result of variations in individual returns and the requirement to compare financial information a common basis, there are minor variations when the TOTAL CURRENT ASSETS figure is compared to a summation of the individual components within the ASSETS category. The same applies to the LIABILITIES, EQUITY, and TAX sections of the Table as well as when the TOTAL ASSETS figure is equated to TOTAL LIABILITIES plus TOTAL EQUITY.

The company results have been aggregated by groups, with membership in a particular group being determined by the size of the company's total revenue in 1968. The following are revenue groupings used:

Group I: $5,000,000 and over
Group II: $2,000,000 to $4,999,999
Group III: $1,000,000 to $1.999,999
Group IV: Less than $1,000,000.

	1964	1965	1966	1967	1968
			Dollars		
GROUP I (7 Companies)					
Assets:					
Cash	2,435,260	3,924,899	3,701,310	3,475,864	4,254,683
Securities, Advances, Deposits	11,205,027	11,357,780	10,528,117	10,452,207	24,947,699
Receivables	16,330,393	19,630,408	22,296,862	30,144,144	25,809,973
Inventories	6,265,398	6,665,339	8,858,683	6,441,580	6,601,652
Due from Shareholders	5,809	4,010	2,357	3,573	2,766
Other Current Assets	892,800	1,034,428	1,149,380	1,415,912	1,639,866
Total Current Assets	37,133,232	42,612,864	45,535,709	51,339,281	63,256,639
Land	10,302,945	11,803,461	12,920,246	12,907,949	16,035,999
Buildings and Equipment	101,322,922	123,533,904	126,764,425	138,008,348	141,677,142
Less accumulated depreciation	56,699,338	63,991,543	68,991,695	74,730,711	77,942,067
Buildings & Equipment (Net)	45,236,249	61,569,983	64,695,228	66,014,248	67,769,040
Mortgages, Investments, Loans	273,677	523,149	637,860	1,083,814	15,110,196
Investment in Affiliates	14,600,283	17,418,076	17,832,841	13,331,412	4,065,425
Franchises, Goodwill & Intangible	20,183,968	30,373,997	30,316,997	26,757,061	27,182,922
Other Assets	8,024,051	6,686,360	8,605,577	7,600,900	5,417,533
Total Assets	135,142,740	153,186,399	159,090,197	154,587,037	166,192,108
Liabilities:					
Bank Loans	749,354	2,098,349	2,306,000	–	715,000
Loans, Deposits, Advances	62,000	43,000	48,000	50,000	130,492
Accounts Payable	11,705,370	15,303,887	14,896,591	13,944,356	15,430,644
Taxes Payable	3,039,828	3,314,347	4,828,246	5,515,959	9,104,742
Other Current Liabilities	4,314,394	4,817,038	4,828,439	7,342,215	5,840,024
Total Current Liabilities	19,879,946	25,756,621	26,303,385	26,852,530	22,898,902

	1964	1965	1966	1967	1968
			Dollars		
Deferred Income Taxes	1,412,105	2,428,443	2,911,326	3,194,796	4,537,109
Due to Shareholders	8,000,000	8,002,117	8,004,977	7,681,103	6,682,150
Long-term Debt	118,189,000	22,360,870	21,900,554	19,606,721	19,787,696
Other Liabilities	1,099,186	3,212,152	4,590,261	13,257,863	11,339,851
Total Liabilities	48,881,337	61,760,203	63,710,503	70,593,013	72,567,708
Equity:					
Common Shares	7,212,400	7,717,769	7,756,619	6,249,189	6,249,189
Preferred Shares	23,829,650	28,446,150	26,807,300	24,505,800	22,605,800
Retained Earnings	51,738,353	61,205,180	70,323,472	72,672,400	90,362,165
Other Surplus	3,481,000	9,829,966	9,793,966	9,500,966	9,288,966
Total Equity	82,730,403	64,247,656	69,022,427	63,759,293	72,168,608
Total Revenue	166,141,506	189,818,242	214,635,608	239,272,054	254,320,928
Total Expenses	141,521,550	159,712,826	185,669,506	203,380,485	212,984,539
Net Profit Before Tax	24,619,956	30,105,416	30,756,635	36,191,569	41,336,389
Income Taxes	11,471,540	13,448,040	14,908,817	16,541,079	19,674,188
Net Profit After Tax	13,148,426	16,657,376	15,847,818	20,196,490	21,662,201

	1964	1965	1966	1967	1968
			Dollars		
GROUP II (7 Companies)					
Assets:					
Cash	656,942	1,212,557	582,228	544,881	445,331
Securities, Advances, Deposits	658,329	660,879	962,338	1,093,500	1,100,875
Receivables	1,606,736	1,812,415	2,020,659	2,135,590	2,457,936
Inventories	331,830	373,319	412,641	438,465	482,428
Due from Shareholders	34,625	32,490	83,290	286	56,991
Other Current Assets	75,067	83,554	121,065	101,647	108,267
Total Current Assets	3,363,527	4,175,223	4,182,259	4,314,376	4,651,833
Land	624,722	624,327	683,981	716,524	771,048
Buildings and Equipment	13,204,428	13,439,846	14,855,206	15,282 580	13,830,226
Less acc. depreciation	7,250,027	8,112,995	9,234,439	9,856,034	9,091,434
Buildings & Equipment (Net)	6,368,603	5,851,042	6,181,395	5,964,231	5,354,713
Mortgages, Investments, Loans	803,402	1,405,953	1,384,023	1,804,166	1,281,014
Investment in Affiliates	924,280	958,989	1,508,694	1,606,247	1,318,207
Franchises, Goodwill & Intangibles	1,401,408	1,414,458	1,419,678	958,538	958,538
Other Assets	68,570	67,111	79,789	124,481	126,960
Total Assets	13,554,519	14,497,131	15,558,529	15,488,570	14,472,050
Liabilities:					
Bank Loans	316,965	264,206	203,439	193,385	400,764
Loans, Deposits, Advances	143,495	162,789	214,207	204,725	139,141
Accounts Payable	683,047	778,593	1,285,107	1,140,254	1,000,970
Taxes Payable	432,214	639,441	465,035	504,636	544,961
Other Current Liabilities	223,456	236,742	191,634	204,411	380,660
Total Current Liabilities	1,799,182	2,081,774	2,361,506	2,247,384	2,475,398

	1964	1965	1966	1967	1968
			Dollars		
Deferred Income Taxes	198,887	197,379	176,631	186,268	201,309
Due to Shareholders	251,864	523,128	190,390	374,048	338,665
Long-Term Debt	1,471,844	1,143,407	1,160,425	703,000	671,000
Other Liabilities	5,692	5,965	52,273	65,601	73,964
Total Liabilities	3,727,470	3,951,655	3,941,247	3,576,303	3,788,437
Equity:					
Common Shares	727,200	727,200	727,200	717,200	723,200
Preferred Shares	669,080	669,080	669,080	669,080	646,080
Retained Earnings	8,227,553	8,758,536	9,523,366	10,238,031	9,280,494
Other Surplus	203,213	390,657	225,587	277,955	34,938
Total Equity	9,827,048	10,545,474	11,145,534	11,915,267	10,684,712
Total Revenue	16,378,179	18,057,604	19,905,934	21,336,259	23,201,831
Total Expenses	14,741,736	15,931,889	17,579,202	19,070,216	20,938,227
Net Profit	1,636,443	2,125,713	2,326,730	2,246,040	2,254,714
Income Taxes	760,616	980,615	1,099,430	1,047,967	1,010,271
Net Profit After Taxes	875,825	1,145,097	1,227,298	1,198,073	1,244,442

	1964	1965	1966	1967	1968
			Dollars		
GROUP III (8 Companies)					
Assets:					
Cash	154,026	163,678	281,202	267,247	277,275
Securities, Advances, Deposits	29,767	8,253	3,088	114,965	3,715
Receivables	1,321,458	1,389,083	1,437,797	1,525,471	1,615,672
Inventories	535,735	591,365	604,464	439,876	426,246
Due from Shareholders	290,165	458,562	77,394	211,047	216,177
Other Current Assets	61,027	40,343	47,650	48,415	32,807
Total Current Assets	2,405,769	2,651,284	2,461,595	2,607,034	2,571,893
Land	374,491	321,178	395,064	397,111	408,924
Buildings and Equipment	7,613,467	7,933,229	8,389,149	8,760,020	8,899,510
Less acc. Depreciation	3,469,809	3,940,927	4,334,153	4,716,063	4,955,063
Buildings & Equipment (Net)	4,438,728	4,128,762	4,178,715	4,156,916	4,041,989
Mortgages, Investments, Loans	502,415	1,433,411	1,375,437	1,248,954	1,220,289
Investment in Affiliates	29,390	18,090	18,090	18,090	48,883
Franchises, Goodwill & Intangibles	555,702	555,702	555,702	555,702	555,702
Other Assets	162,399	149,856	163,347	17,334	123,297
Total Assets	7,197,615	9,258,285	9,147,951	9,156,143	8,970,979
Liabilities:					
Bank Loans	513,294	469,776	420,341	240,986	221,885
Loans, Deposits, Advances	60,867	61,056	62,195	27,602	8,622
Accounts Payable	828,329	805,988	887,978	915,754	833,402
Taxes Payable	153,142	243,014	179,567	269,582	147,378
Other Current Liabilities	138,589	176,071	238,256	124,109	125,430
Total Current Liabilities	1,694,222	1,818,904	1,788,337	1,578,034	1,336,713

	1964	1965	1966	1967	1968
			Dollars		
Deferred Income Taxes	281,147	324,913	403,267	432,421	414,056
Due to Shareholders	131,247	75,939	69,024	109,369	108,584
Long-Term Debt	500,581	880,247	731,320	771,331	757,445
Other Liabilities	–	–	–	–	21,740
Total Liabilities	2,579,198	3,037,003	2,991,949	2,891,154	2,638,538
Equity:					
Common Shares	1,624,700	1,624,700	1,624,700	1,624,700	1,624,700
Preferred Shares	147,800	122,800	102 800	265,500	272,900
Retained Earnings	4,052,494	4,403,077	4,357,722	4,303,934	4,363,985
Other Surplus	70,705	70,707	70,780	70,855	70,854
Total Equity	5,895,699	6,221,282	6,156,002	6,264,989	6,332,439
Total Revenue	9,615,134	10,497,017	11,219,778	11,898,085	11,761,404
Total Expenses	9,000,107	9,822,327	10,447 590	11,023,549	10,808,397
Net Profit	615,027	674,690	772,188	874,536	953,007
Income Taxes	316,657	297,520	319,420	400,211	441,526
Net Profit After Taxes	298,369	377,170	452,767	474,325	511,481

	1964	1965	1966	1967	1968
			Dollars		
GROUP IV (9 Companies)					
Assets:					
Cash	108,342	126,861	138,567	93,946	195,359
Securities, Advances, Deposits	336,133	361,911	472,172	548.093	577,180
Receivables	498,237	553,445	542,808	603,252	609,524
Inventories	125,109	121,301	137,926	132,784	118,086
Due from Shareholders	–	–	–	–	–
Other Current Assets	89,633	67,563	76,824	53,581	62,919
Total Current Assets	1,157,496	1,231,084	1,368,302	1,431,660	1,561,101
Land	131,420	139,447	160,050	146,750	146,701
Buildings and Equipment	3,498,612	3,528,926	3,603,925	3,571,646	3,564,469
Less acc. Depreciation	1,989,756	2,062,746	2,130,788	2,155,986	2,191,650
Buildings & Equipment (Net)	1,751,509	1,719,595	1,853,207	1,788,088	1,823,266
Mortgages, Investments, Loans	116,026	151,695	122,074	157,341	137,196
Investment in Affiliates	41,006	41,005	41,005	101,005	147,000
Franchises, Goodwill & Intangibles	102,584	102,584	102,584	102.584	102,584
Other Assets	177,801	173,520	135,109	119,793	101,956
Total Assets	3,450,851	3,558,938	3,770,075	3,847,225	4,019,769
Liabilities:					
Bank Loans	257,852	151,853	114,389	173,113	152,186
Loans, Deposits, Advances	45,674	43,060	43,254	66,976	57,259
Accounts Payable	406,591	309,182	290,801	254,816	347,455
Taxes Payable	43,013	70,886	93,039	111,796	93,549
Other Current Liabilities	36,745	40,065	166,551	39,045	58,154
Total Current Liabilities	788,875	622,988	613,996	645,710	708.604

	1964	1965	1966	1967	1968
			Dollars		
Deferred Income Taxes	5,665	4,995	5,072	5,060	5,671
Due to Shareholders	–	–	56,534	35,854	32,069
Long-Term Debt	234,948	290,645	288,099	252,875	240,228
Other Liabilities	97,807	106,882	105,409	113,469	138,415
Total Liabilities	1,128,296	1,035,507	1,070,110	1,052,968	984,847
Equity.					
Common Shares	381,350	381,250	381,250	371,250	381,250
Preferred Shares	71,900	71,900	71,900	71,900	71,900
Retained Earnings	1,896,199	2,088,214	2,246,803	2,341,097	2,444,456
Other Surplus	–	–	–	–	–
Total Equity	2,349,349	2,541,364	2,699,963	2,794,247	2,894,606
Total Revenue	4,626,232	4,978,799	5,001,401	5,480,006	5,493,457
Total Expenses	4,384,463	4,646,577	4,685,790	5,087,022	5,111,767
Net Profit	241,768	333,222	315,611	392,983	382,690
Income Taxes	51,418	78,212	83,715	122,407	121,758
Net Profit After Taxes	184,673	239,333	287,328	266,194	266,901

Appendix VI

TOTAL OPERATING REVENUE, TOTAL OPERATING EXPENSES AND NET OPERATING PROFIT, PRIVATELY-OWNED RADIO AND TELEVISION BROADCAST INDUSTRY, 1965 – 1969

D.B.S. 56–204. Radio and Television Broadcasting for 1969 was not available in time for inclusion in this report. Companies submitting returns to D.B.S. for 1968 were required to adjust their fiscal year, for reporting purposes, to end on August 31. Some concern has been expressed that this change may have led to inconsistencies in compiled data for that year. As a result, a preliminary comparison of 1969 data with that for 1968 and a number of previous years has been made to determine if any substantial trend changes might have been recorded in 1968. As shown in the above data, 1968 figures, in most cases, do show a variance from indicated trends in other years. This variance may be largely as a result of the change in reporting dates. Further detailed study would be required to validate this preliminary finding.

	1965	1966	1967	1968	1969
			Dollars		
Radio					
Total Operating Revenue	70,532,528	79,554,877	88,761,131	95,678,936	108,088,435
Incease Over Previous Year		9,022,349	9,206,254	6,917,805	12,409,499
Total Operating Expenses	63,412,261	69,931,621	77,143,817	83,261,451	93,393,340
Increase Over Previous Year		6,519,360	7,212,196	6,117,634	10,131,889
Net Operating Profit	7,120,267	9,623,256	11,617,314	12,417,485	14,695,095
Increase Over Previous Year		2,502,989	1,994,058	800,171	2,277,610
Television					
Total Operating Revenue	75,262,264	85,783,433	95,177,816	99,992,695	106,574,456
Increase Over Previous Year		10,521,169	9,394,383	4,814,879	6,581,761
Total Operating Expenses	60,866,746	70,033,281	79,321,841	82,508,978	84,646,388
Increase Over Previous Year		9,166,535	9,288,560	3,187,137	2,137,410
Net Operating Profit	14,395,518	15,750,152	15,855,975	17,483,717	21,928,068
Increase Over Previous Year		1,354,634	105,823	1,627,742	4,444,351

Source: D.B.S. Catalogue No. 56 – 204.

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Volume III

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George J. McIlraith

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Volume III

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The Honourable Frank C. Welch
The Honourable Paul Yuzyk

TERMS OF REFERENCE

On Tuesday, March 18, 1969, the Senate of Canada constituted the Special Senate Committee on Mass Media by approving the following resolution:

> That a Special Committee of the Senate be appointed to consider and report upon the ownership and control of the major means of mass public communication in Canada, and in particular, and without restricting the generality of the foregoing, to examine and report upon the extent and nature of their impact and influence on the Canadian public;
>
> That the Committee have power to engage the services of such counsel and technical, clerical and other personnel as may be necessary for the purpose of the inquiry; and
>
> That the Committee have power to send for persons, papers and records, to examine witnesses, to report from time to time and to print such papers and evidence from day to day as may be ordered by the Committee.

The Committee was reconstituted by the Senate during the second and third sessions of the 28th Parliament on October 29, 1969 and October 8, 1970.

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Part II: Selected Print Media

Part I

THE MEDIA AND THE PEOPLE

A Report by Martin Goldfarb Consultants

PREFACE

BACKGROUND AND PURPOSE

The Special Senate Committee on Mass Media was instructed, as part of its terms of reference, to study "the impact and influence" of the mass media in Canada. A number of research papers were commissioned to examine various aspects of the make-up and operation of the industry. This study was undertaken to survey the effect of the media on consumers. What are the public's expectations, fears, hopes, concerns, satisfactions, disappointments? In particular, what roles in the lives of Canadians are played by newspapers, magazines, television, and radio? What needs are felt, and how are they being answered?

METHOD

The study was conducted in two stages: an in-depth conceptual analysis, and a quantitative, or validation, survey. In the first stage, group interviews were conducted by qualified sociologists with men, women, and teen-agers from different education and income backgrounds in Vancouver, Calgary, Winnipeg, Toronto, Montreal, and Quebec City. In addition, some personal in-depth interviews were conducted. The interviewers were Martin Goldfarb, Professor Marc Belanger in Montreal and Quebec, and Miss Marina Myles in Montreal.

In the interviews, environmental factors which affect attitudes, opinions, and knowledge–such as educational systems, family life, working conditions, and the media–were discussed. From an analysis of the group discussions, a number of hypotheses were developed as to the role, structure, and content of the media. These hypotheses were then incorporated in a questionnaire to form the second stage, the quantitative or validation phase. Only this second stage is herein reported.

The questionnaire was tested, and a national random probability sample was selected. A proportion of respondents was selected from each of the ten provinces in accordance with population distribution, including French-speaking individuals from Quebec and New Brunswick. All interviews were conducted personally in homes by experienced interviewers. The interviews took from two to six hours. In all, 2,254 Canadians, fifteen years of age and over, participated.

A detailed breakdown of the sample may be found in appendix as Basic Data, Sections E to H of this report, together with a copy of the questionnaire.

The study was conducted by Martin Goldfarb Consultants, Toronto, in October and November, 1969. The in-depth stage was carried out during the previous summer.

RESULTS

The results are given under the following headings:

I. Highlights and Implications
II. General Summary
III. Detailed Tables.

Respondents were asked in question one what they understood by the word "press." Following their answer, it was explained that by "press" was meant television, radio, newspapers, magazines, or any other mass medium for reporting news.

The General Summary is, for the most part, an analysis of the total-Canada scene. Where sub-groups differ in their response from the total average, the variance has been noted in the Highlights and Implications section, but not always in the General Summary. Sub-group data may be found in the Detailed Tables.

Chapter 1

HIGHLIGHTS AND IMPLICATIONS

INTRODUCTION

This section summarizes responses to the questionnaire in both general and specific terms. In some cases an awareness of the whole study provides a perspective for interpretation. On some issues, attitudes appear to be contradictory. What must be understood is that people often have more that one attitude toward a specific issue; responses will vary at different times and to different stimuli. What is important is to understand that these conflicting attitudes exist simultaneously. The overall objective is to achieve a perspective of the attitude milieu.

MEDIA USE

* Almost all Canadians use more than one medium every day to acquire information. Eight in ten use all of television, newspapers, and radio; one in five uses magazines.
* The average Canadian spends thirty to forty minutes daily reading a newspaper. The time spent, and attitudes on specific sections and editorial comment, can be seen in Table 38.
* About four in ten people receive a news magazine regularly, and about half of these read *Time*. Readers of news magazines tend to be those with a college education who are earning at least $12,000 a year.
* For facts, background, and interpretation, people are more inclined to rely on newspapers than on television, radio, or magazines. Television is used for reports on special events (such as a moon landing) as well as for entertainment and relaxation.
* Two in three Canadians watch the news daily on television, and more than nine in ten watch television news at least once a week.
* Radio is background and hence is turned on for a large proportion of the day in many homes. It is easy to use and requires little effort or concentration. It is a low-involvement medium.
* On the basis of parents' estimates, children under ten watch television an average of twelve hours a week. Many parents try to discourage their children from watching what they consider to be too much television. Adult Canadians say

that the median number of hours per week they spend watching television is approximately thirteen. One in four watches at least twenty hours a week.

* Newspapers are regarded by more people as the best medium for information on such things as consumer goods, places to shop, changes in laws, taxes, Canadian economics, labour, Canadian politics, and national unity. Television is second, and radio a distant third. More than half the women in Canada and one-third of the men read horoscopes regularly or occasionally.

MEDIA AS NEWS PURVEYORS

* Most Canadians think that news coverage has improved in the past five years, and they are generally satisfied with the amount of news they receive. They would probably be receptive to an increase in the proportion of national news. Canadians say that local news is more important than national or international news. This appears to be a way of saying that local areas want to retain their identity.
* Television is the most believed and most important medium for international news and for Canadian news of national importance. Newspapers are identified as the most believable and important for local news. The written word is believed especially when it is local. Radio is not far behind newspapers in satisfying local news needs. Local media are more trusted for news than national media.
* College-educated people rely less on television for international or national news than do people with less education. They more readily use magazines and newspapers.

VIOLENCE, SEX, LOVE, AND DRUGS

* Many people complain that all the media carry too high a content of sex, violence, and drug usage. Television is the most often criticized, followed by newspapers and, at a considerable distance, by radio. There are many variations in attitude by regions, age levels, and education but there is an overall feeling that these subjects have been overplayed in the media. People seem to want not to be confronted with issues disturbing to their way of life.
* Magazines come in for considerable criticism with respect to sex and drug usage.
* Fewer than one in five feel that four-letter words should be permitted in either print or broadcast media.
* Attitudes toward violence are ambivalent; it is sometimes acceptable, sometimes not. Where violence occurs in war stories, slapstick comedy, or fighting in a hockey game, it is definitely acceptable. Where violence is related to personal anxieties and experiences such as a mother and father fighting, a student riot, or an assassination, it is perceived as contributing to a moral breakdown in society.
* Nudity and love-making are not acceptable on television.

POLITICAL PRESS COVERAGE

* Coverage of news about government is generally regarded as satisfactory. People generally say that politicians and political parties receive fair treatment from the press.

* Most Canadians do not feel that the private lives of political figures should be reported. Farmers are most prone to say that private lives should be reported. They are either more curious or more suspicious than urban dwellers.
* Newspapers are the most often criticized for invasions of privacy. Press treatment of Prime Minister Trudeau is most often cited. At the same time, most people like to read and hear about him. Where bias occurs in the coverage of politicians, newspapers are considered to be the most guilty.
* Television is considered to be the medium most biased in favour of government ideas. Newspapers are considered most critical of government. This is not a negative attitude; people believe that governments should be criticized, and about 30% feel the media are not critical enough.

CONTROL/CENSORSHIP

* About two-thirds of the people accept the principle of government regulatory power over radio and television. About one in five feel that there should be some regulatory agency to control the print media.
* Seven in ten Canadians believe that no medium has complete control over its own content. They believe there are outside influences which colour reporting of news. About two-thirds say that big business has this influence, and one-half say the federal government. Half of those who say the government colours news reporting believe this influence should be eliminated. One-third believe that advertisers control news content in some degree and four in ten believe that criminal elements have some influence.
* College-educated Canadians are most likely to say that big business can influence all media.
* About one in three believe that the federal or local police influence reporting. French Canadians are more prone than English Canadians to believe this. This is also true of people in the lower education categories.
* About four in ten believe the government should take steps to inform citizens, independently of what the media do.
* Three-quarters of Canadians say that some form of censorship is desirable for television, and half say that it should be applied to radio and newspapers. But when asked a similar question in a different context, eight in ten say that newspapers should be totally free from government control, while nearly two-thirds want government supervision of television and radio. A sizeable minority (22%) say that the media have too much freedom. Three out of four disagree. What people appear to be saying is that the controls now operating should continue. They do not want to give the media more freedom, nor do they want to reduce it. There is a fear that if controls are withdrawn, there will be an increased content of violence, sex, and drugs.

OWNERSHIP

* Fewer than two in five Canadians know the names of local media owners, and even fewer are interested in knowing. In New Brunswick awareness of media ownership is significantly higher. More people are able to identify a newspaper with the support of a political party than a television or radio station.

* There is a strong feeling that Canadian media should be owned by Canadians. The most acceptable foreign owners would be Americans followed by the British. One-quarter of French Canadians would prefer French ownership. There is strong attitude resistance to one person's or one company's owning several media outlets in one local area, but there is less resistance to multi-media ownership, such as the various newspaper chains scattered across the country. Common ownership of different kinds of media is also fairly generally disliked.

ADVERTISING

* Two out of three believe that advertising has an influence on their behaviour. More than four out of five say that advertising has a positive role in keeping people informed about products.
* For many people, newspaper advertising is news. This is especially true in the prairies and in small communities. Seven out of ten consider advertising to be a form of art. The worst things an advertisement can do are to mislead (32%), insult the intelligence (24%), and create indifference (23%). Only 3% name the exploitation of sex or violence.
* Nine out of ten Canadians would like to see the number of advertisements shown during a television movie better controlled. Television commercials are rated as more influential than advertisements in other media. Canadian adults believe that advertising of products which in their opinion can contribute to moral breakdown such as sleeping pills, cigarettes, liquor, and glue, should be banned.
* Dissatisfaction with television advertising relates largely to the timing and content of commercial messages. Most complaints centre about commercials in movies. No strong dissatisfaction is registered with programme content. People agree that the content of newspapers and radio should be Canadian but admit to liking American programmes on television.

IMAGE

* Canadians are generally satisfied with the media in Canada. At the same time, there is a widespread suspicion that all media report the news in a way that slants the truth in a predetermined direction. This attitude is more general among the French Canadians than among other Canadians.
* Of the three media, television is considered the most exciting (92%) and influential (66%), radio the most immediate (59%), and newspapers the most personal (45%) and private (53%).
* When people think of the word "press" they think of newspapers (79%). Television, radio, and magazines are recognized as information media but not automatically included in the concept of the press.
* Television is an exciting but relaxing medium able to provide facts clearly but less able to give detailed background information. It brings reality to life to an extent that is sometimes frightening. It is particularly felt to be the medium for the whole family.

* Newspapers are felt to be the most essential medium, but also the most demanding of time and effort. They are the most diligent in keeping the public informed. More than the other media, they are perceived to represent the public conscience. They are also feared more than the other media for invasion of privacy. They are essential for reporting local events. Although useful for all adults, they are most important for the better educated and the businessman.
* Radio is relaxing as a soothing musical background and can provide news most quickly. In a public emergency, people would turn to their radios first. Normally, it is considered the most suitable medium for housewives and teenagers.
* Magazines are regarded as the least essential of the mass media. Like newspapers, they demand time and concentration and they are a private, not a family, medium.
* If Canadians had to choose between losing their television, radio or newspaper for a week, slightly more would be reluctant to give up their television than radio or newspaper. However, if the time period was extended to one year concern for losing the newspaper increases. College-educated people are most concerned about losing a newspaper.
* More than half of Canadians believe that newspapers represent the interest of the public at large. This attitude varies by regions.
* Television is identified by more people than either newspapers or radio as being the most factual, influential, educational, open, and frank, the most personal, and the one in which the family gets most interested. At the same time, more people consider newspapers and radio to be the most essential media. Even though television seems to satisfy more needs, people continue to have a strong identification with the older media.
* In the prairie provinces, radio is perceived to be the most essential medium. This is probably related to the fact that in Saskatchewan and other areas of the West fewer householders have access to a daily newspaper. In Ontario and English-speaking Quebec, newspapers are most essential. In the Maritimes, newspapers and radio rank equally.
* Farmers are more involved with radio than are people in urban centres.
* Most Canadians feel they are better informed today than they were five years ago. They believe competition among the media has made for better reporting.
* Expressions of dissatisfaction with radio are less intense than with television. This is probably related to the degree of involvement with the medium.
* Newspapers offer freedom of choice. This is a key advantage. The reader can choose what he likes to read and reject what he does not like. Newspapers serve to clear people's thinking on issues or ideas.
* Newspapers are not criticized for advertising content. Advertising in newspapers is regarded as a type of information. Criticism of newspapers centres on a belief that they tend to be sensational.
* About half of the people fear the possibility of newspapers invading their privacy. Television and radio are not feared for this reason.
* Canadians believe that the media have the ability to influence their thinking and their way of life. Television is identified as the most influential. About one in

two Canadians suspect that television and magazines may contribute to a breakdown in moral standards and disrespect for religion. Fewer say this about newspapers and none say it of radio.

* Canadians believe the media have been a strong influence in promoting a desire for education. Television and radio are singled out as more influential in the growth of divorce, student protests, the use of drugs and Canadian nationalism. Newspapers, more than television and radio, are believed to contribute to a poor image for the labour movement.
* Newspapers are regarded as the conscience of society by 65% of the people, television by 53%, radio by 49%, magazines by 44%. Television is the medium most often regarded as contributing to a strong family relationship. Newspapers and television are especially credited with reminding people of their responsibilities to the less fortunate. However, all media are considered to do a good job.
* Newspapers are regarded as a medium for all people in all age groups and of different education levels. They are described as containing something for everyone. Radio is also for everyone but is generally perceived as a lower intelligence medium.
* Two out of three Canadians believe that a television camera can distort the truth. However, most people (seven in ten) are not concerned about this. They have faith in the integrity of the television operators.
* Eight in ten Canadians say that television is the best place for children under ten to acquire information.
* More than four in ten Canadians admit that they talk to their radios or television sets. This is partly from loneliness and partly from a latent frustration at not being able to react to what is said, or done on the screen.
* People believe that television has the greatest influence on their attitudes towards travel, sex, love, marriage, family, political enthusiasm, clothes styles, student movements, personal habits, and profanity. Newspapers are regarded as most influential in attitudes toward law, the courts, security, the economic system, school systems, religion, birth control, divorce, Canadian nationalism. In attitudes towards money matters and strikes, the influence of television and newspapers tends to be equal.
* There is a belief that the media attempt to improve understanding of French-Canadian aspirations. However, a majority of people in the four western provinces say that the media generate resentment rather than better understanding. Most French Canadians believe that understanding is improved. In Ontario and English speaking Quebec, opinion is nearly equally divided.
* Newspapers are chosen by 74% as the medium that best performs the role of ombudsman or public protector. Television is identified by 25% and radio by 22%.
* Canadians generally believe that the media have been fair to the police.

GENERAL SUMMARY

MEDIA USE

Daily Use

Over eight in ten Canadians fifteen years of age and over claim to look at and/or listen to TV, radio, and newspapers each day. Magazines are read daily by only two in ten, perhaps not surprising as they are less frequently issued.

	Per cent of individuals aged 15 years and over in Canada
Use more than one medium daily. .	89
Use only one daily	11
Media Used Daily	
Television	91
Radio	89
Newspapers	88
Magazines	23

(See Tables 7 and 8)

TV in Home

Although only 86% of Canadians claimed to use their TV sets daily, 96% have at least one set in their homes. One-third say they have more than one TV available.

One-fifth of the homes with TV are on cable.

	Per cent of individuals
Number of Televisions in Home	
None	4
One	63
Two	28
Three or more	5
Television is on Cable	20

(See Tables 77 and 78)

Radios in Home

While 83% of those over fifteen years of age respond that they listen to the radio daily, virtually every home in Canada has a minimum of one radio set. On the average, there are over two radio sets per home in Canada.

	Per cent of individuals
Number of Radio Sets in Home	
None	2
One	26
Two	30
Three	21
Four or more	21
Average number in Canadian homes	2.33

(See Table 76)

Newspapers Received in Home

In Canada, 87% of homes receive a daily newspaper and 80% claim to read newspapers daily. Just over one-fifth have more than one daily newspaper come into the home daily.

	Per cent of individuals
Number of Newspapers Received Daily	
None	13
One	66
Two	17
Three or more	4

(See Table 75)

Sub-Group Variations

Those in Ontario and English-speaking Quebec are most likely to receive a daily newspaper. Ontario residents are more likely to read at least one daily.

People living in Saskatchewan are the least likely to purchase a daily newspaper, and it follows that daily readership is also lowest here. Those in French Quebec are just as unlikely to read a newspaper each day, although they are more likely than Saskatchewan residents to have access to one.

Newspapers are more likely to be read by college-educated people than those of less education, and much more commonly read by them.

	Per cent of individuals	
	Receive at least one newspaper daily	Read at least one newspaper daily
Total Canada	88	80
Region		
British Columbia	90	82
Alberta	93	84
Saskatchewan	76	65
Manitoba	83	78
Ontario	92	86
Quebec English	91	79
Quebec French	81	66
New Brunswick	88	77
Nova Scotia	89	85
Prince Edward Island*		
Newfoundland	93	82
Education		
High school or less	87	76
College education	93	88

*Base too small to be meaningful
(See Tables 8 and 75)

News Magazines Received

Nearly four in ten Canadians over age fifteen receive a news magazine. Just over half of these people read *Time*.

	Per cent of individuals
Receive a news magazine	39
Magazines Read	
Time	20
Newsweek	3
Other	11
Did not state	5

(See Tables 34 and 35)

Sub-Group Variations

Likelihood of receiving a news magazine increases with education and increased annual income, and decreases with age. Nearly four in ten who have a university degree or who have incomes in excess of $12,000 per annum read *Time*. Nearly three in ten aged fifteen to twenty years also claim to receive it.

	Per cent of individuals who	
	Receive a news magazine	Receive Time
Total Canada	39	20
Education		
High school or less . . .	34	15
College education . . .	57	36
Income		
Under $4,000	31	11
$4,001 – $6,000	30	11
$6,001 – $8,000	34	16
$8,001 – $10,000 . . .	40	23
$10,001 – $12,000 . .	45	30
Over $12,000	62	38
Age		
15 – 20 years	50	28
20 – 24 years	37	23
25 – 44 years	38	19
Over 44 years	36	17

(See Tables 34 and 35)

Daily Newspaper Reading Time

On the average, Canadians claim to spend just over forty minutes each day reading a newspaper.

Men and women say they give six or seven minutes to each of the front page, international news, and editorials. Men read more of the sports section than women (seven minutes versus three minutes) while women spend more time with the Women's Section (seven versus two minutes).

About half as much time is spent reading the want ads and the travel and financial sections. Men spend longer than women with finance.

	Average Amount of Time Spent Reading in Minutes		
	Total Canadians	Men	Women
Newspaper Sections			
Front page	7	7	6
International news	7	7	6
Editorials	6	6	6
Sports	5	7	3
Women's section	5	2	7
Want ads	4	4	4
Travel	3	3	3
Financial section	3	4	2
Other	4	4	4
Total Time:	44	44	41

(See Table 32)

MEDIA AS NEWS PURVEYORS

Information

Nearly nine in ten feel they are better informed today than five years ago.

	Per cent of individuals
Compared to Five Years Ago	
Feel better informed	86
Do not feel better informed	13
Did not state	1

(See Table 14)

News Balance

Just over seven in ten claim to be satisfied with the balance of international, national, and local news that they receive. Although almost this number say they would like the same amount of news each day as they currently receive, about three in ten desire more.

	Per cent of individuals
Feel balance of international national and local news	
Is good	72
Is not good	18
Amount of daily news desired	
More	29
Same as now	68
Less	2

(See Tables 30 and 68)

Local, National, International News

About half of Canadian adults feel they are most interested in and most inclined to trust local news rather than national and international. However, more people are inclined to want an increase in national than local, or international news.

	Per cent of individuals		
	Most interested in	Trust Most	Would like to see more of
News Categories			
Local	43	46	30
International . . .	32	26	29
National	22	24	35
Did not state . . .	3	4	6

(See Table 30)

Medium for News Categories

Newspapers and radio are rated as the most important and believable media for local news. TV is clearly seen as best for national and particularly international news.

	Per cent of Individuals stating of		
	Local News	International News	National News
Most Important Medium			
Television	25	56	48
Newspapers	39	24	29
Radio	33	12	19
Magazines	–	6	2
Did not state	3	2	2
Most Believable Medium			
Television	24	60	52
Newspapers	39	19	26
Radio	33	11	17
Magazines	–	8	2
Did not state	4	2	3

(See Tables 3 and 4)

News Presentation

Over 80% feel strongly that the news should be simple, factual, easy to understand, and unsophisticated. A majority state that obtaining information should not require effort, and that stories should be happy without too many gory details.

	Per cent of individuals who	
	Agree strongly	Disagree strongly
News Presentations		
News should be simple and factual	87	2
News should be unsophisticated and easy to understand	83	3
Information should be acquired with least possible effort	66	9
Stories should be happy	62	7
Stories should include all gory details	15	57

(See Table 54)

News and Programme Sources

The participants were asked which medium – TV, newspapers, radio and/or magazines – they use for facts, background, interpretation, special reports, entertainment, and relaxation. They could claim to use more than one medium for each.

Clearly newspapers and TV are supported more than radio and magazines as news sources. Newspapers are preferred to TV for facts, background, and interpretation. However, TV clearly is the favourite medium for special reports. For special reports, radio receives more support than newspapers, perhaps because of its immediacy.

TV is the most popular entertainment and relaxation medium, although radio challenges it somewhat for relaxation time.

	Per cent of individuals who use for					
	Facts	Background	Interpretation	Special Reports	Entertainment	Relaxation
Medium Used						
Television	34	27	37	62	81	68
Newspapers	47	43	41	13	10	6
Radio	18	14	13	25	12	24
Magazines	10	18	12	7	3	7

(See Table 36)

CONTENT

Sensationalism

When asked which medium – TV, radio or newspapers – is the most sensational, TV is clearly indicated.

	Per cent of individuals selecting as most sensational
Medium	
Television	81
Newspapers	14
Radio	4
Did not state	1

(See Table 62)

Four-letter Words

Fewer than 20% of Canadians feel that four-letter words should be allowed in any of the print or broadcast media.

	Per cent of individuals Feeling Four-letter words should be allowed
On Medium	
Television	12
Newspapers	14
Radio	11
Magazines	17

(See Table 65)

Canadian Versus American Media

Canadians come out strongly in favour of their own newspapers, radio, and magazines. However, they prefer American TV stations and particularly American programmes to those produced in Canada.

	Per cent of individuals stating	
	Prefer Canadian	Prefer U.S.
Medium		
Television	43	54
Newspapers	94	2
Radio	92	4
Magazines	56	37
On Television		
Shows	35	60

(See Table 63)

Media Human Relations

Just over three-quarters of Canadians believe the media develop amicable relations with the United States, and about half feel they increase an understanding of French-Canadian desires but 43% believe they have the opposite effect.

	Per cent of individuals
Canadian media create	
Friendship with U.S.	77
Animosity or bad feelings	18
Did not state	5
Understanding of French-Canadian desires	52
Resentment towards French-Canadian desires	43
Did not state	5

(See Table 66)

Effect on Way of Life

Nearly nine in ten believe the media have the power to affect our way of life. Of these people, two-thirds state that TV has the greatest effect. Newspapers are the only other medium seen to affect Canadian lives substantially.

	Per cent of Individuals
Feel media can affect people's thinking or way of life	89
Media which affect most	
Television	59
Newspapers	25
Radio	3
Magazines	2
Feel media cannot affect people's thinking or way of life	11

(See Tables 18 and 19)

Attitudes Influenced by Media

Each respondent was asked to think about TV, newspapers and radio and to decide whether a number of social attitudes had been influenced by any or all of them. It should be noted that the influence of the media in each of these areas could be positive or negative.

In agreement with the previous general assessment of the effect of the media on our way of life, generally for each category TV is rated most influential, newspapers less influential, and radio the least influential.

The media are thought to have been particularly influential in increasing a desire for education and affecting student protests. By a substantial proportion, they are also believed to have had an impact on Canadian nationalism and increased drug addiction.

TV, considerably more than newspapers or radio, is identified as affecting the amount of smoking by young people. Newspapers are most often identified as contributing to labour's poor image. None of these media is thought to have influenced divorce strongly.

Radio, although less influential than TV and newspapers, is credited by over half of Canadians with increasing a desire for education, encouraging student protests and influencing Canadian nationalism.

	Per cent of individuals who feel media have affected people's thinking		
	Television	Newspapers	Radio
Attitudes Affected			
Increase in desire for education	85	77	65
Student protests	80	72	52
Smoking by young people	72	40	31
Canadian nationalism	64	66	51
Increase in drug addiction	61	51	28
Labour's poor image	52	59	37
Divorce	47	39	19

(See Table 26)

Subject Matter and Source

Respondents were asked whether they were getting enough information on a series of topics and where they were getting their best information about each. At least three-quarters feel they have sufficient information concerning places to shop and Canadian politics. About two-thirds feel similarly about consumer goods, national unity, Canadian labour and taxes. Just better than half were satisfied with their amount of data concerning Canadian economics and changes in law.

For each of these topics, newspapers were selected far more often than either TV or radio as the best source of information. TV received its greatest support – by just over a third of the people – as an information source about Canadian politics, consumer goods and national unity.

	Per cent of individuals			
	Feel getting enough information on	Get best information from		
		Television	Newspapers	Radio
Subject Areas				
Places to shop	82	21	63	13
Canadian Politics	74	38	51	7
Consumer Goods	66	37	48	11
National Unity	62	35	51	7
Canadian Labour	62	23	62	9
Taxes	60	21	67	7
Canadian Economics . .	56	23	63	8
Changes in Law	52	23	62	9

(See Table 56)

Specific News Stories

Respondents were asked whether they felt well informed, somewhat informed, inadequately informed or poorly informed on a number of specific news stories. The table below shows the percent claiming to be well informed and somewhat informed and then these two ratings totalled.

It should be noted that some of the stories are international and others national. The national stories – the British Columbia election and the Stafford Smythe case – are obviously of greater interest in those areas in which they originated. At the time of interviewing, the first moon landing and the British Columbia election had just happened and the Arab-Israeli conflict was very active. The Stafford Smythe story had come to light a few months before. The other stories are on-going issues.

More than 90% felt well informed about the moon landing. (The tremendous success of this programme may have had some bearing on the high rating of television as best for "special features.")

Considerably less than half the people felt well informed on every other issue. However, the "somewhat informed" rating indicates a generally high awareness of each, except in the case of the Stafford Smythe incident with the Toronto Maple Leafs.

	Per cent of individuals feeling		
	Well Informed about	Somewhat Informed about	Total Well Somewhat
News Stories			
Moon landing	91	7	98
Separatism	41	35	76
Arab-Israeli conflict	39	34	73
Homosexual bill	33	36	69
National Medicare Scheme	30	31	61
B. C. Election	25	32	57
Language Bill	23	38	61
Stafford Smythe case	10	24	34

(See Table 21)

Influence on Life

Each individual was read a list of twenty-two factors which are a part of or affect his life. He was asked of each whether he felt TV, radio, or newspapers had most influenced his attitudes towards them or his habits in relation to them.

The chart below shows graphically the proportion of people selecting each medium – TV, newspapers and radio – for each item. Combined with the proportion who did not state an answer (perhaps because they felt unaffected by these media), 100% of respondents are accounted for.

Radio, as we have seen before, is not seen as a powerful directive, except perhaps in the case of religion. Possibly the number of religious programmes on radio has gained it this support.

The relative influence of TV and newspapers in each subject area becomes obvious if it is remembered that TV can offer excitement through moving pictures, and that it is seen as a relaxing entertainment medium while newspapers, on the other hand, are viewed as the detailed news medium necessary for explanation of more complex issues. Thus, TV is most particularly influential in matters of a family or social nature: love, sex, travel, family and marriage. Just over half of Canadians also select it as the most powerful medium for affecting profanity, student movements, clothes fads and styles, personal habits and political fever.

Attitudes towards strikes and money are reported to be about equally affected by television and newspapers.

Newspapers take over as the most influential in areas requiring specific, detailed knowledge for greater understanding: courts, law, economic and school systems, divorce, birth control, money, security and Canadian nationalism. (TV may fare relatively poorly in its perceived ability to affect Canadian nationalism because it is recognised to carry many American programmes.)

Influence of Media Again

Each person was asked whether he agreed strongly, agreed somewhat or disagreed with a number of statements about the content and effect of the media. The statements were all changed in turn to refer to radio, newspapers, magazines, and television.

Most of the statements were negative; for example, "Radio has too much sex in it." Disagreement with the statement was good for that medium. The negative statements are discussed in this section, the positive in the next.

The chart below shows the proportion disagreeing with each negative statement. Hence, the greater the disagreement, the more favourable the rating for that medium.

Radio receives much less criticism than the other media for emphasizing sex, violence and drugs, for contributing to moral breakdown, for creating disrespect for religion, for contributing to the belief that Canada will break apart, and for making divorce seem acceptable.

Newspapers fare second best, except in their promotion of Canadian unity. There is some concern that newspapers contain too much violence and make divorce seem right.

Over half the people feel TV contributes to moral breakdown and lends its approval to divorce, perhaps because they feel it shows too much sex, violence, and drugs.

A majority of people think magazines are not giving the impression that Canada will break apart. However, they are criticized for causing moral breakdown, disrespect of religion, and making divorce more acceptable. They are noted particularly as having too much sex.

Effect of Media

This section discusses four positive attributes of the media that were asked about. The table shows the percent agreeing strongly, agreeing somewhat, and disagreeing.

Although there is fairly general agreement that the mass media do remind people of their social responsibilities and are concerned about social problems, Canadians do not seem strong in their support. Almost half agree only somewhat. Magazines are the most criticized for not making people conscious of their responsibilities to others and radio the most for not being concerned about social problems. Newspapers are thought to be most concerned about social problems.

Nearly one-half do not see radio, TV and magazines as society's conscience, while about two-thirds say newspapers are.

Only TV convinces a majority of people that it helps to build a strong family relationship.

	Per cent of individuals who		
	Agree strongly	Agree somewhat	Disagree
Statements:			
Remind people of responsibilities to less fortunate:			
Radio	29	47	22
Newspapers	33	46	20
Television	35	43	20
Magazines	18	47	29
Tend to be concerned about social problems:			
Radio	25	48	24
Newspapers	33	49	17
Television	29	48	22
Magazines	28	46	20
Are society's conscience:			
Radio	11	38	49
Newspapers	22	43	34
Television	15	38	46
Magazines	10	34	49
Contribute to strong family relationship:			
Radio	10	37	50
Newspapers	10	31	58
Television	17	37	44
Magazines	7	31	56

(See Table 28)

VIOLENCE, SEX, LOVE, AND DRUGS

Love Versus Violence in Print

Seven in ten claim to prefer reading of love rather than violence.

	Per cent of individuals
Prefer to read about . . .	
Love	70
Violence	18
Did not state	12

(See Table 49)

Fighting on TV

When asked if they get satisfaction from seeing fighting on TV (such as cowboys or hockey players), just over four in ten claimed to do so. (It has been suggested that seeing others involved in violent outbursts can satisfy one's own urge to "blow up.")

	Per cent of individuals
Get satisfaction from fighting	41
Do not get satisfaction	58
Did not state	1

(See Table 49)

Violence, Sex and Drugs on Media

Three-quarters of the people feel too much violence is shown on television, two-thirds feel there is too much sex and better than half believe there are too many programmes on drug usage. TV is more criticized than newspapers and particularly than radio.

However, more than half claim that the newspapers portray too much violence. More than 40% also state there are too many articles on sex and drug usage in the newspapers.

	Per cent of individuals feeling too much in each		
	Television	Newspapers	Radio
Subjects			
Violence	78	56	25
Sex	66	41	18
Drug Usage	54	45	21

(See Table 27)

Violence on Television and Moral Breakdown

Respondents were asked of a number of violent and sexual situations whether they should be shown on television and whether, if shown, they would contribute to the moral breakdown of society.

Violence is considered acceptable in some situations, unacceptable in others. "Suitable" subjects seem to be those which do not infringe the law or intrude on privacy: hockey game fighting, pie-throwing and war stories. "Unsuitable" subjects tend to be disturbing situations related to youth and family life: glue sniffing, nudity, mother and father fighting, student riots.

	Per cent of individuals feeling	
	Should be shown on television	If shown, would contribute to moral breakdown
Subject Matter		
Funerals	71	18
Pie-throwing cartoons	69	13
Hockey game fights	63	31
War stories	60	35
Men throwing pies	53	25
Players disobeying referee	49	45
A live assassination	34	61
Students rioting	30	71
Man and woman making love	28	62
Mother and father fighting	28	67
Boy fighting policeman	19	75
Nudity	15	72
Somebody sniffing glue	10	82

(See Table 45)

POLITICAL PRESS COVERAGE

Government Information Sources

The fact that 60% of Canadians feel the government should rely entirely on the media to report its proceedings suggests the majority of people are satisfied with the functioning of the media in this regard. The remainder say there is a need for the government to inform Canadians independently.

	Per cent of individuals
Government Information Sources	
Should rely on media totally	60
Government should inform independently	37
Did not state	3

(See Table 22)

Media Criticism of Government

The satisfaction of the people with the media's reporting of government activities is perhaps supported by the fact that over 50% claim the media are "doing a good job" of criticizing the government. Those not satisfied tend to think that they are not critical enough rather than too critical.

	Per cent of individuals
Feel Media	
Too critical of government	15
Doing a good job	54
Not critical enough	29
Did not state	2
Net difference	
Too Critical/Not Critical Enough	−14

(See table 69)

Media as Critics

Newspapers are seen as considerably more critical of the government than are TV and radio.

	Per cent of individuals
Most Critical Medium	
Television	20
Newspapers	68
Radio	8
Did not state	4

(See Table 69)

Trudeau and Stanfield, the NDP

People are inclined to think that the press coverage of Mr. Trudeau has been less fair than coverage of Mr. Stanfield or of the NDP. Few, however, feel that there has been any great unfairness.

	Per cent of individuals stating of . . .		
	Mr. Trudeau	Mr. Stanfield	the NDP
Treatment By "Press"			
Very fair	29	38	35
Somewhat fair	48	36	31
Not at all fair	13	10	12
Other	7	10	11
Did not state	3	6	11

(See Table 16)

Reporting of Private Lives

More than three-quarters of Canadians feel that the private lives of elected politicians are their own business and should not be reported.

	Per cent of individuals
Feel Private Lives of Politicians	
Should be reported	22
Should not be reported	77
Did not state	1

(See Table 17)

Invasion of Privacy

They were next asked if the press had invaded the private lives of Mr. Trudeau and Mr. Stanfield. There was strong agreement that Mr. Trudeau's privacy had been invaded while Mr. Stanfield's had not. The majority of people accused the newspapers of this invasion.

	Per cent of individuals stating of	
	Mr. Trudeau	Mr. Stanfield
Feel "Press"		
Has invaded private life	75	9
Has not invaded private life . .	24	85
Did not state	1	6
Medium Most Unfair in Invading Private Life		
Newspapers	62	26
Television	11	6
Magazines	9	6
Radio	2	1
Did not state	16	61

(See Table 17)

Reporting of Politicians

Only about one in five Canadians believe they are getting unbiased reporting of the activities of politicians.

	Per cent of individuals
Coverage of Politicians	
Very biased	15
Somewhat biased	60
Not biased	21
Did not state	4

(See Table 25)

CONTROL/CENSORSHIP

Freedom of the Press

One Canadian in five thinks the press has too much freedom. Most Canadians disagree.

	Per cent of individuals
Freedom of Media	
Too much	22
Not too much	76
Did not state	2

(See Table 67)

Necessity of Censorship

Three-quarters state that at least some censorship is necessary for TV. About half feel similarly about newspapers and radio.

	Per cent of individuals
Believe Censorship necessary for	
Television	76
Newspapers	49
Radio	49

(See Table 59)

Government Control

It was explained that the government (through the Canadian Radio-Television Commission) regulates TV and radio but has no system of control over newspapers. The people were asked if this control over TV and radio should cease and whether the government should also control newspapers.

One-third feel the government should cease its control over broadcasting. One-fifth think the government should control newspapers.

	Per cent of individuals
Government control over media	
Should cease with television	33
Should cease with radio	33
Should also control newspapers	19

(See Table 73)

Controlled News

Nearly 70% believe that news in the press is subject to some form of exterior control. (Note: Early in the interview, it was explained that the term "press" was intended to include all information media; nevertheless it is probable that some respondents continued to think primarily of the print media.)

	Per cent of individuals
News in "press" is	
Controlled	69
Real	29
Did not state	2

(See Table 31)

Those Influencing News

At various times during the interview, respondents were asked if the government, advertisers, and criminal elements affected the news.

Nearly half feel the government influences what a publisher prints, but only one-fifth think it should have this power. One-third are of the opinion that advertisers influence news content. Just over four in ten suspect that criminal elements influence the press.

	Per cent of individuals supporting each
Statements	
Government influences what the press publishes	46
Government should influence what press publishes	43
Advertisers controls content of news .	33
Criminal elements influence the press	42

(See Tables 10, 11, 13 and 47)

Press Bias

Separately, the participants selected those influences which they felt biased the press.

Nearly two-thirds of Canadians suspect big business and over half suspect the federal government of biasing the media. Local government and criminal elements are considered influential by about four in ten. Only one-third think the police have an effect.

	Per cent of individuals each as a factor causing "press" bias
Factors	
Big business	65
Federal government	52
Local government	44
Criminal elements	38
Federal police	33
Local police	32

(See Table 12)

Interests Represented by Media

Despite this predominant feeling that big business and the federal government bias the press, about six in ten state that newspapers represent the interests of the public at large, three in ten the advertiser, and one in ten the government in power.

	Per cent of individuals selecting as most true
The newspaper you read represents the interests of	
The public at large	57
The advertisers	29
The government in power	11
Did not state	3

(See Table 24)

OWNERSHIP

Knowledge of Local Owners

Canadians are relatively unlikely to know the name of the owner of their local newspaper, TV, or radio stations and are even less likely to want to know. About four in ten claim to know the owner of the newspaper and television station and just better than three in ten the radio station. Approximately three in ten say they are interested in knowing the owners. (It would seem likely that these interested persons are those who already know.)

	Per cent of individuals stating of each		
	Television	Newspapers	Radio
Know who owns local medium	39	42	32
Interested to know who owns local medium . .	29	32	30

(See Table 71)

Political Affiliation of Local Media

Canadians are even less likely to know the political affiliation of the local media than they are the owners. About one-third claim to know the leaning of their newspaper, but just over 10% knew this of their local broadcasting stations (perhaps because broadcasters editorialize politically less).

	Per cent of individuals stating of each		
	Television	Newspapers	Radio
Know political affiliation of local medium	13	32	12
Feel influenced by their political position	19	21	14

(See Table 71)

Foreign Ownership

About three-quarters of Canadians state that foreign ownership of the media concerns them. However, if asked to select the most acceptable foreign owners, they are most likely to favour Americans. The British are seen as the next most acceptable.

	Per cent of individuals stating of each		
	Television	Newspapers	Radio
Feel it matters if foreigners own medium	74	75	75
Most acceptable foreigners			
U.S.	56	46	51
Britain	24	32	27
France	7	7	7
Other	7	15	7

(See Table 52)

Ownership Situations

Each person was asked to agree or disagree strongly or somewhat with a number of statements describing ownership situations. The table below shows the percent who agreed and disagreed with each.

In summary, it would seem that the people are strongly opposed to multi-media ownership in a local area but not so much against multi-media ownership scattered throughout the country. Cross-media ownership is disliked by about 60%.

	Per cent of individuals stating	
	Agreement	Disagreement
Local concentration of ownership		
One company should be allowed to own most newspapers in one area . .	19	80
One person or company should be allowed to own TV and radio stations and newspapers in a local area	31	68
Broadcast stations should be owned by local citizens. There should not be absentee owners	64	34
Cross-media ownership		
No company should be allowed to have controlling interest of companies in more than one medium	59	40
Multi-media ownership in all parts of country		
One company should not be allowed to own		
TV stations	45	54
Radio stations	46	53
Newspapers	53	46

(See Table 53)

ADVERTISING

Its Role

Over 80% of Canadians credit advertising with having a positive role to play.

	Per cent of individuals
Advertising	
Has a positive role	84
Does not have a positive role	14
Did not state	2

(See Table 47)

Influence of Advertising

About as many people admit to being at least somewhat influenced by advertising as say that they are not at all influenced or fight it.

	Per cent of individuals	
Influenced by Advertising		
A great deal	10	38
Somewhat	28	
A little	27	
Not at all	25	35
I fight it	10	

(See Table 47)

School System Versus Advertising

While over 50% are of the opinion that the Canadian school system influences society more than advertising, over 40% are of the opposite opinion.

	Per cent of individuals
Society most influenced by	
School system	54
Advertising	42
Did not state	4

(See Table 60)

Media Advertising Influence

There is strong agreement (63%) that TV commercials are the most likely to influence people. About one-quarter feel newspaper advertisements are more effective.

	Per cent of individuals
Media advertising which influences most	
Television	63
Newspapers	25
Radio	3
Did not state	9

(See Table 47)

Influence to Purchase

Approximately 60% feel they are more likely to be stimulated to purchase by advertisements they like, rather than dislike, and remember. (Researchers' Note: While this has been generally proven to be true, in some cases disliked commercials have been very effective sales catalysts.)

	Per cent of individuals claiming to be most influenced to purchase
Advertisements	
Liked and remembered	61
Disliked and remembered	5
Both equally	29
Did not state	5

(See Table 47)

Advertising as an Art

Over seven in ten think advertising is an art form.

	Per cent of individuals
Advertising	
Is an art form	72
Is not an art form	14
Did not state	14

(See Table 47)

Advertising Types Liked Best

About two-thirds say they like humorous advertisements best, while nearly one-third prefer those giving the facts only. Suspense themes and other forms receive little acclaim.

	Per cent of individuals liking best
Type of Advertisements	
Humour	62
Facts only	31
Suspense	4
Other	2
Did not state	1

(See Table 47)

Newspaper Advertisements as News

People are divided about equally in their judgment as to whether newspaper advertisements can sometimes be called news.

	Per cent of individuals
Advertisements in Newspaper	
Sometimes news	51
Never news	48
Did not state	1

(See Table 47)

Preference for Television Commercials Over Programmes

While one-third think that TV commercials are sometimes more interesting than the programme within which they are shown, two-thirds say this is never so.

	Per cent of individuals
Advertisements on Television	
Sometimes more interesting than programmes	33
Never more interesting than programmes	66
Did not state	1

(See Table 47)

Commercials in Television Movies

Almost all Canadians support the idea of controlling the number of commercials in TV movies.

	Per cent of individuals
Advertisements in Movies on Television	
Number should be controlled	92
Number should not be controlled	7
Did not state	1

(See Table 47)

Products Suited for Advertising

Although people feel advertising has a positive role, they do not feel all products should be advertised. Over half the people state that advertising of sleeping pills, cigarettes, liquor, and glue should be banned. However, beer and wine are relatively more acceptable and soft drinks and gasoline unobjectionable.

	Per cent of individuals stating each should be banned in advertising
Articles	
Sleeping pills	66
Cigarettes	60
Liquor	55
Glue	52
Beer	39
Wine	35
Soft Drinks	16
Gasoline	11

(See Table 48)

IMAGE

On a number of occasions during the interview, the participants were asked to choose the medium which they felt provided the most of a given number of attributes. In some instances the choice involved just newspapers, TV, and radio. In others, magazines were also included. Some of the attributes were repeated in more than one question.

For ease in analysis, the following calculations to this data have been made:

1 The average rating for repeated attributes is given.

2 Those few ratings including magazines have been retabulated to exclude magazines in order to provide a fuller understanding of the images of the three main news and entertainment media: newspapers, TV, and radio.

Later, a comparison of magazines in relation to these other three media is given.

Product Attributes

In this section and those that follow, bar graphs have been used to illustrate the proportion of people selecting either TV or newspapers or radio as the "best" for delivering certain qualities. On the following page the attributes most closely related to the physical limitations and content of each medium are illustrated.

TV would appear to be the most realistic of these media as over eight in ten select it first for showing life as it really is. About six in ten claim it is most educational (perhaps partially because of ETV) and the most likely to make experts available (perhaps because one is more conscious of seeing numbers of faces on TV). TV has a slight edge over newspapers for being the most factual.

Newspapers are strongly favoured over TV for in-depth news reporting; presumably because newspapers can and do provide detailed facts, background and editorialization. Newspapers are thought by about six in ten people to be the best at getting below the surface of the news, digging for truth and all the facts, and telling the whole story.

Radio is a distant third to TV and newspapers for news coverage, particularly in-depth coverage. However, nearly one-quarter feel it is the most factual of these three media.

	Per cent of individuals selecting as best		
	Television	Newspapers	Radio
Product Attributes			
Allows you to see life as others live it	83	14	2
Most educational	60	21	4
Makes experts available	56	32	10
Most factual	37	28	21
Gets below surface of news	31	56	11
Digs for truth, finds out all the facts	28	55	13
Tells whole story so not left in air	26	60	8

(See Tables 6 and 58)

Attitudes Towards Products

This section examines the attitudes towards or impressions of TV, newspapers and radio. Again, one can assume that it is the facilities and content of each medium which affect consumer attitudes.

Almost unanimously, TV is thought of as the most exciting medium. Presumably because it has been shown that moving pictures and sound combined facilitate learning, three-quarters consider it to be the easiest from which to learn. Probably for the same reasons, it is perceived as the most influential by about two-thirds.

Elsewhere in the interview, people have shown some doubt that any of the media are really honest. The lack of consistent agreement in selecting any one medium as the most frank or open in its presentation would seem to bear out this interpretation.

At different times in the interview, respondents were asked which media were "easiest" and "most difficult" as sources of information. It might be expected that the medium most often selected as "easiest" would be least often identified as "most difficult." This, in fact, does not happen. It is suggested that TV is viewed as easiest because it requires little effort to absorb what it illustrates and says. At the same time, it is rated most difficult from which to get information because it does not provide detailed background and analytical fact. Similarly, newspapers are considered least easy because one must take the time to read carefully, but are less criticized for being difficult because the facts are most likely to be there.

Newspapers follow TV, but with considerably less support, for being most influential. They are rated equally with radio and better than television for being most essential.

Radio is clearly voted as the most immediate medium. Six in ten feel things happen fastest through radio coverage.

	Per cent of individuals selecting as best		
	Television	Newspapers	Radio
Attitudes Towards Products			
Most exciting	92	3	4
Easiest to learn from	75	19	5
Most influential	66	27	9
Easiest to get information from	51	11	35
Most open and frank in its presentation	39	26	21
Most difficult to acquire information from	28	23	21
Most immediate	37	44	59
Most essential	25	36	36

(See Tables 6, 15, 42 and 58)

Effect on Consumer

On three closely related factors, TV is selected first by about six in ten. TV, it is stated, lets you forget and is most relaxing. Apparently, one can appreciate TV and become absorbed in it without exerting much energy.

It is radio, not newspapers, which offer the next greatest amount of relaxation. (Radio is considered to be a soothing background.) However, radio does not leave many satisfied, presumably because radio does not teach well nor provide as much fact.

Newspapers are voted as making you think most. This seems to explain why they would be rated as least relaxing and second most satisfying.

	Per cent of individuals selecting as best		
	Television	Newspapers	Radio
Effect on Consumer			
Lets you forget	62	9	27
Is most relaxing	61	13	25
Gives sense of satisfaction	51	27	18
Makes you think	35	53	11

(See Table 58)

Social Involvement

TV is clearly perceived as most suitable for the whole family.

Newspapers tend to be rated as more private than the voice media. However, TV is as likely as newspapers to get you personally involved in its content, although obviously they accomplish this involvement very differently.

	Per cent of individuals selecting as best		
	Television	Newspaper	Radio
Social Involvement			
Most interesting for family	79	11	10
Most personally involving	41	37	21
Most private	19	49	26

(See Tables 6, 42 and 58)

User Suitability

Respondents were asked to rate each of TV, radio, and newspapers on a one to five scale for suitability to various audience groupings. A rating of one indicated the medium was unsuitable for the designated group and five meant it was very suitable. The results are given as a percentage of the total possible score a medium could achieve. In other words, if a medium were rated five (very good) by everyone, it would achieve 100%. If it were rated three by everyone or if it averaged three, it would be shown as 50%.

All three media are scored at about 70% or better for all the types of adults listed: older and middle-aged people, housewives, working and business people. Within these, radio is perceived as best for housewives and newspapers best for business (white collar) people.

Bearing in mind that the people rating the media are at least fifteen years of age, the suitability scores of all three media decline with the user's age. Radio is considered to be best for young people (probably taken as teenagers), and TV for children under ten.

	Per cent who felt media were for		
	Television	Newspapers	Radio
User Suitability			
Older people	82	83	79
Middle aged people ..	80	85	80
Housewives	77	75	85
Working people	76	81	74
Business people	69	90	73
Young people	65	63	73
Children under 10 ...	55	30	43

(See Table 50)

Reluctance to Lose Media

Each person was asked to select from TV, newspapers and radio, the medium which he would be most reluctant to lose for a week, a month, and a year.

For one week, fewer people are concerned about losing their newspaper than either TV or radio. However, if this time period is extended to a year, it is radio rather than TV or newspapers with which people would be the least reluctant to part.

	Per cent of individuals most reluctant to lose for		
	a week	a month	a year
Media			
Television	38	37	35
Newspapers	26	26	31
Radio	34	29	25
Did not state	2	8	9

(See Table 20)

Magazines Compared for Image

As mentioned earlier, magazines were included with newspapers, TV and radio in some ratings. In each case, the participant selected the one medium which he considered most effective or most suitable in relation to a specific function.

The graph below is designed to show the proportion of Canadian adults who select each medium for specific attributes. Magazines, newspapers, TV and radio are charted from left to right. This makes it possible to examine magazines in comparison to each of the other media or, by coupling magazines and newspapers, to examine the print media in relation to broadcasting.

Magazines are selected by less than 5% of Canadians as being most influential and essential. Considering this, it is not surprising that magazines are chosen infrequently as "being best for" or "having most of" the other attributes.

However, although chosen in each case less often than newspapers, magazines appear to offer many of the same benefits and have similar limitations. Both are thought to require more concentration and expenditure of energy and are a more difficult source of information than the broadcast media. Print media are also perceived as being more private, less interesting for the whole family and less educational.

	Per cent of individuals selecting as best			
	Magazines	Newspapers	Television	Radio
Attributes				
Concentration of energy	25	55	12	7
Most private	25	34	15	20
Difficult to acquire information from	24	23	28	21
Personally involving	15	31	35	18
Most educational	13	21	60	4
Most open, frank	13	26	39	21
Most factual	11	28	37	21
Most influential	3	25	59	11
Most essential	2	36	25	36
Most interesting for family	2	11	77	10
Easiest to get information from	2	11	51	35

(See Tables 6 and 15)

Emergency Media

Confirming their support of radio as the most immediate of the media, radio was selected as the medium to turn to in case of a news emergency by three-quarters of the people. Forty percent also felt they would use TV coverage. Almost no one would choose either of the print media, newspapers or magazines.

	Per cent of individuals
Media would turn to in an emergency	
Radio	76
Television	38
Newspapers	7
Magazines	–

(See Table 5)

Invasion of Privacy

Nearly one-third of Canadians do not fear that any of the media will invade their privacy. However, 53% of the remaining 79% who fear invasion, say they fear newspapers most. Radio and magazines concern very few, while TV is feared most by about 10%.

	Per cent of individuals who fear most for invasion of privacy
Medium	
Newspapers	53
Television	11
Radio	2
Magazines	3
None	31

(See Table 17)

DETAILED TABLES

THE CONCEPT OF "PRESS"

Table 1. Meaning of Word "Press" (Question 1)

% of individuals

Medium or media thought to be "press"	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
TV	19	9	16	16	23	14	19	30	24	24	18
Radio	17	9	22	15	21	11	17	23	27	24	31
Newspapers	79	85	89	81	82	83	74	67	89	81	80
Magazines	8	5	12	6	17	6	11	8	11	6	2
All of these	9	5	3	5	5	4	12	25	–	4	12
Other	7	10	3	12	8	8	8	4	3	8	4
Does not mean anything	2	1	1	–	1	2	1	2	3	1	–

(Province* spans B.C. through Nfld.)

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 2. Opinion on Press Responsibility (Question 2)

% of individuals

Press is	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Very honest in its reporting	12	4	10	12	14	9	16	18	22	8	14
Somewhat honest in its reporting	46	54	53	49	47	50	50	32	22	61	31
Not really honest in its reporting	13	12	11	10	15	13	14	14	24	13	18
Interested in developing interest	28	30	22	29	22	27	19	35	30	16	37
Did not state	1	–	4	–	2	1	1	1	2	2	–

(Province* spans B.C. through Nfld.)

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

BELIEF IN REPORTED NEWS

Table 3. For international news, TV is believed to be the most immediate. People can relate to international news better for seeing it on TV because they can see for themselves what is happening. The news, then, becomes in a sense part of their own experience.

"They don't take time to change it. It's as it happens."
"You can see the incident."
"Instant action picture makes it real."
"You see more of what is happening in other countries."
"Television is a more direct way of keeping in touch."

For Canadian news, as for international news, an immediacy of reporting seems to be important to Canadians. Once again, respondents chose TV over the other media. The increase in credibility in newspapers may be partly explained by geography; that is, newspaper reporters within Canada's boundaries are dealing with an audience similarly informed.

> "With television you see exactly what did happen."
> "Television gives most complete coverage and is easier to follow."
> "With television we see what is going on across the country."
> "Newspapers have an established system which allows reporters that are here to adequately report what is going on."
> "There are more newspaper reporters in Canada."

For local news people tend to go most of all to newspapers. In local matters, people are themselves close to the situation and want the emphasis and detail that newspapers can provide. They want the total information of a newspaper more than the capsulated information of radio or television. This trend is even more obvious in smaller centres where the weekly newspaper becomes a means by which to keep track of friends and acquaintances.

> "Newspapers have first-hand knowledge of the news through local reporters."
> "Living in the locality, we understand the problem being presented."
> "Newspaper gives us more detail about the news that is closest to us."
> "They are all old friends in the newspaper."
> "For a small town like this you've seen most of the stuff they report about so you can make up your mind if reports are true or not."

Radio to those who prefer it for local news is more immediate in its presentation of news stories. Women tend to have their radios on all day as background to their activities. Hourly news broadcasts are welcome breaks.

> "You get hourly reports on radio."
> "If something big happens they usually interrupt radio programs and tell us about it. We don't have to wait for it."

IMPORTANCE OF THE MEDIA FOR DIFFERENT TYPES OF NEWS

Table 3. Credibility of Particular Media for International, National, and Local News (Question 3)

% of individuals

Medium believed most for types of news	Total	Province*										Community		Education		Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
International News																	
Television	60	61	53	60	50	57	44	69	70	61	59	55	61	63	47	57	62
Radio	11	11	11	9	15	12	12	8	14	24	8	17	11	11	11	11	12
Newspapers	19	17	25	20	27	21	31	15	16	8	20	21	19	18	23	21	17
Magazines	8	9	10	11	8	9	10	6	–	6	12	5	8	6	17	9	7
Did not state	2	2	1	–	–	1	3	2	–	1	1	2	1	2	2	2	2
Canadian News																	
Television	52	54	45	55	50	47	52	59	62	43	67	51	52	53	50	54	51
Radio	17	15	19	17	21	19	11	15	19	33	12	21	17	18	16	16	20
Newspapers	26	26	31	24	25	30	31	22	19	21	18	23	27	26	29	26	26
Magazines	2	2	3	4	2	2	5	2	–	2	2	3	2	2	4	3	2
Did not state	3	3	2	–	2	2	1	2	–	1	1	2	2	1	1	1	1
Local News																	
Television	24	19	23	20	17	21	31	35	24	12	25	23	25	26	18	23	25
Radio	33	37	27	46	34	31	25	32	46	49	51	39	33	35	29	39	33
Newspapers	39	36	47	33	47	45	39	31	30	37	24	35	40	37	50	35	40
Magazines	–	–	–	–	–	–	2	1	–	–	–	–	–	–	1	–	–
Did not state	4	8	3	1	2	3	3	1	–	2	–	3	2	2	2	3	2

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 4. Importance of Particular Media for International, National, and Local News (Question 4)

% of individuals

Medium most important for types of news	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community Rural	Urban	Education High school or less	College	Sex Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
International News																	
Television	56	58	47	65	46	51	47	63	78	64	65	51	57	59	45	54	58
Radio	12	11	14	14	17	14	13	7	5	19	12	16	12	12	12	11	14
Newspapers	24	25	27	14	30	28	35	18	14	11	16	25	23	22	29	26	22
Magazines	6	4	12	7	6	6	3	4	3	6	6	5	6	4	12	7	4
Did not state	2	2	–	10	1	1	2	8	–	6	1	3	2	3	2	2	2
Canadian News																	
Television	48	48	37	55	45	43	47	54	76	43	67	43	49	49	44	48	48
Radio	19	19	21	24	22	21	18	13	11	30	10	24	18	19	17	17	21
Newspapers	29	30	37	16	30	33	28	24	13	24	18	26	29	27	34	30	27
Magazines	2	2	4	5	2	2	1	2	–	2	2	3	2	2	3	2	2
Did not state	2	1	1	–	1	1	6	7	–	1	3	4	2	3	2	3	2
Local News																	
Television	25	17	19	21	17	21	35	36	30	15	31	24	25	26	21	25	25
Radio	33	40	26	49	33	33	29	25	43	47	41	38	32	34	28	32	33
Newspapers	39	41	52	30	50	44	29	31	27	37	27	36	40	37	48	40	38
Magazines	–	–	–	–	–	–	1	1	–	1	–	–	–	–	–	–	–
Did not state	3	2	3	–	–	2	6	7	–	1	1	2	3	3	3	3	4

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 5. People tend to prefer radio in an emergency news crisis because they feel that a radio broadcast is easier to cut into with a news flash than is a TV programme. As radio is generally "background" in most homes, it is more likely that a bulletin on radio would be received than if it were televised. There is a feeling that people in cars should be aware of such crises and a recognition that radio broadcasting is the only way it could be done.

"With radio it is possible to listen to news anywhere you are."
"I have the radio on anyway."
"You can turn on a radio and get a newscast, but you have to wait for the correct time for the others."
"Radio is most spontaneous. They will cut in to let you know."

Table 5. Medium Preferred in Emergency News Crisis (Question 5a)

% of individuals

Medium turned to in news crisis	Total	Province*					Quebec				
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Radio	76	81	83	85	77	76	78	69	81	72	67
TV	38	30	34	34	31	43	31	38	51	40	43
Newspapers	7	3	4	5	4	4	7	13	19	6	10
Magazines	–	–	1	1	1	–	1	1	3	–	–

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

THE MEDIA AND THE INDIVIDUAL

Table 6. Assessment of Particular Media in Several Areas (Question 6)

% of individuals

Medium which is	Total	Province*										Community		Education		Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Most factual																	
Radio	21	24	15	20	24	19	23	25	11	30	8	25	21	22	17	18	24
Television	37	37	31	29	28	33	30	50	38	31	47	27	39	38	34	36	39
Newspapers	28	22	32	33	36	32	35	18	46	27	33	34	27	28	28	30	26
Magazines	11	14	17	17	12	13	6	5	5	11	12	10	11	9	18	13	9
Did not state	3	3	5	1	–	3	6	2	–	1	–	4	2	3	3	3	2
Most influential																	
Radio	11	14	13	7	11	10	10	12	–	16	8	14	11	12	6	11	11
Television	59	53	57	68	56	56	60	68	62	45	70	59	60	59	62	58	61
Newspapers	25	28	27	22	29	28	26	17	38	34	16	21	26	24	29	27	24
Magazines	3	4	2	2	4	4	2	2	–	5	6	5	3	4	3	4	3
Did not state	2	1	1	1	–	2	2	1	–	–	–	1	–	1	–	–	1
Most essential																	
Radio	36	39	49	43	44	35	31	31	30	40	47	38	36	36	35	34	38
Television	25	18	11	24	18	20	24	41	27	18	27	25	25	27	19	24	26
Newspapers	36	39	38	31	38	42	41	27	43	39	22	35	37	35	42	39	34
Magazines	2	2	1	2	–	2	3	1	–	1	2	1	2	1	3	2	1
Did not state	1	2	1	–	–	1	1	–	–	2	2	1	–	1	1	1	1

Most educational																	
Radio	4	5	5	3	7	3	5	6	5	4	2	6	4	4	4	4	4
Television	60	60	50	61	63	63	51	58	78	70	80	53	61	63	51	59	62
Newspapers	21	16	20	20	18	19	28	28	14	16	12	26	21	21	22	21	21
Magazines	13	17	23	15	12	14	15	8	3	10	6	15	13	11	21	15	12
Did not state	2	2	2	1	–	1	1	–	–	–	–	–	1	1	2	1	1
Most difficult to acquire information from																	
Radio	21	26	22	19	21	20	19	22	8	18	18	20	21	20	23	21	21
Television	28	21	17	18	33	24	19	41	22	34	20	34	27	29	22	30	26
Newspapers	23	16	21	25	15	21	15	32	32	25	10	21	24	23	25	22	24
Magazines	24	31	34	36	27	28	38	4	38	21	49	20	25	24	25	24	24
Did not state	4	6	6	2	4	7	9	1	10	2	3	5	3	4	5	3	5
Most open or frank in its presentation																	
Radio	21	23	26	17	22	20	24	18	19	28	20	17	21	21	20	20	21
Television	39	43	35	41	33	40	39	37	54	43	39	38	39	39	38	39	39
Newspapers	26	19	22	26	30	25	20	31	19	16	29	27	25	27	21	24	27
Magazines	13	12	14	15	14	13	12	12	5	13	10	15	13	11	18	15	11
Did not state	1	3	3	1	1	2	5	2	3	–	2	3	2	2	3	2	2
The one in which the family gets most interested																	
Radio	10	10	11	11	12	9	13	7	11	11	10	12	9	10	9	9	10
Television	77	82	77	79	83	74	64	79	78	86	80	75	78	77	77	76	78
Newspapers	11	7	8	8	4	14	18	13	11	2	4	9	11	11	11	13	10
Magazines	2	1	3	2	1	2	3	1	–	1	4	2	2	2	2	2	1
Did not state	–	–	1	–	–	1	2	–	–	–	2	2	–	–	1	–	1
Most private																	
Radio	20	26	17	18	21	20	18	20	38	23	12	22	20	22	15	20	21
Television	15	11	11	13	9	11	12	29	14	11	10	13	15	17	7	14	16
Newspapers	34	27	29	35	42	35	36	35	35	33	27	39	33	34	34	36	32
Magazines	25	27	34	29	26	26	29	14	8	24	45	20	26	21	37	24	25
Did not state	6	9	9	5	2	8	5	2	5	9	6	6	6	6	7	6	6

Table 6. Assesment of Particular Media in Several Areas (Question 6)–*Continued*

% of individuals

	Province*											Community		Education		Sex	
							Québec										
Medium which is	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.			High school or less	College		
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Most personal, get most personally involved with																	
Radio	18	20	19	13	12	15	17	24	27	19	18	26	17	19	14	17	19
Television	35	33	29	34	32	32	24	46	46	27	31	30	35	37	27	34	36
Newspapers	31	29	28	25	42	34	38	26	19	31	14	29	31	30	35	33	28
Magazines	15	16	21	27	13	17	20	4	5	22	33	12	15	13	23	14	16
Did not state	1	2	3	1	1	2	1	–	3	1	4	3	2	1	1	2	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Tables 7,8,9. By using more than one medium to acquire information, people feel they are getting a cross-section that is not available from one source only. As well, media-use habits differ according to time of day. Some Canadians feel that by combining information from more than one medium, they get better coverage, or a more complete picture, of the whole event. Some like to combine the visuals of television with the detail of a newspaper.

"To get more complete coverage and different views."
"To obtain opinions as well as factual news."
"It varies, during the day I like radio, the newspaper in the evening and TV news if I stay up that late."
"Different areas of news."
"To confront what is being said. Even newspapers are specialized in their information."
"Newspapers have the detail; TV has the pictures."

Table 7. Use of More than One Medium Daily (Question 7a)

% of individuals

		Province*										Education	
							Quebec					High school	
More than one medium used daily	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	or less	College
	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	89	91	90	86	94	93	87	81	87	95	88	87	95
No	11	9	10	14	6	7	13	19	13	5	12	13	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 8. Media Used Daily (Question 7b)

% of individuals who use more than one medium

		Province*										Education	
							Quebec					High school	
Media used daily	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	or less	College
	%	%	%	%	%	%	%	%	%	%	%	%	%
Radio	89	91	96	90	93	90	91	82	88	91	84	89	90
TV	91	87	92	93	91	89	93	94	100	92	100	91	92
Newspapers	88	90	93	76	83	92	91	81	88	89	93	87	93
Magazines	23	32	31	29	36	21	25	15	9	30	14	19	36

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 9. Medium Used Daily (Question 7d)

% of individuals who use only one medium

Medium used daily	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	High school or less	College
		Province*										Education	
	%	%	%	%	%	%	%	%	%	%	%	%	%
Radio	37	45	41	47	36	37	62	30	50	55	20	38	35
TV	41	30	34	53	36	37	19	50	33	27	20	43	29
Newspapers	20	25	18	–	28	23	19	20	17	18	60	18	31
Magazines	2	–	7	–	–	3	–	–	–	–	–	1	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

GOVERNMENT AND OTHER INFLUENCES ON THE PRESS

Table 10. Belief in Freedom of Press from Government Influence (Question 8a)

% of individuals

Media free from gov't influence	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	High school or less	College
		Province*										Education	
	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	46	45	42	51	52	50	59	39	32	40	45	45	52
No	52	53	55	49	48	48	40	59	65	59	55	53	47
Did not state	2	2	3	–	–	2	1	2	3	1	–	2	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 11. Belief that Press should be Subject to Government Influence (Question 8b)

% of individuals who believe there is government control of press

Should gov't be able to influence the press	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	High school or less	College
		Province*										Education	
	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	43	41	45	24	47	44	34	43	58	37	54	44	38
No	57	59	55	76	53	56	66	57	42	63	46	56	62

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 12. Things Believed to Bias Press Reporting (Question 9)

% of individuals

Things which bias reporting	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Education: High school or less	Education: College
	%	%	%	%	%	%	%	%	%	%	%	%	%
Federal Government													
Yes	52	55	60	59	60	53	43	45	60	65	49	54	48
No	41	34	32	34	39	39	48	52	35	33	40	40	46
Did not state . .	7	11	8	7	1	8	9	3	5	2	11	6	6
Local Government													
Yes	44	43	46	46	39	42	42	45	41	66	39	44	43
No	49	44	43	46	58	50	45	52	49	30	51	49	49
Did not state . .	7	13	11	8	3	8	13	3	10	4	10	7	8
Local police													
Yes	32	33	35	31	27	35	24	32	22	40	25	34	26
No	59	53	53	61	70	57	59	66	68	54	63	58	65
Did not state . .	9	14	12	8	3	8	17	2	10	6	12	8	9
Federal police													
Yes	33	35	36	34	33	34	21	32	27	47	20	35	27
No	58	50	52	61	65	56	63	66	62	46	67	57	64
Did not state . .	9	15	12	5	2	10	16	2	11	7	13	8	9
Big Business													
Yes	65	72	70	58	64	67	55	62	62	82	45	64	72
No	29	20	23	34	34	27	33	36	27	15	43	31	23
Did not state . .	6	8	7	8	2	6	12	2	11	3	12	5	5
Criminal elements (Mafia)													
Yes	38	39	38	40	33	36	30	43	32	48	31	39	34
No	53	45	49	52	62	53	56	54	54	47	55	51	57
Did not state . .	9	16	13	8	5	11	14	3	14	5	14	10	9

Province*: B.C. through Nfld.

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 13. Those who believe that the Mafia, or criminal elements, influence reporting say that the tactics used by the Mafia are threats and payoffs, mainly at the reporter level.

> "Pay off the reporters."
> "Threats."
> "They limit what they allow to be published about themselves."

Table 13. Belief that Mafia (or criminal elements) Influences Press Reporting

(Question 10)

% of individuals

Mafia influence reporting	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community Rural	Community Urban	Sex Male	Sex Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	42	49	42	47	29	38	27	50	41	48	29	49	41	39	45
No	54	47	51	51	68	57	66	48	51	46	71	47	54	57	50
Did not state ...	4	4	7	2	3	5	7	2	8	6	–	4	5	4	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

INFORMATION LEVELS–FIVE YEARS AGO AND TODAY

Table 14. The belief is general that news reporting has improved over the past five years. Competition among the media has made for a better reporting system. Satellites have made news stories available faster and more efficiently, so that newscasts are more current.

"There is more coverage, especially on TV."
"The news media at the present has more scope than it did five years ago."
"All media are more frank and open than they used to be."
"Deeper involvement, better reporting."
"I believe the news is more accessible; the media is better organized; more information because the reporters improved."

Table 14. Belief that Press Reporting has Improved over Past Five Years (Question 11)

% of individuals

Reporting improved over past five years	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community Rural	Community Urban
	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	86	83	82	79	92	86	86	91	84	88	90	80	87
No	13	17	18	21	8	14	11	8	16	12	6	20	12
Did not state	1	–	–	–	–	–	3	1	–	–	4	–	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

EASIEST AND MOST DIFFICULT MEDIA

Table 15. Assessment of Media as Sources of Information (Questions 12 and 13)

% of individuals

Medium and ease or difficulty of getting information	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Education: High school or less	Education: College
	%	%	%	%	%	%	%	%	%	%	%	%	%
Easiest medium to get information from, effortless													
Television	51	50	59	49	31	49	53	60	46	43	51	51	55
Radio	35	37	27	38	45	37	32	32	49	41	35	37	30
Newspapers	11	11	11	10	19	12	12	7	5	13	12	10	12
Magazines	2	2	2	3	4	2	3	1	–	2	2	2	2
Did not state	1	–	1	–	1	–	–	–	–	1	–	–	1
Medium requiring most energy, concentration													
Television	12	16	9	10	16	11	15	14	5	16	20	14	7
Radio	7	7	4	5	2	7	8	7	5	11	6	7	6
Newspapers	55	44	53	47	62	54	45	67	56	47	53	57	50
Magazines	25	32	34	38	18	28	29	11	24	26	18	22	36
Did not state	1	1	–	–	2	–	3	1	1	–	3	–	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

THE MEDIA – LIKES AND DISLIKES

Questions 14 to 17. Most people like TV because it is a relaxing form of entertainment which requires little preparation to enjoy. It is virtually instant entertainment.

> "It is the most entertaining."
> "Sit down and relax and it informs me."
> "It is relaxing to sit down and watch a good program."

TV is educational. People like the visual presentation of facts and of entertainment. They understand the news better because they can see what has happened. It allows them to partake of parts of life which ordinarily would be inaccessible.

> "Brings the world into your house."
> "It is live and descriptive and it tells the story."
> "It is very graphic; you can understand it more readily."
> "For the children it brings the world of nature and geography into their homes and is more real because you can see it."

"For instance, their films about hurricanes, etc., I can see what they are really talking about."

Most people have special programmes or types of programmes which they enjoy watching on TV: sports, soap operas, variety shows, family shows, and so on. The programming mix is varied sufficiently to attract all ages.

"Films, hockey and baseball."
"I like the news."
"It is informative relaxation. It has become a need."

The main dislike with TV is the timing and content of commercials. Good movies interrupted every few minutes for a word from the sponsor lose some of their appeal. Some comment that commercials are broadcast too often; they tire of them after seeing them six or seven times.

"Continuity is broken frequently with disgusting advertising."
"The playing down of the average intelligent person by the advertisers."
"Commercials."

Programming content is attacked by those who have specific types of likes in terms of viewing habits and who are not tolerant toward the attitudes of others. These people are of the attitude that their type of programme is fine to air, but another's favourite is not.

"Brainwashing for the younger generation."
"Programs levelled at an age level of ten years."
"It never suits the whole family at one time."
"Feminine programs."
"Football and hockey games."

Radio is a flexible medium. Canadians like it because it can provide a background mood for any mood at any time of the day. It does not provide a fixed format to live by because of the multiplicity of stations and types of receivers as compared to TV. People rely on radio for time checks, up-to-the-minute news and weather forecasts, and most of all for music.

"The music. One's imagination is stimulated."
"Radio is entertaining and informative."
"It is a relaxing medium and provides background."
"Have one at home and work, or you can carry one with you."
"It's relaxing too. I can read the newspaper while the radio is on."
"Weather reports, time checks, local news–it is always interesting."
"I can listen to it and it gives me a happy feeling. I like music and can turn mine on to suit me.

There are few, if any dislikes with radio. As with TV, there are programme preferences. Some say the advertising displeases them, but it is not nearly as pronounced a negative as it is with TV.

"Not too much I would say."
"I wouldn't say I dislike it."
"There's not much except one program."
"Too many ads."
"Ads break up the mood music."

Newspapers offer people selection in the news they want to read, whereas radio and TV present a package. The reader can select what news he wants to read. He can then select what detail he wants to read, intensive or extensive. People also like the editorials; they stimulate thought and discussion about the news and are separate from the facts. Readers also enjoy specific columnists and their viewpoints. They represent guides or challenges to the reader's own line of thought. The advertising in newspapers is praised by some rather than criticized. It represents news to then–which store has what merchandise on sale, etc. It is a necessary and often interesting part of the newspaper.

"The great variety of subjects in each edition."
"They give me the most detail and the most information."
"I like editorial comment, wider areas covered as news and day-to-day useful information."
"Some of the columnists."
"It gives us all our local news and its advertising enables us to know where to shop."
"I get a lot of advertising that you can read and see that you don't get on the radio."
"If there's something you don't want to read you don't have to."
"The reading can be done at your own time. It can wait for five minutes."

There are few negative comments about newspapers because the reader can be selective. Some negative comments indicate some concern for sensationalizing in headlines designed to develop interest in an article that is lacking in interest.

"Often the content has little connection with the headlines. Often the headlines are misleading."
"Headlines out of proportion to the story."
"Sensation news."

PRESS, POLITICIANS, AND PRIVACY

Table 16. There is general agreement across Canada that Mr. Trudeau has been treated in a fair way. Only one in ten feel he has not been treated fairly in the press. Some three in ten believe that he had been treated very fairly.

"He gets his fair share. Some is bad, but mostly good."
"Reported pretty much as it happens."
"I don't think there is exaggeration on either side."
"On the whole they have been good, at the same time have criticized him."

Overall, reports concerning Mr. Stanfield have not been unfair. About four in ten Canadians say Mr. Stanfield has been treated in a very fair way. More men than women (41 per cent *v.* 34 per cent) think Mr. Stanfield has been treated very fairly.

"He is not a controversial figure."
"I haven't seen anything about him that has been biased to one extreme or the other."
"They report him pretty much as he is."

Some three to four in ten say the NDP has been treated very fairly in the press. More men than women (39 per cent *v.* 30 per cent) say they have been treated very fairly. Few feel that the NDP has been unfairly treated.

"Any reporting I have seen has been fairly reasonable."
"They all seem to get equal publicity."
"Everything has been on an even keel."

Table 16. Opinion of Press Treatment of Trudeau, Stanfield, and NDP (Questions 18a, b, c)

% of individuals

Media and treatment of politicians or parties	Province*											Sex	
							Quebec						
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%
Treatment of Mr. Trudeau													
Very fair	29	26	26	21	31	24	28	39	22	31	25	34	24
Somewhat fair	48	51	53	57	48	56	50	32	57	53	43	44	53
Not at all fair	13	10	11	15	14	13	16	11	19	11	12	12	13
Other	7	9	6	7	6	5	5	12	–	1	10	8	6
Did not state	3	4	4	–	1	2	1	6	2	4	10	2	4
Mr. Stanfield													
Very fair	38	26	39	44	41	34	40	42	54	36	47	41	34
Somewhat fair	36	46	38	41	41	45	37	16	35	48	29	36	37
Not at all fair	10	13	11	12	4	12	8	6	5	12	2	10	10
Other	10	10	3	3	11	5	8	22	–	4	8	8	11
Did not state	6	5	9	–	3	4	7	14	6	–	14	5	8
New Democratic Party													
Very fair	35	25	35	32	38	37	34	34	38	24	31	39	30
Somewhat fair	31	43	34	44	39	36	30	15	27	33	20	30	32
Not at all fair	12	20	13	14	15	14	8	6	5	24	14	13	11
Other	11	5	7	4	6	7	10	24	5	6	12	9	13
Did not state	11	7	11	6	2	6	18	21	25	13	23	9	14

*Prince Edward Island and Maritime French Canadian not included in regional break because base too small, but included in Canada total.

Table 17. They mention that already the public has been told everything about his personal habits, his likes and dislikes, his dates, his clothes, his holidays. Most disapprove of the press's revealing so much of this.

"I don't think they would have bothered if he were a married man."
"What Mr. Trudeau has for breakfast, what he does and how he does it is unimportant."
"They play up things that are of little importance."
"What he wears and such is his business."
"When he took that last trip I heard he was away with a woman and I think what he does privately is his business."
"They have shown too much of his going out. He has a right to a private life."

Most people feel there is a lack of excitement or glamour to Stanfield's private life that could be reported upon.

"There is not too much to invade."
"He is married."
"He is not colourful enough to raise any interest."
"He has a stable family life."
"He doesn't get into the same situations."

The reason Canadians fear newspapers is that they feel that newspapers slant stories in order to capture more readers, and that this is done without any regard for the individual involved.

"Everybody reads the paper. They print what they want so people will get stirred up."
"Reporters will pay, talk to your friends, etc."
"A report is edited so much the final report is not adequate."
"It is written down for all to observe."
"Newspaper reporters seem to have little or no respect for the feelings of the general public."

Those who do not fear press invasion of their privacy say they are just ordinary people with nothing to hide, nothing to be ashamed of, nothing in their lives of interest to anyone except themselves.

"It's up to oneself to live above this."
"Because I'm just a small individual."
"I am not interesting enough."

Table 17. The Press and Private Lives of Politicians (Questions 19a, b, c, d; 20a, b, c; 21a, b, c)

% of individuals

Media and politicians' private lives	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Private lives of politicians should be reported by press											
Agree	22	28	25	28	25	27	20	13	19	16	10
Disagree	77	70	75	69	75	72	79	87	81	84	88
Did not state	1	2	–	3	–	1	1	–	–	–	2
Press has invaded Mr. Trudeau's life											
Agree	75	71	68	83	79	74	78	74	87	80	76
Disagree	24	26	30	17	21	24	19	24	13	20	18
Did not state	1	3	2	–	–	2	3	2	–	–	6
Medium most unfair to Mr. Trudeau											
Newspapers	62	55	55	49	61	64	68	71	68	51	29
Television	11	14	9	19	17	10	8	8	14	19	27
Radio	2	1	1	2	3	2	3	2	3	6	4
Magazines	9	12	15	19	10	8	7	6	3	7	27
Did not state	16	18	20	11	9	16	14	13	12	17	13

Table 17. The Press and Private Lives of Politicians
(Questions 19a, b, c, d; 20a, b, c; 21a, b, c) – *Continued*

% of individuals

Media and politicians' private lives		Province*									
							Quebec				
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Press has invaded Mr. Stanfield's life											
Agree	9	12	7	10	11	8	5	9	22	10	6
Disagree	85	82	87	90	86	88	90	80	70	90	88
Did not state	6	6	6	–	3	4	5	11	8	–	6
Medium most unfair to Mr. Stanfield											
Newspapers	26	20	17	28	35	24	14	35	19	37	10
Television	6	7	5	11	13	6	3	5	8	10	–
Radio	1	1	–	–	2	2	3	2	–	–	4
Magazines	6	6	7	13	6	5	1	3	8	2	31
Did not state	61	66	71	48	44	63	79	55	65	61	55
Medium feared most for invasion of own privacy											
Newpapers	53	57	39	42	48	54	50	59	68	64	18
Radio	2	3	4	3	3	2	2	2	5	4	–
Television	11	9	9	17	18	11	13	10	5	8	10
Magazines	3	1	3	7	1	3	5	2	–	1	4
None	31	30	45	31	30	30	28	25	22	23	67
Did not state	–	–	–	–	–	–	2	2	–	–	1

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

THE MEDIA – INFLUENCE

Table 18. Opinion of Effect of Media in General on Thought and Life-Style (Question 22a)

% of individuals

Media influence thought and life-style		Province*										Education	
							Quebec						
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College
	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	89	91	94	89	91	90	89	85	87	88	71	87	97
No	11	8	6	11	8	9	11	15	13	12	29	13	3
Did not state	–	1	–	–	1	1	–	–	–	–	–	–	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 19. Opinion of Effect of Media in Particular on Thought and Life-Style (Question 22b)

% of individuals who feel media have an effect

Medium most influential on thought and life-style	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Education: High school or less	Education: College
	%	%	%	%	%	%	%	%	%	%	%	%	%
Newspapers	28	20	30	24	28	30	38	29	37	24	10	30	25
Radio	3	4	4	–	5	4	5	2	–	5	10	4	2
TV	66	74	65	72	66	64	55	65	63	68	80	64	73
Magazines	3	2	1	4	1	2	2	4	–	3	–	2	–

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Question 22c. The personal involvement with TV is the most important factor. The visual helps perception.

"The picture tells the story and the memory lingers."
"Family life. Children watch it and are most influenced."
"More people watch *TV* and you can 'see' it."
"The picture shows me. You're right there."
"Appeals to more people; affects all your sensory perceptions."
"You look at it and it makes an impression on you."
"The reports are alive."

Canadians who believe newspapers are the most powerful medium, are mostly of the opinion that by reading something one will be influenced more.

"We have a tendency to believe the papers more than the other media."
"People read things and remember them."
"We can read over and over and learn better."

RELIANCE ON THE MEDIA

Table 20. Reliance on Media over Specified Time Periods (Question 23)

% of individuals

Medium most reluctant to lose	Total	Province*										Education		Age		
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	High school or less	College	Under 25	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
for a week																
Radio	34	43	35	28	41	35	33	30	19	36	31	34	35	34	35	34
Television	38	33	31	50	27	32	26	53	46	45	51	41	28	43	39	35
Newspapers	26	23	33	22	30	31	38	16	35	19	14	24	35	20	26	30
Did not state	2	1	1	–	2	2	3	1	–	–	4	1	2	3	–	1
for a month																
Radio	29	34	30	27	40	30	24	27	27	25	22	29	31	27	31	27
Television	37	34	31	44	31	34	32	43	51	45	53	40	28	43	36	35
Newspapers	26	23	32	29	27	30	40	19	19	18	10	24	35	20	25	32
Did not state	8	9	7	–	2	6	4	11	3	12	15	7	6	10	8	6
for a year																
Radio	25	30	27	22	34	31	19	16	16	22	25	24	28	23	27	24
Television	35	42	31	43	34	32	28	38	54	46	41	38	26	44	35	32
Newspapers	31	23	35	35	28	30	52	30	24	21	18	29	37	23	29	37
Did not state	9	5	7	–	4	7	1	16	6	11	16	9	9	10	9	7

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 21. Assessment of Media as Sources of Information in Specific Cases (Question 24)

% of individuals

Media, specific case, adequacy of information	Total	Province*										Education		Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Language Bill															
Well informed	23	17	27	24	21	22	31	21	22	36	27	22	27	23	22
Somewhat informed	38	30	36	38	44	37	40	41	32	30	33	37	40	38	38
Inadequately informed	17	23	13	16	13	17	15	18	14	8	12	17	16	17	17
Poorly informed	22	30	23	22	22	22	13	17	30	25	27	23	17	22	21
Did not state	–	–	1	–	–	2	1	3	2	1	1	1	–	–	2
Stafford Smythe Case															
Well informed	10	9	7	11	5	14	8	5	8	23	8	10	12	12	8
Somewhat informed	24	18	18	20	20	31	25	16	22	25	18	23	26	27	20
Inadequately informed	16	20	13	14	17	16	8	19	14	10	14	16	15	17	15
Poorly informed	45	50	57	50	57	35	51	51	46	41	59	46	44	40	50
Did not state	5	3	5	5	1	4	8	9	10	1	1	5	3	4	7
Arab-Israeli Conflict															
Well informed	39	38	50	40	40	42	50	23	24	52	47	34	55	42	35
Somewhat informed	34	38	32	41	33	34	32	33	35	23	35	35	28	33	34
Inadequately informed	12	13	5	9	14	10	10	18	14	12	4	13	8	11	13
Poorly informed	14	11	12	10	11	11	7	22	22	13	14	16	8	13	15
Did not state	1	-	1	–	2	3	1	4	5	–	–	2	1	1	3
B.C. Election															
Well informed	25	77	36	28	24	18	22	13	11	17	8	23	31	26	23
Somewhat informed	32	14	34	30	46	33	40	31	27	41	49	31	38	34	30
Inadequately informed	16	4	15	25	12	15	16	23	16	7	10	16	12	16	15
Poorly informed	24	5	15	16	18	30	17	29	41	35	31	27	17	22	27
Did not state	3	–	–	1	–	4	5	4	5	–	2	3	2	2	5

Table 21. Assessment of Media as Sources of Information in Specific Cases (Question 24) – *Continued*

% of individuals

Media, case, adequacy of information		Province*					Quebec					Education		Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Separatism															
Well informed	41	30	42	42	37	40	60	39	41	54	37	38	51	39	43
Somewhat informed	35	31	31	30	37	37	29	38	41	30	45	37	29	36	34
Inadequately informed	12	26	15	17	12	10	5	10	8	6	10	12	10	13	11
Poorly informed	11	13	11	11	14	11	6	12	8	10	8	12	10	12	11
Did not state	1	–	1	–	–	2	–	1	2	–	–	1	–	–	1
Homosexual Bill															
Well informed	33	18	23	24	21	30	43	48	22	37	22	32	35	31	35
Somewhat informed	36	42	38	35	36	36	36	33	51	34	41	36	40	36	37
Inadequately informed	14	22	18	17	24	14	12	12	8	6	12	14	15	16	13
Poorly informed	15	17	20	23	19	19	8	6	16	23	25	17	10	17	14
Did not state	2	1	1	1	–	1	1	1	3	–	–	1	–	–	1
National Medicare Plan															
Well informed	30	24	37	35	34	28	24	24	22	63	67	31	28	28	32
Somewhat informed	31	41	27	34	34	27	37	31	49	21	25	30	32	30	32
Inadequately informed	20	22	20	18	17	18	23	28	11	12	6	20	22	21	20
Poorly informed	18	13	15	12	15	26	15	16	16	4	2	18	18	20	15
Did not state	1	–	1	1	–	1	1	1	2	–	–	1	–	1	1
Moon Landing															
Well informed	91	97	95	96	91	92	96	85	95	89	88	90	94	91	91
Somewhat informed	7	2	5	3	9	6	3	11	3	8	12	8	4	7	7
Inadequately informed	1	–	–	–	–	–	1	2	–	1	–	1	1	1	1
Poorly informed	1	1	–	1	–	1	–	1	–	1	–	1	1	1	1
Did not state	–	–	–	–	–	1	–	1	2	1	–	–	–	–	–

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 22. Canadians who feel that the Government should take steps to inform its citizens independently of what the media report, feel this method of reporting would be more exact, less filtered than what is being presented right now.

"They know the real truth."
"The best way to get information is right from the horse's mouth."
"It would be more exact than the interpretation of the media."
"The news would be more direct, not so confused."

Those who feel the media should retain the job of informing us are of the opinion that the job they are doing now is satisfactory and that duplication would only cost the taxpayers more money.

"It would be dangerous and expensive to switch."
"Why bring something else in when you already have one."
"They do a good job of coverage now."
"Government couldn't do it better."
"Too expensive independently."
"When we are well served, why change? "

Table 22. Opinion of Government News Sources Apart from Commercial Ones (Question 25)

% of individuals

Government should	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Rely totally on the media	60	59	67	61	70	59	63	57	51	72	49
Inform independently	37	36	29	36	27	39	36	41	46	28	45
Did not state	3	5	4	3	3	2	1	2	3	–	6

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

NEWSPAPERS – GENERAL

Table 23. Opinion of Practicality or Impracticality of Newspaper Reporting (Question 26)

% of individuals

Newspaper reporting is	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Practical	80	74	80	76	87	79	73	85	76	72	82
Impractical	16	20	17	23	13	16	16	12	24	22	18
Did not state	4	6	3	1	–	5	11	3	–	6	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 24. Opinion on What Interests Newspapers Represent (Question 27)

% of individuals

Newspapers represent interests of	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Male	Female
	Province*											Sex	
	%	%	%	%	%	%	%	%	%	%	%	%	%
Advertising, Big Business	29	42	31	29	24	30	38	26	27	25	14	33	26
Public at large	57	48	53	52	64	58	50	58	60	51	80	53	61
Government in Power . .	11	7	13	15	7	10	5	15	13	22	6	11	11
Did not state	3	3	3	4	5	2	7	1	–	2	–	3	2

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

POLITICIANS AND THE PRESS

Table 25. Most bias is attributed to newspapers. Many people feel that newspapers have political affiliations, and that this fact filters the truth to some extent.

"Some papers have leanings towards the political parties."
"Different papers like different parties."
"Most papers are 'pro' Liberal or 'pro' something else."

Table 25. Opinion on Whether or Not There is Bias in Media Political Reporting (Questions 28 and 29)

% of individuals

	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.
		Province*									
	%	%	%	%	%	%	%	%	%	%	%
Media Coverage of Politicians											
Very biased	15	19	13	16	11	12	13	19	19	15	6
Somewhat biased	60	60	65	60	67	61	65	57	54	66	49
Not biased	21	18	17	23	20	24	19	20	24	17	33
Did not state	4	3	5	1	2	3	3	4	3	2	12
Medium most biased in favour of ideas of Government											
Television	52	42	45	51	52	43	46	71	43	49	55
Radio	8	6	11	13	10	7	3	5	14	11	22
Newspapers	24	33	26	28	24	29	24	13	14	24	12
Did not state	16	19	18	8	14	21	27	11	29	16	11
Medium most biased against ideas of Government											
Television	16	16	18	23	19	16	7	15	14	25	6
Radio	12	15	13	12	13	12	8	13	11	10	14
Newspapers	36	41	35	37	40	38	40	29	27	36	43
Did not state	36	28	34	28	28	34	45	43	48	29	37

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 26. Opinion of Media's influence in Specific Social Questions (Question 30)

% of individuals who believe the media had some effect

Media influential in social problems	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community Rural	Urban	Age Under 25	25-44	Over 44	Education High school or less	College
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Increase in drug addiction																		
Television	61	65	66	72	65	62	50	54	60	71	67	70	60	55	63	62	61	64
Newspapers	51	61	55	47	50	49	46	54	30	41	41	46	51	52	51	51	50	55
Radio	28	34	33	34	27	27	21	27	24	28	27	29	28	27	28	29	27	31
Smoking by young people																		
Television	72	80	74	79	71	77	69	62	60	68	76	70	73	74	72	72	69	82
Newspapers	40	49	37	38	42	38	31	43	32	30	37	40	39	39	37	43	37	47
Radio	31	34	34	36	24	31	25	30	32	33	39	33	31	34	29	32	30	35
Divorce																		
Television	47	53	49	49	45	44	35	53	30	40	49	50	47	48	46	47	45	53
Newspapers	39	38	37	27	34	34	29	57	19	29	45	43	39	43	36	41	39	40
Radio	19	18	22	11	17	13	13	29	8	21	29	21	19	17	19	20	18	21
Promiscuity																		
Television	57	68	67	70	64	60	42	47	43	52	47	63	57	53	60	57	54	69
Newspapers	38	39	33	39	38	38	30	46	14	27	20	43	38	40	36	39	36	45
Radio	19	14	22	22	18	18	13	23	8	16	22	26	18	20	18	20	18	21

Table 26. Opinion of Media's influence in Specific Social Questions (Question 30) – *Continued*

% of individuals who believe the media had some effect

Media influential in social problems	Total	Province*: B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community: Rural	Urban	Age: Under 25	25-44	Over 44	Education: High school or less	College
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Alcoholism																		
Television	52	55	49	57	62	55	31	49	38	49	59	63	51	54	49	55	51	55
Newspapers	32	36	27	30	31	31	17	42	14	19	27	37	32	37	28	35	32	31
Radio	19	18	15	21	20	18	9	25	5	16	16	24	18	21	17	20	19	18
Increased desire for education																		
Television	85	83	86	90	86	81	81	89	84	89	88	88	85	84	87	83	86	81
Newspapers	77	78	80	75	77	77	77	78	81	75	76	83	77	75	78	79	78	79
Radio	65	67	65	66	70	58	59	73	65	76	71	74	64	64	64	67	66	64
Student protests																		
Television	80	88	83	86	81	81	69	74	68	87	80	83	80	79	83	77	78	87
Newspapers	72	82	70	67	67	73	71	72	65	69	61	72	73	73	73	71	70	81
Radio	52	59	51	50	50	50	46	56	43	51	47	52	52	58	52	48	50	60
Labour's poor image																		
Television	52	59	55	57	54	51	50	49	38	49	57	58	51	55	51	51	52	53
Newspapers	59	72	63	60	59	60	61	50	32	63	69	60	59	63	59	57	57	68
Radio	37	46	42	44	37	37	30	33	22	39	45	41	37	37	38	37	36	42
Canadian Nationalism																		
Television	64	68	74	67	70	65	57	56	62	69	71	71	64	65	65	63	62	75
Newspapers	66	66	71	62	66	71	62	59	60	63	65	65	66	69	65	65	62	78
Radio	51	50	59	54	57	53	45	44	49	53	55	55	50	51	51	49	48	61

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

MEDIA CONTENT – VIOLENCE, SEX, AND DRUG USAGE

Table 27. Opinion on Amount of Violence, Sex, and Drug Usage in Media Content (Question 31)
% of individuals who believe there has been too much

Media content contains too much		Province*					Quebec					Community		Education		Age			Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Violence																				
Television	78	78	82	82	84	79	77	77	78	76	67	85	78	77	83	68	78	85	75	83
Newspapers	56	56	49	44	51	52	56	72	51	39	33	57	56	55	61	56	54	58	51	61
Radio	25	20	21	16	18	20	26	40	30	15	8	26	24	24	25	23	20	31	24	25
Sex																				
Television	66	63	73	77	75	68	48	62	78	75	49	74	66	67	65	50	65	76	60	72
Newspapers	41	39	36	26	40	37	33	60	24	19	20	45	40	40	41	31	38	49	37	44
Radio	18	12	19	15	20	15	16	27	19	11	8	22	18	18	19	9	16	26	16	20
Drug Usage																				
Television	54	54	62	56	57	56	41	49	54	59	49	59	54	54	53	43	53	61	52	56
Newspapers	45	46	47	30	36	41	40	60	43	37	27	47	45	45	47	45	44	47	43	47
Radio	21	18	21	11	21	19	16	30	19	18	8	24	21	21	21	17	18	27	20	21

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

MEDIA CONTENT – DOES IT INFLUENCE?

Table 28. Opinion on Social Influence of Media Content (Question 32a,b,c,d)
% of individuals

	Province*											Community		Education		Age			Sex	
							Quebec													
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Too Much Sex																				
Newspapers:																				
Agree strongly	19	10	18	13	8	12	19	42	3	6	4	21	19	19	18	13	18	25	16	23
Agree somewhat	25	25	22	24	25	27	13	28	13	15	12	29	25	25	24	24	24	27	24	26
Disagree	55	64	59	63	65	60	67	29	84	78	84	49	56	55	57	63	58	48	59	51
Did not state	1	1	1	–	2	1	1	1	–	1	–	1	–	1	1	–	–	–	1	–
Television:																				
Agree strongly	50	53	59	64	62	49	33	44	65	59	37	60	49	51	48	32	49	61	43	57
Agree somewhat	22	18	16	23	21	20	22	27	11	17	22	22	22	22	21	24	23	18	22	21
Disagree	27	29	24	13	17	29	42	28	24	24	41	17	28	27	29	44	27	20	34	21
Did not state	1	–	1	–	–	2	3	1	–	–	–	1	1	–	2	–	1	1	1	1
Radio:																				
Agree strongly	7	4	9	3	6	4	8	16	8	2	–	12	7	8	5	3	6	11	7	8
Agree somewhat	11	10	12	9	10	8	4	18	3	7	4	12	11	10	12	7	10	13	10	11
Disagree	80	84	79	86	84	86	84	64	84	90	96	76	80	80	80	89	82	72	81	79
Did not state	2	2	–	2	–	2	–	2	5	1	–	–	2	2	3	1	2	4	2	2
Magazines:																				
Agree strongly	44	44	46	52	51	40	31	51	32	48	31	57	43	45	42	32	44	51	43	46
Agree somewhat	29	30	27	35	21	31	24	27	46	29	43	25	30	30	28	33	31	25	27	31

Disagree	20	23	24	13	18	22	35	13	16	16	25	15	21	18	26	31	20	15	23	17
Did not state	7	3	3	–	10	7	10	9	6	7	1	3	6	7	4	4	5	9	7	6
Concerned About Social Problems																				
Newspapers:																				
Agree strongly	33	27	27	23	32	31	44	42	14	25	22	31	33	31	39	30	33	35	32	34
Agree somewhat	49	57	59	59	50	51	41	39	68	51	57	50	50	50	47	53	49	48	48	50
Disagree	17	16	14	18	17	17	13	17	18	22	18	18	17	18	13	17	17	16	19	15
Did not state	1	–	–	–	1	1	2	2	–	2	3	1	–	1	1	–	1	1	1	1
Television:																				
Agree strongly	29	22	28	22	31	27	25	36	22	29	27	29	28	27	33	31	27	29	26	31
Agree somewhat	48	54	53	58	46	47	50	40	60	48	55	49	48	48	49	45	50	47	47	48
Disagree	22	23	18	19	22	24	21	23	18	22	18	22	23	24	16	24	22	22	25	20
Did not state	1	1	1	1	1	2	4	1	–	1	–	–	1	1	2	–	1	2	2	1
Radio:																				
Agree strongly	25	23	21	24	39	22	28	29	19	34	25	30	25	26	23	19	27	27	23	28
Agree somewhat	48	60	61	57	40	53	44	33	49	47	57	47	49	48	51	44	49	50	47	50
Disagree	24	15	18	17	20	23	24	35	27	18	18	23	24	25	21	37	23	20	28	21
Did not state	3	2	–	2	1	2	4	3	5	1	–	–	2	1	5	–	1	3	2	1
Magazines:																				
Agree strongly	28	21	30	21	32	27	24	34	14	21	14	30	27	26	33	27	27	29	27	29
Agree somewhat	46	53	51	52	40	48	44	35	62	53	55	46	46	44	51	48	47	43	44	47
Disagree	20	20	17	25	18	19	22	22	19	21	27	21	21	23	13	22	21	19	23	18
Did not state	6	6	2	2	–	6	10	9	5	5	4	3	6	7	3	3	5	9	6	6
Too Much Drugs																				
Newspapers:																				
Agree strongly	23	23	21	18	13	17	21	41	5	13	4	24	23	23	23	16	22	28	22	25
Agree somewhat	25	29	21	16	25	26	17	26	30	27	25	27	24	25	23	27	24	24	24	25
Disagree	51	48	58	66	61	56	61	32	65	59	71	48	52	51	53	56	53	46	53	50
Did not state	1	–	–	–	1	1	1	1	–	1	–	1	1	1	1	1	1	2	1	–
Television:																				
Agree strongly	35	41	38	41	42	35	21	31	43	47	25	43	35	36	32	22	35	42	32	38
Agree somewhat	24	18	27	30	25	23	19	27	22	23	29	26	24	23	27	23	24	24	25	24
Disagree	40	40	35	29	32	40	56	42	32	30	46	31	41	40	39	54	40	32	42	38
Did not state	1	1	–	–	1	2	4	–	3	–	–	–	–	1	2	1	1	2	1	–

Table 28. Opinion on Social Influence of Media Content (Question 32a,b,c,d) – *Continued*

% of individuals

	Province*											Community		Education		Age			Sex	
							Quebec													
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Radio:																				
Agree strongly	9	13	10	3	6	6	3	15	8	8	–	14	8	9	8	4	8	12	8	10
Agree somewhat	15	15	15	16	13	13	6	22	14	11	16	14	15	15	16	14	14	17	15	16
Disagree	74	71	74	80	80	79	86	61	73	80	84	72	74	74	72	82	76	67	75	72
Did not state	2	1	1	1	1	2	5	2	5	1	–	–	3	2	4	–	2	4	2	2
Magazines:																				
Agree strongly	32	34	30	37	36	29	26	36	22	40	22	35	32	32	29	23	31	38	31	32
Agree somewhat	28	30	30	36	24	26	24	29	41	27	49	29	28	29	28	32	30	25	29	27
Disagree	33	33	38	26	31	39	40	27	32	25	27	33	34	32	38	42	34	28	33	34
Did not state	7	3	2	1	9	6	10	8	5	8	2	3	6	7	5	3	5	9	7	7
Too Much Violence																				
Newspapers:																				
Agree strongly	32	28	24	21	22	25	35	56	19	19	8	33	32	33	30	32	30	37	30	35
Agree somewhat	25	31	16	21	23	28	24	25	24	23	29	26	25	25	28	23	26	26	24	26
Disagree	41	41	59	57	55	46	40	18	57	57	63	40	42	42	41	45	44	36	45	38
Did not state	2	–	1	1	–	1	1	1	–	1	–	1	1	–	1	–	–	1	1	1
Television:																				
Agree strongly	65	67	70	68	68	63	56	65	73	65	49	75	64	64	66	52	65	71	59	70
Agree somewhat	18	16	17	19	19	17	18	20	14	17	20	14	18	18	19	21	18	16	18	18
Disagree	17	17	13	13	12	19	21	15	13	17	31	11	17	18	12	27	16	12	21	12
Did not state	–	–	–	–	1	1	5	–	–	1	–	–	1	–	3	–	1	1	2	–
Radio:																				
Agree strongly	9	9	8	3	–	4	7	24	–	1	–	12	9	9	9	8	7	13	9	10
Agree somewhat	12	9	13	9	12	11	7	20	8	7	6	17	12	12	14	11	13	13	11	14

Disagree	76	81	79	86	87	83	81	53	87	90	94	71	77	77	73	81	79	70	78	75
Did not state	3	1	–	2	1	2	5	3	5	2	–	–	2	2	4	–	1	4	2	1
Magazines:																				
Agree strongly	28	28	25	28	28	22	24	39	19	31	27	37	27	29	25	22	27	33	27	29
Agree somewhat	26	28	29	41	23	25	19	26	24	22	31	29	26	26	29	29	26	25	26	27
Disagree	39	40	45	30	40	46	47	26	51	41	41	32	41	39	42	47	42	33	41	38
Did not state	7	4	1	1	9	7	10	9	6	6	1	2	6	6	4	2	5	9	6	6
Contribute to Moral Breakdown																				
Newspapers:																				
Agree strongly	14	14	7	9	6	8	11	30	5	6	2	15	14	14	14	11	12	17	13	15
Agree somewhat	22	19	18	22	20	21	18	29	8	18	16	25	22	23	19	23	21	24	21	23
Disagree	63	66	71	68	73	70	70	40	87	75	82	60	63	62	65	65	67	57	65	61
Did not state	1	1	4	1	1	1	1	1	–	1	–	–	1	1	2	1	–	2	1	1
Television:																				
Agree strongly	30	36	26	34	36	28	19	30	41	35	20	35	29	29	32	21	26	38	28	31
Agree somewhat	33	33	35	42	38	34	19	33	24	34	35	37	33	33	33	35	36	29	32	35
Disagree	36	31	37	24	25	37	59	37	35	30	45	28	37	37	32	44	37	30	39	33
Did not state	1	–	2	–	1	1	3	–	–	1	–	–	1	1	3	–	1	3	1	1
Radio:																				
Agree strongly	4	5	3	2	2	2	4	9	–	1	2	4	4	4	3	3	3	6	4	4
Agree somewhat	12	14	13	15	13	9	5	16	8	7	10	15	12	12	12	14	11	12	11	13
Disagree	82	79	82	81	84	87	85	72	87	90	88	81	82	82	80	82	84	79	82	82
Did not state	2	2	2	2	1	2	6	3	5	2	–	–	2	2	5	1	2	3	3	1
Magazines:																				
Agree strongly	20	27	15	20	22	15	16	26	8	29	8	25	20	20	21	16	18	24	21	20
Agree somewhat	32	31	36	51	25	30	22	33	38	31	39	36	31	32	31	33	32	31	32	32
Disagree	42	37	47	27	43	49	52	33	49	34	49	37	43	41	44	48	44	35	42	42
Did not state	6	5	2	2	10	6	10	8	5	6	4	2	6	7	4	3	6	10	5	6
Contribute to Disrespect of Religion																				
Newspapers:																				
Agree strongly	15	9	7	7	10	13	11	29	14	10	8	17	15	16	15	11	12	22	14	17

Table 28. Opinion on Social Influence of Media Content (Question 32a,b,c,d) – *Continued*

% of individuals

	Province*											Community		Education		Age			Sex	
							Quebec													
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Agree somewhat	25	22	26	31	22	23	23	28	14	19	33	23	24	25	24	30	24	21	24	25
Disagree	59	68	67	62	66	63	64	42	72	70	59	59	59	59	60	56	63	55	61	57
Did not state	1	1	–	–	2	1	2	1	–	1	–	1	2	–	1	–	1	2	1	1
Television:																				
Agree strongly	20	25	18	24	28	19	11	21	27	18	14	24	20	20	21	16	18	26	20	21
Agree somewhat	30	30	39	33	29	29	24	29	30	33	49	28	30	30	33	35	31	28	29	32
Disagree	48	45	42	43	42	51	62	50	43	49	37	48	49	49	44	48	51	44	50	47
Did not state	2	–	1	–	1	1	3	–	–	–	–	–	1	1	2	1	–	2	1	–
Radio:																				
Agree strongly	5	2	2	3	3	4	3	11	3	2	–	6	5	5	4	5	3	7	5	5
Agree somewhat	16	19	21	11	12	15	11	18	27	8	16	14	16	16	18	17	16	16	16	17
Disagree	77	77	77	84	84	79	81	67	65	88	84	80	77	77	74	78	79	73	77	76
Did not state	2	2	–	2	1	2	5	4	5	2	–	–	2	2	4	–	2	4	2	2
Magazines:																				
Agree strongly	17	11	14	16	20	14	23	22	16	18	10	19	16	16	19	14	15	21	16	18
Agree somewhat	33	42	36	48	24	29	17	34	35	37	39	35	33	32	34	34	35	30	35	31
Disagree	44	42	48	35	47	51	50	36	43	39	47	43	45	45	43	50	45	40	43	46
Did not state	6	5	2	1	9	6	10	8	6	6	4	3	6	7	4	2	5	9	6	5
Contribute to Feeling Canada will break apart																				
Newspapers:																				
Agree strongly	21	16	13	18	24	16	30	34	22	16	2	22	21	21	23	22	20	21	20	22
Agree somewhat	37	39	43	50	44	33	33	33	41	42	57	37	37	36	40	38	36	37	37	37

Disagree	41	45	42	32	30	50	35	32	37	41	41	41	41	42	36	40	43	40	42	41
Did not state	1	–	2	–	2	1	2	1	–	1	–	–	1	1	1	–	1	2	1	–
Television:																				
Agree strongly	15	11	9	18	21	11	16	24	11	11	12	14	16	14	19	14	15	16	15	15
Agree somewhat	31	36	42	44	37	25	20	33	27	47	35	32	31	32	31	32	32	31	31	32
Disagree	52	53	49	38	42	63	61	42	60	41	53	54	52	53	48	53	53	51	53	51
Did not state	2	–	–	–	–	1	3	1	2	1	–	–	1	1	2	1	–	2	1	2
Radio:																				
Agree strongly	8	6	6	4	4	5	7	16	5	1	4	9	7	7	9	7	7	9	7	8
Agree somewhat	27	27	30	29	35	22	24	30	24	35	29	26	27	26	28	29	29	23	26	27
Disagree	63	66	63	65	60	72	66	51	62	61	67	64	64	65	59	64	63	64	64	63
Did not state	2	1	1	2	1	1	3	3	9	3	–	1	2	2	4	–	1	4	3	2
Magazines:																				
Agree strongly	11	8	9	7	15	9	9	16	3	4	2	11	11	10	13	10	9	13	11	10
Agree somewhat	33	39	37	40	28	28	35	34	41	42	37	32	33	33	35	38	32	31	32	34
Disagree	50	47	50	50	48	57	45	41	51	48	55	55	49	50	48	49	53	46	50	49
Did not state	6	6	4	3	9	6	11	9	5	6	6	2	7	7	4	3	6	10	7	7
Contribute to Strong Family Relationship																				
Newspapers:																				
Agree strongly	10	6	6	8	11	9	8	12	5	11	10	15	9	11	5	7	8	14	10	9
Agree somewhat	31	26	36	36	37	29	33	30	27	30	39	36	30	32	25	25	32	33	29	33
Disagree	58	67	58	55	50	61	56	56	65	57	51	49	60	56	68	68	60	51	59	58
Did not state	1	1	–	1	2	1	3	2	3	2	–	–	1	1	2	–	–	2	2	–
Television:																				
Agree strongly	17	11	13	10	17	17	31	20	14	13	14	16	17	19	11	19	16	18	16	18
Agree somewhat	37	37	38	39	44	36	28	35	46	46	51	35	37	39	30	34	38	38	36	38
Disagree	44	52	48	51	37	45	36	44	40	41	35	49	45	41	56	46	46	42	46	43
Did not state	2	–	1	–	2	2	5	1	–	–	–	–	1	1	3	1	–	2	2	1
Radio:																				
Agree strongly	10	5	10	9	10	9	11	15	8	10	8	15	10	12	6	9	8	14	11	10
Agree somewhat	37	33	39	46	52	35	33	34	41	35	55	43	36	38	31	32	37	38	35	38
Disagree	50	61	51	44	37	53	50	48	43	53	37	42	52	48	59	58	53	43	51	50
Did not state	3	1	–	1	1	3	6	3	8	2	-	-	2	2	4	1	2	5	3	2

Table 28. Opinion on Social Influence of Media Content Question 32a,b,c,d) – *Continued*

% of individuals

	Province*											Community		Education		Age			Sex	
						Quebec														
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Magazines:																				
Agree strongly	7	5	6	4	11	7	5	8	3	2	8	6	7	7	5	7	5	9	7	7
Agree somewhat	31	37	33	32	24	32	27	29	27	27	39	41	30	31	31	31	31	31	31	31
Disagree	56	52	60	62	55	55	57	55	65	65	51	51	56	55	59	59	58	51	56	56
Did not state	6	6	1	2	10	6	11	8	5	6	2	2	7	7	5	3	6	9	6	6
Contribute to Feeling Divorce Is Acceptable																				
Newspapers:																				
Agree strongly	29	21	22	21	27	25	35	44	14	18	27	26	30	29	29	25	28	34	27	32
Agree somewhat	38	42	39	44	49	40	32	33	27	30	44	44	37	37	40	37	38	38	39	37
Disagree	32	36	39	34	22	34	31	22	57	51	29	29	32	32	29	38	34	26	33	31
Did not state	1	1	–	1	2	1	2	1	2	1	–	1	1	2	2	–	–	2	1	–
Television:																				
Agree strongly	33	35	27	29	40	30	28	39	14	29	22	35	32	33	32	23	31	39	31	35
Agree somewhat	37	32	41	42	38	38	33	36	41	41	59	41	37	36	42	42	37	37	39	36
Disagree	29	32	31	29	21	30	35	25	43	30	18	23	29	30	23	35	32	22	29	29
Did not state	1	1	1	–	1	2	4	–	2	–	1	1	2	1	3	–	–	2	1	–
Radio:																				
Agree strongly	13	13	10	4	11	12	14	23	8	4	–	12	14	13	14	10	11	18	11	16
Agree somewhat	29	33	30	25	38	26	26	30	14	23	47	35	28	28	29	27	27	31	31	26
Disagree	56	54	59	69	51	60	56	44	73	72	53	52	56	57	53	62	59	48	56	56
Did not state	2	–	1	2	–	2	4	3	5	1	–	1	2	2	4	1	3	3	2	2

Magazines:																				
Agree strongly	30	33	25	26	35	24	29	40	19	28	27	32	30	30	31	27	27	35	29	31
Agree somewhat	38	40	49	49	30	39	43	31	35	45	55	45	38	37	42	38	41	35	38	39
Disagree	25	21	25	23	26	30	19	21	41	22	16	20	26	26	23	32	27	21	27	24
Did not state	7	6	1	2	9	7	9	8	5	5	2	3	6	7	4	3	5	9	6	6
Are Society's Conscience																				
Newspapers:																				
Agree strongly	22	14	20	17	22	22	21	27	32	12	16	25	21	23	19	21	20	25	23	21
Agree somewhat	43	52	47	52	55	43	40	34	27	48	41	46	43	43	40	39	44	43	40	45
Disagree	34	34	30	31	23	34	37	38	38	39	43	28	35	33	39	40	35	29	35	33
Did not state	1	–	3	–	–	1	2	1	3	1	–	1	1	1	2	–	1	3	2	1
Television:																				
Agree strongly	15	12	11	12	10	13	12	22	5	8	16	17	14	15	12	15	13	17	14	15
Agree somewhat	38	39	37	46	44	36	32	38	41	40	47	36	39	40	31	41	36	39	37	40
Disagree	46	49	50	42	46	49	52	40	51	51	37	47	46	44	55	44	50	42	48	44
Did not state	1	–	2	–	–	2	4	–	3	1	–	–	1	1	2	–	1	2	1	1
Radio:																				
Agree strongly	11	9	7	12	10	10	7	14	8	13	8	15	10	12	8	11	9	13	10	11
Agree somewhat	38	39	39	41	55	38	34	33	27	29	51	39	38	38	35	37	38	38	38	38
Disagree	49	51	53	46	34	50	54	50	60	55	41	46	50	48	53	52	51	45	50	49
Did not state	2	1	1	1	1	2	5	3	5	3	–	–	2	2	4	–	2	4	2	2
Magazines:																				
Agree strongly	10	8	5	4	13	9	10	15	8	5	10	12	10	10	10	10	8	13	10	10
Agree somewhat	34	45	42	46	36	35	25	25	24	31	45	37	34	34	33	32	36	33	32	36
Disagree	49	42	51	49	42	49	55	51	62	58	41	48	50	49	53	54	51	45	51	48
Did not state	7	5	2	1	9	7	10	9	6	6	4	3	6	7	4	4	5	9	7	6
Remind of Responsibilities to Less Fortunate																				
Newspapers:																				
Agree strongly	33	25	29	32	40	37	32	30	22	39	25	39	33	34	32	28	32	39	31	36
Agree somewhat	46	61	53	53	49	48	43	33	60	46	50	44	46	46	47	42	48	46	46	46
Disagree	20	14	18	15	10	13	24	37	18	15	25	16	21	20	20	29	20	15	22	18
Did not state	1	–	–	–	1	2	1	–	–	–	–	1	–	–	1	1	–	–	1	–

Table 28. Opinion on Social Influence of Media Content (Question 32a,b,c,d) – *Continued*

% of individuals

		Province*										Community		Education		Age			Sex	
							Quebec													
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Television:																				
Agree strongly	35	18	34	50	40	36	25	33	38	52	47	39	35	38	28	35	33	39	32	38
Agree somewhat	43	64	48	44	50	44	40	32	46	41	47	43	43	42	46	41	46	40	43	43
Disagree	20	18	14	5	8	17	29	34	16	7	4	16	20	19	23	23	19	18	22	18
Did not state	2	–	4	1	2	3	6	1	–	–	2	2	2	1	3	1	2	3	3	1
Radio:																				
Agree strongly	29	21	23	34	39	28	16	32	30	31	31	35	28	31	22	25	26	34	27	30
Agree somewhat	47	63	58	53	51	49	51	33	51	48	51	48	47	47	50	43	50	46	47	48
Disagree	22	15	18	11	10	21	29	32	11	19	18	17	22	21	24	31	22	16	22	20
Did not state	2	1	1	2	–	2	4	3	8	2	–	–	3	1	4	1	2	4	3	2
Magazines:																				
Agree strongly	18	14	19	18	23	18	14	19	16	21	14	22	17	19	15	17	17	20	18	18
Agree somewhat	47	60	57	53	43	51	43	33	57	43	53	51	47	46	54	44	50	45	44	50
Disagree	29	21	22	27	25	25	33	41	22	30	29	25	29	29	28	35	29	26	32	26
Did not state	6	5	2	2	9	6	10	7	5	6	4	2	7	6	3	4	4	9	6	6

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 29. There is something in a newspaper that will interest anyone who can read say the respondents.

"There is something for everyone."
"There are a great variety of articles, advertising, sports, etc."
"Most everybody can read. It doesn't matter if you are intelligent or not."
"If you can read you will likely read the newspaper."
"People read what they want to and the rest they don't bother with."
"We are all interested."

Table 29. Opinion on Audience for Newspapers and Radio (Questions 33 and 34)

% of individuals

Medium and audience	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.
	%	%	%	%	%	%	%	%	%	%	%
Newspapers For											
Highly intelligent	1	1	–	2	1	1	3	1	–	–	2
Fairly intelligent	7	6	7	8	11	8	11	7	3	1	12
Everybody	91	93	93	90	88	91	85	92	97	99	86
Did not state	1	–	–	–	–	–	1	–	–	–	–
Radio For											
Highly intelligent	–	1	–	–	2	–	1	–	–	–	–
Fairly intelligent	3	3	2	–	4	4	2	2	–	1	–
Everybody	97	96	98	98	94	95	97	98	100	99	100
Did not state	–	–	–	2	–	1	–	–	–	–	–

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

INTERNATIONAL, NATIONAL, AND LOCAL NEWS

Table 30. Most people who find international news more interesting emphasize that they consider international events more important or of more ultimate consequence in their lives.

"There are the events that will ultimately affect our economy and our lives."
"It's what's happening around the world and not just here in our local area."
"Local news is all accidents and trouble. Being born in another country maybe I'm more aware of the effects of international happenings which are of more importance."

People who prefer national news generally give as their reason that as a Canadian they want to know more about what is happening in their country.

"I am a Canadian citizen and I am interested in Canada."
"It covers the things you are interested about."
"Because I am a nationalist I am interested in living in one country."
"I am interested in everything that goes on in my country."

People who are more interested in local news are inclined to feel that things close at hand are more meaningful or easier to understand.

"Local news is easy to understand - it isn't too elaborate."
"The things that are closer to us are the most interesting."
"What goes on somewhere else does not concern us."
"Because I am living with it. It is about people and a town that you know."
"It's the news of what we see and hear most often."

Table 30. International, National, Local News – Credibility, Preferences, Interests, and Balance (Questions 35a,b; 36a,b)

% of individuals

Opinion of media handling of types of news		Province*					Quebec					Community		Education		Age			Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
News Trusted Most																				
International	26	28	28	18	11	24	30	30	24	28	33	20	26	25	27	28	27	23	25	27
National	24	26	22	27	28	30	25	14	38	24	29	20	25	24	27	19	26	25	26	23
Local	46	39	45	51	59	41	38	54	30	47	37	56	45	48	39	51	42	48	49	47
Not stated	4	7	5	4	2	5	7	2	8	1	1	4	4	3	7	2	5	4	–	3
News Most Interested In																				
International	32	46	35	23	26	32	52	28	14	27	39	22	34	29	44	38	32	29	35	29
National	22	19	17	26	28	25	17	19	32	27	20	20	22	21	27	18	22	24	23	21
Local	43	30	43	46	44	41	31	52	54	46	39	55	42	48	24	43	43	44	39	47
Not stated	3	5	5	5	2	2	–	1	–	–	2	3	2	2	5	1	3	3	3	3
Prefer To See More Of																				
International	29	35	35	23	21	28	45	27	14	24	35	21	30	26	39	38	28	25	30	27
National	35	28	22	39	42	31	24	45	38	43	28	43	33	39	17	34	35	35	33	36
Local	30	27	33	33	32	32	27	25	35	27	37	28	30	28	35	24	31	31	30	29
Not stated	6	10	10	5	5	9	4	3	13	6	–	8	7	7	9	4	6	9	7	8
Think Good Balance Of News Now																				
Yes	72	71	78	70	73	69	74	75	78	71	78	73	73	75	64	63	71	79	72	73

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 31. About one-half of the people who believe that the news is controlled vaguely refer to "them" as being responsible for these controls.

"They do not tell us all."
"We know there are some things the press can't print."
"There is much more real news than is ever presented."
"Some things can't be told for obvious reasons."
"I don't know why, I just feel it is."
"I've heard that they cut the bad parts out."
"They won't let them print what they want."
"What is happening is controlled by whoever is doing it."

Big business is accused by many to be the controlling influence.

"Big business has the final word."
"I believe that otherwise the big corporations wouldn't invest."

As many accuse government or the military of controlling the news.

"The government has more to say about it than we do."
"War news is not always true fact."
"Some information is authentic but the ones concerning the government are controlled."

The selective function in a newspaper is viewed by some as a form of control. Some view this as a constructive and useful function to eliminate slander and other excesses. Others view it as a slanting of information.

"It is controlled by the good work of editors and journalists."
"They cannot write everything–the newspapers must use some diplomacy."
"The publisher censors things."
"The newspaper editors censor to prevent abuses and to maintain their popularity."

Table 31. Opinion on Whether News is Managed or Unmanaged (Question 37)

% of individuals

News is managed	Province* Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Annual income Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	69	72	74	61	63	64	59	74	84	87	59	70	69	73	64	67	60
No	29	25	25	35	37	34	40	22	16	12	35	26	29	26	33	33	37
Did not state	2	3	1	4	–	2	1	4	–	1	6	4	2	1	3	–	3

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 32. Section of Newspaper Preferred (Question 38)

Average amount of time in minutes

Time spent on section	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Education High school or less	College	Age Under 25	25-44	Over 44	Sex Male	Female
Front page	7	8	7	6	7	7	7	5	6	7	4	7	7	5	6	8	7	6
Financial section	3	3	3	2	3	3	3	2	2	2	1	3	4	2	3	3	4	2
Editorials	6	6	6	4	6	6	7	5	4	6	4	6	7	4	5	7	6	6
International news	7	7	7	5	6	7	8	8	7	6	4	7	8	7	6	7	7	6
Woman's section	5	4	5	4	4	5	5	5	4	5	3	5	4	4	5	5	2	7
Want ads	4	4	5	3	4	4	2	2	5	4	3	4	3	4	4	4	4	4
Sports	5	4	5	4	7	5	4	5	6	6	4	5	4	5	5	5	7	3
Travel	3	3	3	2	3	2	3	2	2	4	1	3	3	3	2	3	3	3
Other	4	5	5	3	5	5	3	3	4	5	3	4	4	4	4	5	4	4

... included in break because base too small, but included in Canada total.

Table 33. Those who would like to see more editorial comment generally comment that editorials provide a background and perspective to the news that helps them to form a more mature opinion.

> "I think it gives you the truest picture of the news."
> "The editorial page gives you more ideas than the rest of the paper."
> "The editorial section is usually interesting and helps one to form opinions."

Most people who are satisfied with the current level of editorial comment either state that they find there is enough to read now or that it doesn't matter because they spend only a limited amount of time with this section anyway.

> "I read it only a few times."
> "I don't involve my life that much in the paper anyway."
> "Its not the quantity that matters."
> "I'm not too concerned. There's enough."

People who want less editorial comment indicate that they do not read editorials.

Table 33. Opinion on Amount of Editorial Comment Currently in Newspapers (Question 39)

% of individuals

Amount of editorial comment preferred		Province*										Education		Sex	
							Quebec								
	Total.	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
More	20	14	18	23	21	22	19	20	8	24	20	19	26	23	18
Same	65	68	65	57	65	65	72	67	73	61	59	66	63	61	70
Less	9	13	11	12	9	8	3	7	5	8	18	9	8	11	7
Did not state	6	5	6	8	5	5	6	6	14	7	3	6	3	5	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

NEWSMAGAZINES

Table 34. Audience for Newsmagazines (Question 40a)

% of individuals

Take newsmagazine	Total	Province*					Quebec					Community		Education		Annual income						Age			
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	39	31	42	39	30	35	51	45	32	36	45	36	39	34	57	31	30	34	40	45	62	50	37	38	36
No	61	69	57	61	70	64	49	55	68	61	55	63	60	66	42	68	69	65	60	55	38	49	62	61	63
Did not state	–	–	1	–	–	1	–	–	–	3	–	1	1	–	1	1	1	1	–	–	–	1	1	1	1

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 35. Newsmagazine Preferred (Question 40b)

% of individuals who get a newsmagazine

Newsmagazine taken	Province*											Community		Education		Annual income						Age			
							Quebec																		
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Time	51	70	65	67	67	57	73	18	68	54	68	34	53	45	63	37	38	48	57	67	62	56	63	50	48
Newsweek	8	11	10	5	12	11	8	2	8	10	9	9	7	6	11	4	10	8	5	9	11	3	3	8	10
Other	29	13	25	27	21	25	12	48	24	20	18	41	29	34	20	34	42	33	28	18	20	32	19	29	31
Did not state	12	6	–	1	–	7	7	32	–	16	5	16	11	15	6	25	10	1	10	6	7	9	15	13	11

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 36. Opinion on News and Entertainment Value of Media (Question 41)

% of individuals †

Reasons for choice of medium	Province*											Community		Education		Annual income						Age			
							Quebec																		
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Facts																									
Television	34	29	22	33	17	27	35	52	43	28	37	31	34	36	24	42	39	35	31	28	20	33	41	35	29
Radio	18	24	20	22	20	17	24	13	16	30	8	23	17	18	17	20	18	18	16	17	16	11	18	17	21
Newspapers	47	43	49	43	63	54	49	36	38	39	55	46	47	46	53	38	44	45	52	56	54	46	37	45	52
Magazines	10	15	19	15	13	10	10	3	8	15	6	10	10	8	18	6	6	9	7	17	20	16	8	11	8
Special Reports																									
Television	62	58	49	56	40	66	53	69	78	52	65	55	63	63	58	60	62	66	67	58	57	63	72	66	54
Radio	25	21	38	30	34	25	33	14	22	36	22	31	24	26	19	29	28	24	22	23	18	19	20	22	30
Newspapers	13	18	13	11	22	11	20	15	–	10	6	17	13	13	16	13	13	12	12	16	18	8	7	12	18
Magazines	7	6	9	9	13	5	8	7	–	5	4	5	7	4	15	3	4	4	7	11	13	5	7	6	5
Background																									
Television	27	18	15	18	17	22	29	44	27	31	27	23	27	30	15	36	31	27	24	21	20	26	32	27	25
Radio	14	18	13	17	6	11	15	18	14	17	8	15	14	15	11	15	16	14	12	14	11	11	11	14	16
Newspapers	43	43	45	45	57	48	45	36	32	37	37	48	43	43	44	41	42	45	47	47	37	35	36	42	48
Magazines	18	20	30	26	26	21	23	4	16	18	27	16	19	14	33	8	14	16	19	25	35	31	24	20	19
Interpretation																									
Television	37	33	25	29	22	33	38	54	22	31	35	35	37	40	25	42	45	40	36	29	27	39	44	39	32
Radio	13	13	14	14	9	11	19	11	16	22	16	12	12	13	11	12	16	11	12	15	8	11	7	13	14

Table 36. Opinion on News and Entertainment Value of Media (Question 41) – *Continued*

% of individuals †

Reasons for choice of medium	Province* Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community Rural	Urban	Education High school or less	College	Annual income Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Age Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Newspapers	41	40	44	40	57	46	41	34	35	37	33	42	42	40	48	39	34	41	44	46	47	34	35	40	47
Magazines	12	17	15	19	18	13	13	5	8	12	16	12	12	9	22	7	7	11	12	20	23	20	14	13	8
Entertainment																									
Television	81	84	83	88	77	81	76	76	92	81	90	83	81	82	76	82	81	82	82	80	76	76	82	83	79
Radio	12	16	15	13	16	11	21	7	8	17	6	12	12	11	13	15	13	10	9	13	13	15	14	11	12
Newspapers	10	4	10	2	9	9	13	17	5	5	2	7	10	9	12	6	10	12	11	11	11	10	9	9	12
Magazines	3	4	6	4	2	4	4	2	–	6	2	3	3	3	6	2	2	3	3	4	7	6	2	4	2
Relaxation																									
Television	68	70	71	77	62	66	56	73	87	59	71	69	69	69	65	71	70	69	66	70	66	66	69	69	68
Radio	24	26	29	23	30	26	35	19	8	33	16	27	24	24	27	23	21	24	26	25	28	29	25	25	22
Newspapers	6	5	5	3	8	6	13	6	3	6	8	4	7	7	6	6	9	5	7	4	7	3	6	6	8
Magazines	7	8	6	5	10	8	8	4	3	11	6	6	7	6	10	4	6	7	9	6	8	8	6	8	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

†Combined media percentages may add to more than 100% because of multiple mentions.

WATCHING THE NEWS

Table 37. Regularity of TV Newswatching (Question 42)

% of individuals

Time spent watching TV news	Province*: Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec: Eng.	Quebec: Fr.	N.B.	N.S.	Nfld.	Community: Rural	Urban	Education: High school or less	College	Annual income: Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Age: Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Daily	68	68	53	68	67	66	66	76	92	72	82	64	69	70	63	74	70	70	66	67	61	53	62	69	75
Three times a week	18	15	30	20	21	18	19	16	3	17	11	21	18	18	20	14	17	18	21	17	19	25	23	19	14
Once a week	8	9	9	7	7	9	6	5	3	6	6	8	7	8	8	5	8	7	8	9	10	14	8	7	6
Other	4	5	5	4	4	5	8	3	2	2	–	4	4	4	7	3	4	3	4	6	7	6	5	3	5
Did not state	2	3	3	1	1	2	1	–	–	3	1	3	2	–	2	4	1	2	1	1	3	2	2	2	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 38. TV Networks Watched Most Often (Question 43)

% of individuals

TV network preferred	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld
	%	%	%	%	%	%	%	%	%	%	%
American network											
ABC, CBS, NBC	11	35	2	2	3	16	8	1	5	1	–
CBC	56	48	54	82	81	56	53	46	62	64	67
CTV	28	15	38	17	13	23	33	53	32	33	33
Other and did not state	5	2	6	6	3	5	6	–	1	2	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 39. Favourite Newsman (Question 44)

Favorite Newsman	% of individuals who mention a favourite newscaster
English Speaking Canadians	
Walter Cronkite	15
Stanley Burke	11
Harvey Kirck	7
Lloyd Robertson	5
Huntley & Brinkley	4
Earl Cameron	3
Jim McLeod	2
Other	13
no preference stated	40
	100
French Speaking Canadians	
Gaëtan Montreuil	10
Pierre Nadeau	10
Roger Gosselin	9
Gaëtan Barrette	4
Gilles Chevrette	4
France Fortin	4
Noël Gauthier	4
Mario Verdon	3
Michel Vinet	3
Henry Bergeron	3
Réal Giguère	2
Jacques Fauteux	2
Raymond Lemay	2
André Duquette	2
Other	16
no preference stated	22
	100

CREDIBILITY OF TV CAMERA

Table 40. Opinion on Reliability of TV Camera (Question 45a)

% of individuals

TV camera can lie	Total	Province*										Community		Education		Annual income						Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	66	77	61	68	54	69	63	58	65	75	69	62	66	62	79	60	58	68	69	69	73	69	62
No	32	20	37	29	45	29	35	41	32	22	31	37	32	36	20	38	40	31	29	30	26	29	36
Did not state	2	3	2	3	1	2	2	1	3	3	–	1	2	–	1	2	2	1	2	1	1	2	2

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 41. Reaction to Unreliability of TV Camera (Question 45b)

% of individuals who feel TV camera lies

Frightened	Total	Province*										Community		Education		Annual income						Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	37	45	47	30	48	36	52	38	17	18	9	36	38	34	48	33	33	36	35	35	50	36	40
No	63	54	53	70	50	64	48	62	83	82	91	64	62	66	52	67	67	64	65	65	50	64	60
Did not state	–	1	–	–	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

RESPONSES TO MEDIA

Table 42. Opinions on Effects of Various Media (Question 46)

% of individuals

		Province*										Community		Age			
							Quebec							Under			Over
Effects of media	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	20	20-24	25-44	44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Most Immediate																	
Television	37	32	26	28	30	38	31	42	41	28	43	28	37	36	41	37	35
Radio	59	66	69	70	69	59	62	48	57	70	55	68	58	53	54	60	60
Newspapers	4	1	5	2	1	2	5	10	2	2	2	4	5	11	3	3	5
Not stated	–	1	–	–	–	1	2	–	–	–	–	–	–	–	2	–	–
Exciting																	
Television	92	90	94	97	93	93	90	91	95	93	94	93	92	89	91	94	91
Radio	4	6	3	1	4	4	4	4	5	6	6	4	4	3	6	3	5
Newspapers	3	2	3	2	3	3	6	5	–	–	–	3	3	8	2	3	3
Not stated	1	2	–	–	–	–	–	–	–	1	–	–	1	–	1	–	1
Most Personal																	
Television	35	36	49	32	47	35	29	29	46	30	35	35	35	28	30	34	38
Radio	18	23	15	14	9	15	23	22	16	24	14	18	18	14	20	17	19
Newspapers	45	38	34	53	44	48	46	48	38	41	49	44	45	57	48	46	40
Not stated	2	3	2	1	–	2	2	1	–	5	2	3	2	1	2	3	3
Most Private																	
Television	17	14	19	11	11	16	19	23	22	7	16	19	16	20	21	16	16
Radio	25	29	24	23	23	25	16	27	32	40	25	24	26	22	29	26	26
Newspapers	53	53	51	60	62	53	59	49	41	46	55	53	53	58	46	54	52
Not stated	5	4	6	6	4	6	6	1	5	7	4	4	5	–	4	4	6
Most Influential																	
Television	66	65	65	78	58	60	67	78	70	49	74	66	67	62	71	71	61
Radio	6	7	5	2	9	5	7	3	3	18	10	4	6	6	7	4	7
Newspapers	27	26	28	20	32	33	24	18	27	31	14	30	26	32	20	24	30
Not stated	1	2	2	–	1	2	2	1	–	2	2	–	1	–	2	1	2

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 43. Eight in ten (79 per cent) Canadians believe that television is the best means by which their children (under 10) should acquire information. They say that it is the easiest media for young people to understand.

> "It is the only means for information at their age."
> "They can't read the newspapers and can't understand the radio."
> "They are too lazy to read and they like something they can see."
> "Talking pictures have more effect on children."
> "Their imagination is more captivated by this medium; it touches sound senses."

The reason most frequently given for preferring newspapers is that there is more of a follow-up with newspapers and articles that can be saved.

Table 43. Number of Individuals with Children Under Ten and Number of Hours Children Allowed to Spend Watching TV (Question 47a,b)

% of individuals

		Province*										Community		Education		Annual income					
							Quebec														
Discourage children from watching	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000
Per cent with children under ten	43	43	54	44	40	43	35	41	30	54	47	47	43	43	44	27	43	51	50	46	41
Average hours of watching per wk†	12	11	12	12	12	12	9	12	15	13	13	13	12	12	10	13	13	12	12	11	11
Discourage children from watching																					
Yes	37	44	37	22	57	43	46	28	18	34	26	44	37	34	49	30	28	33	44	37	55
No	63	56	63	78	43	57	54	72	82	66	74	56	63	66	51	70	72	67	56	63	45

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

†Median is also about 12 hrs per wk.; i.e. 50% watch more, 50% watch less

Table 44. Opinion on Best Source of Information for Children (Question 47d)

% of individuals

Best source of information for children	Total	Province*															
							Quebec										
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
TV . . . . ,	79	77	72	71	74	67	83	92	83	86	67	83	84	79	77	75	67
Radio	3	1	2	–	3	2	2	3	–	5	7	4	2	1	4	3	3
Newspapers	18	22	26	29	23	30	15	5	17	9	26	13	14	20	19	22	30

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

VIOLENCE, SORROW, AND LOVE

Table 45. Opinion on Whether or Not Certain Subjects Ought to be Shown on TV and What Moral Effect Showings would have (Question 48a,b)

% of individuals

Item to be shown or not shown and opinion of effect of showing	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Community Rural	Urban	Education High school or less	College	Age Under 25	25-44	Over 44	Sex Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Cartoons of People Throwing Pies at Each Other																				
Should be shown	69	72	75	81	64	74	76	51	57	88	82	68	69	69	68	71	72	63	73	64
Should not be shown	31	28	23	18	36	25	24	49	43	12	18	32	31	31	31	28	28	36	26	36
Not stated	–	–	2	1	–	1	–	–	–	–	–	–	–	–	1	1	–	1	1	–
Breakdown morality	13	14	17	6	24	12	13	14	8	12	8	12	13	13	11	13	11	17	11	15
Do not breakdown morality	86	86	82	94	76	87	86	86	92	88	90	87	86	86	87	87	89	82	88	84
Not stated	1	–	1	–	–	1	1	–	–	–	2	1	1	1	2	–	–	1	1	1
War Stories																				
Should be shown	60	65	55	62	62	70	77	37	57	72	84	57	61	60	62	68	61	55	64	57
Should not be shown	39	35	45	36	37	28	23	62	43	28	16	42	39	40	36	31	39	44	35	43
Not stated	1	–	–	2	1	2	–	1	–	–	–	1	–	–	2	1	–	1	1	–
Breakdown morality	35	31	39	36	34	30	28	47	30	30	29	40	35	35	35	32	36	36	33	38
Do not breakdown morality	63	68	59	63	65	68	71	53	68	70	71	58	64	64	63	67	63	62	66	61
Not stated	2	1	2	1	1	2	1	–	2	–	–	2	1	1	2	1	1	2	1	1
Fights in Hockey Game																				
Should be shown	63	61	66	66	59	66	72	49	70	76	88	64	62	62	65	69	64	57	65	60
Should not be shown	36	37	33	33	40	33	27	51	30	23	12	36	37	37	34	31	35	41	34	39
Not stated	1	2	1	1	1	1	1	–	–	1	–	–	1	1	1	–	1	2	1	1
Breakdown morality	31	34	33	37	39	34	24	29	27	23	12	26	32	31	32	26	29	37	29	33
Do not breakdown morality	67	66	65	63	61	64	74	71	65	77	88	73	67	68	67	74	69	61	70	65
Not stated	2	–	2	–	–	2	2	–	8	–	–	1	1	1	1	–	2	2	1	2

Table 45. Opinion on Whether or Not Certain Subjects Ought to be Shown on TV and What Moral Effect Showings would have (Question 48a,b) – *Continued*

% of individuals

Item to be shown or not shown and opinion of effect of showing	Total	Province* B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Community Rural	Urban	Education High school or less	College	Age Under 25	25-44	Over 44	Sex Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Players Disobeying Referee																				
Should be shown	49	47	57	56	46	51	59	37	49	59	69	47	49	47	55	57	51	42	50	48
Should not be shown	51	53	42	44	53	48	40	63	51	41	31	53	51	52	45	42	49	57	49	52
Not stated	–	–	1	–	1	1	1	–	–	–	–	–	–	1	–	1	–	1	1	–
Breakdown morality	45	51	49	44	52	47	31	42	54	42	29	42	46	45	45	39	43	51	43	47
Do not breakdown morality	54	49	50	56	48	51	67	57	38	58	71	58	53	54	53	60	56	48	56	53
Not stated	1	–	1	–	–	2	2	1	8	–	–	–	1	1	2	1	1	1	1	–
Mother and Father Fighting																				
Should be shown	28	35	34	45	30	35	35	10	19	33	22	26	29	26	39	33	26	35	28	29
Should not be shown	71	65	66	55	70	64	65	89	81	67	78	74	71	74	60	67	73	65	71	71
Not stated	1	–	–	–	–	1	–	1	–	–	–	–	–	–	1	–	1	–	1	–
Breakdown morality	67	61	65	60	63	60	57	80	84	70	80	70	67	69	58	69	63	70	67	66
Do not breakdown morality	32	39	33	40	37	38	41	19	14	30	20	29	32	30	40	30	36	28	31	33
Not stated	1	–	2	–	–	2	2	1	2	–	–	1	1	1	2	1	1	2	2	1
Boy Fighting Policeman																				
Should be shown	19	22	22	24	26	21	34	9	8	16	22	14	20	16	29	29	20	13	21	17
Should not be shown	80	78	77	75	74	78	66	90	92	84	78	86	80	83	70	71	80	86	78	83
Not stated	1	–	1	1	–	1	–	1	–	–	–	–	–	1	1	–	–	1	1	–
Breakdown morality	75	76	74	79	71	74	60	77	87	81	74	77	75	76	70	71	76	76	74	77
Do not breakdown morality	24	24	25	20	29	25	39	23	13	19	26	22	24	23	28	29	23	23	26	23
Not stated	1	–	1	1	–	1	1	–	–	–	–	1	1	1	2	–	1	1	1	–

Sniffing Glue																				
Should be shown	10	10	7	11	14	12	18	5	5	8	8	5	10	9	13	13	11	6	12	7
Should not be shown	90	90	91	89	85	88	81	94	95	92	92	94	89	91	86	86	89	93	88	92
Not stated	–	–	2	–	1	–	1	1	–	–	–	1	1	–	1	1	–	1	–	1
Breakdown morality	82	85	87	91	82	82	70	81	89	86	86	87	82	84	79	80	82	83	82	83
Do not breakdown morality . . .	17	14	12	9	18	17	29	19	11	14	14	12	17	16	20	20	17	16	17	16
Not stated	1	1	1	–	–	1	1	–	–	–	–	1	1	–	1	1	1	1	1	1
Students Rioting																				
Should be shown	30	50	41	34	24	33	42	15	22	27	31	23	31	26	43	44	31	21	34	26
Should not be shown	70	50	59	65	76	66	56	85	78	73	69	76	69	74	56	55	69	78	66	74
Not stated	–	–	–	1	–	1	2	–	–	–	–	1	–	–	1	1	–	1	–	–
Breakdown morality	71	66	67	73	76	71	54	72	84	80	78	77	70	73	61	60	72	75	68	73
Do not breakdown morality . . .	28	34	31	27	24	28	43	27	16	19	20	23	29	26	36	38	27	24	31	26
Not stated	1	–	2	–	–	1	3	1	–	1	2	–	1	1	3	2	1	1	1	1
Man and Woman Making Love																				
Should be shown	28	32	20	32	17	28	49	29	24	13	37	29	28	28	29	40	26	25	32	24
Should not be shown	70	67	78	65	83	71	50	70	76	87	61	68	71	71	69	59	73	73	67	74
Not stated	2	1	2	3	–	1	1	1	–	–	2	3	1	1	2	1	1	2	1	2
Breakdown morality	62	59	69	69	68	62	51	60	70	76	59	60	63	63	61	55	65	63	59	66
Do not breakdown morality . . .	36	40	28	29	32	36	46	39	30	22	39	38	36	36	36	44	33	36	39	33
Not stated	2	1	3	2	–	2	3	1	–	2	2	2	1	1	3	1	2	1	2	1
Nudity																				
Should be shown	15	25	7	8	7	15	36	16	11	8	14	8	16	14	20	30	15	8	20	11
Should not be shown	84	75	91	91	92	84	63	84	89	92	86	91	83	85	79	69	84	91	79	88
Not stated	1	–	2	1	1	1	1	–	–	–	–	1	1	1	1	1	1	1	1	1
Breakdown morality	72	64	75	90	80	70	53	72	81	82	82	81	72	74	65	60	73	77	68	76
Do not breakdown morality . . .	26	35	23	8	20	27	45	27	19	17	18	17	27	25	33	40	26	21	30	23
Not stated	2	1	2	2	–	3	2	1	–	1	–	2	1	1	2	–	1	2	2	1
Man Throwing Pie in Someone's Face																				
Should be shown	53	56	54	58	52	60	69	37	41	63	67	51	53	52	57	58	56	47	57	49
Should not be shown	46	43	45	42	48	39	30	62	59	37	33	49	46	47	41	41	44	51	42	50
Not stated	1	1	1	–	–	–	1	1	–	–	–	–	1	1	2	1	–	2	1	1

Table 45. Opinion on Whether or Not Certain Subjects Ought to be Shown on TV and What Moral Effect Showings would have (Question 48a,b) – *Continued*

% of individuals

Item to be shown or not shown and opinion of effect of showing	Province*											Community		Education		Age			Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Breakdown morality	25	26	29	27	34	24	18	25	14	28	33	25	26	25	24	22	24	29	24	26
Do not breakdown morality	74	73	70	73	66	74	80	75	84	71	67	75	74	74	74	78	75	71	75	73
Not stated	1	1	1	–	–	2	2	–	2	1	–	–	–	1	2	–	1	–	1	1
Live Assassination																				
Should be shown	34	50	47	41	37	39	42	11	35	40	51	27	35	31	44	41	36	28	36	32
Should not be shown	65	50	52	59	63	60	57	89	65	60	49	73	65	68	55	59	64	71	63	67
Not stated	1	–	1	–	–	1	1	–	–	–	–	–	–	1	1	–	–	1	1	1
Breakdown morality	61	47	57	57	54	52	63	82	54	55	63	67	60	63	54	57	61	62	60	61
Do not breakdown morality	38	52	41	43	46	46	35	18	45	43	37	32	39	37	44	43	38	37	39	38
Not stated	1	1	2	–	–	2	2	–	1	2	–	1	1	–	2	–	1	1	1	1
Actual Funeral																				
Should be shown	71	70	73	76	82	69	76	69	65	66	78	75	70	70	74	62	70	77	72	71
Should not be shown	28	30	26	23	18	30	24	31	35	34	22	25	29	30	25	38	30	22	28	29
Not stated	1	–	1	1	–	1	–	–	–	–	–	–	1	–	1	–	–	1	–	–
Breakdown morality	18	16	22	18	12	16	17	21	14	17	22	19	17	19	12	24	18	15	18	17
Do not breakdown morality	81	84	77	82	88	83	81	79	81	82	76	80	82	80	86	75	81	84	81	82
Not stated	1	–	1	–	–	1	2	–	5	1	2	1	1	1	2	1	1	1	1	1

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

TALKING TO TV AND RADIO

Table 46. Anger and conflict arising from something said or from an unpleasant commercial are the reasons most often cited for talking to the television or radio.

"Some of these commercials are disgusting."
"If you hear something you don't like, you are going to answer it back."
"I answer when something doesn't make sense to me."
"To answer an announcer."
"If I don't agree I tell him to shut up."

Excitement mainly resulting from watching and listening to sports is the other reason most often cited for talking to the media.

"I just get involved in sports."
"I get riled up or excited in a game."
"The dissatisfaction resulting from an unjust decision by a referee."

Table 46. Those who Talk to Radio and TV (Question 49a,b)
% of individuals

	Province*											Education		Age			
							Quebec										
Talk to TV and Radio	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	37	40	42	50	44	40	26	27	32	49	18	37	38	45	37	39	31
No	63	60	58	50	56	59	73	73	68	49	82	63	62	55	62	60	69
Did not state	–	–	–	–	–	1	1	–	–	2	–	–	–	–	1	1	–
Medium talked to†																	
Radio	39	44	35	19	28	48	48	29	34	42	46	36	46	37	41	42	35
TV	67	72	65	82	71	68	71	73	84	58	57	70	65	72	72	69	67

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.
†Some totals add to more than 100 because some people talk to both media.

ADVERTISING

Table 47. The positive role is seen mainly as keeping one informed about products.

"Well, if they have something to sell and they advertise it enough they are going to make a go of it."
"If these things weren't advertised we wouldn't know about them."
"The consumer is informed of new products as they come out."
"For making the public aware of new products that require large enough markets for economical production."
"If there was no advertising there would be difficulty promoting products which may be of real value."
"It's the media for information."

Many emphasize that the role is positive only if the advertising is honest (about 20 per cent).

"Positive where advertising is honest. Much advertising is subtle."
"There is a lot of cunning used. . . "
"They should stick to the facts and show life as it really is."
"You sometimes wonder if it will do what they say it will."

A significant number (about 15 per cent, say the positive role is to pay for the media.

"Helps pay for the TV. Otherwise taxes would go up again."
"Someone has to pay for the programming."
"If there was no advertising there would be no TV, radio, or newspapers."

Some emphasize that it makes more production possible.

"It cheapens the price for products due to the vast amounts to be made."
"It achieves economical production."

Most people reason that it is an art form because it demands artistic skills to communicate effectively with people (comment made by about 60 per cent of people who believe advertising is an art form).

"There is an artistic skill involved in the art of photography."
"There is an art to how they get it across to people."
"The more attractive you make it the more people will listen."
"It takes an artistic nature to think up their advertising."
"It is an art to put a product across."
"A person has to know what to do and say to influence people."

Many (about 30 per cent) also emphasize that good advertising can achieve an artistic level that is both stimulating and entertaining.

"If it is done in good taste it can be very entertaining."
"A well-done commercial can be both informative and artistic."
"Some posters are cleverly done. Some cartoon ads are very good and fun to watch."
"One must have very good ideas to influence people; just like a beautiful painting."

14 per cent of Canadians say it isn't an art form and a like number do not know. Most see advertising strictly as a communication to sell goods and services.

"The main concern is to sell a product and not to appeal aesthetically."
"It does not require art to advertise goods for sale."
"Art is lasting, advertising is transitory."
"It's just a merchandising gimmick."

Those who view some newspaper advertising as news generally associate a communication of new information with news.

"An ad telling of an auction or sale may be advertising, but it is news as well."
"Often I am made aware of something new and worthwhile."
"It tells of a good buy sometimes and this is helpful for shoppers."
"I read some of the ads with a view to being informed about new products and price trends."

"It's news if it concerns something we need."
"Anything new is news."

People who do not consider advertising as news generally refer to advertising just as a way of pushing products.

"They only want you to buy their products."
"It's to sell, that's all."
"It's not really news. Most things have been around for quite a while."
"Cigarette advertising isn't news to me."
"Advertising is commerce, not news."
"News is related to people not things."

The worst things that advertising can do to you in the opinion of Canadians are summarized in the following table.

	% of Canadians
It can mislead you	32
It can insult your intelligence	24
It can bore you/create indifference	23
It can persuade you to buy things you shouldn't	18
It can exploit sex or violence	3

"It misinforms me."
"It can make you buy poor products or influence you to believe that through finance companies you can buy anything."
"To make me accept something that is false."
"To leave me indifferent and suspicious."
"To make me spend money I shouldn't."
"They certainly exploit a woman's body."
"They really make robots out of us."
"Too much publicity bores me."
"They bore me."

Most complain that there are too many advertisements shown – some suspect the number increases towards the end of the movie – and they are frustrated by the constant interruption to the story.

"There is a tendency to increase the number of ads as the prrogramme progresses."
"It gets to the point that you don't want to continue watching."
"It's just too extreme – too many ads."
"Its shocking, there are too many and I just lose interest."
"It is particularly annoying toward the end of the film."
"If it wasn't controlled all we would get is advertisements."

The visual and glamourous effects of television advertising are the reasons most often cited for believing that TV is the most persuasive medium.

"The visual picture is apt to be more influencing."
"Visual says so much more."
"It's more appealing to actually see someone smoking."
"The romantic and glamourous situation in commercials can be bad for youngsters."
"If they show it with a beautiful girl or handsome boy it is more inviting."
"Every time I see it on television I light up one – darn it."

Table 47. Opinions on Various aspects of Advertising (Questions 50 to 61)
% of individuals

Opinions on various aspects of advertising	Province*					Quebec					Education		Annual income						Age			
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Advertiser controls content																							
Yes	33	31	20	19	32	27	28	51	38	30	27	35	25	40	38	32	31	25	24	32	33	28	38
No	65	65	68	79	65	71	68	49	62	64	69	64	71	57	60	65	67	73	74	67	65	69	60
Did not state	2	4	2	2	3	2	4	–	–	6	4	1	4	3	2	3	2	2	2	1	2	3	2
Influenced by advertising																							
A great deal	10	8	10	10	10	11	13	10	11	8	12	10	13	7	9	10	14	11	13	15	14	9	10
Somewhat	28	36	42	42	34	32	23	10	30	28	25	27	28	24	26	26	28	35	31	27	25	30	26
A little	27	19	23	26	28	27	25	33	24	24	35	27	28	26	26	28	25	34	28	30	32	29	24
Not at all	25	21	16	14	21	19	29	38	32	34	22	27	15	34	31	28	20	11	17	17	19	22	30
I fight it	10	16	9	8	7	11	10	9	3	6	6	9	16	9	8	8	13	10	11	11	10	10	10
Most influential advertising medium																							
TV	63	54	69	75	71	61	48	64	73	66	74	64	60	59	66	64	63	65	59	78	77	66	51
Radio	3	4	3	5	3	3	2	3	5	4	–	3	3	5	3	2	5	1	3	5	4	3	3
Newspapers	25	32	23	18	23	29	30	19	19	13	16	24	28	23	20	27	24	29	31	14	15	23	32
Did not state	9	10	5	2	3	7	20	14	3	17	10	9	9	13	11	7	8	5	7	3	4	8	14
A positive role for advertising																							
Yes	84	89	92	84	86	88	90	74	84	80	71	82	90	79	80	81	89	92	89	83	81	84	84
No	14	9	5	16	11	10	8	25	14	18	20	15	9	17	18	18	9	7	9	16	18	14	13
Did not state	2	2	3	–	3	2	2	1	2	2	9	3	1	4	2	1	2	1	2	1	1	2	3

Advertising a form of art																							
Yes	72	81	82	81	85	81	68	45	73	84	78	69	81	65	71	69	74	80	78	73	69	73	78
No	14	19	18	18	14	18	29	53	24	13	18	29	18	32	27	30	26	19	21	26	30	26	28
Did not state	14	–	–	1	1	1	3	2	3	3	4	2	1	3	2	1	–	1	1	1	1	1	2
Ad liked best																							
Facts only	31	25	25	41	28	30	21	40	27	17	22	33	24	43	33	35	25	22	24	19	31	27	40
Humour	62	68	69	57	68	65	69	52	62	72	72	60	71	48	59	59	69	73	70	74	60	67	53
Suspense	4	2	4	1	2	2	3	7	11	6	4	4	1	5	4	3	4	3	1	5	8	3	3
Other	2	4	2	1	2	2	3	–	–	–	2	2	3	2	2	2	1	2	3	1	1	2	2
Did not state	1	1	–	–	–	1	4	1	–	5	–	1	1	1	2	1	–	–	2	1	–	1	2
Ads more interesting than program																							
Yes	33	34	38	37	43	41	35	16	24	45	29	32	39	33	27	30	35	40	38	41	32	33	31
No	66	65	62	62	57	58	63	83	76	53	71	67	60	66	71	69	64	60	61	59	67	66	68
Did not state	1	1	–	1	–	1	2	1	–	2	–	1	1	1	2	1	1	–	1	–	1	1	1
Newspaper advertising news																							
Yes	51	56	63	67	77	53	45	36	43	58	35	51	52	47	52	52	53	52	47	56	52	49	53
No	48	43	36	33	22	47	55	63	57	39	61	48	47	51	47	48	47	47	53	43	47	50	46
Did not state	1	1	1	–	1	–	–	1	–	3	4	1	1	2	1	–	–	1	–	1	1	1	1
Control for TV movie ads																							
Yes	92	94	94	92	91	91	92	91	92	93	92	91	93	91	89	92	93	94	94	94	91	92	91
No	7	6	5	8	9	7	7	7	8	6	8	7	6	8	8	8	7	5	5	6	8	7	8
Did not state	1	–	1	–	–	2	1	2	–	1	–	2	1	1	3	–	–	1	1	–	1	1	1
Ads influencing purchasing																							
ad liked and remembered	61	56	68	55	80	62	42	61	68	58	57	61	62	62	60	60	63	63	64	60	58	60	63
ad disliked and remembered	5	6	3	6	6	6	6	4	–	10	2	4	8	3	4	6	5	5	6	5	6	6	4
Both equal	29	33	24	38	14	28	43	29	30	28	37	30	24	30	31	29	28	28	26	34	34	28	26
Did not state	5	5	5	1	–	4	9	6	2	4	4	5	6	5	5	5	4	4	4	1	2	6	7
TV more effective than radio and newspapers for smoking ads																							
Yes	66	82	76	70	72	78	76	37	62	68	65	64	77	54	59	63	76	76	78	70	62	67	65
No	33	18	24	29	28	21	23	62	38	31	35	36	21	45	41	37	23	24	20	30	37	32	34
Did not state	1	–	–	1	–	1	1	1	–	1	–	–	2	1	–	–	1	–	2	–	1	1	1

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 48. Opinions on What Advertisements Should or Should not Be Banned (Question 62)
% of individuals who said yes

Items to be banned from advertising	Total	Province*					Quebec					Community		Education		Age				Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Cigarettes	60	70	65	65	67	60	66	60	76	52	69	63	62	61	69	57	58	64	63	61	64
Liquor	55	56	59	65	63	45	48	66	70	45	59	65	54	55	55	51	52	54	59	52	58
Sleeping Pills	66	68	75	82	69	58	64	71	70	64	67	72	66	66	67	59	68	66	69	62	70
Gasoline	11	14	10	7	12	7	14	20	5	10	4	13	11	12	11	11	14	10	13	12	11
Glue	52	50	48	52	50	41	45	71	46	55	45	42	47	54	44	48	44	50	57	49	55
Pop	16	14	12	15	22	12	21	25	8	11	4	18	16	16	15	8	16	14	21	16	16
Beer	39	39	44	57	46	34	37	39	49	39	41	53	37	38	40	30	34	38	43	35	43
Wine	35	36	39	51	46	31	32	33	49	41	35	49	33	34	38	26	28	34	41	33	37

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 49. Some reasons why people prefer to read about love:

"I think reading about violence tends to make a person more violent in nature."
"Love is inspiring rather than destructive."
"Love is more constructive. It makes me less bitter."
"It's more relaxing to read about love."
"Love is better than fighting. Everywhere you look there's violence. It's nuts."

Those who prefer violence say:

"Love triangles, etc., get boring."
"I'm not interested in love. War stories are my favourites."
"Violence makes a story more exciting."
"I say violence but I mean adventure."
"I like action, movement."

Other comments:

"Sometimes love is violence."
"Neither is the main theme of life."
"Neither, really. I like the realistic and humanitarian things."

Some people explain why they get satisfaction in seeing violence:

"This is the spice of life."
"Sometimes they deserve it."
"If the right guy gets it."
"It's human nature."
"I'm a sadist."
"Livens it up more."
"Exitement makes a show entertaining."
"I like action. It's stimulating."
"It's fun. I never take these things seriously."

Those who do not, say:

"I do not like violence." (About 30% of respondents)
"Most of it is unnecessary."
"Uncontrolled emotions are a lack of strength of character."
"We see enough of it in the world today without watching it on TV."
"Violence upsets me."
"It interrupts the hockey game."
"It influences the young."

Table 49. Preference for Love or Violence; Satisfaction Derived from Violence (Questions 63 and 64)

% of individuals

		Province*										Population centre						Community		Education		Annual income						Age				Sex	
							Quebec																										
Violence v Love-preference	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Reading preference																																	
Violence	18	19	18	22	20	17	17	16	24	27	20	16	19	19	19	19	18	16	19	18	20	14	17	16	19	26	21	28	24	18	14	28	8
Love	70	65	69	68	67	70	71	75	62	64	69	73	71	68	69	67	70	71	70	70	68	72	72	72	69	65	69	66	67	72	69	56	84
Did not state	12	16	13	10	13	13	12	9	14	10	10	11	10	13	12	14	12	13	11	12	12	14	11	12	11	9	10	6	9	10	17	16	8
Statisfaction from violence																																	
Yes	41	45	47	48	44	43	34	31	60	56	67	44	44	45	45	40	35	45	41	43	35	35	46	43	42	46	37	61	52	41	33	51	31
No	58	54	51	51	55	56	65	68	38	43	31	55	55	53	53	59	64	55	58	56	64	65	53	56	57	53	62	38	47	58	66	58	68
Did not state	1	1	1	1	1	1	1	1	2	1	2	1	1	2	2	1	1	–	1	1	1	–	1	1	1	1	1	1	1	1	1	1	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

SUITABILITY RATING OF MEDIA FOR DIFFERENT AGE GROUPS

Table 50. Opinion on Suitability of Media to Different Age Groups (Question 65)

Audience for media	Percentage of maximum possible score*		
	TV	Radio	Newspaper
	%	%	%
Young people	65	73	63
Middle-aged people	80	80	85
Older people	82	79	83
Busines people	69	73	90
Working people	76	74	81
Housewives	77	85	75
Children under 10	55	43	30

*Respondents rated each medium for suitability to user on a 5 to 1 scale—where 5 represented the highest degree of suitability and 1, the least degree. The maximum suitability score is therefore five times the number of respondents. The rating received is shown as a percentage of the maximum possible score.

EXCITEMENT AND TV PROGRAMMES

Table 51. Some of the programmes people say have excited them are:

"Laugh-In": "It's entertaining, humorous, and non-violent."
Stanley Cup Playoffs
Moon landing: "I had a feeling of personal involvement."
A soap opera: "I didn't like what the woman was doing, so I told her to stop."
A baseball game: "I get excited when the team I want to win gets a home run."
Guns of Navarone (movie): "I didn't know if they would make it and get away."
The Money Makers: "I get excited hoping they'll call me."
The Kennedy funeral.
Psychological dramas
"Programs with lots of suspense."

Table 51. Whether or Not TV Programmes Have Excited (Question 66)

% of individuals

Excited by TV programme		Province*										Population centre						Community		Annual income						Age			
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	63	72	70	70	66	64	66	56	57	76	35	58	61	60	62	68	69	54	64	53	57	69	67	60	69	78	73	65	54
No	36	28	30	30	34	35	33	44	40	23	65	42	38	39	38	32	31	46	35	46	42	31	32	40	31	22	26	34	46
Did not state	1	–	–	–	–	1	1	–	3	1	–	–	1	1	–	–	–	–	1	1	1	–	1	–	–	–	1	1	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 52. Attitudes to Foreign Ownership, in General and in Particular (Questions 67 to 69)

% of individuals

		Province*					Quebec					Population centre						Education		Annual income						Age			
Foreign ownership and preference as to owner	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Concerned about foreign ownership of Canadian newspapers																													
Yes	75	84	80	77	79	81	78	65	65	74	53	71	75	76	72	81	79	73	85	68	69	75	82	79	84	75	70	75	77
No	24	15	20	23	21	19	22	35	35	25	47	29	24	24	27	19	21	27	15	32	31	25	18	21	16	25	29	25	23
Did not state	1	1	–	–	–	–	–	–	–	1	–	–	1	–	1	–	–	–	–	–	–	–	–	–	–	–	1	–	–
Which most acceptable																													
US	46	37	43	49	50	50	48	55	65	58	76	50	55	50	57	50	46	49	46	48	50	49	52	45	44	48	51	53	53
Britain	32	47	47	45	43	41	41	3	30	35	18	25	27	36	32	44	42	30	40	33	27	27	37	38	46	34	29	32	35
France	7	1	1	1	1	1	5	34	5	–	–	11	10	7	4	1	8	8	5	10	9	9	4	5	4	8	10	7	7
Other	15	15	9	5	6	7	6	8	–	7	6	14	8	7	7	5	4	13	9	9	14	15	7	12	6	10	10	8	5
Concerned about foreign ownership of Canadian radio																													
Yes	75	84	83	86	77	80	74	65	65	69	47	72	74	77	75	82	78	74	83	70	71	75	84	77	82	72	70	76	78
No	24	16	16	13	23	19	24	35	35	30	53	28	26	23	25	18	22	26	16	30	29	25	16	23	18	28	29	24	22
Did not state	1	–	1	1	–	1	2	–	–	1	–	–	–	–	–	–	–	–	1	–	–	–	–	–	–	–	1	–	–
Which most acceptable																													
US	51	32	53	58	57	53	50	54	70	69	82	56	61	56	59	52	41	54	40	54	55	53	46	51	42	56	53	50	51
Britain	27	42	41	37	37	36	28	9	24	29	12	25	25	30	32	40	28	25	36	26	29	22	34	35	38	26	26	27	30
France	8	11	2	2	–	4	5	29	–	1	–	11	9	8	6	2	19	8	6	12	9	10	5	7	13	10	12	7	24
Other	14	15	4	3	6	7	6	8	6	1	6	8	5	6	3	6	12	13	18	8	7	15	15	7	7	8	9	16	5

Table 52. Attitudes to Foreign Ownership, in General and in Particular (Questions 67 to 69) – ***Continued***

% of individuals

Foreign ownership and preference of owner	Total	Province*										Population centre						Education		Annual income						Age			
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Concerned about foreign ownership of Canadian TV																													
Yes	74	81	79	75	76	79	72	66	70	70	47	71	74	74	72	78	78	72	82	69	67	74	80	79	77	70	70	74	77
No	25	19	19	23	24	20	27	33	30	30	53	29	25	25	27	21	22	27	17	30	32	25	19	20	23	30	28	26	22
Did not state	1	–	2	2	–	1	1	1	–	–	–	–	1	1	1	1	–	1	1	1	1	1	1	1	–	–	2	–	1
Which most acceptable																													
US	56	40	55	64	58	53	55	55	73	75	86	60	65	52	68	50	45	58	53	56	58	59	52	51	50	62	64	55	59
Britain	24	34	36	29	33	32	24	10	22	21	4	22	18	30	20	35	30	21	32	26	28	25	28	35	33	18	20	22	27
France	13	12	2	3	1	9	1	27	5	3	4	11	12	12	10	8	14	15	6	12	8	8	14	7	11	12	12	15	9
Other	7	14	3	4	8	6	6	8	–	1	6	7	5	6	2	7	11	6	9	6	6	8	6	7	6	8	4	8	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 53. Attitudes to Concentration of Media Ownership (Question 70)

% of individuals

Opinions on concentration of ownership	Total	Province*					Quebec					Population centre						Community		Education		Annual income						Age			
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
One company allowed to own all local media																															
Agree strongly . . .	15	8	7	18	5	10	14	30	14	8	–	18	23	14	12	8	13	17	14	15	13	17	16	16	15	8	15	15	13	15	14
Agree somewhat . .	16	11	14	19	13	16	13	21	14	22	27	19	16	18	13	16	16	18	16	17	14	14	23	16	12	19	11	17	19	17	16
Disagree somewhat .	18	9	18	21	21	14	10	26	19	8	26	20	17	20	15	15	17	21	18	19	14	22	17	16	19	18	15	20	15	19	17
Disagree strongly . .	50	71	60	42	61	59	62	22	51	62	43	42	43	45	59	60	53	43	51	48	59	45	43	51	54	54	59	48	52	49	52
Did not state	1	1	1	–	–	1	1	1	2	–	4	1	1	3	1	1	1	1	1	1	–	2	1	1	–	1	–	–	1	–	1
One company allowed to own most local newspapers																															
Agree strongly . . .	6	1	3	5	2	4	4	12	3	7	2	8	7	6	4	4	5	9	5	7	3	7	7	8	3	3	4	9	5	5	6
Agree somewhat . .	13	7	9	19	6	10	8	23	13	10	12	16	15	13	13	7	12	11	13	14	8	14	18	12	11	8	10	13	14	13	13
Disagree somewhat .	24	14	19	23	17	22	17	38	24	16	41	27	29	29	24	19	21	32	24	25	22	28	26	24	26	21	20	28	24	25	23
Disagree strongly . .	56	77	68	53	75	63	70	26	57	67	41	48	48	49	58	69	61	47	57	53	66	49	47	55	59	67	66	50	56	56	57
Did not state	1	1	1	–	–	1	1	1	3	–	4	1	1	3	1	1	1	1	1	1	1	2	2	1	1	1	–	–	1	1	1

Table 53. Attitudes to Concentration of Media Ownership (Question 70) – *Continued*

% of individuals

Opinions on concentration of ownership	Total	Province*										Population centre						Community		Education		Annual income						Age			
		B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
One company allowed to own newspapers in all parts of country																															
Agree strongly . . .	15	15	17	12	15	16	15	14	16	20	16	16	20	11	16	15	14	17	15	15	16	16	15	18	13	10	19	15	15	15	15
Agree somewhat . .	38	38	45	50	40	46	42	19	40	41	39	40	28	37	38	44	36	41	38	37	42	33	38	34	37	46	39	32	31	40	38
Disagree somewhat .	21	17	15	19	16	15	12	36	19	11	18	21	25	26	21	17	18	22	21	21	18	26	23	19	19	21	16	22	26	19	22
Disagree strongly . .	25	29	22	19	28	22	30	29	22	27	21	23	26	23	24	24	31	18	26	26	24	23	23	28	29	22	26	31	27	25	24
Did not state	1	1	1	–	1	1	1	2	3	1	6	–	1	3	1	–	1	2	–	1	–	2	1	1	2	1	–	–	1	1	1
One company allowed to own TV stations in all parts of country																															
Agree strongly . . .	14	13	17	14	14	14	15	12	13	20	19	16	18	10	15	14	13	16	14	14	14	16	15	16	13	9	15	14	16	14	14
Agree somewhat . .	31	33	38	39	34	36	34	20	30	29	35	29	22	31	35	37	32	32	32	30	37	23	31	32	30	38	33	25	27	35	30
Disagree somewhat .	23	21	14	19	20	20	10	36	30	11	22	26	28	30	19	17	19	26	23	24	19	30	23	19	23	24	20	24	28	21	23
Disagree strongly . .	31	32	30	28	32	29	39	31	24	39	20	29	32	26	30	31	35	26	31	31	29	29	30	32	33	29	32	37	27	29	32
Did not state	1	1	1	–	–	1	2	1	3	1	4	1	–	3	1	1	1	–	–	1	1	2	1	1	1	–	–	–	1	1	1

One company allowed to own radio stations in all parts of country																															
Agree strongly . . .	14	13	18	11	15	15	14	12	14	19	14	13	18	9	16	15	14	14	14	14	15	15	14	16	14	10	14	14	15	13	15
Agree somewhat . .	32	35	37	40	34	36	38	19	35	33	35	32	22	31	35	36	33	34	32	31	37	27	31	29	32	38	35	26	28	36	30
Disagree somewhat .	22	19	15	23	16	19	8	36	24	8	27	25	26	29	21	17	18	24	23	23	19	27	24	21	19	24	20	27	28	21	21
Disagree strongly . .	31	32	29	26	34	29	39	31	24	40	20	29	33	28	27	31	34	27	31	31	18	29	29	33	34	27	31	33	28	29	33
Did not state	1	1	1	–	1	1	1	2	3	–	4	1	1	3	1	1	1	1	–	1	1	2	2	1	1	1	–	–	1	1	1
No absentee owners of broadcast stations																															
Agree strongly . . .	33	32	21	29	33	28	32	46	38	36	10	36	38	26	29	28	36	32	33	34	29	37	35	38	29	24	29	32	24	34	37
Agree somewhat . .	31	30	37	30	31	34	26	25	30	29	39	31	28	31	33	33	30	33	31	31	31	31	32	28	31	29	30	29	34	32	31
Disagree somewhat .	21	27	24	31	24	22	20	15	19	24	33	19	17	25	21	27	19	21	22	20	27	18	18	20	23	30	26	23	26	19	18
Disagree strongly . .	13	9	15	10	10	14	19	12	8	11	8	12	16	14	15	10	13	13	13	13	11	12	13	12	16	16	14	14	14	13	11
Did not state	2	2	3	–	2	2	3	2	5	–	10	2	1	4	2	2	2	1	1	2	2	2	2	2	1	1	1	2	2	2	3
One company allowed to control more than one medium in one area																															
Agree strongly . . .	19	10	12	19	22	16	15	29	8	18	10	22	21	16	16	16	18	20	18	19	16	22	21	20	15	13	18	21	23	17	19
Agree somewhat . .	27	25	31	30	23	26	30	28	22	23	37	30	25	26	21	29	26	26	27	27	26	20	27	29	29	31	24	28	21	29	26
Disagree somewhat .	25	19	19	26	30	27	19	24	27	24	33	25	27	28	25	22	23	29	24	25	24	29	27	21	23	26	25	24	23	25	25
Disagree strongly . .	28	45	37	24	24	30	34	17	40	35	12	22	26	26	37	33	31	24	29	27	32	27	24	29	32	29	32	27	31	28	28
Did not state	1	1	1	1	1	1	2	2	3	–	8	1	1	4	1	–	2	1	2	2	2	2	1	1	1	1	1	–	2	1	2
No company allowed controlling interest of companies in more than one medium																															
Agree strongly . . .	32	34	31	17	35	27	25	44	35	23	8	33	32	28	35	30	32	31	32	31	33	36	31	34	30	29	31	27	27	32	34
Agree somewhat . .	27	25	28	28	22	27	24	27	21	31	37	30	25	29	21	26	27	29	27	28	24	22	26	29	30	29	23	30	27	28	24
Disagree somewhat .	23	19	24	34	29	28	20	16	19	22	39	22	24	25	23	27	21	26	23	22	28	21	25	20	23	25	28	25	25	24	22
Disagree strongly . .	17	22	16	21	13	17	28	12	22	24	8	14	19	14	21	16	19	14	17	17	15	19	16	15	16	16	18	17	19	15	18
Did not state	1	–	1	–	1	1	3	1	3	–	8	1	–	4	–	1	1	–	1	2	–	2	2	2	1	1	–	1	2	1	2

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

NEWS REPORTING

Table 54. Preferences for Various Types of News Reporting (Question 71)

% of individuals

		Province*										Population centre						Community		Education		Annual income						Age				Sex	
							Quebec																										
Media reporting preferred	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Simple and factual																																	
Agree strongly	87	85	82	89	79	86	91	90	89	92	74	89	86	87	87	85	86	89	87	89	81	90	88	89	84	82	83	76	78	87	91	87	87
Agree somewhat	11	12	15	10	18	12	6	7	6	6	26	10	11	11	10	11	11	9	11	10	14	8	10	9	13	15	13	20	14	11	8	11	11
Disagree	2	2	2	1	3	2	2	3	5	2	—	1	3	2	3	3	2	1	2	1	4	1	2	2	2	3	3	4	7	2	1	2	2
Did not state	—	1	1	—	—	—	1	—	—	—	—	—	—	—	—	1	1	1	—	—	1	1	—	—	1	—	1	—	1	—	—	—	—
Least possible effort																																	
Agree strongly	66	61	62	58	71	66	61	66	86	78	49	65	69	66	68	64	64	69	65	69	53	78	66	66	61	57	60	57	60	63	73	67	65
Agree somewhat	24	29	29	31	24	25	21	21	11	17	43	25	20	24	26	26	25	24	25	23	31	16	25	25	25	30	28	28	26	27	20	23	26
Disagree	9	8	8	10	5	8	18	13	—	5	8	10	11	10	6	9	11	6	10	8	16	5	8	8	13	13	12	15	13	10	6	10	9
Did not state	1	2	1	1	—	1	—	—	3	—	—	—	—	—	—	1	—	1	—	—	—	1	1	1	1	—	—	—	1	—	1	—	—
Easy to understand																																	
Agree strongly	83	79	79	82	92	81	75	88	89	90	78	85	90	85	87	77	79	88	83	87	70	90	87	87	80	71	72	77	79	84	86	80	87
Agree somewhat	13	18	17	17	6	14	13	9	11	10	20	12	7	12	10	18	17	10	13	11	21	7	11	11	15	20	20	18	17	12	11	15	10
Disagree	3	2	2	1	2	4	12	1	—	—	2	1	3	3	2	4	4	1	3	2	8	1	1	1	5	8	7	5	3	3	2	4	2
Did not state	1	1	2	—	—	1	—	2	—	—	—	2	—	—	1	1	—	1	1	—	1	2	1	1	—	1	1	—	1	1	1	1	1

Stories that are happy																																	
Agree strongly	62	47	52	56	60	54	66	81	68	67	57	68	63	62	64	53	61	66	61	65	49	74	69	66	56	50	47	49	52	62	67	56	68
Agree somewhat	30	46	42	39	34	35	24	14	27	29	29	26	29	26	30	40	30	29	31	29	37	22	25	27	34	40	40	40	34	30	27	34	27
Disagree	7	5	4	5	6	10	10	5	5	4	10	5	7	11	5	6	9	5	8	6	13	3	5	6	9	10	12	11	12	7	5	9	5
Did not state	1	2	2	–	–	1	–	–	–	–	4	1	1	1	1	1	–	–	–	–	1	1	1	1	1	–	1	–	2	1	1	1	–
Gory details																																	
Agree strongly	15	13	11	18	7	12	23	20	11	22	20	15	14	15	22	13	15	13	15	17	8	16	20	16	13	14	9	25	16	14	13	19	11
Agree somewhat	27	27	35	30	29	28	17	20	40	37	31	29	33	23	29	28	21	29	27	27	25	23	25	27	30	31	26	31	28	29	23	29	24
Disagree	57	58	53	52	64	60	60	60	49	41	47	56	53	61	48	58	64	58	58	55	66	61	55	56	56	55	64	44	55	57	64	51	65
Did not state	1	2	1	–	–	–	–	–	–	–	2	–	–	1	1	1	–	–	–	1	1	–	–	1	1	–	1	–	1	–	–	1	–

***Prince Edward Island and Maritime French Canadian not inlcuded in break because base too small, but included in Canada total.**

Table 55. Opinion on Outlook of News Media – Optimistic or Pessimistic? (Question 72)

% of individuals

		Province*										Population centre						Education	
							Quebec												
News media are	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	High school or less	College
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Pessimistic	23	23	19	19	22	21	29	28	16	20	6	18	21	19	22	27	27	21	29
Optimistic	21	20	23	31	26	24	20	15	16	23	29	22	21	22	25	20	19	22	19
Neither	54	54	52	50	50	54	48	56	65	52	65	58	57	55	51	51	53	55	51
Did not state	2	3	6	–	2	1	3	1	3	5	–	2	1	4	2	2	1	2	1

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

MEDIA AS SOURCES OF INFORMATION

Table 56. Opinion of Particular Media as sources of Information on Specific Topics (Question 73)

% of individuals

Adequacy of media in certain areas; preference of medium	Total	Province*: B.C.	Alta.	Sask.	Man.	Ont.	Quebec: Eng.	Quebec: Fr.	N.B.	N.S.	Nfld.	Population centre: Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Community: Rural	Urban	Education: High school or less	College	Annual income: Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Age: Under 20	20-24	25-44	Over 44	Sex: Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Enough information about																																	
Consumer Goods																																	
Yes	66	61	68	60	71	65	69	68	73	57	65	69	62	70	68	60	67	69	65	68	58	64	67	68	68	62	62	70	72	63	66	66	65
No	31	37	28	40	26	31	28	30	16	41	16	26	33	27	29	37	31	27	31	29	39	32	29	28	30	36	36	30	27	34	29	31	31
Did not state	3	2	4	–	3	4	3	2	11	2	19	5	5	3	3	3	2	4	4	3	3	4	4	4	2	2	2	–	1	3	5	3	4
– Which medium best																																	
TV	37	29	38	37	33	29	32	53	35	43	31	40	39	37	41	32	37	34	37	39	27	44	42	40	34	29	26	50	52	37	30	36	38
Radio	11	10	16	4	15	9	10	10	8	17	18	13	10	12	8	8	10	15	10	10	11	12	13	9	12	9	7	7	10	11	11	9	13
Newspapers	48	58	39	54	52	58	51	35	49	36	43	44	47	48	46	56	49	47	49	47	56	40	43	48	50	58	61	38	35	48	55	51	46
Did not state	4	3	7	5	–	4	7	2	8	4	8	3	4	3	5	4	4	4	4	4	6	4	2	3	4	4	6	5	3	4	4	4	3
Changes in Law																																	
Yes	52	40	49	46	59	49	58	57	46	51	59	53	52	51	57	47	51	48	52	53	48	52	54	50	53	51	50	56	55	52	51	48	55
No	45	57	48	54	37	46	38	42	38	47	25	43	44	45	40	51	46	49	45	44	49	44	42	47	44	46	48	49	44	45	44	49	41
Did not state	3	3	3	–	4	5	4	1	16	2	16	4	4	4	3	2	3	3	3	3	3	4	4	3	3	3	2	1	1	3	5	3	4
– Which medium best																																	
TV	23	15	17	22	16	16	11	40	14	21	53	27	25	25	29	17	17	22	23	25	14	30	31	26	18	18	10	27	29	23	19	22	23
Radio	9	11	11	11	8	7	8	10	5	20	6	12	5	9	5	7	13	13	9	9	10	12	9	8	9	7	6	13	7	9	8	8	10
Newspapers	62	65	65	56	75	72	73	46	62	54	33	57	64	58	61	69	65	61	63	60	71	52	55	60	70	72	77	54	56	63	66	64	61
Did not state	6	9	7	11	1	5	8	4	19	5	8	4	6	8	5	7	5	4	5	6	5	6	5	6	3	3	7	6	8	5	7	6	6

Table 56. Opinion of Particular Media as sources of Information on Specific Topics (Question 73) – *Continued*

% of individuals

	Province*											Population centre						Community		Education		Annuel income						Age				Sex	
							Quebec																										
Adequacy of media in certain areas; preference of medium	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Consumer Places to Shop																																	
Yes	82	82	90	74	87	84	88	78	81	74	72	84	73	83	85	83	84	85	82	82	81	80	83	81	83	86	81	82	82	80	84	81	83
No	15	16	7	26	10	12	9	21	5	24	12	13	22	13	12	15	13	12	15	15	16	16	14	16	15	11	17	17	17	17	11	16	14
Did not state	3	2	3	–	3	4	3	1	14	2	16	3	5	4	3	2	3	3	3	3	3	4	3	3	2	3	2	1	1	3	5	3	3
– Which medium best																																	
TV	21	12	23	23	20	11	18	38	11	28	29	25	22	21	20	19	18	20	21	23	14	23	30	24	17	13	10	29	30	21	17	22	20
Radio	13	14	14	18	9	12	12	10	13	23	20	17	13	11	11	12	11	18	12	13	10	18	13	12	13	11	9	20	14	11	13	12	13
Newspapers	63	71	58	50	70	74	64	49	73	47	45	55	61	64	65	66	68	57	64	61	73	55	55	61	68	73	77	47	51	66	66	63	63
Did not state	3	3	5	9	1	3	6	3	3	2	6	3	4	4	4	3	3	5	3	3	3	4	2	3	2	3	4	4	5	2	4	3	4
Taxes																																	
Yes	60	56	63	48	58	58	65	64	49	63	67	62	60	64	58	57	58	63	60	61	56	57	62	58	61	64	57	55	56	60	62	58	62
No	37	42	34	51	39	38	29	35	35	35	17	35	35	32	38	41	39	34	37	35	41	38	34	38	36	33	41	43	42	37	33	39	34
Did not state	3	2	3	1	3	4	6	1	16	2	16	3	5	4	4	2	3	3	3	4	3	5	4	4	3	3	2	2	2	3	5	3	4
– Which medium best																																	
TV	21	11	12	19	10	13	13	40	13	23	37	25	25	22	23	15	16	23	21	22	14	30	27	21	14	17	11	29	26	20	17	21	20
Radio	7	8	10	7	9	6	5	6	8	16	12	10	4	6	4	4	10	11	7	8	5	9	9	6	6	6	3	8	8	7	7	6	8
Newspapers	67	71	71	59	81	77	74	51	60	60	43	61	66	66	67	75	68	62	68	65	76	54	60	68	76	73	80	57	59	68	71	67	67
Did not state	5	10	7	15	–	4	8	3	19	1	8	4	5	6	6	6	6	4	4	5	5	7	4	5	4	4	6	6	7	5	5	6	5
Canadian Economics																																	
Yes	56	45	56	53	54	58	71	57	38	52	55	58	55	57	58	52	57	59	56	58	49	58	53	56	58	56	58	47	53	57	58	55	58
No	40	52	40	46	43	36	23	41	46	45	20	38	40	37	37	45	40	36	40	37	47	36	41	40	39	42	39	52	45	39	35	42	37
Did not state	4	3	4	1	3	6	6	2	16	3	25	4	5	6	5	3	3	5	4	5	4	6	6	4	3	2	3	1	2	4	7	3	5

– Which medium best																																	
TV	23	17	23	27	16	16	11	40	16	20	35	29	30	22	30	15	17	21	24	25	16	30	29	25	19	16	14	30	28	23	20	23	24
Radio	8	5	7	7	6	6	6	10	14	16	10	10	6	11	4	5	7	15	6	8	6	12	7	8	5	7	3	6	8	8	7	7	8
Newspapers	63	68	62	59	78	72	75	47	51	57	33	56	60	58	58	72	71	60	63	61	71	51	57	61	72	73	76	57	55	63	67	65	61
Did not state	6	10	8	7	–	6	8	3	19	7	22	5	4	9	8	8	5	4	7	6	7	7	7	6	4	4	7	7	9	6	6	5	7
Canadian Labour																																	
Yes	62	59	64	52	59	65	71	60	54	63	67	61	61	62	67	59	66	63	63	64	59	62	64	62	65	59	63	57	62	64	63	60	65
No	34	37	31	48	37	30	23	39	30	35	14	35	34	33	28	37	31	32	33	32	38	33	32	34	31	38	34	42	36	32	31	37	30
Did not state	4	4	5	–	4	5	6	1	16	2	19	4	5	5	5	4	3	5	4	4	3	5	4	4	4	3	3	1	2	4	6	3	4
– Which medium best																																	
TV	23	20	22	26	15	18	12	30	24	30	47	27	24	22	27	19	18	20	23	24	18	29	26	26	20	17	12	28	26	23	20	21	24
Radio	9	8	13	5	11	6	10	14	–	11	10	13	10	10	6	6	9	15	9	10	8	12	12	8	9	6	7	10	9	9	10	9	10
Newspapers	62	65	57	56	73	70	70	52	60	57	31	55	61	61	60	67	68	59	62	60	67	52	58	60	65	72	74	55	57	63	64	64	60
Did not state	6	7	8	13	1	6	8	4	16	2	12	5	5	7	7	8	5	6	6	6	7	7	4	6	6	5	7	7	8	5	6	6	6
Canadian Politics																																	
Yes	74	64	77	78	76	74	82	74	73	71	78	75	73	77	79	69	74	75	74	74	72	72	73	75	75	75	74	69	72	75	75	73	75
No	22	32	20	22	21	21	13	25	11	27	6	21	22	19	17	28	23	20	23	22	24	23	23	22	22	23	23	30	27	22	20	24	21
Did not state	4	4	3	–	3	5	5	1	16	2	16	4	5	4	4	3	3	5	3	4	4	5	4	3	3	2	3	1	1	3	5	3	4
– Which medium best																																	
TV	38	35	36	52	33	30	26	48	60	41	61	44	43	39	45	27	32	38	38	40	31	43	47	41	29	34	27	41	47	39	33	37	39
Radio	7	8	7	7	11	6	8	7	–	12	10	9	6	8	5	6	8	9	7	7	6	9	9	6	8	5	4	4	7	8	7	5	9
Newspapers	51	52	51	36	56	60	60	43	35	45	21	44	48	48	46	61	57	48	51	50	58	44	42	50	59	58	65	52	42	50	55	54	49
Did not state	4	5	6	5	–	4	6	2	5	2	8	3	3	5	4	6	3	5	4	3	5	4	2	3	4	3	4	3	4	3	5	4	3
National Unity																																	
Yes	62	49	63	60	70	63	65	63	57	67	63	65	62	61	65	58	62	61	62	63	59	63	62	62	63	65	59	48	68	64	62	60	65
No	33	47	34	40	26	31	28	36	27	29	14	31	34	34	30	37	34	34	33	32	37	32	34	33	33	32	37	50	31	31	32	36	30
Did not state	5	4	3	–	4	6	7	1	16	4	23	4	4	5	5	5	4	5	5	5	4	5	4	5	4	3	4	2	1	5	6	4	5
– Which medium best																																	
TV	35	34	36	41	36	32	23	40	30	41	55	42	39	39	39	28	30	35	36	37	29	39	41	36	31	33	27	42	39	37	31	33	38
Radio	7	8	10	5	7	5	8	8	5	16	4	8	6	7	3	6	8	10	7	7	7	10	7	6	7	5	5	8	6	7	7	7	7
Newspapers	51	50	47	44	54	55	61	48	46	41	29	45	50	44	48	58	56	49	51	49	56	44	45	52	56	56	61	41	49	50	55	53	49
Did not state	7	8	7	10	3	8	8	4	19	2	12	5	5	10	10	8	6	6	6	7	8	7	7	6	6	6	7	9	6	6	7	7	6

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

INFLUENCE OF MEDIA ON ATTITUDES

Table 57. Opinion of Influence of Media on Attitudes to Specific Subjects (Question 74)

% of individuals

		Province*										Population centre						Community		Education		Annual income						Age				Sex	
							Quebec																										
Medium most influential on attitudes to	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Money																																	
TV	43	36	52	55	34	32	35	56	59	43	49	46	46	49	44	36	38	41	43	45	35	44	48	49	42	33	31	64	63	44	30	42	43
Radio	5	5	3	6	6	5	3	5	3	12	4	7	4	4	3	4	6	7	5	5	4	8	7	4	4	4	2	5	4	4	7	5	5
Newspapers	46	53	40	32	58	56	47	35	38	39	43	43	44	41	48	53	49	47	46	45	52	42	41	42	48	58	59	28	30	47	55	48	45
Did not state	6	6	5	7	2	7	15	4	–	6	4	4	6	6	5	7	7	5	6	5	9	6	4	5	6	5	8	3	3	5	8	5	7
Travel																																	
TV	64	76	74	79	68	61	42	59	65	71	90	69	61	65	63	69	57	68	64	64	63	62	67	66	65	63	57	79	74	65	56	64	64
Radio	4	2	4	3	3	3	3	4	3	7	2	4	5	3	3	2	4	6	3	4	2	5	5	3	3	3	3	2	5	4	4	4	4
Newspapers	29	19	20	15	27	32	43	34	32	22	4	25	33	26	31	25	35	24	29	29	30	28	26	28	29	32	36	18	19	28	35	30	29
Did not state	3	3	2	3	2	4	12	3	–	–	4	2	1	6	3	4	4	2	4	3	5	5	2	3	3	2	4	1	2	3	5	2	3
Security																																	
TV	37	29	31	34	26	26	32	65	30	30	45	39	41	41	44	28	37	35	38	39	31	42	45	41	33	30	26	53	52	39	28	37	38
Radio	9	10	9	7	12	8	7	9	3	22	14	12	7	9	4	8	10	13	9	9	8	13	10	7	7	6	8	12	7	8	9	8	10
Newspapers	47	53	55	55	60	57	45	24	62	43	35	46	47	43	46	56	45	49	47	46	52	39	40	46	54	58	58	33	36	47	54	50	45
Did not state	7	8	5	4	2	9	16	2	5	5	6	3	5	7	6	8	8	3	6	6	9	6	5	6	6	6	8	2	5	6	9	5	7

Law																																	
TV	26	25	19	28	16	21	19	39	27	23	51	29	27	28	32	22	23	22	27	28	18	31	32	29	24	19	17	37	35	27	20	24	28
Radio	6	8	9	5	4	6	3	6	3	16	2	9	5	6	3	5	7	10	6	6	7	8	8	5	5	4	5	9	9	6	6	6	7
Newspapers	65	63	71	63	80	69	72	54	62	56	43	60	65	60	63	70	66	66	64	63	71	57	57	64	67	75	76	53	54	64	70	67	62
Did not state	3	4	1	4	–	4	6	1	8	5	4	2	3	6	2	3	4	2	3	3	4	4	3	2	4	2	2	1	2	3	4	3	3
Courts																																	
TV	20	25	18	22	17	16	11	24	30	18	27	21	21	21	21	19	17	17	20	22	12	22	24	21	16	17	13	35	29	17	16	19	20
Radio	5	6	6	8	3	4	6	5	5	12	10	6	3	5	3	4	7	9	5	5	5	7	6	4	4	3	5	8	5	5	5	5	6
Newspapers	72	65	74	68	80	76	75	69	57	65	55	72	73	67	74	74	72	72	72	70	78	66	67	72	77	77	80	56	64	75	74	73	71
Did not state	3	4	2	2	–	4	8	2	8	5	8	1	3	7	2	3	4	2	3	3	5	5	3	3	3	3	2	1	2	3	5	3	3
Economic System																																	
TV	23	21	19	27	13	18	13	36	30	21	33	29	25	20	29	17	19	22	23	25	15	29	29	25	15	21	15	29	30	24	19	21	26
Radio	7	6	11	7	6	7	3	7	3	14	12	9	6	7	5	7	6	12	6	8	5	10	9	6	8	3	3	6	9	7	7	7	7
Newspapers	66	69	65	64	80	71	77	56	59	61	43	60	67	65	63	73	71	65	67	64	76	59	59	65	75	73	79	62	58	66	69	68	64
Did not state	4	4	5	2	1	4	7	1	8	4	12	2	2	8	3	3	4	1	4	3	4	7	3	4	2	3	3	3	3	3	5	4	3
School system																																	
TV	25	11	17	28	16	16	24	48	27	22	22	33	28	23	24	18	23	25	25	27	17	33	33	26	20	20	12	33	30	26	20	24	26
Radio	9	9	11	13	10	7	7	9	8	14	25	12	7	9	8	8	8	17	8	9	8	12	10	9	10	7	6	11	9	9	8	8	10
Newspapers	63	76	68	58	72	74	61	41	65	64	43	53	63	63	65	71	66	56	64	61	70	51	55	63	67	71	80	53	58	63	67	64	63
Did not state	3	4	4	1	2	3	8	2	–	–	10	2	2	5	3	3	3	2	3	3	5	4	2	2	3	2	2	3	3	2	5	4	1
Religion																																	
TV	33	32	23	35	22	30	24	42	46	36	49	34	35	30	46	28	31	31	34	34	29	32	37	35	29	33	32	42	45	33	28	31	36
Radio	18	26	31	30	31	14	8	15	11	33	18	29	16	20	11	16	15	26	18	20	14	24	24	19	15	11	13	21	18	18	18	48	19
Newspapers	38	29	33	30	45	42	41	39	35	18	27	32	40	35	35	43	40	38	37	37	40	34	33	37	43	45	42	29	32	37	42	40	35
Did not state	11	13	13	5	2	14	27	4	8	13	6	5	9	15	8	13	14	5	11	9	17	10	6	9	13	11	13	8	5	12	12	11	10
Sex																																	
TV	69	69	78	86	79	69	53	61	95	76	84	78	67	64	77	74	62	74	70	71	66	71	69	69	72	70	69	75	76	70	65	67	72
Radio	3	5	3	–	4	2	3	3	–	5	4	2	1	2	1	4	4	3	3	3	2	4	3	3	2	3	2	2	1	3	2	3	2
Newspapers	20	16	12	9	17	19	21	33	5	7	8	16	24	21	17	16	24	19	20	20	19	19	23	21	17	21	19	17	20	19	23	22	18
Did not state	8	10	7	5	–	10	23	3	–	12	4	4	8	13	5	6	10	4	7	6	13	6	5	7	9	6	10	6	3	8	10	8	8

Table 57. **Opinion of Influence of Media on Attitudes to Specific Subjects** (Question 74) – *Continued*

% of individuals

	Province*											Population centre						Community		Education		Annuel income						Age				Sex	
Medium most influential on attitudes to	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20 M50-M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Love																																	
TV	74	75	79	81	76	74	59	70	97	70	86	78	76	70	78	75	69	80	74	76	66	75	76	74	76	72	72	78	82	76	69	71	77
Radio	3	4	2	2	4	3	1	4	–	7	2	3	2	4	2	3	5	3	3	3	3	5	3	3	2	4	2	5	2	3	3	3	3
Newspapers	15	10	10	11	19	13	18	22	3	10	8	14	13	14	14	14	16	12	14	14	17	13	16	15	13	17	15	13	12	13	17	17	12
Did not state	8	11	9	6	1	10	22	4	–	13	4	5	9	12	6	8	10	5	9	7	14	7	5	8	9	7	11	4	4	8	11	9	8
Marriage																																	
TV	60	63	65	78	58	61	44	55	76	60	59	65	54	57	68	59	57	67	60	61	55	61	65	59	59	61	54	67	73	61	53	56	63
Radio	4	4	6	2	4	2	4	6	–	9	4	5	3	4	2	5	5	5	4	4	3	5	4	4	4	4	3	3	5	4	5	5	4
Newspapers	27	23	20	14	37	26	31	35	16	19	31	25	35	27	23	27	29	24	28	28	28	27	26	29	28	28	31	27	19	27	31	31	24
Did not state	9	10	9	6	1	11	21	4	8	12	6	5	8	12	7	9	9	4	8	7	14	7	5	8	9	7	12	3	3	8	11	8	9
Family																																	
TV	61	69	65	72	61	57	55	60	81	59	66	62	59	60	70	60	59	60	62	61	59	57	66	62	60	60	60	70	73	65	51	58	64
Radio	6	5	7	8	4	5	4	8	–	14	14	9	6	5	2	6	7	10	6	7	4	10	7	5	5	5	3	4	6	6	7	6	7
Newspapers	25	18	19	17	34	29	23	29	14	17	12	24	27	25	22	27	26	26	25	26	25	27	23	25	27	29	27	23	17	22	32	29	21
Did not state	8	8	9	3	1	9	18	3	5	10	8	5	8	10	6	7	8	4	7	6	12	6	4	8	8	6	10	3	4	7	10	7	8
Birth Control																																	
TV	31	28	36	48	36	29	14	30	43	42	47	37	36	32	35	28	24	34	31	32	27	34	40	30	29	27	24	30	41	32	28	32	30
Radio	6	6	8	2	9	3	2	9	8	10	6	9	4	5	3	4	7	10	5	6	4	8	8	6	4	2	4	7	5	5	6	6	6

Newspapers	54	57	45	44	52	58	65	57	43	30	39	49	51	49	55	59	59	52	54	53	59	48	46	55	58	63	63	58	49	54	55	54	55
Did not state	9	9	11	6	3	10	19	4	6	18	8	5	9	14	7	9	10	4	10	9	10	10	6	9	9	8	9	5	5	9	11	8	9
Divorce																																	
TV	37	42	36	55	41	34	23	36	35	42	45	44	34	37	37	37	31	42	37	38	33	40	43	34	36	35	31	44	42	39	30	36	37
Radio	4	4	8	10	5	2	1	6	5	8	4	5	4	6	3	4	5	7	4	5	3	7	5	5	4	2	2	5	4	4	6	4	5
Newspapers	51	43	46	29	53	54	58	54	49	35	47	46	54	47	53	50	55	47	51	50	51	45	47	54	51	53	57	47	51	48	55	52	50
Did not state	8	11	10	6	1	10	18	4	11	15	4	5	8	10	7	9	9	4	8	7	13	8	5	7	9	10	10	4	3	9	9	8	8
Canadian Nationalism																																	
TV	36	34	40	49	35	30	33	40	38	41	53	40	40	36	40	31	32	43	35	36	38	40	38	37	35	35	31	39	37	39	31	36	36
Radio	7	6	10	4	6	6	5	8	8	17	12	8	5	8	5	9	7	8	7	7	6	9	8	8	6	4	4	10	6	7	6	6	9
Newspapers	53	54	47	46	58	59	52	49	49	37	29	49	53	48	51	56	56	47	54	53	53	45	50	52	55	57	62	49	55	50	57	54	51
Did not state	4	6	3	1	1	5	10	3	5	5	6	3	2	8	4	4	5	2	4	4	3	6	4	3	4	4	3	2	2	4	6	4	4
Political Fever																																	
TV	51	52	57	75	50	48	40	49	62	52	65	58	52	48	53	52	44	57	51	50	56	51	52	53	49	53	48	49	50	55	47	51	52
Radio	7	6	6	6	9	6	6	7	16	10	14	9	7	8	2	7	6	9	7	7	5	8	9	5	6	4	6	8	5	7	6	6	7
Newspapers	39	37	35	17	41	42	45	42	22	35	19	32	39	38	42	38	45	33	39	40	36	34	37	39	42	40	43	40	42	35	42	40	38
Did not state	3	5	2	2	–	4	9	2	–	3	2	1	2	6	3	3	5	1	3	3	3	7	2	3	3	3	3	3	3	3	5	3	3
Clothes Fads																																	
TV	57	61	66	73	60	50	30	61	51	70	76	69	60	60	58	53	45	64	57	58	52	55	61	64	54	57	45	56	66	60	52	56	59
Radio	2	1	2	–	2	2	2	2	6	2	2	1	1	2	3	1	3	3	2	2	1	3	1	2	2	1	1	3	2	2	1	2	2
Newspapers	37	34	30	25	38	43	54	34	43	23	18	28	36	31	35	41	48	31	37	36	41	36	35	31	40	39	50	38	29	35	41	38	37
Did not state	4	4	2	2	–	5	14	3	–	5	4	2	3	7	4	5	4	2	4	4	6	6	3	3	4	3	4	3	3	3	6	4	2
Clothes Styles																																	
TV	57	64	66	69	50	52	31	61	57	77	78	69	59	62	54	53	48	69	56	60	50	56	63	63	57	56	42	56	67	60	53	56	59
Radio	1	2	2	1	1	–	–	1	–	2	–	1	1	–	–	–	2	2	1	1	1	2	1	1	1	–	–	2	1	1	1	1	1
Newspapers	38	31	31	28	49	44	53	36	43	18	18	28	38	33	43	42	46	28	39	36	43	38	33	34	38	41	54	39	28	36	42	38	38
Did not state	4	3	1	2	–	4	16	2	–	3	4	2	2	5	3	5	4	1	4	3	6	4	3	2	4	3	4	3	4	3	4	5	2
Student Movement																																	
TV	57	58	59	76	60	54	40	56	54	62	82	67	59	61	59	54	46	64	56	59	49	57	63	60	57	53	47	54	61	59	55	57	57
Radio	5	4	7	2	5	4	5	6	–	6	6	6	5	4	4	4	5	7	5	5	4	7	7	4	3	3	4	8	7	4	4	5	5
Newspapers	35	35	33	19	35	38	46	36	43	30	8	25	34	31	34	39	46	27	36	33	43	31	28	34	37	41	47	37	30	35	36	35	35
Did not state	3	3	1	3	–	4	9	2	3	2	4	2	2	4	3	3	3	2	3	3	4	5	2	2	3	3	2	1	2	2	5	3	3

Table 57. Opinion of Influence of Media on Attitudes to Specific Subjects (Question 74) – *Continued*

% of individuals

	Province*										Population centre						Community		Education		Annuel income						Age				Sex	
						Quebec																										
Medium most influential on attitudes to	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Personal Habits																																	
TV	55	61	58	70	46	54	36	56	62	47	53	61	53	54	65	52	49	60	55	56	52	56	59	56	56	53	48	58	70	58	47	54	56
Radio	8	3	12	6	12	6	7	9	11	19	23	10	10	7	5	8	6	11	8	9	4	11	10	7	7	5	6	14	6	7	8	8	9
Newspapers	28	24	21	20	42	28	38	31	19	17	14	24	29	7	23	30	33	26	28	27	30	25	25	28	29	33	33	24	20	26	33	30	26
Did not state	9	12	9	4	–	12	19	4	8	17	10	5	8	12	7	10	12	3	9	8	14	8	6	9	8	9	13	4	4	9	12	8	9
Strikes																																	
TV	43	27	46	59	53	34	37	54	48	43	53	50	49	41	41	40	35	49	42	44	37	50	47	42	37	38	35	43	48	43	41	44	41
Radio	9	13	5	11	7	8	4	10	3	16	18	12	10	5	8	7	10	13	9	9	9	11	12	11	8	6	7	9	10	8	10	8	11
Newspapers	45	56	48	28	40	55	52	33	46	39	27	36	39	49	48	51	51	36	46	44	51	36	39	45	52	53	56	47	40	46	46	45	46
Did not state	3	4	1	2	–	3	7	3	3	2	2	2	2	5	3	2	4	2	3	3	3	3	2	2	3	3	2	1	2	3	3	3	2
Profanity																																	
TV	59	65	74	88	71	62	24	41	76	70	74	66	58	61	59	66	46	71	58	60	56	62	59	60	60	58	56	58	59	60	58	57	60
Radio	5	4	7	1	5	5	4	6	–	11	12	6	4	4	5	4	7	7	5	5	4	6	6	4	5	4	4	8	6	5	4	5	6
Newspapers	25	20	9	7	22	18	47	47	16	7	8	22	28	24	25	18	33	17	25	25	25	24	26	24	24	26	27	29	26	24	25	28	23
Did not state	11	11	10	4	2	15	25	6	8	12	6	6	10	11	11	12	14	5	12	10	15	8	9	12	11	12	13	5	9	11	13	10	11

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 58. Opinion on Function of Media (Question 75)

% of individuals

Medium which	Province* Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Population centre Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Community Rural	Urban	Education High school or less	College	Annual income Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Age Under 25	25-44	Over 44	Sex Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Is most personal																																
TV	31	31	38	30	26	30	28	31	43	33	41	31	33	27	36	33	29	28	32	33	26	38	33	34	30	31	20	34	32	29	29	33
Radio	19	21	23	17	20	17	25	20	22	25	14	18	17	23	16	21	21	18	20	19	20	19	19	19	21	15	20	23	19	18	16	23
Newspapers	47	46	37	49	54	49	45	48	35	36	43	49	49	49	45	42	46	52	46	46	50	41	47	45	46	51	55	41	47	50	53	41
Did not state	3	2	2	4	–	4	2	1	–	6	2	2	1	1	3	4	4	2	2	2	4	2	1	2	3	3	5	2	2	3	2	3
Is most relaxing																																
TV	61	64	63	64	49	53	60	75	81	47	78	63	60	60	61	61	64	59	62	62	60	64	64	61	59	64	55	65	64	56	61	62
Radio	25	26	25	25	33	29	28	15	8	35	18	23	22	25	22	27	25	22	25	23	29	21	22	25	26	22	30	27	24	24	23	26
Newspapers	13	10	12	11	18	17	10	10	11	17	4	14	18	15	16	11	10	19	13	14	11	15	13	13	15	13	14	7	12	19	15	12
Did not state	1	–	–	–	–	1	2	–	–	1	–	–	–	–	1	1	1	–	–	1	–	–	1	1	–	1	1	1	–	1	1	–
Lets you forget																																
TV	62	66	58	62	50	58	56	73	62	62	69	63	59	64	66	62	64	62	63	62	62	65	62	63	61	64	57	59	66	60	61	64
Radio	27	26	35	31	38	30	32	16	24	29	27	27	28	28	20	30	26	27	27	27	29	23	26	26	30	28	33	34	26	25	27	27
Newspapers	9	6	5	6	12	9	9	10	14	7	2	9	12	7	11	6	8	10	9	9	7	11	11	9	7	6	8	6	7	13	10	7
Did not state	2	2	2	1	–	3	3	1	–	2	2	1	1	1	3	2	2	1	1	2	2	1	1	2	2	2	2	1	1	2	2	2

Table 58. Opinion on Function of Media (Question 75) – *Continued*

% of individuals

Medium which is	Province*											Population centre						Community		Education		Annual income						Age			Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 25	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Makes you think																																
TV	35	31	35	34	29	34	18	40	46	34	47	39	34	33	42	35	27	40	35	38	24	40	42	38	31	29	20	38	33	35	32	38
Radio	11	11	13	6	13	9	11	13	5	18	14	11	10	15	6	10	10	11	11	11	10	13	12	9	12	11	8	11	11	10	10	12
Newspapers	53	57	51	60	58	55	68	46	49	47	39	49	55	51	50	54	60	49	53	50	64	46	45	52	56	59	70	50	55	53	57	49
Did not state	1	1	1	–	–	2	3	1	–	1	–	1	1	1	2	1	3	–	1	1	2	1	1	1	1	1	2	1	1	2	1	1
Allows you to see life as others live it																																
TV	83	85	88	86	87	83	79	77	89	91	100	86	84	84	82	84	79	83	83	85	79	84	85	84	83	83	80	85	84	82	80	86
Radio	2	2	2	3	2	2	1	3	3	1	–	1	3	2	2	1	2	3	2	2	1	3	2	2	1	1	1	1	2	2	2	2
Newspapers	14	13	9	10	11	13	19	19	8	7	–	12	12	13	14	14	18	13	14	12	19	12	13	13	15	14	18	13	13	15	17	11
Did not state	1	–	1	1	–	2	1	1	–	1	–	1	1	1	2	1	1	1	1	1	1	1	–	1	1	2	1	1	1	1	1	1
Gives a sense of satisfaction																																
TV	51	48	46	44	44	41	49	67	73	54	61	53	53	53	53	45	49	45	52	54	37	58	56	57	48	45	36	56	52	46	50	52
Radio	18	14	20	24	20	22	17	11	11	25	27	19	16	19	16	17	20	20	18	18	21	18	17	14	20	15	21	21	18	17	16	21
Newspapers	27	32	30	31	36	30	27	21	16	15	12	25	27	25	26	32	26	32	26	25	35	22	24	25	28	34	36	20	26	32	31	23
Did not state	4	6	4	1	–	7	7	1	–	6	–	3	4	3	5	6	5	3	4	3	7	2	3	4	4	6	7	3	4	5	3	4
Makes experts available																																
TV	56	50	49	60	48	51	42	70	67	64	51	62	62	55	56	49	52	55	56	57	51	58	63	57	50	52	51	64	58	49	54	58
Radio	10	16	10	11	16	7	6	9	11	16	6	11	6	10	10	9	11	11	10	10	8	12	10	10	9	5	7	11	10	8	8	12

Newspapers	32	32	38	28	36	39	47	20	19	19	33	26	29	31	32	39	34	34	32	31	38	28	26	30	38	40	39	24	30	39	36	28
Did not state	2	2	3	1	–	3	5	1	3	1	10	1	3	4	2	3	3	–	2	2	3	2	1	3	3	3	3	1	2	4	2	2
Is easiest to learn from																																
TV	75	77	78	80	70	72	70	79	81	77	74	81	74	75	79	74	72	74	76	75	77	74	76	79	73	74	72	76	80	69	73	77
Radio	5	7	4	4	5	5	6	6	5	6	6	3	6	5	4	4	8	4	6	6	4	8	6	5	6	5	6	5	4	7	5	6
Newspapers	19	15	17	16	25	22	22	15	8	15	20	16	19	19	15	22	19	21	18	19	17	16	18	16	21	19	21	18	15	23	21	16
Did not state	1	1	1	–	–	1	2	–	6	2	–	–	1	1	2	–	1	1	–	–	2	2	–	–	–	2	1	1	1	1	1	1
Is easiest to relax with																																
TV	61	59	56	50	50	53	66	77	84	51	71	62	62	61	56	58	63	58	61	61	58	61	63	61	59	59	57	62	62	58	59	62
Radio	28	32	35	35	35	34	24	16	8	36	23	27	29	31	26	33	26	28	28	28	32	27	26	29	29	30	32	32	28	28	29	29
Newspapers	10	9	9	14	15	12	8	7	8	12	6	11	9	8	17	9	9	14	10	11	9	12	11	10	11	10	10	6	10	13	12	9
Did not state	1	–	–	1	–	1	2	–	–	1	–	–	–	–	1	–	2	–	1	–	1	–	–	–	1	1	1	–	–	1	–	–
Gets below the surface of the news																																
TV	31	29	29	25	22	31	23	38	43	31	41	27	34	35	37	34	28	24	33	33	27	36	33	34	33	25	26	32	32	31	31	33
Radio	11	12	10	8	14	8	5	13	24	21	18	13	9	11	7	12	11	14	11	11	9	13	13	10	9	11	6	11	11	11	9	12
Newspapers	56	57	58	66	64	58	68	49	30	47	41	59	57	53	53	51	59	61	55	54	62	50	52	55	56	63	65	55	55	57	59	53
Did not state	2	2	3	1	–	3	4	–	3	1	–	1	–	1	3	3	2	1	1	2	2	1	2	1	2	1	3	2	2	1	1	2
Digs for the truth Attempts to find out all the facts																																
TV	28	33	26	22	19	25	18	36	38	29	35	25	29	27	32	31	27	24	29	30	22	35	33	26	25	24	27	33	28	27	26	31
Radio	13	16	10	12	11	12	6	15	27	21	24	14	11	14	15	14	13	12	14	13	12	12	13	15	11	14	10	12	14	13	13	13
Newspapers	55	49	61	66	68	57	67	48	27	48	41	59	59	56	48	51	55	61	54	54	60	50	52	56	60	59	56	53	55	56	57	53
Did not state	4	2	3	–	2	6	9	1	8	2	–	2	1	3	5	4	5	3	3	3	6	3	2	3	4	3	7	2	3	4	4	3
Tells the whole story Doesn't leave me up in the air																																
TV	26	26	21	16	18	26	19	35	38	23	31	25	24	27	32	26	26	23	27	28	19	34	28	26	25	21	21	34	26	23	24	29
Radio	8	12	6	6	7	6	4	8	16	18	18	7	6	7	11	10	9	6	8	8	7	9	8	7	7	8	7	9	7	8	8	8
Newspapers	60	54	61	78	71	59	72	55	41	53	49	65	68	61	51	55	57	67	59	59	64	53	60	61	61	66	64	52	61	62	62	58
Did not state	6	8	12	–	4	9	5	2	5	6	2	3	2	5	6	9	8	4	6	5	10	4	4	6	7	5	8	5	6	7	6	5

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 59. Proponents of television censorship say:

"Too many children watch and learn from TV."
"Too much violence otherwise."
"A number of things just shouldn't be on for children.
"We can't always be there to control what they watch."
"They should avoid obscene shows."
"They show too much already."
"Too much violence and sex."
"Especially of naked women."
"We need to maintain our self-respect."
"Some control is necessary, otherwise we'd get junk."

Those who do not believe television censorship is necessary express a general disagreement with the concept of censorship. They say:

"Censorship in any form is undesirable."
"I don't know who could set the standards."
"Surely they have a conscience."
"Censorship censors the best."
"I'm against control."
"We can turn it off if something displeases us."
"Dangerous impact is comparatively trivial."
"There's not that much on radio – news and music is about all."
"You can always turn it off."

Many who believe radio censorship is necessary say profanity and swearing should be controlled. Others express concern that things would get out of hand in the absence of any control.

"Everyone listens to it so you have to draw the line somewhere."
"Too much put over the air would frighten too many people."
"It's not always good to hear everything."

Many people consider the potential abuse of unlimited freedom on radio to be less dangerous than on TV.

"There is nothing much to censor."
"Radio doesn't have the visual impact."

People who believe newspaper censorship is required make the following comments:

"Newspapers print the wrong information often."
"Privately owned newspapers could become a propaganda medium."
"They often print untruths to get people stirred up."
"We want to know the truth and they don't always print it."

People against newspaper censorship say:

"Control should not be exercised over news media."
"As long as they tell the truth."
"Freedom of the press is necessary."
"People are entitled to know the facts."
"Newspapers are more for adults than for children."
"Everyone is free to buy the paper he wants."

Table 59. Opinion on Censorship of Media (Question 76)

% of individuals

Censorship and medium	Province*: Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec: Eng.	Quebec: Fr.	N.B.	N.S.	Nfld.	Population centre: Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Community: Rural	Urban	Education: High school or less	College	Annual income: Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Age: Under 25	25-44	Over 44	Sex: Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
TV																																
Yes	76	73	79	86	80	78	63	75	76	77	67	81	78	77	79	78	68	84	76	78	71	81	78	78	80	70	67	64	78	80	71	82
No	23	27	19	14	20	21	37	25	24	23	33	19	22	22	20	21	31	15	24	22	28	18	22	21	20	30	33	35	21	20	28	18
Did not state	1	–	2	–	–	1	–	–	–	–	–	–	–	1	1	1	1	1	–	–	1	1	–	1	–	–	–	1	1	–	1	–
Radio																																
Yes	49	50	57	46	48	49	42	48	57	34	57	53	46	50	57	47	43	60	48	49	47	48	52	49	48	46	45	37	50	53	48	50
No	50	50	42	54	50	49	56	51	35	66	41	45	53	48	41	52	56	39	51	49	52	50	47	50	51	52	54	62	49	45	51	49
Did not state	1	–	1	–	2	2	2	1	8	–	2	2	1	2	2	1	1	1	1	2	1	2	1	1	1	2	1	1	1	2	1	1
Newspapers																																
Yes	49	47	44	43	36	46	33	65	51	37	53	53	54	50	54	46	43	55	48	51	43	52	55	55	45	38	40	43	49	53	47	52
No	49	52	54	57	62	52	65	33	41	63	45	46	45	47	44	53	55	44	50	47	56	44	43	44	54	61	59	55	50	45	51	47
Did not state	2	1	2	–	2	2	2	2	8	–	2	1	1	3	2	1	2	1	2	2	1	4	2	1	1	1	1	2	1	2	2	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 60. People who believe the school system is the more influential do so because:

"The things we learn at school we remember and stick to. Advertising goes in one ear and out the other."
"Our values are formed by the school system. Advertising is a choice."
"A lot of people don't even look at advertising."
"The school system affects people at a time when it means the most."
"I'm not influenced at all by advertising."
"Advertising is for adults only."

Some reasons why people say advertising has the greater influence are indicated by the following comments:

"Schooling is only in youth. Advertising is every day, everywhere."
"Advertising shows more about our way of life than anything else."
"Advertising penetrates our homes in spite of ourselves, from all angles."
"Advertising affects us unconsciously."

Table 60. Opinion of Comparative Influence of Advertising and School System (Question 77)

% of individuals

		Province*					Quebec					Population centre						Community		Education		Annual income						Age		
Item most influential	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 25	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
School System	54	50	57	48	61	57	54	48	60	59	51	56	54	47	54	58	51	63	53	52	60	52	55	52	48	59	56	53	53	55
Advertising	42	49	42	52	39	40	44	43	32	41	45	41	43	43	41	40	45	36	43	43	38	44	40	44	50	36	40	44	43	40
Did not state	4	1	1	–	–	3	2	9	8	–	4	3	3	10	5	2	4	1	4	5	2	4	5	4	2	5	4	3	4	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

TELEVISION VIEWING HABITS

NEWSPAPER READING HABITS

Table 61. Amount of time spent reading newspaper and watching television (Questions 78 and 79)

	Province*											Population centre						Community		Education		Annual income						Age				Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
Time spent reading a daily newspaper (average in minutes)	31	33	30	28	35	38	33	31	34	31	26	30	28	30	33	32	34	29	32	32	28	33	32	31	32	30	29	28	29	31	34	31	32
	Per Cent																																
Number of hours of TV watched per week																																	
1 or less	3	4	2	1	4	3	7	1	—	—	—	2	2	3	4	2	4	3	2	2	5	2	2	1	2	3	7	3	1	2	4	3	2
2-5	16	15	20	16	21	19	20	10	11	13	23	18	15	15	13	19	18	19	16	14	25	13	13	15	18	16	27	16	12	16	18	18	15
6-10	22	21	28	21	24	23	24	19	13	23	27	21	22	22	16	27	21	29	22	21	28	21	19	21	22	27	25	23	22	21	24	23	21
11-15	18	23	16	15	18	18	13	18	19	19	16	20	14	17	24	16	17	17	18	18	16	16	18	19	20	18	15	16	22	19	16	19	17
16-20	14	8	17	14	17	12	13	18	27	14	16	15	20	14	14	12	13	15	14	15	11	13	18	16	13	15	11	13	14	16	12	14	15
21-30	15	18	9	19	10	14	14	18	14	16	4	15	16	17	14	12	15	9	16	16	10	18	16	16	15	15	8	17	16	14	15	13	16
Over 30	11	10	8	14	5	10	8	16	16	15	14	9	10	12	14	12	11	7	11	13	4	17	13	12	10	6	5	12	13	11	11	10	13
Did not state	1	1	—	—	1	1	1	—	—	—	—	—	1	—	1	—	1	1	1	1	1	—	1	—	—	—	2	—	—	1	—	—	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

MEDIA SENSATIONALISM

Table 62. Opinion on Most Sensational Medium (Question 80)

% of individuals

		Province*										Population centre						Community		Education		Annual income						Age		
							Quebec																							
Medium chosen as most sensational	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Under 25	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
TV	81	79	86	94	85	75	73	89	89	86	88	90	86	83	86	76	74	89	81	84	73	86	85	84	83	82	66	84	83	79
Radio	4	4	4	2	3	4	6	4	–	2	12	4	3	4	4	4	4	5	4	4	3	4	5	4	3	3	3	5	3	5
Newspapers	14	16	10	4	12	20	19	7	8	12	–	6	11	13	9	19	21	6	15	11	23	10	10	11	14	15	29	11	13	16
Did not state	1	1	–	–	–	1	2	–	3	–	–	–	–	–	1	1	1	–	–	1	1	–	–	1	–	–	2	–	1	–

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 63. People say they prefer American programmes because:

"All the best talent including Canadian has gone to the States."
"They're more professional."
"Canadian shows with their high ideals are too self-conscious in their presentation. American shows at their worst are pretty slick."
"There isn't too much choice."
"More varied programmes."
"CBC shows are boring and uninteresting."
"They have a better view of what the public wants."
"That's where most of the movies come from."

Those who choose Canadian programmes explain:

"Because they're produced by Canadians."
"Because it's our way of life. They resemble us more than American shows."
"We have to encourage our own artists."
"I'm not bilingual."
"Most of the artists are French-Canadian."

Table 63. Canadian *v* American Media (Questions 81 and 82)

% of individuals

	Province*											Population centre						Community		Education		Annual income						Age			
							Quebec																								
Prefer	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Canadian Shows	35	28	26	23	23	24	33	69	32	16	18	41	40	35	35	23	37	40	35	35	37	48	38	35	29	26	34	30	29	32	43
American Shows	60	66	70	70	74	70	60	29	68	82	80	54	57	61	62	72	57	54	61	61	56	48	57	62	67	71	60	68	67	64	51
Did not state	5	6	4	7	3	6	7	2	–	2	2	5	3	4	3	5	6	6	4	4	7	4	5	3	4	3	6	2	4	4	6
Canadian TV	43	34	33	31	32	29	45	80	35	32	29	50	45	42	40	32	46	46	43	42	48	56	47	41	38	34	44	40	38	38	52
American TV	54	59	63	68	67	66	50	20	65	68	71	47	53	55	58	65	49	51	54	55	47	42	50	57	58	61	53	58	58	59	45
Did not state	3	7	4	1	1	5	5	–	–	–	–	3	2	3	2	3	5	3	3	3	5	2	3	2	4	5	3	2	4	3	3
Canadian Radio	92	89	92	91	97	92	95	94	84	93	88	90	92	91	95	93	95	91	93	92	94	90	91	94	94	93	93	85	90	94	93
American Radio	4	3	5	5	3	4	1	4	5	6	8	5	4	6	2	4	3	5	4	4	3	5	4	4	3	1	4	12	6	3	3
Did not state	4	8	3	4	–	4	4	2	11	1	4	5	4	3	3	3	2	4	3	4	3	5	5	2	3	6	3	3	4	3	4
Canadian Newspapers	94	95	93	96	99	94	91	95	84	97	86	93	94	94	95	95	95	94	94	94	94	91	94	95	96	96	96	93	93	95	95
American Newspapers	2	1	3	3	1	2	5	1	3	2	10	1	3	2	1	3	3	1	2	2	3	2	1	3	2	3	2	5	5	2	1
Did not state	4	4	4	1	–	4	4	4	13	1	4	6	3	4	4	2	2	5	4	4	3	7	5	2	2	1	2	2	2	3	4
Canadian Magazines	56	41	55	59	54	51	44	76	49	49	29	68	60	52	53	51	51	71	55	59	47	63	64	60	54	47	40	49	51	53	64
American Magazines	37	46	40	39	44	41	46	18	38	49	67	26	35	42	37	43	40	24	38	33	50	23	28	35	41	46	55	47	46	41	27
Did not state	7	13	5	2	2	8	10	6	13	2	4	6	5	6	10	6	9	5	7	8	3	14	8	5	5	7	5	4	3	6	9

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

MEDIA AND PEOPLE'S PRIVACY

Table 64. Media, in General and in Particular, and Personal Privacy (Questions 83 and 84)

% of individuals

Media and privacy	Total	Province*					Quebec					Population centre						Edu-cation		Annual income						Age			
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Media invade privacy																													
Yes	55	58	50	63	49	51	57	65	46	45	55	52	59	57	61	55	53	53	63	50	51	56	60	54	65	59	59	56	54
No	44	41	49	37	50	47	43	35	54	55	45	48	41	42	39	44	46	46	36	49	49	43	39	45	35	40	39	44	46
Did not state	1	1	1	–	1	2	–	–	–	–	–	–	–	1	–	1	1	1	1	1	–	1	1	1	–	1	2	–	–
Medium most intrusive																													
TV	42	31	32	37	33	28	40	76	30	37	45	45	52	42	45	29	41	42	42	45	45	43	43	36	39	40	39	43	42
Radio	2	4	3	2	2	2	4	2	–	–	–	3	1	3	–	2	3	2	3	2	3	3	3	1	1	2	2	2	2
Newspapers	37	41	41	43	53	44	31	18	43	43	24	36	33	31	40	47	33	36	38	33	34	36	36	41	39	43	44	37	33
Did not state	19	24	24	18	12	26	25	4	27	19	31	16	14	24	15	22	23	20	17	20	18	18	18	22	21	15	15	18	23

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 65. Opinion on Profanity in the Media (Question 85)

% of individuals

Four-letter words should be permitted in	Total	Province*: B.C.	Alta.	Sask.	Man.	Ont.	Quebec: Eng.	Fr.	N.B.	N.S.	Nfld.	Education: High school or less	College	Annual income: Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Age: Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Newspapers																							
Yes	14	23	10	12	9	20	23	4	24	19	12	12	22	12	12	12	16	17	21	24	23	14	10
No	85	76	90	88	90	79	76	96	76	80	84	87	77	88	88	87	84	82	78	76	76	85	89
Did not state	1	1	–	–	1	1	1	–	–	1	4	1	1	–	–	1	–	1	1	–	1	1	1
Magazines																							
Yes	17	28	15	15	10	23	24	3	24	21	20	14	27	12	12	14	18	24	26	27	27	17	11
No	82	71	85	85	89	75	75	97	76	77	78	85	72	88	87	85	82	75	73	73	72	82	88
Did not state	1	1	–	–	1	2	1	–	–	2	2	1	1	–	1	1	–	1	1	–	1	1	1
Television																							
Yes	12	15	9	6	9	18	21	3	19	19	10	10	20	9	10	10	13	13	20	23	20	12	8
No	87	84	91	94	90	81	78	97	81	80	86	89	79	91	89	89	87	85	79	77	79	88	91
Did not state	1	1	–	–	1	1	1	–	–	1	4	1	1	–	1	1	–	2	1	–	1	–	1
Radio																							
Yes	11	13	9	7	6	17	19	3	19	18	6	9	19	8	9	9	12	13	19	21	17	10	8
No	88	86	91	92	93	82	80	97	81	81	90	90	80	92	90	90	88	85	80	79	81	89	90
Did not state	1	1	–	1	1	1	1	–	–	1	4	1	1	–	1	1	–	2	1	–	2	1	2

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

EFFECT OF MEDIA ON ATTITUDES TO THE UNITED STATES AND TO FRENCH CANADA

Table 66. Opinion on Effect of Media on Attitudes to the United States and to French Canadians (Questions 86 and 87)

% of individuals

		Province*										Population centre						Community		Education		Annual income						Age			
							Quebec																								
Media foster	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Friendship with US	77	76	76	84	80	75	79	78	62	81	88	83	76	77	79	76	74	82	76	79	70	78	81	78	76	77	74	72	68	78	80
Animosity	18	21	19	15	19	20	15	16	24	17	10	15	21	14	15	20	22	13	19	17	23	18	16	17	21	19	22	25	28	17	15
Did not state	5	3	5	1	1	5	6	6	14	2	2	2	3	9	6	4	4	5	5	4	7	4	3	5	3	4	4	3	4	5	5
Understanding of Fr. Can. desires	52	38	33	46	36	47	57	74	60	51	65	57	60	49	53	41	55	57	52	55	42	58	58	54	47	54	43	45	41	52	59
Resentment of Fr. Can. desires	43	57	64	50	63	48	37	20	32	46	35	40	38	42	42	53	39	41	43	40	53	35	38	42	47	43	52	51	52	44	36
Did not state	5	5	3	4	1	5	6	6	8	3	–	3	2	9	5	6	6	2	5	5	5	7	4	4	6	3	5	4	7	4	5

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 67. The majority of Canadian people (76 per cent) do not feel that the media have too much freedom.

> "If you cut out the freedom, you wouldn't get anything you want."
> "They don't abuse a privilege."
> "To do their work objectively they must have complete freedom."
> "There can't be too much freedom when the truth is being told and the public is being informed."
> "The dangers of control outweigh the abuses of freedom."
> "As long as they tell the truth."
> "The information on separatism is somewhat censored." (French-Canadian comment)

Those who feel media have too much freedom say:

> "Too many details about bad things and too little about the good things."
> "The advertiser through television has too much influence over a captive audience."
> "They pry too much in private affairs."
> "If you're in trouble, it's published before you have a chance to defend yourself."
> "They make the private lives of people become street gossip."

Table 67. Opinion on the Freedom of Media (Questions 88, 89, 90)
% of individuals

Media freedom		Province*					Quebec					Population centre						Community		Education		Annual income						Age				Sex	
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Media have too much freedom																																	
Yes	22	21	21	30	23	20	17	26	16	20	20	26	24	24	15	24	18	24	22	22	21	25	20	25	21	20	20	24	20	20	24	20	24
No	76	77	77	68	77	78	81	72	84	74	76	73	75	74	83	74	79	75	76	76	77	71	78	73	78	78	78	75	78	78	74	78	74
Did not state	2	2	2	2	–	2	2	2	–	6	4	1	1	2	2	2	3	1	2	2	2	4	2	2	1	2	2	1	2	2	2	2	2
Medium which is public protector																																	
TV	25	18	17	28	24	22	19	38	24	17	26	27	29	23	34	20	23	23	26	27	18	30	29	26	22	26	16	33	35	25	21	24	27
Radio	22	35	26	33	35	17	29	14	22	30	33	21	19	19	17	29	22	22	22	22	22	20	22	23	21	18	25	25	24	23	19	20	24
Newspapers	47	44	50	33	39	53	49	42	54	46	31	48	50	48	45	46	45	49	47	45	54	43	43	44	51	52	53	38	36	46	52	50	43
Did not state	6	3	7	6	2	8	3	6	–	7	10	4	2	10	4	5	10	6	5	6	6	7	6	7	6	4	6	4	5	6	8	6	6
Intermedia criticism																																	
Yes	46	64	58	44	43	54	60	19	38	54	39	39	39	38	43	61	50	35	47	39	69	35	34	43	49	63	67	36	44	47	47	51	40
No	53	35	41	56	57	44	39	80	62	43	61	61	60	61	56	38	48	65	52	60	29	64	65	57	50	36	33	64	56	52	52	48	59
Did not state	1	1	1	–	–	2	1	1	–	3	–	–	1	1	1	1	2	–	1	1	2	1	1	–	1	1	–	–	–	1	1	1	1

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

AMOUNT OF NEWS

Table 68. Opinion on Amount of News Currently Available (Question 91)

% of individuals

		Province*										Annual income						Age			
							Quebec														
Would prefer	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under $4,000	4,001–6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
More news daily	29	25	26	25	23	28	34	29	40	42	31	31	27	27	31	30	32	26	35	29	28
The same amount as now	68	73	70	72	75	68	63	69	60	56	67	66	72	70	67	64	64	67	63	68	70
Less news daily	2	2	2	3	2	3	2	2	–	2	2	3	1	2	1	5	3	5	1	2	2
Did not state	1	–	2	–	–	1	1	–	–	–	–	–	–	1	1	1	1	2	1	1	–

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

MEDIA AND GOVERNMENT CRITICISM

Table 69. Opinion on Media and Criticism of Government (Questions 92 and 93)

% of individuals

Media criticism of government	Total	Province*					Quebec					Population centre						Community		Education		Annual income						Age				Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school of less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Medium most critical of government actions																																	
TV	20	18	21	33	22	22	14	15	30	28	23	21	22	19	28	20	16	19	20	22	13	21	23	23	20	19	12	18	25	20	20	19	21
Radio	8	11	9	5	6	6	8	8	33	13	14	8	6	8	4	9	10	6	8	7	8	9	6	10	5	6	7	10	8	8	7	7	8
Newspapers	68	66	64	59	70	67	76	75	54	57	63	68	70	68	63	68	69	71	68	67	76	64	68	63	71	72	78	69	64	69	68	70	67
Did not state	4	5	6	3	2	5	2	2	13	2	–	3	2	5	5	3	5	4	4	4	3	6	3	4	4	3	3	3	3	3	5	4	4
Media are																																	
Too critical of gov't	15	15	13	12	13	14	9	20	13	15	6	15	15	17	16	13	15	15	15	15	14	17	14	14	14	9	21	22	19	13	15	13	16
Doing a good job	54	41	50	45	64	52	65	59	57	36	59	55	58	55	54	48	53	56	53	55	48	55	57	52	50	58	49	44	45	57	54	52	56
Not critical enough	29	43	35	43	22	30	24	20	22	49	33	28	26	25	27	37	30	27	29	28	35	27	27	32	34	30	29	32	35	29	28	33	25
Did not state	2	1	2	–	1	4	2	1	8	–	2	2	1	3	3	3	2	2	3	2	3	1	2	2	2	3	1	2	1	1	3	2	3

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 70. People say they like columns like "Dear Abby" and "Ann Landers" because:

"It's amusing, humorous." (Many respondents)
"Human interest, interest in people's problems."
"Practical good sense."
"It could happen to me."
"Everyone is curious."

Those who don't like "Dear Abby" and "Ann Landers" say:

"I don't like the way private lives are shown."
"It's just family fights."
"I don't believe in it."
"I think she's an idiot."

Those who read "Playboy Advisor" say it is "entertaining" or that they read it because they are "curious about boy-girl relationships."

People read horoscopes because:

"I want to know what's going to become of me the next day."
"I kind of follow the moon."
"I want to see if they're true or false."
"They're interesting."

Others who dislike horoscopes say:

"They are trying to make superstitious people put their faith in something that isn't true."
"I don't believe in it."
"They're silly."

People listen to "hot-line" programmes because:

"They emphasize local problems."
"There is a personal touch."
"They give you something to think about."
"You can contradict statements and listen to arguments."
"I want to know what's going on and listen to other people's opinions."
"People get excited about some subjects and you learn a lot from them."
"It helps me form my own opinion."
"It's real. It's the people's opinion."

Those who do not like radio "hot-lines" say:

"They're made for people with nothing else better to do."
"I dislike Gordon Sinclair's lack of courtesy to some of the guests."
"All they do is argue when they get on the phone."
"They make me mad sometimes. People call with nothing to say just to hear themselves talk."
"People get nasty."
"The commentators are too abrupt."
"They avoid questions."

"They are biased. Some abuse these programs."
"I don't like the way they cut the line off."

People say they find TV panel shows "educational," "informative," "interesting," and "entertaining."

"You have to think and be alert."
"Sometimes it's controversial."
"They talk about national issues."
"I like to hear different opinions."
"You get the views of other people that are supposed to be smarter than you are."
"They let you know how intelligent and how dumb some people can be."
"Helps me make political choices."
"I like the willingness and openness of the provincial politicians or those representing the school commission" (French).

People who dislike television panel shows say:

"People get nasty."
"There's a few that are so lewd they're embarrassing."
"They avoid questions."
"I don't like the bias."
"Some commentators are rude."

Table 70. Opinion of Advice and Opinion in Media (Question 94a)

% of individuals

Read, Watch, listen to	Total	Province*					Quebec					Population centre						Community		Education		Annual income						Age				Sex	
		B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Dear Abby																																	
Very regularly	21	28	19	7	30	29	23	10	3	17	18	19	14	22	19	29	21	12	22	22	18	16	17	23	25	25	22	20	15	23	21	13	29
Sometimes	18	23	17	9	15	21	16	17	11	11	19	17	17	22	13	18	20	16	18	18	17	17	20	15	19	20	18	17	21	18	17	14	22
Rarely	9	8	8	9	10	11	10	8	19	2	10	8	11	10	10	7	11	9	10	9	11	9	11	9	10	8	11	7	12	11	8	10	9
Never	51	41	56	75	44	38	51	65	65	70	53	56	57	46	58	46	47	62	50	50	53	58	51	53	46	47	49	55	52	48	54	62	40
Did not state	1	–	–	–	1	1	–	–	2	–	–	–	1	–	–	–	1	1	–	1	1	–	1	–	–	–	–	1	–	–	–	1	–
Playboy Advisor																																	
Very regularly	2	3	2	3	–	2	6	3	5	2	2	2	3	3	2	3	3	2	3	2	3	2	1	3	2	5	4	5	5	2	1	4	1
Sometimes	10	13	8	4	7	11	13	11	8	2	6	8	8	9	12	11	12	5	10	9	13	7	8	10	13	13	12	22	18	9	5	15	5
Rarely	7	10	4	10	4	6	10	7	16	9	6	8	6	10	9	4	7	8	7	7	8	6	6	7	8	8	9	11	13	7	5	9	5
Never	80	74	84	84	89	80	71	79	68	87	84	82	82	78	76	81	77	84	80	81	75	84	84	80	77	73	75	62	63	81	88	71	88
Did not state	1	–	2	–	–	1	–	–	3	–	2	–	1	–	1	1	1	1	–	1	1	1	1	–	–	1	–	–	1	1	1	1	1
Horoscopes																																	
Very regularly	18	11	25	4	18	19	16	18	8	34	26	16	16	18	16	23	17	11	19	20	11	20	16	19	19	18	14	28	15	18	16	11	25
Sometimes	26	25	25	21	24	32	18	24	19	16	27	23	27	27	30	24	28	25	26	27	23	21	27	28	26	30	29	35	33	27	22	23	30
Rarely	13	20	17	17	10	12	12	14	19	3	6	12	12	16	14	13	14	11	14	12	19	9	13	15	14	16	14	12	19	15	11	13	13

Table 70. Opinion of Advice and Opinion in Media (Question 94a) – *Continued*

% of individuals

		Province*										Population centre						Community		Education		Annual income						Age				Sex	
							Quebec																										
Read, Watch, listen to	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Under 5M	5M-20M	20M-50M	50M-100M	100M-500M	Over 500M	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Never	42	43	33	58	48	36	54	43	49	47	41	48	44	38	39	40	40	52	40	40	46	48	43	37	41	36	42	24	32	40	51	52	31
Did not state	1	1	–	–	–	1	–	1	5	–	–	1	1	1	1	–	1	1	1	1	1	2	1	1	–	–	1	1	1	–	–	1	1
Telephone Radio Programmes in which people ask an announcer questions																																	
Very regularly	15	17	18	22	22	12	8	15	19	28	18	16	14	19	12	17	13	16	15	16	12	16	19	16	15	13	9	10	13	14	19	13	17
Sometimes	36	31	38	45	44	41	26	27	41	39	41	41	36	39	41	34	27	38	35	37	32	37	38	40	35	36	29	35	36	38	33	35	37
Rarely	15	15	16	15	11	17	13	15	16	7	18	14	19	11	16	15	17	13	15	14	18	12	16	13	16	16	18	20	12	16	14	16	15
Never	34	37	28	18	23	30	53	43	24	26	23	29	31	31	31	34	43	33	35	33	39	35	27	31	34	35	44	35	37	32	34	36	31
TV Panel Shows																																	
Very regularly	28	19	28	34	41	21	22	37	35	32	27	34	32	23	24	23	27	29	28	29	25	37	30	31	24	22	19	17	23	24	37	25	31
Sometimes	45	46	50	55	36	48	46	37	52	45	49	47	45	53	42	43	40	50	44	44	47	37	46	43	49	48	47	48	47	47	41	45	45
Rarely	13	20	15	8	9	15	12	9	5	16	12	9	12	8	17	18	15	10	13	13	14	8	10	14	14	15	17	20	13	14	9	14	12
Never	14	15	7	3	14	16	20	17	8	7	12	10	11	16	17	16	18	11	15	14	13	18	14	12	13	15	17	15	16	15	13	16	12

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 71. Opinion on Local as against Absentee Ownership of Local Media; Knowledge of Political Affiliation of Local Media and Opinion of Effectiveness (Questions 95 to 100)

% of individuals

		Province*					Quebec					Community		Education		Annual income						Age				Sex	
Know owners of local	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
TV station(s)																											
Yes	39	28	37	55	38	40	32	40	41	48	37	43	39	36	49	32	36	40	43	46	48	27	31	40	43	44	35
No	59	70	62	44	62	57	66	59	59	52	59	54	60	62	50	67	62	59	54	52	50	71	66	59	55	54	64
Did not state	2	2	1	1	–	3	2	1	–	–	4	3	1	2	1	1	2	1	3	2	2	2	3	1	2	2	1
Newspaper(s)																											
Yes	42	36	41	39	46	48	29	33	62	46	43	44	41	39	52	37	38	39	44	43	57	26	29	41	50	48	36
No	57	63	57	61	54	49	71	67	38	54	53	54	57	60	46	62	60	59	54	55	41	72	70	58	48	50	64
Did not state	1	1	2	–	–	3	–	–	–	–	4	2	2	1	2	1	2	2	2	2	2	2	1	1	2	2	–
Radio station(s)																											
Yes	32	31	32	41	33	33	25	27	38	47	45	35	32	30	40	27	30	33	32	37	39	25	22	34	34	37	27
No	65	66	66	58	65	63	71	72	62	49	47	61	66	68	57	72	67	65	65	61	56	73	76	65	64	59	71
Did not state	3	3	2	1	2	4	4	1	–	4	8	4	2	2	3	1	3	2	3	2	5	2	2	1	2	4	2

Table 71. Opinion on Local as against Absentee Ownership of Local Media; Knowledge of Political Affiliation of Local Media and Opinion of Effectiveness (Questions 95 to 100) – *Continued*

% of individuals

		Province*										Community		Education		Annual income						Age				Sex	
							Quebec																				
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001-6,000	6,001-8,000	8,001-10,000	10,001-12,000	Over 12,000	Under 20	20-24	25-44	Over 44	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Interested in ownership of local TV station(s)																											
Interested	29	43	36	22	35	32	32	22	19	15	14	30	30	26	43	19	25	28	35	31	42	30	30	31	27	32	26
Doesn't matter	70	56	64	78	65	67	68	78	81	85	86	70	70	74	57	81	75	72	65	69	57	69	69	69	73	67	74
Did not state	1	1	–	–	–	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	1	1	–	–	1	–
Interested in ownership of local newspaper(s)																											
Interested	32	45	42	26	36	36	34	23	27	23	18	29	33	28	49	20	28	31	37	38	48	31	36	34	30	36	29
Doesn't matter	67	54	58	74	64	63	66	77	73	77	80	71	67	72	51	80	72	68	62	61	52	69	63	66	70	64	71
Did not state	1	1	–	–	–	1	–	–	–	–	2	–	–	–	–	–	–	1	1	1	–	–	1	–	–	–	–
Interested in ownership of local radio station(s)																											
Interested	30	44	34	22	37	34	31	20	19	16	18	29	30	26	43	18	26	29	36	33	40	30	32	31	28	32	27
Doesn't matter	70	55	66	78	63	64	69	80	81	84	82	71	70	73	57	81	74	71	63	67	60	70	68	68	72	67	72
Did not state	–	1	–	–	–	2	–	–	–	–	–	–	–	1	–	1	–	–	1	–	–	–	–	1	–	1	1

Know political affiliation of local																											
TV station(s)	13	16	6	16	10	14	22	13	8	18	12	11	14	11	23	8	10	13	13	20	24	14	16	13	14	18	9
Newspaper(s)	32	41	27	28	29	37	39	22	19	36	18	24	33	26	52	20	24	27	36	44	52	24	26	31	36	37	26
Radio station(s)	12	17	7	13	9	11	20	11	8	17	12	9	12	10	19	9	10	10	12	15	19	13	12	10	14	15	8
Political positions influenced by local																											
TV station(s)	19	18	24	18	21	17	22	21	16	11	6	14	19	17	27	13	14	18	20	21	31	32	23	17	16	19	18
Newspaper(s)	21	20	25	17	26	21	26	23	19	11	8	19	22	19	31	15	17	20	21	21	38	32	23	20	19	23	20
Radio station(s)	14	16	16	9	17	14	20	13	14	7	2	11	14	12	19	10	12	13	14	17	21	19	17	13	12	14	13

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Question 101. The favourite newspapers of people in major cities in Canada are as follows:

Vancouver	– *Sun*
Calgary	– *Herald*
Edmonton	– *Journal*
Regina	– *Leader-Post*
Winnipeg	– *Winnipeg Free Press*
Toronto	– *Daily Star*
Ottawa	– *Citizen*
Montreal	– *La Presse*
(English)	– *Star*
Quebec	– *Le Soleil*
Saint John	– *Evening Times-Globe*
Halifax	– *Mail-Star*

The same papers are considered the most influential in their respective areas.

As far as a national newspaper is concerned, the one paper most frequently mentioned by English-speaking people outside that paper's home city is the Toronto *Globe and Mail.* For French-speaking Canadians, *La Presse* and *Le Devoir,* in that order, are the papers most frequently mentioned.

Table 72. Opinion on Need for National Newspaper (Question 103)

% of individuals

		Province*										Education		Sex	
							Quebec								
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Yes	16	11	15	15	18	16	12	19	22	18	8	15	19	20	12
No	81	81	69	65	73	72	82	69	70	75	59	72	71	70	74
Did not state . .	3	8	16	20	9	12	6	12	8	7	33	13	10	10	14

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

CANADIAN CONTROL OF MEDIA

Table 73. About half the people who want government controls retained are concerned about an increase in exposure to scenes of violence, drug taking and sex if TV were left uncontrolled.

> "Everything would be drugs, sex and violence."
> "Controls are needed in one's own actions, emotions and words, why should TV be different."
> "For the concern of the general public, television has the advantages of pictures which could be damaging."

"They have to have some censorship."
"They drag all the filth in now. If there were no controls children would be exposed to things that are now shown in the local movie houses."

About one in five Canadians worry about foreign and commercial influences dominating the media. Some are concerned about subversion from the left.

"It is foolish to allow steps toward anarchy. The objectives of our government deserve consideration."
"If there was no supervision there would be no guarantee that commercial or foreign interests would not take over."
"Then television might bend to advertising pressures."
"Someone might put on adverse shows like communism etc. Things against our country's interest."

People who would like to see the government giving up its control over TV generally give as their reason that TV should be free to manage its own affairs the way newspapers do.

Some dislike the idea of government being associated with news and political coverage.

Most reasons given for wanting government controls retained tend to be vague. They say they are satisfied the way things are now or simply agree that some form of control is probably needed. Many add that although controls may be required they do not want to see censorship.

"I like the way it is now."
"They should control quality but I don't want to see censorship."
"They should set standards."
"It's just necessary. That's all."
"Supervision without censorship."

Some believe that public morality must be considered and control is necessary. A few worry about subversion.

"Someone might promote communism."
"Things like drug addiction shouldn't be on."
"A lot of things would be on that young people shouldn't hear."

Those who would like to see government controls discontinued are mainly concerned about government controlling the news. Most stress that radio should be a free medium.

"It is an important news medium."
"Freedom should apply to radio."
"The media should be separate from government."
"We want facts, nothing hidden."
"The less control government has, the better off the country will be."

Those who do not want government control over the press stress the importance in a free society of the freedom of the press.

"Freedom of the press is important."
"That *is* freedom."
"They wouldn't be able to print anything the government didn't want."
"Freedom of the press. If they go too far people can always stop buying."
"Why should they? This is a free country so they tell us."
"We want to hear points of view which are not those of the government."

Table 73. Opinion on Canadian Control of Media (Questions 106 and 107)

% of individuals

		Province *										Education		Sex	
							Quebec								
Canadian control of medium	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	High school or less	College	Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Newspapers															
Too much	9	13	9	7	8	7	7	11	11	15	6	9	9	10	7
Just enough ...	69	57	67	71	84	68	67	71	70	65	76	70	65	67	71
Too little	17	23	18	18	7	19	19	15	11	12	16	16	19	18	16
Did not state ...	5	7	6	4	1	6	7	3	8	8	2	5	7	5	6
Radio															
Too much	7	11	9	4	5	5	5	9	3	13	12	7	6	9	6
Just enough ...	76	67	75	85	90	75	71	79	84	72	76	77	74	73	79
Too little	11	15	10	7	4	14	16	9	8	7	6	11	12	13	9
Did not state ...	6	7	6	4	1	6	8	3	5	8	6	5	8	5	6
TV															
Too much	11	15	13	7	10	10	7	10	11	19	8	11	12	12	9
Just enough ...	61	50	54	62	56	59	4	71	65	48	63	62	54	60	61
Too little	24	29	29	27	34	25	19	17	19	27	22	23	27	24	24
Did not state ...	4	6	4	4	–	6	10	2	6	6	7	4	7	4	6
Government to stop supervising TV															
Yes	33	35	35	42	25	33	29	30	38	46	33	34	30	37	30
No	64	62	62	52	75	64	70	67	60	54	59	64	67	61	67
Did not state ...	3	3	3	6	–	3	1	3	2	–	8	2	3	2	3
Government to stop supervising radio															
Yes	33	38	35	42	30	33	27	29	43	47	35	34	30	38	29
No	62	59	62	52	69	62	64	66	54	53	55	61	65	59	65
Did not state ...	5	3	3	6	1	5	9	5	3	–	10	5	5	3	6
Government should supervise newspapers															
Yes	19	14	15	8	16	15	17	33	11	8	22	20	15	19	20
No	79	85	83	89	84	81	83	66	89	92	71	78	83	80	78
Did not state ...	2	1	2	3	–	4	–	1	–	–	7	2	2	1	2

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

FAIRNESS OF MEDIA TO POLICE

Table 74. Opinion on Media Attitudes to Police (Question 108)

% of individuals

Medium and attitude to police	Total	Province*: B.C.	Alta.	Sask.	Man.	Ont.	Quebec: Eng.	Quebec: Fr.	N.B.	N.S.	Nfld.	Education: High school or less	College	Age: Under 20	20–24	25–44	Over 44	Sex: Male	Female
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
Television																			
Very fair	38	36	43	44	33	35	42	41	35	40	39	40	33	37	39	37	40	42	35
Just fair	40	42	34	32	39	41	41	41	54	35	38	40	41	35	39	42	38	38	42
Not fair	20	21	22	24	28	21	13	17	8	24	22	19	23	26	21	19	20	19	22
Did not state	2	1	1	–	–	3	4	1	3	1	1	1	3	2	1	2	2	1	1
Radio																			
Very fair	42	46	47	51	46	43	41	36	49	47	31	43	39	34	38	43	45	45	40
Just fair	45	46	42	42	43	43	45	50	41	45	61	45	47	52	47	46	41	43	48
Not fair	10	6	11	5	10	10	8	11	8	8	2	9	10	12	13	8	10	10	9
Did not state	3	2	–	2	1	4	6	3	2	–	–	3	4	2	2	3	4	2	3
Newspapers																			
Very fair	39	40	45	50	44	39	37	32	41	45	35	40	34	33	30	38	44	41	36
Just fair	43	46	38	39	36	42	42	47	46	37	41	43	43	40	44	46	39	40	46
Not fair	16	13	16	11	20	17	15	18	11	17	16	15	20	24	24	14	15	17	16
Did not state	2	1	1	–	–	2	6	3	2	1	8	2	3	3	2	2	2	2	2

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 75. Newspapers received daily (Basic Data, A)

% of individuals

	Province*											Community		Education		Annual income					
							Quebec														
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001–6,000	6,001–8,000	8,001–10,000	10,001–12,000	Over 12,000
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
None	13	11	13	38	19	8	8	19	19	8	20	26	12	15	9	25	18	11	11	8	5
One	66	64	77	55	64	69	52	61	70	84	71	62	67	68	58	64	71	69	67	68	52
Two	17	24	10	6	16	19	29	15	8	6	6	11	17	14	26	11	10	16	18	20	32
Three or more ...	4	1	–	1	1	4	11	5	3	2	3	1	4	3	7	–	1	4	4	4	11

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 76. Radios in home (Basic Data B)

% of individuals

	Province*											Community		Education		Annual income					
							Quebec														
	Total	B.C.	Alta.	Sask.	Man.	Ont.	Eng.	Fr.	N.B.	N.S.	Nfld.	Rural	Urban	High school or less	College	Under $4,000	4,001–6,000	6,001–8,000	8,001–10,000	10,001–12,000	Over 12,000
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
None	2	1	1	–	2	2	3	2	–	5	–			2	1	5	2	1	–	1	–
One	26	23	18	29	21	21	28	36	35	22	37			28	20	40	37	29	15	17	12
Two	30	33	32	28	33	30	25	30	43	29	22			31	29	28	33	31	34	33	26
Three	21	19	21	20	20	22	25	18	14	21	20			21	21	17	18	21	27	18	19
Four or more	21	24	28	23	24	25	19	14	8	23	21			18	29	10	10	19	24	31	43

***Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.**

Table 77. Television in home (Basic Data, C)

% of individuals

	Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.	Under $4,000	4,001–6,000	6,001–8,000	8,001–10,000	10,001–12,000	Over 12,000
	Province*											Annual Income					
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
None	4	4	4	4	9	3	10	3	3	5	4	5	5	3	4	2	4
One	63	68	58	63	64	61	56	65	70	61	69	78	73	69	56	52	39
Two	28	25	32	30	22	29	29	26	27	30	22	16	20	24	33	40	43
Three or more ..	5	3	6	3	5	7	5	6	–	4	5	1	2	4	7	6	14

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 78. Cable Television in home (Basic Data, D)

% of individuals

Total	B.C.	Alta.	Sask.	Man.	Ont.	Quebec Eng.	Quebec Fr.	N.B.	N.S.	Nfld.
	Province*									
%	%	%	%	%	%	%	%	%	%	%
20	46	9	5	10	27	29	15	–	–	4

*Prince Edward Island and Maritime French Canadian not included in break because base too small, but included in Canada total.

Table 79. Income Categories (Basic Data, H)

	% of Respondents
Under $4,000	14
4,001 – 6,000	20
6,001 – 8,000	22
8,001 – 10,000	15
10,001 – 12,000	9
over $12,000	13
Refused	7

Table 80. Sex (Basic Data, I)

	% of Respondents
Male	50
Female	50

Table 81. Community (Basic Data, F)

	% of Respondents
Farmer	10
Non-farmer	90

Table 82. Province (Basic Data, G)

	% of Respondents	Sample Size
British Columbia	9.1	206
Alberta	7.8	175
Saskatchewan	4.6	103
Manitoba	5.1	115
Ontario	35.9	810
Quebec English	5.3	119
Quebec French	23.0	519
New Brunswick	1.6	37
Nova Scotia	3.7	83
Prince Edward Island	0.4	9*
Newfoundland	2.2	49
Maritime French	1.3	29*
	100.0	2,254

*Because of the small sample size caution should be used in interpreting statistics for Prince Edward Island and Maritime French.

Table 83. Education Categories (Basic Data, E)

	% of Respondents
Elementary school	19
Some high school	33
Completed high school	26
Some college	11
Completed college	6
Graduate school	4
Did not state	1

Table 84. Age Categories (Basic Data, F)

	% of Respondents
Under 20	11
20 – 24	8
24 – 34	22
35 – 44	25
45 – 54	18
55 and over	16

Table 85. Population (Basic Data, G)

	% of Respondents
Less than 5M	21
5M – 20M	14
20M – 50M	13
50M – 100M	11
100M – 500M	17
over 500M	24

APPENDICES

APPENDIX 1: QUESTIONNAIRE USED

Good evening. I am ____________________________ from Martin Goldfarb Consultants. We are conducting a study for the Senate of Canada. Could you please spend about an hour with me to answer some questions. They are of utmost importance, and I believe that you will find them interesting. Many thanks.

1 When you think of the word "press," what comes to your mind?

Do not read aloud.	TV	1
Probe after	Radio	1
first reaction.	Newspapers	1
Circle as many	Magazines	1
as necessary.	The (mass) media/all of these	1
	Other (Specify)	1
	Does not mean anything	1

Note: If none of the first four above is circled say: "By press we mean TV, radio, newspapers, magazines, or any other system of reporting news."

2 Would you say that the "press" is

Very honest in its reporting	1
Somewhat honest in its reporting	2
Not really honest in its reporting	3
Interested in developing interest	4

3a Which of the following do you believe most for international news? National news? Local news?

Circle one only	*TV*	*Radio*	*Newspapers*	*Magazines*
International news . .	1	2	3	4
National news	1	2	3	4
Local news (home town)	1	2	3	4

3b Why do you believe (*Name medium*) most for international news?

____

____

3c Why do you believe (*Name medium*) most for national news?

____

____

3d Why do you believe (*Name medium*) most for local news?

____

____

4 Which is the most important medium as far as you are concerned for providing you with each of the following?

Circle one only	*TV*	*Radio*	*Newspapers*	*Magazines*
International news . .	1	2	3	4
National news	1	2	3	4
Local news	1	2	3	4

Why?____

____

5a Which of the following media would you turn to in an emergency news crisis?

Circle as many as necessary.

Radio 1
TV 1
Newspapers 1
Magazines 1

5b Why would you turn to (Name medium) first in an emergency?

____

____

6 When you think of the media – radio, TV, newspapers, and magazines – which one do you think is

Circle one only.	*Radio*	*TV*	*Newspapers*	*Magazines*
Most factual	1	2	3	4
Most influential	1	2	3	4
Most essential	1	2	3	4
Most educational	1	2	3	4
Most difficult to acquire information from . .	1	2	3	4
Most open or frank in its presentation	1	2	3	4
The one that the family gets interested in most	1	2	3	4

Most private	1	2	3	4
Most personal, that is get most personally involved with	1	2	3	4

7a Do you use more than one medium every day to acquire information?

Yes 1 No 2

If no, go to 7d

7b Which ones do you use?

Circle as many as are necessary.

Radio	1
TV	2
Newspapers	3
Magazines	4

7c Why do you use more than one to get information? ________________

____

7d Which one do you use?

Circle one only

Radio	1
TV	2
Newspapers	3
Magazines	4

8a Do you believe that the press in Canada has the power to publish what it wishes without any government influence?

Yes 1 No 2

If no,

8b Do you feel the government should have this influence over the press?

Yes 1 No 2

9 Which of the following, if any, causes the press to bias their reporting?

	Yes	No
Federal Government	1	2
Local Government	1	2
Local police	1	2
Federal police	1	2

Big business	1	2
Criminal elements (Mafia)	1	2

10 Do you believe that the Mafia (Crime) has any influence in the press?

Yes 1 No 2

If yes,

How does the Mafia influence the press?____________________

____

11 Would you say that you are better informed today than you were five years ago?

Yes 1 No 2

Why?____________________________________

____

12 Which of the following media is easiest to acquire information from? In essence, which is effortless?

Circle one only

TV	1
Radio	2
Newspapers	3
Magazines	4

13 Which medium requires the most amount of energy and concentration from you?

Circle one only

TV	1
Radio	2
Newspapers	3
Magazines	4

14 I want you to think of TV. What do you like about it?

____

____

____

What do you dislike about it? ______________________

____

____

15 Now think of radio.
What do you like about it? ______________________

____

____

What do you dislike about it? ______________________

____

____

16 Think of newspapers.
What do you like about them? ______________________

____

____

What do you dislike about them? ______________________

____

____

17 Are there any Canadian magazines that you read regularly?
Which ones? ______________________

Which is your favourite and why? ______________________

____

18a One of the responsibilities of the press is to report to us on what is happening in government and to those whom we have elected. Would you say that the reports concerning Mr. Trudeau have been

Very fair	1
Somewhat fair	2
Not at all fair	3
Other (Specify)	4

Why?____

____

18b Would you say that Mr. Stanfield has been treated in the press in a

Very fair way 1
Somewhat fair way 2
Not a fair way 3
Other (Specify) 4

Why?____

____

18c Would you say that the NDP has been treated in the press in a

Very fair way 1
Somewhat fair way 2
Not a fair way 3
Other (Specify) 4

Why?____

____

19a Some people feel that politicians must be responsible in their behaviour to the people who elected them even in their private lives. Others feel that the private lives of politicians are their own business. Do you feel the private lives of politicians should be reported by the press?

Yes 1 No 2

19b Do you think the press has invaded Mr. Trudeau's private life?

Yes 1 No 2

19c Please explain____________________________________

____

19d Which medium do you think has been most unfair to Mr. Trudeau with respect to the invasion of his privacy?

Circle one only
Newspapers 1
TV 2
Radio 3
Magazines 4

20a Do you think the press has invaded Mr. Stanfield's private life?

Yes 1 No 2

20b Please explain ______________________________

____

20c Which medium do you think has been most unfair to Mr. Stanfield with respect to the invasion of his privacy?

Circle one only

Newspapers 1
TV 2
Radio 3
Magazines 4

21a Which medium, if any, would you fear most with respect to the invasion of your privacy?

Circle one only

Newspapers 1
Radio 2
TV 3
Magazines 4
Would fear none 5

Why would you fear (*Name medium*) most?

____

21c If 5 above, ask

Why do you feel no need to fear the media in this regard?

____

22a Do you feel the media have the ability to affect people's thinking or way of life?

Yes 1 No 2

If yes, ask

22b Which medium is the most powerful in terms of affecting people's thinking or way of life?

Circle one only

Newspapers 1
Radio 2
TV 3
Magazines 4

22c Why?____

____

23 Which of the following would you be most reluctant to lose for a week? A month? A year?

	Week	Month	Year
Radio	1	1	1
TV	2	2	2
Newspapers	3	3	3

24 Tell me if you have been extremely well informed, somewhat informed, inadequately informed, or poorly informed about each of the following.

	Well informed	Somewhat informed	Inadequately informed	Poorly informed
Language bill	1	2	3	4
Stafford Smythe case	1	2	3	4
Arab-Israeli conflict .	1	2	3	4
B.C. election	1	2	3	4
Separatism	1	2	3	4
Homosexual bill ..	1	2	3	4
National Medicare Scheme	1	2	3	4
Moon Landing	1	2	3	4

25 Should the government depend on the media to inform you, or should they take steps to inform you independently of what the media do?

Rely totally on media 1
Inform independent of media 2

Why?____

____

26 Would you say that the newspapers you read are

Practical in their reporting 1
Impractical in their reporting 2

27 Which of the following is most true?

Circle one only.

The newspaper you read represents the interests of its advertisers, that is, big business.. 1

The newspaper you read represents the interest of the public at large . . 2

The newspaper you read represents the interests of the government in power 3

28 Would you say the coverage of the politicians in our society has been

Very biased	1
Somewhat biased	2
Not biased	3

Explain ______________________________

____

29 Which of the media do you think has been the most biased in favour of the ideas of government? Against the ideas of government

	In favour	Against
TV	1	1
Radio	2	2
Newspapers	3	3

30 Think of the media – TV, newspapers, and radio. Do you believe they have had any influence on each of the following?

	TV		*Newspapers*		*Radio*	
	Some	No	Some	No	Some	No
increase in drug addiction	1	2	1	2	1	2
Smoking by young people	1	2	1	2	1	2
Divorce	1	2	1	2	1	2
Promiscuity	1	2	1	2	1	2
Alcoholism	1	2	1	2	1	2
increase in desire for education	1	2	1	2	1	2
Student protests	1	2	1	2	1	2
Labour's poor image . . .	1	2	1	2	1	2
Canadian nationalism . . .	1	2	1	2	1	2

31 Again think of the three media. Have they included too much of the following in each of them in their content?

	TV		*Newspapers*		*Radio*	
	Yes	No	Yes	No	Yes	No
Violence	1	2	1	2	1	2
Sex	1	2	1	2	1	2
Drug usage	1	2	1	2	1	2

32a Please tell me whether you agree strongly, agree somewhat, or disagree with each of the following statements about newspapers.

	Agree Strongly	Agree Somewhat	Disagree
Newspapers have too much sex in them	1	2	3
Newspapers have too much about drugs in them	1	2	3
Newspapers tend to be concerned about social problems	1	2	3
Newspapers have too much violence in them	1	2	3
Newspapers contribute to moral breakdown	1	2	3
Newspapers contribute to a growing disrespect for religion	1	2	3
Newspapers contribute to a growing feeling that Canada will break apart	1	2	3
Newspapers contribute to a strong family relationship	1	2	3
Newspapers contribute to a feeling that divorce is acceptable	1	2	3
Newspapers are society's conscience	1	2	3
Newspapers remind people of their responsibilities to less fortunate individuals	1	2	3

32b Please tell me whether you agree strongly, agree somewhat, or disagree with each of the following statements about television.

	Agree Strongly	Agree Somewhat	Disagree
Television has too much sex on it	1	2	3
Television tends to be concerned about social problems	1	2	3
Television has too much about drugs on it	1	2	3
Television has too much violence on it	1	2	3
Television contributes to moral breakdown	1	2	3

	Agree Strongly	Agree Somewhat	Disagree
Television contributes to a growing disrespect for religion	1	2	3
Television contributes to a growing feeling that Canada will break apart .	1	2	3
Television contributes to a strong family relationship.	1	2	3
Television contributes to a feeling that divorce is acceptable	1	2	3
Television is society's conscience	1	2	3
Television reminds people of their responsibilities to less fortunate individuals . .	1	2	3

32c Please tell me whether you agree strongly, agree somewhat, or disagree with each of the following statements about radio

	Agree Strongly	Agree Somewhat	Disagree
Radio has too much sex on it	1	2	3
Radio tends to be concerned about social problems . . .	1	2	3
Radio has too much about drugs on it	1	2	3
Radio has too much violence on it	1	2	3
Radio contributes to moral breakdown	1	2	3
Radio contributes to a growing disrespect for religion	1	2	3
Radio contributes to a strong family relationship .	1	2	3
Radio contributes to a growing feeling that Canada will break apart	1	2	3
Radio is society's conscience	1	2	3
Radio reminds people of their responsibilities to less fortunate individuals . .	1	2	3

32d Please tell me whether you agree strongly, agree somewhat, or disagree with each of the following statements about magazines.

	Agree Strongly	Agree Somewhat	Disagree
Magazines have too much sex in them	1	2	3
Magazines tend to be concerned about social problems	1	2	3
Magazines have too much about drugs in them. . . .	1	2	3
Magazines have too much violence in them	1	2	3
Magazines contribute to moral breakdown.	1	2	3
Magazines contribute to a growing disrespect for religion	1	2	3
Magazines contribute to a strong family relationship	1	2	3
Magazines contribute to a growing feeling that Canada will break apart	1	2	3
Magazines contribute to a feeling that divorce is acceptable	1	2	3
Magazines are society's conscience	1	2	3
Magazines remind people of their responsibilities to less fortunate individuals	1	2	3

33 Are newspapers for people who are

Highly intelligent 1
Fairly intelligent 2
For everybody 3

Why?____

34 Is radio for people who are

Highly intelligent 1
Fairly intelligent 2
For everybody 3

Why? ____

____

35a When you hear news in any of the media, which news do you trust the most?

International news 1
National news 2
Local news 3

35b Which are you most interested in?

International 1
National 2
Local 3

35c Why? ____

____

36a Which would you rather see?

More international news 1
More national news 2
More local news 3

36b Do you think there is a good balance of these three?

Yes 1 No 2

37 Do you think the real news gets into the press, or is the news in the press controlled?

Real news 1
Controlled 2

Why? ____

38 Think of a newspaper. About how much time each day do you spend reading

Front page . . . . minutes
Financial section . . . . minutes
Editorials . . . . minutes
International news . . . . minutes
Women's section . . . . minutes
Want ads . . . . minutes
Sports . . . . minutes
Travel . . . . minutes
Other (Specify) . . . . minutes

39 Would you prefer

More editorial comment 1
The same amount of editorial comment 2
Less editorial comment 3

Why?____

____

40a Do you get a news magazine?

Yes 1 No 2

40b If yes, which one?

Time 1
Newsweek 2
Other (Specify) 3

41 Which of the four media (*Name them*) do you turn to for

	TV	*Radio*	*Newspaper*	*Magazine*
Facts	1	1	1	1
Special report	1	1	1	1
Background	1	1	1	1
Interpretation	1	1	1	1
Entertainment	1	1	1	1
Relaxation	1	1	1	1

42 Do you watch news on TV

daily 1
three times a week 2
once a week 3
other (specify) 4

43 Which network do you watch the news on?

American network (ABC, CBS, NBC) 1
CBC 2
CTV 3

44 Who is your favourite newsman?

____

45a Can a TV camera lie?

Yes 1 No 2

45b If yes, does this frighten or bother you?

Yes 1 No 2

46 Think of the three media – television, radio, and newspapers. Which one is

Circle one only

	TV	*Radio*	*Newspaper*
The most immediate	1	2	3
The most exciting	1	2	3
The most personal	1	2	3
The most private	1	2	3
The most influential	1	2	3

47a Do you have any children under 10 years of age?

Yes 1 No 2

47b If yes, how much television do they watch in a week?

1 hour or less	1
2 – 5 hours	2
6 – 10 hours	3
11 – 15 hours	4
16 – 20 hours	5
21 – 30 hours	6
over 30 hours	7

47c Do you discourage your children from watching TV?

Yes 1 No 2

47d In your opinion, which do you think is the best place for your child to acquire information?

Circle one only

TV	1
Radio	2
Newspaper	3

Why?____

____

48a I want you to tell me whether you think these things should be shown on TV or not.

	Yes	No
Cartoons which show people throwing pies at each other	1	2

War stories	1	2
Fights in a hockey game	1	2
Players disobeying the referee	1	2
A mother and father having a fight	1	2
A boy fighting with a policeman	1	2
Somebody sniffing glue	1	2
Students rioting	1	2
A man and a woman making love	1	2
Nudity	1	2
A man throwing a pie in someone's face	1	2
A live assassination	1	2
An actual funeral	1	2

48b Are any of these things contributing to, or would they contribute to a break-down of morality if they were shown on TV?

	Yes	No
Cartoons which show people throwing pies at each other	1	2
War stories	1	2
Fights in a hockey game	1	2
Players disobeying the referee	1	2
A mother and father having a fight	1	2
A boy fighting with a policeman	1	2
Somebody sniffing glue	1	2
Students rioting	1	2
A man and a woman making love	1	2
Nudity	1	2
A man throwing a pie in someone's face	1	2
A live assassination	1	2
An actual funeral	1	2

49a Do you ever talk to your radio or television?

Yes 1 No 2

49b If yes, which one?

Radio	1
Television	2

49c What makes you do it? ______________________________

____

50 Do you think that the advertiser controls the content of the news?

Yes 1 No 2

51 Do you think you are influenced by advertising?

A great deal 1
Somewhat 2
A little 3
Not at all 4
I fight it... 5

52 When do you think advertising influences you most?

Circle one only

TV 1
Radio 2
Newspaper 3

53 Is there a positive role for advertising?

Yes 1 No 2

Please explain ______________________________

____

Anything else ______________________________

____

54 Is advertising a form of art?

Yes 1 No 2

Try to explain your choice ______________________________

____

____

55 Which type of ads do you like best?

Circle one only

Ones with facts only 1
Ones with humour 2
Ones with suspense 3
Other (Specify) 4

56 Do you ever find the ads on TV of more interest than the programme?

Yes 1 No 2

57 When you think of newspaper advertising, do you consider some of it to be news?

Yes 1 No 2

Please explain ______

______

58 What is the worst thing an ad can do to you? ______

______

______

59 Do you think the number of ads in a movie on TV should be controlled?

Yes 1 No 2

Why? ______

______

60 Which is most likely to influence your purchasing decision?

An ad that you like and remember 1
An ad you dislike and remember 2
Both equally 3

61 Do you think TV advertising is more effective in inducing people to smoke than newspaper or radio advertising?

Yes 1 No 2

If yes, why? ______

______

62 Should such things as the following be banned from advertising?

	Yes	No
Cigarettes	1	2
Liquor	1	2
Sleeping pills	1	2
Gasoline	1	2
Glue	1	2
Pop	1	2
Beer	1	2
Wine	1	2

63 Which do you prefer to read about

Violence 1
Love 2

Why?____

____

64 Do you get satisfaction in seeing some violence, for example, a hockey player punching another, or a fight between two cowboys?

Yes 1 No 2

Please explain ______________________________________

____

65 I would like you to rate each of TV, radio, and newspapers as being acceptable for each of the following kinds of people. We will use a rating scale of 1 to 5. A rating of 1 means you don't think the medium is good for them, a rating of 5 means you think the medium is very good for them. Other numbers represent the positions between. Let's try TV for young people. How would you rate it?

	TV	*Radio*	*Newspaper*
Young people	______	______	______
Middle-aged people	______	______	______
Older people	______	______	______
Business people	______	______	______
Working people	______	______	______
Housewives	______	______	______
Children under 10	______	______	______

66 Do you ever get really excited about a TV programme?

Yes 1 No 2

If yes, try to remember the last one and tell me why________________

____

____

67a Would it matter to you if Canadian newspapers were owned by foreigners?

Yes 1 No 2

67b Which foreign owners would be most palatable or acceptable?

US	1
Britain	2
France	3
Other (Specify)	4

68a Would it matter to you if Canadian radio stations were owned by foreigners?

Yes 1 No 2

68b Which foreign owners would be most palatable or acceptable?

US	1
Britain	2
France	3
Other (Specify)	4

69a Would it matter to you if Canadian television stations were owned by foreigners?

Yes 1 No 2

69b Which foreign owners would be most palatable or acceptable?

US	1
Britain	2
France	3
Other (Specify)	4

70 Tell me whether you agree strongly, agree somewhat, disagree somewhat, or disagree strongly with each of the following statements.

	Agree Strongly	Agree Somewhat	Disagree Somewhat	Disagree Strongly
One person or company should be allowed to own the TV station, radio station and newspaper in a local area	1	2	3	4
One company should be allowed to own most of the newspapers in one area	1	2	3	4

One company should be allowed to own newspapers in more than one city, i.e. in all parts of the country	1	2	3	4
One company should be allowed to own TV stations in all parts of the country	1	2	3	4
One company should be allowed to own radio stations in all parts of the country	1	2	3	4
Broadcast stations should be owned by local citizens. There should not be absentee owners. . . .	1	2	3	4
Companies or individuals should not be restricted from controlling more than one medium in any one area	1	2	3	4
No company should be allowed to have controlling interest of companies in more than one medium	1	2	3	4

71 Tell me whether you agree strongly, agree somewhat, or disagree with each of the following statements.

	Agree Strongly	Agree Somewhat	Disagree
I want the news to be simple and factual	1	2	3
I want to acquire information with the least possible effort	1	2	3
I do not want the news to be sophisticated. It should be easy to understand	1	2	3
I like stories that are happy	1	2	3
I like stories that have all the gory details, e.g. accidents or war stories	1	2	3

72 Think of the Canadian news you read, see, or hear about. Would you say that it is generally

Pessimistic	1
Optimistic	2
Neither	3

73 Are you getting enough information or background in the following areas from the media? Tell me which one does the best job.

	Yes	No	*TV*	*Radio*	*Newspaper*
Consumer goods	1	2	1	2	3
Changes in law	1	2	1	2	3
Consumer places to shop	1	2	1	2	3
Taxes	1	2	1	2	3
Canadian economics	1	2	1	2	3
Canadian labour	1	2	1	2	3
Canadian politics	1	2	1	2	3
National unity	1	2	1	2	3

74 I am going to read you a list of things. Which one medium – of TV, radio, or newspapers – do you think has the greatest influence on your attitudes toward or your habits in relation to each of them.

Circle one medium only	*TV*	*Radio*	*Newspapers*
Money	1	2	3
Travel	1	2	3
Security	1	2	3
Law	1	2	3
Courts	1	2	3
Economic system	1	2	3
School system	1	2	3
Sex	1	2	3
Love	1	2	3
Marriage	1	2	3
Family	1	2	3
Religion	1	2	3
Birth control	1	2	3
Divorce	1	2	3
Canadian nationalism	1	2	3
Political fever	1	2	3
Clothes - fads	1	2	3
Clothes - styles	1	2	3
Student movement	1	2	3
Personal habits	1	2	3
Strikes	1	2	3
Profanity	1	2	3

75 Which *one* medium does the following best for you?

Circle one only

	TV	*Radio*	*Newspapers*
Is most personal	1	2	3
Is most relaxing.................	1	2	3
Lets you forget	1	2	3
Makes you think	1	2	3
Allows you to see life as others live it.......................	1	2	3
Gives you a sense of satisfaction	1	2	3
Makes experts available	1	2	3
Is easiest to learn from	1	2	3
Is easiest to relax with	1	2	3
Gets below the surface of the news ..	1	2	3
Digs for the truth, attempts to find out all the facts	1	2	3
Tells the whole story, doesn't leave me up in the air	1	2	3

76 Do you believe that censorship is necessary for

TV Yes 1 No 2

Why?____________________

Radio Yes 1 No 2

Why?____________________

Newspapers Yes 1 No 2

Why?____________________

77 In your mind, which has the greater influence on our way of life?

School system 1
Advertising 2

Why did you choose that one? ____________________

____

78 How long do people in general spend reading a newspaper – that is, a daily paper?

Less than 15 minutes 1
15 – 30 minutes 2

31 – 45 minutes	3
46 – 60 minutes	4
More than an hour	5

79 How much television do you watch in a week?

One hour or less	1
2 – 5 hours	2
6 – 10 hours	3
11 – 15 hours	4
16 – 20 hours	5
21 – 30 hours	6
over 30 hours	7

80 Which of the three media – TV, radio, and newspapers – is most sensational?

Circle one only

TV	1
Radio	2
Newspapers	3

81 Which of the following do you prefer on TV?

Circle one.

Canadian shows	1
American shows	2

Why? ____

____

82 Which do you prefer, Canadian or American (*Name medium*)?

Circle one

	Canadian	American
TV	1	2
Radio	1	2
Newspapers	1	2
Magazines	1	2

83 Do you think the media invade people's privacy?

Yes 1 No 2

84 Which does it most?

Circle one

TV	1
Radio	2
Newspaper	3

85 Should four-letter words be allowed in

	Yes	No
Newspapers	1	2
Magazines.........	1	2
Television.........	1	2
Radio	1	2

86 Do the media in Canada tend to

Create friendship with the US 1
Create enmity or bad feelings 2

87 Do the media in Canada tend to

Create understanding of French-Canadian desires 1
Create resentment toward French-Canadian desires 2

88 Do you feel that the media have too much freedom?

Yes 1 No 2

Explain ____

____

89 Which of the following acts most as an "ombudsman" or public protector?

Circle one
TV 1
Radio 2
Newspapers 3

90 Should the media criticize each other?

Yes 1 No 2

91 Do you want

More news daily 1
The same amount as now 2
Less news daily....................................... 3

92 Which of the following do you think is *most* critical of government actions?

Circle one
TV 1
Radio 2
Newspapers 3

93 Are the media

Too critical of government 1
Doing a good job 2
Not critical enough 3

94a Tell me whether you watch, listen to, or read each of the following very regularly, sometimes, rarely, or never.

	Very Regularly	Sometimes	Rarely	Never
"Dear Abby"	1	2	3	4
"Playboy Advisor".	1	2	3	4
Horoscopes	1	2	3	4
Telephone radio programmes in which people ask questions of an announcer	1	2	3	4
TV panel shows.	1	2	3	4

94b What do you like about these programmes?
Indicate which respondent is talking about

____

____

____

94c What do you dislike about them?
Indicate which respondent is talking about

____

____

____

95 Do you know who owns the local TV station or stations?

Yes 1 No 2

Who?____________________________________

96 Do you know who owns the local newspaper(s)?

Yes 1 No 2

Who?____________________________________

97 Do you know who owns the local radio station(s)?

Yes 1 No 2

Who? ____

98a Are you interested or does the ownership of the local TV station(s) matter?

Interested 1
Doesn't matter 2

98b What about the newspaper(s)?

Interested 1
Doesn't matter 2

98c And the radio station(s)?

Interested 1
Doesn't matter 2

99 Do you know the political affiliation or position of the local

	Yes	No
TV Station(s)	1	2
Newspaper(s)	1	2
Radio station(s).	1	2

100 Do they influence your political positions at all?

	Yes	No
Newspaper(s)	1	2
Radio station(s).	1	2
TV station(s)	1	2

101 What is your favourite newspaper?

____

102 What is the most influential newspaper in your area?

____

103 Is there such a thing as a national newspaper in Canada?

Yes 1 No 2

What is it? ____

104 Do you have any opinion as to what the best newspaper in Canada is?

____

105 Do you have any favourite . . .

telecasters ______________________________

radio announcers __________________________

newspaper columnists _______________________

106 In respect to Canadian control in the (*Name medium*) is there

	Newspaper	*Radio*	*TV*
Too much	1	1	1
Just enough	2	2	2
Too little	3	3	3

107 The press (that is, newspapers) supervise themselves in Canada. Should the government cease to supervise TV? Radio?

TV Yes 1 No 2

Why?____________________________________

Radio Yes 1 No 2

Why?____________________________________

107b Should the government also control the newspapers?

Yes 1 No 2

Why?____________________________________

108 When you think of the police, would you say that (*Name medium*) has been

	TV	*Radio*	*Newspaper*
Very fair to their image	1	1	1
Just fair to their image	2	2	2
Not fair to their image	3	3	3

BASIC DATA

A. How many newspapers do you receive daily?

None	1
One	2
Two	3
Three or more	4

B. How many radios do you have in your home?

None	1
One	2
Two	3
Three	4
Four or more	5

C. How many television sets do you have in your home?

None	1
One	2
Two	3
Three or more	4

D. Are you on cable television?

Yes 1 No 2

E. In which of the following education categories do you belong?

Elementary school	1
Some high school	2
Completed high school	3
Some college	4
Completed college	5
Graduate school	6

F. In which of the following age categories do you belong?

under 20	1
20 – 24	2
25 – 34	3
35 – 44	4
45 – 54	5
55 and over	6

G. What is the population of the community you live in?

Less than 5,000	1
5,000 – 20,000	2
20,000 – 50,000	3
50,000 – 100,000	4
100,000 – 500,000	5
over 500,000	6

H. In which of the following categories would your family income fall?

under $4,000	1
4,000 – 6,000	2

6,001 – 8,000 3
8,001 – 10,000 4
10,001 – 12,000 5
over 12,000 6

I. Sex:

Male 1
Female 2

J.

Farmer 1
Non-farmer 2

K. City/Town ____________________

L. Province ____________________

INTERVIEWER ____________________

RESPONDENT'S NAME ____________________

ADDRESS ____________________

DATE COMPLETED ____________________

FOR OFFICE USE ONLY

VERIFIED BY: ____________________

DATE: ____________________

APPENDIX 2

Statistical Tolerances

Probability Level – 19 times out of 20
Range of Error is Plus or Minus:

With a Sample of	Where percentage shown is:																
	1% or 99%	2% or 98%	3% or 97%	4% or 96%	5% or 95%	6% or 94%	8% or 92%	10% or 90%	12% or 88%	15% or 85%	20% or 80%	25% or 75%	30% or 70%	35% or 65%	40% or 60%	45% or 55%	50%
100	–	–	–	3.9	4.4	4.8	5.4	6.0	6.5	7.2	8.0	8.7	9.2	9.6	9.8	9.9	10.0
200	–	–	2.4	2.8	3.1	3.4	3.8	4.3	4.6	5.1	5.7	6.1	6.5	6.3	7.0	7.0	7.1
250	–	1.8	2.2	2.5	2.7	3.0	3.4	3.8	4.1	4.5	5.0	5.5	5.8	6.0	6.2	6.2	6.3
300	–	1.6	2.0	2.3	2.5	2.8	3.1	3.5	3.8	4.1	4.6	5.0	5.3	5.5	5.7	5.8	5.8
400	1.0	1.4	1.7	2.0	2.2	2.4	2.7	3.0	3.3	3.6	4.0	4.3	4.6	4.8	4.9	5.0	5.0
500	0.9	1.3	1.5	1.8	2.0	2.1	2.4	2.7	2.9	3.2	3.6	3.9	4.1	4.3	4.4	4.5	4.5
600	0.8	1.1	1.4	1.6	1.8	2.0	2.2	2.5	2.7	2.9	3.3	3.6	3.8	3.9	4.0	4.1	4.1
800	0.7	1.0	1.2	1.4	1.5	1.7	1.9	2.1	2.3	2.5	2.8	3.0	3.2	3.3	3.4	3.5	3.5
1,000	0.6	0.9	1.1	1.3	1.4	1.5	1.7	1.9	2.1	2.3	2.6	2.8	2.9	3.1	3.1	3.2	3.2
2,000	0.5	0.6	0.8	0.9	1.0	1.0	1.2	1.3	1.4	1.6	1.8	1.9	2.1	2.1	2.2	2.2	2.2

Part II

SELECTED PRINT MEDIA

Part II

SELECTED PRINT MEDIA

Chapter 1

CANADIAN NEWSPAPER PRACTICE

Borden Spears

INTRODUCTION

There are in Canada – if one counts morning and evening editions as separate publications – 116 daily newspapers. Their total circulation at the end of 1969 was 4,781,000.

These newspapers are as various as the constituencies they serve. They differ widely in physical size, in resources of staff and equipment, in format, in typography and layout. They differ in editorial approach and quality, in political persuasion, in the personal biases of the people who own them, direct them, write them, and edit them. They bear the stamp of regional disparity: quite aside from local content, a prairie newspaper is distinguishable from a paper published on the Atlantic coast, and to read the Vancouver *Sun* is a different experience from reading the Montreal *Gazette.* Some are locally owned and independent of outside control; others are members of national and even international chains. But even the chain-owned newspapers are conditioned by the communities in which they exist, whether industrial or agricultural, metropolitan or small-town.

It is tempting, but footless, to attempt to assign to the newspapers a value rating in the communications scale – to debate, for example, whether they have more influence than television on the opinions and conduct of Canadians. That way lies McLuhanism and muddle. Even the advertising priesthood, with the arcane instruments of motivational research and audience analysis, have no reliable formula for this kind of measurement.

Depth of penetration, then, defies determination; but coverage can be measured. And fourteen million Canadians read newspapers every day. To the ordinary citizen, his newspaper is the primary source of information about the world at large and about the particular influences – natural, political, and social – that bear upon his life. For the newspaper is unique in this respect, that its content is for the most part dictated to it by outside events which it does not control. The magazine editor or the television producer enjoys the luxury of choice; he can deal with the subjects that interest him, or that he thinks will interest his audience. The newspaper editor, by the terms of his charter, must try to keep a watch on all the world's happenings and report them, as rapidly and intelligibly as possible, to the public. No other medium, commonly available and accessible for reference, equals the newspaper in the volume of relevant data that it records day by day.

It follows that the influence of the newspapers is enormous – not because of the packaged opinions of the editorial page in which editors and publishers tell the people what to think, but because they are reporting to their readers what the world is like; by selection and presentation are passing on their own view of it. If the editor is a cynic or a fool, he will by unconscious degrees tend to influence his readers in the direction of cynicism or foolishness. Though the newspapers are currently suffering from a credibility gap (for reasons which will be touched on in this paper), they are still believed. The printed word carries a mysterious authority; what we read is true. "All I know," said Will Rogers, "is what I read in the papers." He spoke for most of us.

Given all this, it hardly needs to be said that in a democratic society a heavy burden of responsibility rests upon the newspaperman, on the man who gathers and writes the news and the man who prepares it for publication. The newspaperman has a duty to be fair if not impartial, to be accurate, and to be complete. He must be in addition intelligent, knowledgeable, and professionally competent. It is the purpose of this paper to examine the Canadian newspaper scene in terms of methods, human equipment, and practice, and to provide some basis for assessment of the performance of our daily press.

This examination is made easier by the fact that despite the diversities mentioned earlier, there is among Canadian newspapers a basic uniformity of tone and purpose. We have no gutter press. There is no sharp dividing line such as the one that exists in Britain between the quality press, as represented by the *Times* and the *Guardian,* and the sensational press typified by the *News of the World.* Canada's newspapers, by and large, aspire to quality; where they differ is in performance. If there is a distinction to be made in this respect, it lies in the extent to which commercial considerations affect editorial excellence. A newspaper is a business; it must pay or perish. The desire to make money and the desire to produce a good newspaper are not mutually exclusive; but some publishers are unable, and some are unwilling, to give excellence an equal priority with profit.

MODEL NEWSPAPER

Since limitations of space preclude individual examination of the more than 100 newspapers in this country, it will be convenient and useful to construct an imaginary but representative model that combines the features of structure and organization that are common to all. This is necessary because of the the wide disparity in size, manpower, and resources between Canadian papers. The basic units in any newspaper operation are a reporter, an editor, and a printing press. But consider the editorial establishment of the Toronto *Star*: an editor-in-chief, a managing editor, an executive editor, two assistant managing editors, four senior editors, a news editor, a city editor, seven assistant city editors, a features editor, a chief copy editor, a sports editor, a financial editor, a foreign news editor, a national editor, a women's editor, a travel editor, a production editor, four make-up editors, an art director, three photo editors, fifteen copy editors, and more than

100 assistant departmental editors, general reporters, political reporters, foreign correspondents, columnists, reviewers, and special writers in such fields as business, sports, labour, education, real estate, religion, medicine, science, gardening, and the arts. The total editorial staff: 256. Only twenty miles away, but at the other end of the manpower spectrum, the Oakville *Journal-Record* is produced daily by a staff of eighteen – seven editors and eleven reporters.

SIZE, RESOURCES, AND FACILITIES

Clearly, our composite newspaper lies somewhere between these extremes. In size, resources and facilities, it approximates the Regina *Leader-Post* or the Kitchener-Waterloo *Record.* It is published in a city of 100,000 people and is the "home" newspaper in six to ten surrounding counties. Its circulation is 50,000, which means that it has 150,000 readers. This is "saturation" coverage of the community. It is an afternoon paper with two editions. The early edition contains a number of "district" pages and is trucked to the rural communities. The second edition contains more city news, later stock market quotations, and more complete sports results. The paper has a staff of fifty editors, reporters and photographers, plus a network of part-time area correspondents who are paid space rates for sending in notes of local doings. It sends a staff reporter to the provincial capital during the session of the legislature but does not have its own man in Ottawa. If it is a member of a chain, it is covered by the chain's Ottawa bureau; otherwise, it shares with a number of other newspapers the "special" reports of an Ottawa press gallery free-lance. It is served by the Canadian Press wire service, which includes American and world news selected by C.P. from the Associated Press, Agence France-Presse, and Reuters agencies. In addition, it buys – for $100 to $200 a week – a teletyped service from another American syndicate, most probably the Chicago *Daily News* or the Washington *Post*-Los Angeles *Times* service. For its Saturday feature pages, it may also buy mailed features from a syndicate like North American Newspaper Alliance, or the syndicate operated by the Toronto *Telegram.* It also buys syndicated cartoons for the editorial and sports pages.

The paper is a faithful mirror of its middle-class community. It does not rock any boats. The publisher serves on the hospital board and plays golf with other business leaders of the city. The editor gives generous publicity support to the Community Chest and other fund drives. The paper conscientiously reports city council meetings, school board decisions, traffic accidents, and industrial strikes. It covers local scandals when they break into public view, but it does not dig for them, and it reports them with restraint. It enjoys a friendly relationship with the police; the police chief makes no objection to the fact that a radio in the newsroom monitors all police calls. The city has no sizeable hippie community, but there is a motorcycle gang of more than local notoriety. The paper reports their appearances in court for gang fights or multiple rape, but it has never published an article examining the cyclists as a social phenomenon.

It is a competent newspaper, not an exciting one. The editor is proud of it: "This paper goes into the homes. We don't publish anything you would not want to see in your home." To the publisher, his circulation figures demonstrate that the public likes the paper as it is. What if there were a competing newspaper in town? The question does not arise. To start a second paper would require a large amount of capital, assurance of advertising support, and a C.P. franchise for which one of the criteria is other publishers' estimate of economic viability. None of these is in prospect.

STAFF STRUCTURE

How is the newspaper staffed? Who makes the decisions, and how are they carried out? What follows is a capsule description of titles and functions. In detail it will vary from paper to paper, but the basic structure is virtually identical in every Canadian newsroom.

The Editor.

Technically he is responsible for the total news and editorial operation, but in practice he confines his day-by-day attention to the editorial page. He started as a junior reporter, has spent thirty-two years with the paper, and has absorbed the publisher's philosophy so thoroughly that he rarely needs to ask for guidance on matters of policy. He writes at least one editorial a day, keeps an avuncular but distant eye on the news side, represents the paper at public functions, and keeps in close personal touch with politicians and community leaders. He is at his best when writing editorials on community affairs and local issues, weakest on questions of economics and national policy. He is wistfully aware that there is a generation gap.

Managing Editor.

Except for the editorial page, he is the final arbiter of what the public will read. He hires and fires, appoints and supervises department editors, negotiates with the advertising manager for space. He does not sit at the news desk but keeps himself free to prod, suggest, trouble-shoot, and handle administration. He is automatically consulted about important stories.

News Editor.

Top man on the news desk. In the absence of the managing editor, he will put out the paper. He is the one man who reads everything; stories from all department editors (except, possibly, sports) funnel through him, and he determines their relative importance and position in the paper. If a story does not satisfy him, he sends it back for revision. He orders and approves all headlines, personally draws up a dummy of the front page, and either dummies or directs the make-up of all other pages.

City Editor.

In charge of all local reporters and suburban area correspondents, and hence the busiest man in the office. He appoints reporters to beats or special assignments, directs their efforts, is responsible for training and development. He must have an intimate knowledge of his city – its history, its politics, its interlocking social relationships – and of the people who make it tick. He profiles the city every day, and he never has enough time, enough staff, or enough space to do it as well as he could.

Telegraph Editor.

He handles the news from the province, the rest of Canada, and the United States (but not from Washington or the United Nations; these go to the cable editor). His material is the copy which pours in by teletype, twenty-four hours a day, from C.P., A.P., Reuters, U.P., and probably at least one other wire service. His job is selection and condensation; when astronauts go to the moon, he is inundated by a flood of constantly changing and overlapping reports and special features, from a dozen sources, which must be instantly assimilated and knitted together into a coherent and up-to-the-minute account.

Cable Editor.

His beat is the rest of the world; his material, again, is the wire-service flimsy. On some papers the cable editor is responsible for Ottawa news; on others it is handled by the telegraph editor, in some cases by the city editor.

Sports Editor, Financial Editor, Women's Editor.

These are self-explanatory.

Chief Copy Editor.

Known in the trade as the "slot man." As with the news editor, everything funnels through him. When the news editor has accepted a story, he hands it to the slot man for final detailed editing. The slot man farms it out to one of a battery of copy editors whose job is to polish the style, check it for accuracy or possible libel, and write a heading. When the heading is approved by the news editor, it goes to the composing room for setting into type.

(A complication arises here which deserves attention. Of the 103 newspapers which are members of Canadian Press, seventy depend on C.P. for *all* their non-staff-written news, and seventy-nine receive the C.P. file by teletypesetter. This in a relatively modern installation by which the news, punched on a machine in C.P.'s Toronto newsroom, is transmitted directly to linotype machines in the mechanical departments of the member newspapers. This is an important economy; it means that the newspaper needs no linotype operator to set the C.P. news. But it also means that a C.P. editor in Toronto is producing stories which will appear identically in seventy-nine newspapers across the country. The C.P. editor is competent; but no two editors would handle a story in the same way, and the local editor has lost his opportunity to edit the story in his own way. It is true that the local editor receives a duplicate of the story on tape, and can pencil in changes to be set manually by a human operator; but, to the extent that he does this, he defeats the purpose of the teletypesetter. The tendency is to leave the C.P. story alone, or to confine local editing to the slicing out of individual paragraphs with a scissors. The effect is a grey uniformity.)

Reporters

In the end, everything depends on them. No matter how good the editor, he is ultimately at the mercy of the man he sends to do the story. If the reporter misquotes or distorts or misrepresents or betrays a confidence, the editor has no way of knowing it until the story has been published and the storm has burst. He can then, of course, fire the man. More common, and more difficult to deal with, is simple incompetence: the reporter skimps his research, muddles the facts, or misses the vital point in a complex situation. It may take months or years before the truth sinks in that the trouble is not inexperience but inadequacy.

JOURNALISM AS A PROFESSION

How good are Canadian reporters? Good, but not as good as they could be. They lack, to begin with, the professional and technical competence of their counterparts in the United States and Britain. This is partly because their training is inferior and partly because neither the newspaper industry nor the members of the craft collectively are working to improve standards. In Britain, for example, the industry-supported Press Council works constantly and effectively to establish standards of newspaper performance and to police the product. The Institute of Journalists plays a similar role within the profession. In Canada there are no press councils. Nor is there another industry watchdog. The governors of the Canadian Press, who might fill the function, occupy their annual meetings with matters of finance, logistics, and technological improvement. At the level of the working newsman, the only considerable organization is the American Newspaper Guild; it is a trade union, concerned with pay and working conditions, relinquishing to employers the upgrading of professional standards.

There exist in Canada only two university departments of journalism, at Carleton University and the University of Western Ontario. They are staffed for the most part by men whose own background in journalism is not outstanding. They offer what are essentially liberal-arts courses, enriched by courses in the history of journalism, news and feature writing, newspaper ethics, and newsroom mechanics. They are useful courses, but they do not yet provide a first-class professional training ground. They grant forty or fifty degrees a year, but approximately half their graduates go not to newspapers but to public relations, to industrial publications, or to radio-TV. In the opinion of most editors, a Canadian degree in journalism still carries little, if any, advantage over a degree in English or history or economics.

It follows that newspapermen are trained on the job, like factory hands. An axiom of the business is that "what makes a good reporter is a good city editor." But a city editor who is functioning at his job has no time to be also a teacher. The system is well enough for apprentices on an assembly line, but it is far from adequate for an occupation which likes to regard itself as a profession.

With a few notable exceptions, no Canadian newspaper has a consistent training programme. It is true that many papers do take aspiring university students and put them to work during vacations, in the hope that they will return to full-time work upon graduation. But this is a recruiting scheme, not a training system; students and fledgling reporters are simply thrown into the mainstream, to sink or swim.

One of the notable exceptions is the Toronto *Star,* which in 1969 had eighteen students – selected from more than 300 applicants – in its summer training school. The students spend half their day at normal working assignments, turning their copy in to the desk like any other reporter, or working at the copy desk themselves. For the remainder of the day they are under the tutelage of an editor assigned as their "professor." He analyses and grades their work individually, and sets up lectures and seminars with other senior editors, as well as "bull sessions" with visiting dignitaries such as Senator Davey and Premier Robarts.

Some other newspapers have student programmes approaching this one in organization and content. But the *Star* itself goes beyond it, with formal training programmes for permanent employees. Groups of reporters and editors, including those with long experience, are detached for stated periods and assigned to specific areas of study. Outside experts are imported. Under the guidance of a senior editor, the group learns about public administration from politicians and officials; about labour relations from union leaders and employers; about urban problems from city planners and social workers; about financial affairs from economists and businessmen. The object is to upgrade not only technical skills but also basic knowledge among people whose function is not only to report but to interpret, and who cannot interpret without understanding.

As the largest and richest newspaper in the country, the Toronto *Star* is able to afford the time and the manpower for an elaborate and continuous training programme on a scale that others cannot match. But few publishing operations are so poor that they could not devote some attention to so vital a requirement. Most of them do not.

There is another major factor operating against real excellence in the ranks of news and editorial workers. It is financial reward. Except for a few at the top of the heap, newspapermen are poorly paid by comparison with those in other professions of comparable public responsibility. In Toronto, the current scale for fully experienced reporters is $190 a week; Toronto brick-layers last year signed a contract awarding them $240 a week. The Peterborough *Examiner* was formerly respected as one of the country's quality newspapers, well written and well edited. At the time of last year's unsuccessful strike by editorial employees, the salary of its highest-paid reporter was $120 a week, which is $20 less than garbagemen are paid in Windsor, Ontario. Other reporters were in a range from $70 to $95 a week; the managing editor received slightly more than $200 a week. These are not salaries to attract the ablest and most ambitious young people entering the professional world.

A RENEWED COMMITMENT

Despite all this, it can be said that a new and better breed of journalist is indeed appearing on the scene. Traditionally the Canadian newspaperman is one who started as a copy boy, worked his way through occasional sports assignments to the police beat, to city hall, and eventually, perhaps, to the legislature and Parliament Hill. Along the way he acquired a workmanlike competence at assembling facts and setting them down in order. From this unlikely progression, through their own native talent and effort, some fine journalists emerged; but it was not a system to produce the sophisticated analysis required in the complex society of today.

THE NEW JOURNALIST

Today's journalist is much more likely to be a university product, with formal training in history, logic, economics, and political science. Some newspapers now will not hire a man who has no degree. The new breed are confident, iconoclastic, and professional; they often feel that they know more than their tradition-encrusted bosses. They have fire in their bellies; they are members of the committed generation, and they go into journalism because they are looking for careers with meaning and social responsibility. They are impatient for change, and their impatience exerts pressure on their employers. They see a social revolution in progress, and they believe the press should be participating in it, not resisting it, if the press is to retain its influence. Regardless of ideology (many of them are politically conservative), they tend to see the modern industrial state as an economic giant over which governments have lost control. They see governments floundering to react to change, rather than consciously directing it. And they see people confused by rapid change which is not understood. In this situation, the new journalists see the role of the press as one of prophecy and interpretation. They are less concerned with old-fashioned "hard" news – what happened where, who said what – than with "soft" news – putting events in context, explaining and giving meaning to the forces of change.

THE NEW JOURNALISM

This is a serious view of press responsibility, and to anyone who compares the newspapers of a decade ago with those of today it will be evident that this view is gaining ground. It is the misfortune of the newspapers, however, that public recognition of this fact lags behind performance. It is easy, and fairly popular, to deride the daily press as cynical purveyors of the cheap, the flashy, and the sensational. These are certainly components of the daily newspaper diet –as they are components of the society which the press reflects. But there is solid evidence that the charge of cynical exploitation is unfair.

In the course of this study, a number of Canadian publishers were asked to define the function of the newspaper. Their replies were strikingly unanimous. The job of the newspaper, they said, is first, to inform; second, to interpret; third, to entertain. It is of course possible to suspect that these are ritual answers; but the publishers can at least be given credit for studying their market. The rightness of their formula was statistically supported in an elaborate audience survey conducted several years ago in Toronto by the father of motivational research, Dr. Ernest Dichter.

The Dichter researchers first established that the reader's opinion of his newspaper is formed, as much as much as anything, by the contents and the format of its front page. They then set out to determine what things the reader demands, whether consciously or unconsciously, to find on the front page of each edition. The answers were illuminating.

It appeared, first of all, that "scare" headlines, boxcar type, and circus make-up aroused an instinctive feeling of distrust. The paper which used these tactics to grab the reader by the throat might be read, but it would not be respected or even believed. And the conclusions as to content were equally revealing. The newspaper reader, it was made clear, wanted to find these things on the front page:

The top international story of the day.
The most significant news from Ottawa.
The activities of the provincial government.
A story from city hall.
A report on finance or business.
A report on an area of interest involving the reader personally, as in health, consumer prices, education, or religion.

It will be noted that there is no demand here for scandal, crime, sex, or sensation. As every editor knows, these must be on the front page too, and a story involving crime or sex may well outdraw all the rest in readership. The story from Ottawa may not even be read by the subscriber who insists that it be there. But the lesson is clear: unless the newspaper gives relative prominence to the news of real significance, the reader will judge that it has failed in its job. He may already have seen it on television or heard it on radio; he wants to see it in print.

PUBLISHING PHILOSOPHY

In a business devoted to putting ideas in print, it is noteworthy that few newspapers have attempted to put down in writing, for the guidance of their own writers and editors, the basic principles on which they operate. This is not to say that they do not know what they are doing. For the most part a body of practice has evolved, like the British Constitution, out of precedent and tradition. It is passed on verbally, and new practitioners take it in partly by osmosis.

In Canada, one paper which has attempted a codification of its publishing philosophy, in terms directly applicable to the rush of meeting deadlines, is the Toronto *Star,* which furnished editors with a general statement of aims and a specific list of Page One guidelines. These documents are worth attention not because they are peculiar to the *Star* but precisely because they are not; they represent a synthesis of Canadian newspaper practice. It is safe to say they would be accepted without significant revision in every Canadian newsroom.

Here is the statement of editorial aims:

1. To provide a newspaper that appeals to all the people rather than to particular groups or classes.
2. To provide thorough coverage of political and economic affairs so that the electorate may be well informed.
3. To provide analysis and background so that the significance of the news is communicated to the reader.
4. To provide thorough coverage of problems that are matters for political, economic, or social reform.
5. To provide columns combining hard facts, analysis, and opinion by writers of authority and special competence.
6. To provide thorough coverage of the metropolitan area, through stories that reflect the lives, interests, and activities of the people who live there.
7. To provide topical stories involving human interest and humour.
8. To provide coverage of significant events outside the metropolitan area which have the special depth provided by the paper's own on-the-spot reporters as well as by wire services, syndicate services, and special correspondents.
9. To provide advisory services for readers in matters that concern their personal lives.
10. To provide special coverage of areas that concern larger special groups, such as sports fans, investors, and housewives.
11. To provide special coverage of new developments, trends, and the people who work in specialized areas such as politics, economics, medicine, and the arts.
12. To communicate stories effectively and authoritatively.
13. To provide stories that are fair and accurate.
14. To use visual material as well as words for conveying the reality and character of events in the news.
15. To report the news in a responsible manner, avoiding exaggeration, distortion, slanting, and sensationalism.
16. To use display, layout, and typography to make the newspaper attractive to the reader and to make it easy for him to scan, recognize, and select the items he will read.
17. To recruit and train the best people available; to reward performance; to provide opportunities and encouragement for staff to develop and achieve their full potential.
18. To foster innovation and creativity; to find new ways to gather and present news and to re-examine constantly the concept of news.

This ideological statement should be read in conjunction with the detailed list of Page One guidelines. The following is a slightly condensed version, omitting references which are special to the *Star* and retaining those which apply to newspapers generally:

> The basic objective of Page One is to present the day's most significant and interesting news, including pictures, in the most attractive manner.
>
> The choice of stories for the front page should reflect the paper's news judgment and values. News stories about subjects that the paper considers to be important should be given appropriate display. News values should remain constant through all editions and through all days of the week. Thus a major story breaking in the final edition one day should be carefully considered as a Page One story in the first edition the next day. [Comment: this is an important departure from the hoary newspaper tradition that the latest story automatically gets the biggest play.]
>
> The focal points of the front page are the art and the black line [that is the story most prominently displayed, with or without a streamer headline.] The art must be chosen carefully, weighing both significance and impact. Both are required. One without the other is not enough.

The art must be displayed so that visually, the reader grasps immediately what the picture is about. This means the focal point of the picture should be above the fold. Generally, the page is built around the picture.

The black line should represent the most significant happening of the day. The size of the headline should be determined by the importance of the story.

Starting with the black line, the day's important stories should flow downwards, generally emphasizing vertical make-up. For example, under a five-column picture, two two-column heads separated by a box are better than one five-column headline.

The red line story [that is the story given second prominence] should contain a strong human interest or consumer element. While it should not be frivolous and should have some significance, it may be an offbeat story, and frequently will be a local story.

Besides the black-line and red-line stories, the front page should include one other major piece of good reading. This might be a standup "depth" story prepared in advance, a background development out of overnight news, an exclusive interview, or some other story that lends itself to feature treatment, frequently in multi-column setting.

The bottom of the front page should be anchored with a zipper – another offbeat or human-interest story with a strong attraction to all readers. Again this should ideally be an unexpected story – something the reader will be pleasantly surprised to find at the bottom of the day's news.

The paper is intended to appeal to all people in the community and this means there should be something on the front page that will attract every reader. But the front page should also establish the significance of all that is going on in the reader's world that day.

This is done by a representation of stories from all sources as well as different kinds of stories. The most important events of the day – in the city, in the province, in Ottawa, and in the world – should all be represented on the front page. The day's best human interest, feature, humour, and news stories should also be present. From time to time, as news developments warrant, there should be representation from all departments and from all bureaus and beats.

The news editor should feel free to dip into any department or any part of the paper for a front page story. Ideally, he should end up with the ten or twelve best stories, whatever their source, available from that day's file.

The overall impression should be of a busy page that reflects a busy world. The item count should range between 12 and 15 stories and pictures. The head sizes, while chosen to indicate the importance of the story, should be large enough to contribute to the busy impression.

Turns [that is continuations from Page One] should be kept to a minimum – in general, no more than four, and preferably only one or two.

The front page should avoid falling into a day-after-day sameness that tends to make the reader feel that nothing new is happening. On the other hand, it should avoid such radical changes from one day to the next that the reader feels uncomfortable and uneasy with a strange paper.

So much for working guidelines. They are unexceptionable, and to the extent that they are observed they should produce a national press that is above criticism.

UP AGAINST THE WALL

But the air is full of criticism. Why? What are the reasons for the widespread belief that the press is failing to do a responsible job of keeping the public fully and accurately informed? Is it true that Canada's newspapers distort the truth to serve special interests? That they are subject to hidden pressure from advertisers? That they play up the bad news and play down the good news? That they operate a gigantic combine in restraint of free opinion, excluding from publication not only dissenting opinions but even the information on which dissent might be based? That they are careless, poorly informed, and irresponsible? That they invade privacy, ignore accepted canons of good taste, and sacrifice principle to profit? All these accusations are made and the industry must answer to them if it is to retain the respect and confidence of its public. This report cannot answer them, but the remainder of it will be devoted to an examination of the major areas where the press is in trouble.

CONCENTRATION OF OWNERSHIP

In its economic aspects, this is the subject of another report; it is the implications for dissemination of information that concern us here. Almost half of the daily-newspaper circulation in Canada is vested in three chains: Southam Press (18.1%), F.P. Publications (18.2%), and Thomson Newspapers (8.4). The Desmarais group controls four of the nine dailies, plus thirteen weeklies, in Quebec; and K.C. Irving has acquired all the English-language daily newspapers in New Brunswick. Some of these chains, in addition, have interests in radio and television stations.

What is most disturbing about this concentration of ownership is the fact that, except in five cities, all the chain-owned newspapers are published in single-newspaper towns. There is no local competitor to stimulate their enterprise in covering the news or to provide a diversity of political opinion. And where the single newspaper is allied with local radio and television, the combined operation has a near-monopoly of the means of communication. In the absence of a national newspaper, millions of Canadians have no range of choice in the paper they buy.

In 1962, at a time when numerous mergers and chain acquisitions had aroused acute public concern in Great Britain, a royal commission under Lord Shawcross was appointed to study the social implications of the trend toward monopoly. It was concerned only with newspaper amalgamations; the situation there was not complicated, as it is in Canada, by multiple-media ownership.

The commission found that there was an obvious danger that variety of opinion might be stifled if one proprietor came to control a number of newspapers that formerly presented varied and independent views. On the other hand, some mergers and acquisitions were necessary to keep unprofitable newspapers alive. But mergers for any other reason, it held, were likely to be against the public interest.

The commission therefore recommended the establishment of a Press Amalgamations Court to scrutinize all such transactions and prohibit them if they were found to be against the public interest. To the objection that this would be an interference with freedom of the press, it responded by quoting a judgment of Justice Black, in an American case involving the Associated Press:

> The argument is made that to apply the Sherman [anti-trust] Act to this association of publishers constitutes an abridgment of the freedom of the press guaranteed by the First Amendment. It would be strange indeed however if the grave concern for freedom of the press which prompted adoption of the First Amendment should be read as a command that the government was without power to protect that freedom. The First Amendment, far from providing an argument against application of the Sherman Act, here provides powerful reasons to the contrary. That Amendment rests on the assumption that the widest

possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public, that a free press is a condition of a free society . . . Freedom to publish means freedom for all and not for some. Freedom to publish is guaranteed by the constitution, but freedom to combine and keep others from publishing is not. Freedom of the press from government interference does not sanction repression of that freedom by private interests. The First Amendment provides not the slightest support for the contention that a combination to restrain trade in news and views has any constitutional immunity.

The Shawcross Commission also anticipated that its proposed Amalgamations Court would be objected to because it would interfere with the rights of shareholders, and because it subjected the newspaper industry to discriminatory regulation. The Commission's answer was that the newspaper industry is not an industry *comme les autres*. The public interest is involved in a special way. Freedom and variety in the publication of news and opinion are of paramount public interest, and they are not a component of other competitive businesses.

The Shawcross recommendation was adopted; in 1965, Britain established a permanent Monopolies Commission which examines every sizeable newspaper merger proposal from the standpoint of the public interest. Its record is not on the face of it impressive: it has studied twenty-six applications and reported negatively on only one. There are good grounds for believing, however, that the existence of the Commission, with a defined policy, has prevented a number of patently undesirable takeovers from reaching the stage of a formal application.

Only seldom in recent Canadian experience has a newspaper merger come under official scrutiny; the Combines Investigation Act applies to products, and newspapers are a service industry. In 1957 Southam Press, which owned the Vancouver *Province*, joined with Donald Cromie, owner of the Vancouver *Sun*, to form Pacific Press Ltd. The Restrictive Trade Practices Commission investigated and found that the merger did not constitute a restrictive monopoly, but it recommended that no further ownership change should be made without court approval. However, the Commission took no action when in 1963 the Cromie interest in Pacific Press was sold to another chain, F. P. Publications.

The central concept in Justice Douglas's decision was the necessity for "the widest possible dissemination of information from diverse and antagonistic sources." There is not much antagonism between members of Canadian newspaper chains.

PRESSURES FROM ADVERTISERS

This is a murky area. Cases undoubtedly exist of legitimate news stories being suppressed or toned down as the result of influence brought to bear by important advertisers; but they are rarer than is often suspected, and they are by their nature hard to document. Manufacturers of automobiles and cigarettes are major sources of advertising revenue, but no newspaper hesitates to print the facts of lung cancer or Ralph Nader's accusations against the automotive industry.

Blatant interference by advertisers in editorial decisions is not unknown in Canada, but in recent years it has been more apparent in the periodical press, which is more economically vulnerable, than in the newspapers. In 1962, Sidney Katz wrote a series of articles for *Maclean's* magazine on over-medication. Every drug manufacturer in Canada protested, and one of them cancelled $80,000 worth of scheduled advertising. Shortly thereafter the *Financial Post*, also published by Maclean-Hunter Ltd., commented adversely on a takeover of Canadian Oil by Shell. The president of Shell pulled *all* his company's advertising out of *all* Maclean-Hunter publications. In both cases the Maclean-Hunter management stood up to the pressure. A struggling publisher, or one who puts profit before editorial liberty, might hesitate to risk the alienation of a major revenue source.

Such overt interference is, however, seldom attempted. When it occurs, it comes usually from local, not national advertisers, and, to the credit of Canadian publishers, it is generally repulsed. Arnold Edinborough, in *Mass Media in Canada*, published in 1962, asserted that advertisers do not try to influence editorial content for the simple reason that they need the newspapers as much as the newspapers need them. But Desmond Morton, in *Canadian Forum* for July, 1969, argued that while this may be true, it is irrelevant. "Advertisers don't use pressure," Morton wrote.

> It doesn't matter whether the North Bay *Nugget* belongs to Max Bell, Roy Thomson or a local dry goods merchant. They are all, without a single exception, in the same kind of hands. They all belong to the Canadian business community and they all do what the business community wants. And if Canadian businessmen assume an automatic, infallible identity between their views and those of every right-thinking Canadian, they are hardly unique among the oligarchs of history.

It is a valid comment. The interests of the advertising community run generally with those of the publishers. Newspapers are business enterprises, and publishers are businessmen. They are not notably given to fouling their own tidy nest.

INVASION OF PRIVACY

The extent to which the public interest overrides private rights is highly debatable and not subject to precise definition. One of the commonest complaints against the press is that it plays the role of Peeping Tom – and publishes the results to the world. At one level, intrusion on privacy is in practice a matter of taste which can best be policed by the forces of the marketplace. If the public is affronted by what it reads, it will cease to buy.

This is happening in Canada. Readers condemn a newspaper which openly violates the right of the private individual to be left alone. The best example is provided by the diminishing exploitation of personal tragedy. As every newspaperman knows, people caught at moments of extreme shock are docile and highly amenable to suggestion. A mother who has just seen her child killed by a truck can be posed for a photograph, clutching a doll, her face distorted by grief. The result is a powerful "human-interest" picture, of a kind which once was standard newspaper fare; but modern readers object so vigorously that few newspapers now indulge in such tricks.

The question is much more difficult in the case of public personalities. When a bachelor prime minister takes lunch with a blonde, or a cruise with a brunette, has the public a right to know? Is the private life of a public man his own business, and his alone? In a totalitarian state it is; in a free society, it is not. Where the news is managed, and the press is controlled, and there is only one party to vote for, it matters little whether the people know anything about their masters. In a society where the citizen must cast an informed vote for those who will govern him, it matters greatly. We empower our public men to manage our country, our common affairs, our economic future – but not to manage our news. Within certain decent limits, we need to know what ideals inspire them, what knowledge informs them, what pressures mould them, what weaknesses impair them. When they employ professional image-makers, we are entitled to ask whether the image is correct.

The sacrifice of privacy is sometimes a heavy price to pay for a career in the public service, but it is a price that has to be paid. To take an extreme but pertinent case, it may be argued that the journalistic hue and cry after Senator Edward Kennedy went beyond decent limits of innuendo, conjecture, assumption, and speculation. But, since he was a potential candidate for his country's highest office, the reasons for his conduct are a matter of legitimate public concern.

INACCURACY AND DISTORTION

A modern newspaper is a marvel of productive genius. Every twenty-four hours it assembles news from all over the world, edits, prints, and distributes it for a few cents, along with comment on its significance. The speed with which the efforts of thousands of people around the globe are brought together in a coherent whole, and the technology which puts the product almost instantly in the hands of the reader, are dazzling to the non-initiate. But speed breeds error, and technical genius is not a guarantee of reliability. It has been calculated that in a single paragraph of factual statement, there are 10,000 ways of committing mistakes. Reporters are humanly fallible; informants may be misunderstood; eyewitnesses are notoriously unreliable. Even the two parties to an interview – reporter and subject – may sincerely disagree on what was said: the subject insists he was misquoted; the reporter has notes made at the time to support the version he printed. Much of the news is rewritten from the original source; errors of emphasis and meaning – if not of fact – creep in with each rewrite. Finally, a hastily written headline can give a misleading impression of the story it tries to summarize.

Given the speed at which newspapers are produced, inaccuracy is inevitable, if not excusable. The best that can be asked of editors is that they will insist on the most careful possible checking and publicly acknowledge errors when they are detected or pointed out. The best newspapers do this. The *Globe and Mail*, for example, acknowledges even trivial errors under a prominent boxed heading, "Our Mistake." Some papers maintain their own "bureaus of accuracy" to check complaints and see that corrections are printed. Unfortunately, this practice is not yet general.

On the very practical level, much error could be avoided if Canadian reporters were encouraged or required to learn shorthand. Few of them do. British journalists, many of whom are now working in Canada, customarily use shorthand, and their notes tend to be more reliable than sketchy longhand scribbles. Tape recorders are useful in some situations, but the necessity to transcribe is a delaying factor.

Inadvertent error may be a venial sin; slanting and distortion are not. Flagrant misrepresentation is increasingly rare in Canadian journalism, discouraged as much as anything by the increasing sophistication of the reading public. It can, however, take subtle forms. The temptation to "slant" is especially strong at election time in papers with a strong political bias.

It happens that an interesting case of political "slanting" has been documented by Dennis Schroeder, a journalism student at the University of Western Ontario working under the direction of Prof. Earle Beattie. Schroeder analysed the coverage given to the three political parties by the Toronto *Telegram* in the final week of the October, 1967 provincial election campaign in Ontario. The *Telegram* editorially supports the Conservative party; in this campaign it evidently considered the N.D.P., not the Liberals, to be the chief opponent.

Schroeder did not measure merely the news space given by the *Telegram* to the contending parties. He worked out a system for scoring stories on the basis of such elements as position in the paper (front page or inside), prominence on the page, size of headline, typographical treatment, use of photographs. He gave positive scores to stories which were well displayed and treated, negative scores to those which were "buried" among comic pages and truss ads. He also broke each story into units and analysed the units for "loaded" words and phrases which implied value judgments, favorable or unfavorable. These are what the semanticist S.I. Hayakawa calls "snarl-words" and "purr-words." Headlines were subjected to the same examination and given plus or minus scores.

The result was illuminating. On the straight space count, the Conservative party was given 808½ column inches; the N.D.P. had 585 column inches of coverage, and the Liberals 445½ column inches. But when all "loading" factors were taken into account, the final score on the Schroeder scale was: Conservatives, 1873½; Liberals, 339; N.D.P., *minus* 916.

Newspaper readers in Toronto have at least a partial antidote to news slanting; they have access to competing newspapers with possibly other slants. In a city with a single newspaper, they are clearly subject to the possibility of ideological brainwashing.

GOOD NEWS, BAD NEWS

To a certain school of newspaper journalism, an ideal headline would read: "Cop Slugs Citizen." Or, even better: "Citizen Slugs Cop." Happily, this school is in decline; but conflict and controversy are still in very large measure the staple diet of daily journalism. They are easy, dramatic, and arresting; they sell newspapers. Good news is no news. One publisher admitted it recently:

> We are zealous to report nearly everything that is going wrong in our society, in our country and in the world – and we should be, because it is only by exposure and debate that ills and injustices can be corrected. But we are not nearly so keen to discover and report the things that are going right.

Of course it is not news, as Norman DePoe once pointed out, that the daily Air Canada flight from Vancouver arrived on time with all passengers safe. It would be news if it did not. But positive things do happen, and go unreported. Just before the outbreak of the Six Day War in the Middle East, a group of Christian ministers in Toronto collaborated in a statement of concern and sympathy with the fears of the Jewish community. The newspapers, and the television and radio news editors, failed to find it newsworthy. What they did find newsworthy, however, was a later statement by a leading Toronto rabbi bitterly reproaching his Christian *confrères* for failing to offer moral support to their Jewish brethren in their hour of anxiety. This accent on the negative had a predictable result: resentment and misunderstanding between the Christian and Jewish communities were exacerbated when they might have been allayed.

It is, of course, argued by the defence that the first duty of a newspaper is to be read, and that people are more interested in reading about conflict and tension than about peace and order. It requires hard work and imagination to report constructive development dramatically and vigorously, but it can be done, and it is the job of a responsible press to do it. The continuing Canadian story of the 1960s was the so-called "quiet revolution" in Quebec. It was for the most part inadequately reported. The English-language press told of clashes and confrontations, but failed substantially to record the gains in education and social justice that contributed to the ferment. And the newspapers of Quebec, which maintain not a single correspondent in English Canada, failed to inform their readers of the steadily improving attitude toward reconciliation and the redress of ancient grievances. National unity would have been better served by a press which knew how to accentuate the positive.

THE PRESS GALLERY

Mackenzie King called it "an adjunct of Parliament," and the hundred-odd members of the Ottawa parliamentary press corps gravely accepted the accolade as no more than their due. In all truth, they have a vital responsibility as the essential bridge between Parliament and people. But no prime minister since King has held them in such high regard, and the last decade has seen a sharp decline in the confidence reposed in the press corps by the politicians whose doings they report.

It is not a paradox that this disenchantment may be a measure of the Press Gallery's effectiveness; the politicians do not constitute a wholly impartial jury. It is accepted in the trade that the Great Pipeline Debate of 1957 became a watershed in the relationship between the governors and the press. It was a time of extravagant emotions. There were scenes of disorder in the Commons. Donald Fleming was banished by the Speaker, and his colleagues draped his empty seat with a Union Jack. Finally the government cut off debate by closure. The reporters in the Gallery, by this time as full of passion as the participants, abandoned objectivity and thumped the government in a hundred newspapers.

Later, most of them conceded – and some of them regretted – that they had lost their cool. But the style of Ottawa reporting had undergone a lasting change.

Careful neutrality was Out; point-of-view writing was In. "The pipeline was a taste of raw meat," Blair Fraser confessed to June Callwood. "Now we can't leave it alone." A neutral observer remarked that, since the pipeline debate, "the real party in opposition is always the Press Gallery." In successive governments, members of both the major political parties have obviously agreed. Three prime ministers have held office since the pipeline debate; all three have been goaded into scolding the Ottawa writers for sins of both commission and omission.

Point-of-view writing, however, is here to stay, and not only in politics. If the public hearing into the CBC's "Air of Death" programme demonstrated anything, it was that today's committed journalist has jettisoned ancient standards of objectivity and impartiality on controversial issues. This is the Age of Analysis, and Canadians as a people are engaged in a process of critical self-examination. No institution is exempt, including Parliament.

The operative question is whether the self-appointed critics themselves apply consistent standards of analysis before taking up the cudgels. It is precisely when they do that they earn the kind of wary distrust accorded to a ticking parcel in a Montreal mailbox. A writer whose dispatches faithfully follow the line of Party "A" can be dealt with even by members of Party "B", because they know where he stands. But when a politician is praised one day and clobbered the next, by the same writer in the same column, the result is frustration and fury.

The Ottawa Press Gallery has its quota of party hacks, but the evidence is that the best of them, and those with the largest followings, are their own men and that their judgments are based on a respectable foundation of application, research, and sophisticated comparison. The George Bains and Charles Lynches are seldom to be faulted for neglect of their homework.

If the reporters sometime succeed in confusing or misleading the electorate, there are occasions when they may almost be forgiven. One such occurred in August, 1969, when Hon. Otto Lang announced a tough new federal policy on water pollution, and flew to Toronto on the first leg of a tour of provincial capitals to invite co-operation of the ten provincial jurisdictions. He conferred with George Kerr, Ontario minister of energy and resources, who subsequently held a press conference. The conference, as displayed on CBC television news that evening, consisted entirely of Mr. Kerr's insistence that control of water pollution was a provincial responsibility, and that Ontario, for one, would brook no interference from Ottawa. As reported in the *Globe and Mail* the following morning, Mr. Kerr was on a different wicket. He oozed co-operation, welcomed the proposed Canada Water Act, and declared that Premier Robarts "is even more determined than I that we are going to co-operate with Ottawa on this." The same paper, on the same page, reported that the Ontario Water Resources Commission had issued a strong statement "opposing the federal initiative on almost every count, and stating that Canada-wide policies and standards of water quality control would not be practical."

The O.W.R.C. is under Mr. Kerr's jurisdiction. Questioned about the puzzling discrepancy of response, Mr. Kerr explained that the O.W.R.C. statement had been prepared before the meeting with Mr. Lang, which had removed any fears that the federal programme might interfere with Ontario's already developed water pollution programme. The O.W.R.C. brief, Mr. Kerr added, did not represent his own views. If the Ontario public remained less than well informed about their government's position, the confusion could not be blamed on inadequate reporting.

June Callwood, examining the Press Gallery in *Maclean's* magazine, found that parliamentarians ascribe to reporters the motives of a heckler at a political meeting: if a story is critical, it follows that the writer is a political opponent. "In actual fact," she concluded,

> most members of the Press Gallery are neutral in politics, performing the same workmanlike job of reporting on legislation, speeches and reports that they would if assigned to cover labor unions or a chess tournament. Their political bias is derived from the prevailing wind from the nonstop caucus of newsmen in the Gallery lounge; political allegiance in them is the loose sand of consensus.

If the Ottawa Press Gallery is unequal to its job – which, by absolute standards, it is – the reason lies at least partly in the tradition of secrecy in the Canadian public service, the entrenched but dubious notion that departmental policies are the department's business, not the public's. This applies particularly, and most unfortunately, in the areas of foreign affairs and fiscal policy. Journalists who have experienced both systems compare the Ottawa tradition unfavorably with that of Washington where the practice is to hold many more background briefings – not-for-attribution seminars, conducted by experts, to explain the factors that influence government decisions. The practice is open to the suspicion that the government is attempting to manage the news, but given an alert and independent press corps it is an indispensable educative process in the complex business of modern government.

CURRENT TRENDS

Finally, a few capsule observations on the current trend of Canadian newspaper performance. It is upward. The 1960s brought a noticeable improvement in the attitude of the press to its job and in the execution of it in at least half a dozen areas:

FUNCTION

Interpretation is the name of the game. Information remains the staple commodity of the printed press, but increasingly the newspapers see their function as providing an evaluation of events. This results not only from the increased sophistication of the audience but from the new role of radio and television. Newspaper "scoops" no longer exist; immediacy in reporting has been captured by the electronic media. This leaves to the newspapers the field of backgrounding and explaining the events which the public have already seen on television. Newspapers in effect become daily magazines, reflecting on events and selecting for emphasis the significant details which go unspotted in the hurly-burly of instant reportage.

This interpretative function is both useful and marketable. The most avid readers of an account of a football game are those who saw the game being played. They buy a paper to find expert comment on the key plays, the reasons for the coach's strategy, the "inside" story of defensive strengths and weaknesses. The newspapers, therefore, are increasingly devoting themselves to "soft" as opposed to "hard" items – the news behind the headlines. When the Economic Council reports that one-quarter of all Canadians live below the poverty line, the newspapers assign their own task forces to explore the meaning of poverty in human terms and to seek out expert opinion on measures to fight it. They do the same in the fields of race relations, national unity, labour issues, social and cultural problems.

A NEW SENSE OF PURPOSE

The newspapers are consciously trying to serve their communities better. In an increasingly urban society, local governments become more remote from the people. The newspapers, with an eye to self-interest, see an opportunity to appoint themselves the representative of the individual citizen vis-à-vis Big Government. They dig harder for local news and local identification. "Citizen Slugs Cop" is not the end of the story; it is the springboard for a thorough examination into the relationship between police and public.

REVIVAL OF REGIONAL NEWSPAPERS

This local emphasis, in the metropolitan newspapers, comes about at the expense of regional coverage; the big-city newspapers, concentrating on metropolitan affairs, no longer give the attention they once did to daily news throughout the province. (There are exceptions; the Edmonton *Journal* takes the whole North for its beat). But the local concentration in itself provides an opportunity for the smaller, regional dailies to do a better local job. No longer swamped in their own bailiwick by the richer paper from the metropolis, they are digging harder to be indispensable to their own constituents.

TECHNICAL IMPROVEMENTS

The newspapers are becoming professionally better organized, more attractive, more intelligible. Technical innovation on the mechanical production side is matched by more professionalism in presenting the news. In particular, they are departmentalized to an extent unknown ten years ago; international news, community news, news of science, business, and the arts are grouped in recognizable and related sections. The whole is better displayed through use of improved typography, layout, and illustration.

IMPROVED REPORTING

Accuracy is more prized than ever before – not merely the accuracy of dates and initials and correct quotation, but the underlying accuracy of weight and meaning as well. When a report must be abridged or a speech digested, there is a serious effort to make the condensation scrupulously fair.

PERSONNEL

The newspapers are better staffed. Reporters are better educated, and specialists are routinely recruited to deal with such recondite fields as science and law.

SUMMARY

In short, the newspapers are improving. This is not to ascribe to publishers and editors any special nobility of character; in an era of perfected and fiercely competitive communications, the newspapers must improve or die. It is probably true that Canadians are as well served by their newspapers as any people in the world. If there is one criticism of them more damaging than any other, it is that they are largely of one stripe, representing one sectional interest in the wider community; that they do not provide Justice Black's prescription of "the widest possible dissemination of information from diverse and antagonistic sources." They are members of one club, and it is not an easy club for outsiders to join.

In *The Bad News* (a book published in 1967, but not yet generally circulated) a leading Canadian journalist and critic, Ken Lefolii, wrote:

> The corporate press appears to have acquired an invulnerable monopoly on the distribution of news to a significant national audience. The press corporations use their monopoly to defend and promote the interests of the corporate order, of which they are full members. The bureaucrats who control the corporate order are allied with the official bureaucracy to constitute a privileged estate that actually governs our society in many, perhaps most, important respects. The governing estate pursues two primary interests, political stability and economic growth. Since disclosure and dispute might encourage political experiment or economic change, the corporate press chooses to discourage both.

This criticism – that the mass of the people are excluded from participating in decisions made by a governing estate without reference to the public – is sufficiently widespread to command consideration. However competent and well-intentioned the national press, it must communicate in both directions.

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> The corporate press appears to have imposed an intolerable monopoly on the distribution of news to a significant national audience. The press corporations use their monopoly to defend and promote the interests of the corporate estate, a hierarchy that still mistrusts and manipulates what worries the corporate estate are allied with the official [illegible] a managerial [illegible] that governs our society in many, perhaps most, important respects. The [illegible] [illegible] two primary interests, political stability and economic growth. These [illegible] and dictate [illegible] the [illegible] of the corporate press should [illegible] be.

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Chapter 2

MAGAZINES IN CANADA

Dean Walker

INTRODUCTION

This paper is about the main "magazines" in Canada, their economic health and their prospects.[1] It pays most attention to a small group of publications that meet various criteria related to size and significance (see appendix I). It raises issues but does not attempt to resolve them.

It includes what the advertising trade usually calls "consumer magazines" (those that carry general advertising and are distributed by newsstand sales or the mails), and also publications that advertising people usually call "weekend supplements" (those that carry general advertising and are distributed as part of the contents of the weekend newspaper). However, it does not include weekend supplements such as *The Globe Magazine* that are carried by only one newspaper. Nor does it include comics even though these may be carried by many newspapers. Nor does it include such French-language weekly newspapers as *Allo Police, Dernière Heure, Echo Vedettes.*

To be considered a "magazine" for the purposes of this report, a publication must be issued at least four times a year.

YESTERDAY AND TOMORROW

It was in 1751 that Bartholomew Green arrived in Canada with the country's first printing press. Within a year, the "government" was involved in Canadian publishing, because Green's successor had been appointed King's Printer. Many early presses in Canada made much of their revenue by printing government notices.

Towards the end of the nineteenth century, the first modern mass circulation magazines appeared in the United States. They were "modern" because they were

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[1] Many of the magazines referred to in this paper filed financial returns with the Committee separately, on the basis that figures of individual publications would not be disclosed. For that reason, some statistics originally included in this paper have been omitted, although they were not in this instance provided confidentially.

sold to the reader for only a few cents and made most of their money by selling advertising space. Today, some magazines are not sold to readers at all, but are given away and make all their money from advertising.

By 1905, Canada had three general national magazines: *Canadian Magazine, Canadian Home Journal,* and *Saturday Night.* Then J.B. MacLean, who already owned a number of healthy trade papers, launched an ambitious general publication which he was eventually to name *Maclean's.* Twenty years later he launched *Chatelaine.* Today, the company he founded publishes more trade papers and more general magazines than any other in Canada.

COMING AND GOING

By 1930, Canada had ninety-six magazines, including such special-interest efforts as *Nor'West Farmer, Dogs in Canada,* and *Canadian Musical.* Yet publishing was no automatic route to wealth. New magazines kept appearing, but many others died. In the 1920s, fourteen Canadian magazines appeared and twenty-three went out of existence. In the 1930s, seventy-five new ones appeared and sixty-five dropped dead. In the 1940s, ninety-two new ones arrived and seventy disappeared.

In the 1950s, for the first time, deaths outnumbered births, and Canada's publishers grew worried. A powerful, new advertising medium, television, was eating into their revenues and also into the leisure time of their readers. They had always faced fierce competition for readers, but now the American magazines were attracting Canadian advertising as well. By Order-in-Council in September, 1960, the government appointed a Royal Commission "to enquire into and make recommendations concerning the position of and prospects for Canadian magazines and periodicals." It usually was known from then on as "The O'Leary Commission" for its chairman, Grattan O'Leary.

There had long been some concern about the competition from American publications. In 1931, a Conservative government had applied a per-copy tariff against them; but three years later, a Liberal government repealed it on the ground that this interfered with the free flow of ideas between neighbouring countries. In the first year of the Second World War, a ban was imposed against importing American weekend newspapers. (This helped boost the circulation of *Star Weekly,* and the latter remained prosperous for a number of years.) In 1956, a Liberal government imposed an advertising tax on "Canadian editions" of American magazines, but the following year the Conservatives repealed it.

FOR LOVE OR MONEY?

If Canadian governments have proved undecided about protecting Canadian publications, it is presumably because there are two separate questions involved: the degree of protection deserved, if any, by business enterprises; and the degree of protection deserved, if any, by cultural enterprises. It has always been easy to muddy the waters and difficult to get the two aspects in focus. Publishers wanting protection for business reasons can always claim that the government should provide it to them for nationalistic reasons.

For an argument based on patriotism to be meaningful, however, magazines would have to be considered to offer the country, as a national print medium, advantages not otherwise available through newspapers (a financially healthy, local print medium), or through broadcasting (a government-subsidized, national electronic medium).

Is there something special about magazines? In 1950, the Royal Commission on National Development in the Arts, Letters and Sciences had declared:

> It is still the fact that in Canada "news" is largely local or regional in character. . . . In any small town in Canada the destruction of the bakery or a municipal scandal would sweep from the front page of the local paper the results of an election in a different province. . .
>
> The periodical press of Canada . . . does undoubtedly make a conscious and, it seems to us, a successful appeal to the country as a whole; and in our periodical press we have our closest approximation to a national literature. It has given encouragement to Canadians writing about Canada, and not infrequently has the dubious pleasure of nurturing Canadian writers to the point where they can sell their wares to more affluent American periodicals. We are informed that the important Canadian magazines have a Canadian content of seventy or eighty percent, that they do attempt to interpret Canada as a whole to all Canadians, that they comment vigorously upon national issures in a non-partisan spirit, and that they manage to survive and even to flourish although American periodicals outsell them by more than two to one in their own Canadian market.
>
> . . . The [magazines'] problems . . . seem to us to symbolize many of the problems of Canada as a nation and of Canadians as a people. . . We do have, nonetheless, a periodical press which, in spite of all temptations and in spite of the occasional defections, insists on remaining resolutely Canadian. . .

A SOURCE FOR SIGNIFICANCE

Ten years later, Beland Honderich, then editor-in-chief of the Toronto *Star*, suggested to the O'Leary Commission why there was something especially important about magazines. "A newspaper," he said,

> concentrates on the events of the last 24 hours, and its writers and editors may have to meet four of five deadlines a day. . . . They simply do not have the time for the reflection and research that can be put into magazine articles and editorials. A big national story which the daily press must cover by bits and pieces can be pulled together in a magazine article so that its real significance dawns on the reader for the first time.

Honderich pointed out also that only magazines have a nationwide readership. "Thus they occupy a position comparable to that of the national broadcasting system in visual and sound communication. It is hard to imagine how a strong national consciousness could be promoted and maintained in the absence of either."

When the Commission published its report, it agreed with Honderich that magazines matter.

> So far as the printed word is concerned, it is largely left to our periodical press, to our magazines big and little, to make a conscious appeal to the nation, to try to interpret Canada to all Canadians, to bring a sense of oneness to our scattered

communities. It is necessary but to note the veritable deluge of United States publications submerging Canadian print on our newsstands to understand the magnitude and, in the past, the impossibility of their task. . . . Here, inescapably, is the stuff of national concern. . . .

> The tremendous expansion of communications in the United States has given that nation the world's most penetrating and effective apparatus for the transmission of ideas. Canada, more than any other nation, is naked to that force. . . .

The Commissioners were convinced that Canadian magazines were in an especially vulnerable position. They had examined the situation elsewhere and learned that

> with the exception of Canada, by-product publishing is not a threat to the existence of the periodical press in any of the countries examined by the commission. In some countries overflow circulation is heavy, but nowhere as severe as in Canada. In none of the other countries is it compounded by substantial overflow advertising. . . .
>
> All countries examined by the Commission assist periodicals generally, in one way or another. All have legislation directed particularly at the press. It is interesting to note that, among these nations, Canada appears to have less restriction and regulation of expression, less assistance and less protection of domestic publishing than nearly all the others.

YANKEE STAY HOME

Thus buttressed, the Commission proceeded to define a "Canadian magazine" and to recommend penalties against any that didn't meet its definition. A Canadian periodical, it decided, was

> one published in Canada, owned either by Canadian citizens or, if a corporation, by a company incorporated under the laws of Canada or of one of its provinces, and which is controlled and directed by Canadian citizens and not a licensee of, or otherwise substantially the same as, a periodical owned or controlled outside Canada.

Further,

> a Canadian periodical is one edited in Canada by a staff normally resident in Canada, its type-setting (in whatever language) and its entire mechanical production must be in Canada and its publication must be from a place or places within Canada.

After that a "foreign periodical" proved easy to define: one which does not meet all the requirements of a Canadian periodical.

The Commission decided that a nation's advertising expenditures should support its own media; and that a nation's media "must be aware of their responsibilities" and therefore not merely republish editorial matter "to support an advertising structure."

To make sure that advertisers and magazines henceforward would operate in line with such decisions the Commission recommended:

1. that money spent on advertising to Canadians in a foreign periodical should not be allowed as an income tax deduction;

2. that foreign periodicals containing advertising and coupons and inserts aimed at Canadians should not be allowed into Canada.

NOTABLE EXCEPTIONS

Eventually these basic suggestions were put into law. However the two "Canadian editions" – *Time* and *The Reader's Digest* – that were taking the biggest bites out of Canadian advertising budgets were exempted, on the ground that they had been established in Canada for a number of years, and a reasonable government could hardly impose back-dated penalties. In May of 1969, however, former cabinet minister Walter Gordon declared in a speech that, while the magazine legislation was being drawn up,

> the U.S. State Department went into action. Its representatives urged on behalf of the whole U.S. administration that nothing should be done which would in any way upset or annoy the late Mr. Henry Luce, the proprietor of *Time*.
>
> It was submitted that Mr. Luce had great power in the United States through his magazines, *Time*, *Life* and *Fortune*, and that if he were irritated, the results could be most damaging both to Canada and to the U.S. administration.
>
> The Canadian government concluded, quite rightly in my opinion, that there was considerable validity to these assertions respecting the influence of Mr. Luce and, accordingly, the Canadian edition of *Time* magazine was exempted from the proposed legislation.

Time and *The Reader's Digest* have since maintained their dominant position amongst Canadian consumer magazines. In 1958, they accounted for 42% of the advertising revenue of the main Canadian magazines; today they account for 56% of the revenue and 60% of the circulation of members of the Magazine Advertising Bureau.

The legislation did however prevent the establishment in Canada of further "Canadian editions." No local issue of *Ladies Home Journal* appeared to challenge *Chatelaine;* no Canadian edition of *Saturday Review* to challenge *Saturday Night*; no split runs of American trade papers to challenge Canadian trade papers. And, of course, no Canadian edition of *Newsweek* appeared to challenge the Canadian edition of *Time.* And as they could no longer sell space to Canadian advertisers, other American magazines now gained only circulation revenue from their Canadian distribution. Consequently many stopped selling copies aggressively; since the Commission's report, Canadian sales of *Life* for example have dropped from 300,000 to about 225,000.

SEEKING CITIZENSHIP

For their part, *Time* and *The Reader's Digest* have since made certain concessions to their Canadian subsidiaries which they have not made in the other countries in which they do business. Only the Canadian edition of *Time* for example, carries separate pages of domestic news. And only the Canadian subsidiary of *The Reader's Digest* Association has sold stock to the public. *Reader's Digest* in Canada employs more than 400 Canadians, and *Time* says it has more editorial people than business people on staff here.

During and immediately after the O'Leary Commission, total magazine advertising revenue in Canada dipped severely. *The Reader's Digest* took perhaps a worse pummelling than most – between 1960 and 1965 it lost 35% of its advertising revenue – but almost all Canadian magazines took a loss. Advertisers and agencies found it simpler to switch budgets into other media than to try to sort out the rights and wrongs of the civil war among the publishers. Presumably they felt some conflict between their own nationalism, if any, and the attractions of the proven reader-appeal of big American publications. During this period, according to *The Reader's Digest's* Paul Zimmerman, he spent about 80% of his time fighting to stop his company being destroyed by various tentatively proposed government actions. During this period, a survey was made of the 100 largest magazine advertisers to learn what they would do if the O'Leary Commission's main recommendations were directed against the Canadian editions of *Time* and *The Reader's Digest.* Most replied that they would abandon magazine advertising altogether.

It was not until the mid-1960s that the magazine legislation was passed. After that the main magazines decided to bury the hatchet and to work together to promote their ailing industry. "We had stated our position to the Commission," explains Lloyd Hodgkinson, publisher of *Chatelaine* "and we had agreed that, whatever the outcome, we would live with it." Within a year or so, the main consumer magazines had banded together to form the Magazine Advertising Bureau which quickly became an effective promotional agency. Its revenues are based on a percentage of gross, so more than 50% of its costs are carried by *Time* and *The Reader's Digest.* The handful of big magazines remaining in Canada are no sicker than they were a few years ago because there are fewer of them to split the available advertising revenue.

Throughout North America today, magazine publishers grope for new patterns of appeal that will let them survive in the face of television's fierce competition for the advertising dollar; and in the face of the tendency of many city newspapers to become "daily magazines" as part of their own answer to broadcasting's competition.

AMERICAN SCENE

In 1968, twelve magazines disappeared in the United States. One fatality was *The Reporter,* a twenty-year-old "serious" magazine that was absorbed into *Harper's.* Harry Golden's *The Carolina Israelite* was also mourned. Others that turned up their toes included *Sponsor, Cheetah, Elegant, Teen, The GQ Scene,* and *Non-Foods Business. Saturday Review* later commented that "1968 was the year that showed rather clearly the directions in which the magazine business is going. The old guard is departing but the new generation promises a profitable, if not especially inspiring, future." During the year, ninety-four new magazines had been started. Although total advertising pages dropped 2.4%, revenues jumped 3.2% and circulation 3.3%.

Since then, however, the venerable *Saturday Evening Post* has folded and in mid-1969 *This Week*, a large weekend supplement, went out of business, leaving only two national American newspaper supplements in existence.

THE FUTURE

In the next few years, not only magazines but all print media will have to face up to a fundamental questioning of their reasons for existence because a revolution is occurring on three levels in the mass use of information.

Selection: So much material is being spewed out now that it becomes imperative to be able to select the material needed and desired. People ask: "What is worth printing? What is worth storing and retrieving? What is worth reading?" This suggest print media have a choice of two directions: either to produce a summary which one trusts to provide all the news in capsule *(Time,* for example, suggests that it is briefer than six daily newpapers and at least equally comprehensive); or to produce custom-made selections of all the material – and none other – that is exactly right for a particular reader.

In regard to the first approach; Chrysler Corporation executives already get four-times-a-day news interpretations which include the edited output of four wire services, daily newspapers, weekly newsmagazines, and more than a hundred other publications. The corporation provides the service because no publisher is meeting these businessmen's needs. As to the second approach, various professional associations are developing reader-profiles and key-word computer filing of titles and abstracts of new technical papers, so that each reader gets a list of all papers he ought to see – and of none that he need not see.

Translation and Analysis: Translating programmes are being developed for computer exploitation. The American military has one to rough-translate Vietnamese. The next step – a big one which may not occur soon – would be machine-assisted interpretation. Computers have been used to analyse the literary style of documents and can prove Homer and Homer alone wrote the *Odyssey.* Computers analyse retail sales trends in order to project future sales and update inventory. And, similarly, computers may one day be used for the analysis and interpretation of events. Print journalists are already losing the edge in finding and transmitting raw information, and therefore retreat to background and interpretation.

Printing and Distribution: Some of the most interesting developments are technological. RCA has a facsimile machine–a prototype of which is now running–that will transmit a page every ten seconds to a home facsimile machine. John Diebold suggests a combination of TV pictures plus home-facsimile-printer carrying background analysis. Instant typesetting, instant printing, instant editorial changes while the press is running, are now all technically practical. A New York *Times* Information Bank goes into operation early in 1971, and will eventually purvey all information in its files plus other people's reference libraries, other publications, even graphic material, to subscribers' TV screens or teletype-style printers. The American government is interested in a world information grid using communication satellites and computer memories. Theoretically all information of every sort can be digitalized and stored, retrieved very rapidly, and transmitted anywhere on earth in 1/15th of a second. As a result – and cause – of these developments, there are increasingly frequent alliances between telecommunications/hardware corporations and information/software corporations.

In effect it seems that by 1975-1980 there can be reasonably widespread commercial development of information services direct to the home via TV and/or printer. By the end of the seventies people may look to these new services for most of the information they need.

Where will this leave "magazines"? To provide entertainment? One would expect TV to continue to satisfy most of the demand for that. To supply interpretation, selection, background? Perhaps – but is there much of a market for them? To provide glorious coloured pictures as *Life* and *National Geographic* do? TV will soon be able to match and improve on them. And instant books may provide the interpretation and background, particularly if the liveliest and most adventurous pocketbook people continue to develop at the rate they've been going in recent years; such "books" could include sound, sight, smell, and other packages along with their print.

Important innovations in communications and the media are happening – and will continue to happen – rapidly. Today's Canadian magazine publishers who hope to be still in business tomorrow are presumably wondering now just where they are going to fit.

TODAY

ECONOMICS

Magazines live almost entirely by the sale of advertising space. *Maclean's* and *Chatelaine* (English and French editions) earn a little more in subscription sales than they spend in generating them. *Saturday Night* breaks even or makes a nominal profit on subscription sales. Only 15% of the gross revenue of *Actualité* comes from subscriptions. *United Church Observer* receives 75% of its gross revenue from subscriptions, but that is only because it can call on hundreds of volunteer, unpaid salesmen within the church. Only *Time* and *The Reader's Digest* consistently make money from subscription sales. Apparently, they do not have to work so hard nor spend so much to persuade people to buy their publications.

In general, then, the economic health of all magazines is decided by advertisers. And the health of national consumer magazines is decided to a considerable extent within advertising agencies.

Compared to American magazines, Canadian publications face considerable difficulties. Firstly there is the comparatively limited dollar- size of the Canadian market; and its huge geographic spread adds to the costs of both distribution and editorial coverage. Canada has only a tenth of the population of the United States, and less than a twelfth of its gross national product. Canadian magazines' economic difficulties are further compounded because total Canadian advertising expenditures per dollar of G.N.P. are only sixty percent of those of the U.S. In addition – and the additional difficulties of Canadian magazine publishing go on almost indefinitely – the average Canadian reads only two-thirds the number of magazines that his American neighbour does. And then, a major competitor for national advertising dollars – the CBC national television network – is heavily state-subsidized, whereas magazines not only receive no direct government support – presumably they would refuse it – but have recently taken a hammering from Ottawa through increased postal rates.

Thus, even when a Canadian magazine is genuinely successful in terms of public appeal, it still finds it difficult to make a substantial amount of money. And the surviving magazines do seem to have public appeal. *Chatelaine's* combined French and English circrculation of 1,250,000 is, on a per-head basis, immensely larger than that of any American woman's magazine. *Star Weekly* (which has, to all intents and purposes, expired; it still exists as a name on a package of newsstand material which includes *The Canadian*) was enormously successful on the newsstands right up to the end – and even in its new form sells 450,000 copies a week. (For circulation figures, see Appendix II.)

So reader acceptance – presumably a proof of the skills of a magazine's editors, writers, and artists – does not guarantee success in Canada. Success can come only when national advertisers feel there is some advantage in spending considerable money in that magazine.

There are difficulties in comparing the advertising revenue attracted by Canadian magazines in 1968 to, say that of 1958. Figures for 1958 cover the receipts of thirteen magazines; 1968 figures cover the receipts of only ten. After 1958, seven magazines were taken off the list and four others were added. Departed: *La Revue Populaire, Le Samedi, Liberty, Canadian Home Journal, Canadian Homes, La Revue Moderne, Mayfair.* Arrived: *Le Magazine Maclean, Châtelaine* (French), *Miss Chatelaine* and *The Observer.*

But, in 1958, 1963 and 1968, seven classifications of advertisers provided two-thirds of the revenue of the main magazines. The big seven are: automotive; drugs and toiletries; household furnishings and entertainment equipment; financial and insurance; food and food products; travel and hotels; and alcoholic beverages. As most magazines are only marginally, if at all, profitable, if any one of these groups decided to pull out of magazines completely, it could have disastrous effects. And, with a few exceptions such as food products in *Saturday Night* and alcoholic beverages in *Miss Chatelaine,* each category is important to each magazine.

In 1958, *Maclean's* won more advertising dollars than any other magazine in Canada. In 1963, the two editions of *The Reader's Digest* won more advertising dollars than any other magazine. In 1968, *Time* won the most advertising dollars. The winner in each year most successfully wooed the major advertising categories:

Leader in Advertising Dollars in Main Classifications

	1958	1963	1968
Auto	*Maclean's*	*Time*	*Time*
Drug	*Digest*	*Digest*	*Chatelaine*
Household	*Maclean's*	*Digest*	*Chatelaine*
Finance	*Maclean's*	*Digest*	*Time*
Food	*Digest*	*Chatelaine*	*Chatelaine*
Travel	*Time*	*Time*	*Time*
Alcohol	*Maclean's*	*Time*	*Time*
Total	*Maclean's*	*Digest*	*Time*

In all three years studied, food advertisers have been the most important single group to *Chatelaine.* To both *Time* and *Maclean's*, alcoholic beverages have been the most important single group. To *The Reader's Digest,* alcoholic beverages were most important in 1958, drug products in 1963, food products in 1968. In 1968, alcoholic beverages accounted for 24% of the gross advertising revenues of *Saturday Night.*

In total for the three years, alcoholic beverages contributed $10.3 million to the magazines covered by M.A.B. statistics; food products, $7.4 million; and drug products, $6 million.

Presumably, one reason that liquor companies advertise heavily in magazines is that they cannot advertise on TV. And one reason for the somewhat anemic state of Canadian magazines recently is that liquor advertising in magazines declined 24% during the ten-year period.

Under the various liquor board regulations, these A.B.C.-audited "consumer" magazines are considered to be "published" in the province of their head office. Liquor companies, therefore, can design advertising to meet the regulations of either the Quebec or the Ontario board and place them in these publications. *Weekend* and *The Canadian,* however, are considered to be "published" in the provinces of each of the newspapers which carry one or the other. This makes it uneconomical and virtually impossible for liquor companies to advertise in *Weekend* or *The Canadian,* because each provincial board has different requirements. This is one apparent reason for the continuing difficulties of *The Canadian.*

Advertisers frequently assess the comparative selling power of a magazine on the basis of its cost per thousand readers for one page of black-and-white advertising. This cost-per-thousand (C.P.M.) tends to be considerably higher in Canadian magazines than in American magazines. The cost-per-thousand of *Time's* Canadian edition, for example, is $9.14; the C.P.M. of its American edition is only $5.45. The C.P.M. of Canadian controlled-circulation magazines is claimed to be closer to that of American counterparts.

SPECIAL INTEREST V. GENERAL INTEREST

In general, magazines directed at the broadest possible audience have been experiencing the greatest difficulties in recent years; those appealing to more specialized interests tend to do better. Most-quoted success story is that of *Playboy,* which allegedly appeals to young, affluent, city-dwelling males.

In the United States, *Life* and *Look,* both general-appeal magazines, were down in advertising pages in 1968, but *Field and Stream, Outdoor Life, Rudder* and *Yachting* were all Up. *Ski* magazine in 1968 had its biggest year in the past thirty-three; *Scientific Research* had a forty-one page increase; *Promenade, Sports Illustrated, Playbill, TV Guide*, and *The Rotarian* were all up substantially. *Saturday Review* commented on the magazine scene:

> All this confirms what historians and analysts of the business have been noting for some time: that in a country with a population of more than 200 million, producing successful mass magazines has become increasingly difficult, while those reaching smaller audiences within the mass have been increasingly

> successful. Since specialization has become profitable and appears to many to be the way of the future, it is hardly surprising that in 1968 new magazines reflected the trend.

In the neighbouring market of only twenty-one million the trend seems to be similar. New Canadian magazines which have been launched or are being discussed are almost all aimed at a specialized audience. Even large-scale new publications can be quite specialized. *Miss Chatelaine,* launched five years ago, reaches 120,000 teenaged girls. *Saturday Night* actively solicits subscribers only from select groups of people and thus tries to get the best of two worlds – paid and controlled circulation (see next section). Arnold Edinborough explained his editorial formula:

> I was convinced when I bought *Saturday Night* [price: its bill at the printers] that a magazine with a coherent concept of what it was doing to create an audience could, in fact, create that audience. *Saturday Evening Post* and *Maclean's* had both lost that idea of the audience they were trying to create.
>
> I wanted it well-written, to cover a wide range of topics that could be made to seem of immediate interest to the people the magazine was aimed at, with bitchy hard writing that stirs things up.

His target was to achieve 100,000 subscribers within five years, and he met that target. However, "you have to build circulation very carefully; otherwise, you get too many readers who are not useful to you." So *Saturday Night* actively solicits subscriptions only from certain groups of people.

FREE V. PAID CIRCULATION

There is serious disagreement in the publishing trade about the best way to get magazines to readers. Should they be sold, given away, or distributed as part of another medium? Or tacked on to club membership fees?

In the past, major magazines have generally been sold to readers, although not necessarily at a profit. Generally such publications are known as "ABC magazines" because their publishers usually belong to the Audit Bureau of Circulations. In Canada today, *Time,* the two *Reader's Digests,* the three *Chatelaines,* the two *Maclean's, Saturday Night,* the *United Church Observer, Actualité,* and many others are A.B.C. members. On the other hand, Canada's two largest-circulation magazines – *Weekend Magazine/Perspective* (nearly three million copies) and *The Canadian* (two million) – are distributed as supplements to sixty Saturday newspapers.

Serious attempts to launch new national magazines (*Homemaker's Digest*) and new local magazines (*Toronto Calendar*) are based on "controlled circulation" – the publication is sent, free and unrequested, to a specific group of people calculated to comprise a valuable audience for a specific group of advertisers.

In general, A.B.C. publications can be considered The Establishment of Canadian magazines, and A.B.C. publishers scoff at the other two means of getting magazines to readers. R. A. McEachern, Executive Vice-President of Maclean-Hunter, dubs weekend supplements "newspaper stuffers" (even though his own company's new *Financial Post Magazine* will be distributed as a monthly supplement to the weekly business newspaper). "Nobody *buys* supplements," the paid circulation enthusiasts point out. "One could disappear tomorrow and wouldn't even be missed." They argue that A.B.C. magazines, because they have to be sold, have higher quality and longer life. "It takes a lot more money to produce a page in one of our books than in one of theirs," they claim.

Not surprisingly, the weekend supplement executives disagree. Ed Mannion, publisher of *The Canadian*, declares that his magazine, even though it is losing money, still spends more than a million dollars a year on its editorial content because, he believes, only a quality publication can survive.

The Canadian A.B.C. members say that paid circulation has gained strength since the days of the O'Leary Commission; that because of increased reader acceptance, it is not so costly now to sell magazine subscriptions, and they point to increased newsstand sales as an indication of growing reader acceptance, *Chatelaine* sells 70,000 English copies a month on newsstands and 15,000 French. *Le Magazine Maclean* sells about 9,000 of its 175,000 circulation copies on newsstands. *Saturday Night* sells between 6,500 and 12,000 copies on the stands. (Newsstand sales are affected significantly by a magazine's cover. A picture of P.E. Trudeau brought *Saturday Night* its biggest sales so far.)

A.B.C. magazines argue that the circulation of supplements has no relationship to their appeal. When Maclean-Hunter published *Canadian Homes* as an A.B.C. magazine, it sold only 125,000 copies an issue. Now it is produced at – according to a Maclean-Hunter executive's guess – "a fraction of the cost," and distributed to two million readers. "How can they possibly claim those two million people are interested when only 125,000 would buy it before? "

Arguments notwithstanding, over the past few years *Weekend Magazine/Perspectives* has been able to attract large advertising campaigns that might otherwise have gone to A.B.C. magazines. Nevertheless the real battle of the future will likely be fought between A.B.C. magazines and the exponents of "controlled circulation."

This controlled-circulation approach is not new. Most trade papers are distributed this way. But in the area of mass distribution in the past, controlled circulation has often indicated merely junk mail. Two developments have altered that:

The cost of selling magazine subscriptions has skyrocketed over the years. The O'Leary Commission learned that Maclean-Hunter was spending a million dollars a year more to promote the subscription sales of its consumer magazines than it was receiving in subscription revenues. It tended, in other words, to spend \$5 to sell a \$4 subscription. (But Maclean-Hunter executives now claim to be at least breaking even on subscription sales.)

The arrival of the computer enables the "give-away" magazine to be much more precise in creating and controlling the particular list of people to whom it wants to send its magazines. Coupled with this comes the gradual recognition by advertising agencies that computers can help them make media purchase decisions. Eventually even magazines that are sold rather than distributed free, will find it better to provide advertisers with proof of circulation by means of computer feed-out of circulation lists rather than by A.B.C. audit.

In addition, advertisers and agencies are becoming increasingly sophisticated in their techniques of assessing magazine audiences as good advertising prospects.

Instead of reckoning value only in cost-per-thousand-readers, they now also study audience "demographics": age, location, income, buying habits. Emerging also is an interest in "psychographics": an audience's likelihood of behaving in a certain way. Gary Zivot of *Toronto Calendar* "pitches" advertisers about "our group," the audience selected to receive *Toronto Calendar.* "Our group," he claims, "does six times as much travel as other Torontonians. Because it is interested in all the other things to do in Toronto, it watches less television. Therefore *Toronto Calendar* can get to the people who don't watch television." And so on.

In the United States, controlled circulation magazines are still having their troubles. *On View,* a glossy general-interest magazine mailed to 1.7 million Bank Americard holders, disappeared after a couple of issues. The American version of *Homemaker's Digest* also lasted only five issues. Other American newcomers include *Girl Talk,* distributed only through beauty salons in upper-income areas; *Gap* for parents who can afford to send their children to top private colleges; *Quest* (no relation to the Canadian *Quest*), which goes to affluent family men interested in travel, food, leisure. *Here's Charlie* is distributed to teenage charge-account customers of one major department store in each of fourteen cities.

Homemarker's Digest, a serious attempt to create a new Canadian women's magazine distributed by controlled circulation, appeared to get off to a rousing start in October, 1966. Its youthful owners, Gordon Badger and Randall Munger, soon launched foreign versions of it in the United States, Britain, and Germany. For a while they could claim that their *Homemaker's Digest* had an international circulation second only to that of *The Reader's Digest.*

But they apparently moved too far too fast. They made bad business decisions in the United States and had to sell off 80% of their interest in that edition. Soon after, they also lost control of the Canadian edition.

In Canada they lost money for longer than they had anticipated because, says Badger:

Advertisers are a lot slower to catch on the new idea than he had expected;

Any new magazine has to prove its financial stability before advertisers will get involved;

A new magazine also has to consistently provide the correct environment for advertising; and

Other magazines make it as tough as they can for a newcomer to nudge in. (In the United States, he notes, *Ladies Home Journal* co-operated with *Homemaker's Digest.* In Canada, *Chatelaine* would not co-operate and instead, produced a controlled circulation magazine of its own, *Hostess,* which grossed $200,000 in its first year and was predicting $650,000 for its second year; but it fell as a casualty of the new postal rates.)

The new postal rates would have eventually wiped out *Homemaker's Digest* in Canada had the magazine not created its own delivery system.

As Badger sees it, a controlled circulation magazine has to work even harder than an A.B.C. magazine to win its audience's attention and approval. It has to keep commissioning surveys to prove to advertisers that it is, in fact, being read; and if its ratings drop, its advertising revenues quickly drop too. He has figures that seem to show that *Homemaker's Digest* advertising content attracts more readership than that of *Chatelaine, The Reader's Digest, The Canadian,* or *Weekend.* A controlled circulation magazine, he declares, can aim its editorial content directly at its carefully selected readers, whereas ABC magazines have to appeal over a broader interest range–single/married, urban/rural, etc.

Toronto Calendar is a single-market, controlled circulation magazine that is distributed to 85,000 homes and 35,000 "luxury" apartments. Publisher Richard Ballentine says he had little trouble getting advertising agencies to accept the approach but that advertisers proved rather more cautious. "Agency men were aware of the money behind us," he says. "They knew we weren't just a couple of guys walking around with a briefcase."

COSTS OF LAUNCHING NEW MAGAZINES

It seems to be accepted in the trade that to create a new mass circulation (one million copies or more) magazine that is sold rather than given to readers would cost at least $10 million (and probably even then not have much chance of succeeding). *Maclean's* despite all its years of entrenchment since 1905, and its genuine prestige (every one of the Members of Parliament we surveyed reads *Maclean's*), historically loses money more often than it makes any. And *Chatelaine,* a highly professional publication that seems to be fat with advertising, makes only modest profits on its annual $6 million to $8 million gross. It seems unlikely then that commercial motives will attract any newcomers to the field.

Creating a national magazine to be distributed by controlled circulation is less costly. *Homemaker's Digest* cost about $1 million for its Canadian edition before reaching a break-even point–and then the new postal regulations boosted its overheads an additional $300,000 a year.

In planning *This City,* a magazine intended to be sold to Torontonians only, Peter Gzowski estimated he would need $400,000–and some people believed that was too little.

Again in one-city magazines, controlled circulation seems to come in cheaper. *Toronto Calendar* cost about $300,000 by the time it reached its operating break-even point at the end of 1969.

Gordon Badger, from his experience with *Homemaker's Digest,* believes that "if anyone tried to launch a new paid-circulation national magazine and had the best launching campaign possible, he could only hope to get 100,000 to 200,000 circulation." And in terms of national, mass appeal such figures just don't interest advertisers. "These days," he says, "you have to have either selectivity or mass." And mass in Canada means close to a million. "The government will have to look at controlled circulation more closely if it wants to foster a magazine industry here," he declares. "You just cannot start a new mass magazine now unless it is controlled circulation."

Ed Mannion, publisher of *The Canadian,* says much the same thing: "There's damn' near no hope of anyone starting a new national magazine now–there are just too many things working against you." The industry as a whole is surviving at the moment by dint of the fact that while the number of dollars going into magazine advertising stays fairly constant, the number of magazines sharing that revenue has decreased.

Things are tough. Lloyd Hodgkinson, publisher of *Chatelaine,* says: "It's a matter of just keeping going." R. A. McEachern, higher in the Maclean-Hunter hierarchy, quickly corrects him, saying: "Consumer magazines are profitable, but they are just not as profitable as other forms of publishing."

There seems little hope of the situation changing dramatically for the better. Maclean-Hunter can afford to keep the three *Chatelaines* and two *Maclean's* going because it is a diversified communications company. McEachern notes: "We are not particularly proud of the fact that we are the only big-leaguers in the country. It is not a situation to be desired." To avoid becoming the only publisher of major Canadian consumer magazines, Maclean-Hunter extended genuine assistance to *Saturday Night* in the days after Arnold Edinborough took it over.

It is possible, then—unless some new techniques of supporting and/or distributing magazines emerge—that Canada now has all the major magazines it is ever going to have.

WHO OWNS THE MAIN MAGAZINES?

Most consumer magazines of any size or significance in Canada survive because they have other means of support. The three *Chatelaines* and two *Maclean's* are published by the Maclean-Hunter organization, a public company in which Donald Hunter holds 53% of the stock. The *United Church Observer* has both a church and a church publishing house behind it. The Canadian edition of *Time* can draw on the business, financial, and editorial resources of an American parent organization. So can both the French- and English-language Canadian editions of *Reader's Digest. Weekend Magazine* is published by The Montreal Standard Publishing Company and so too, to all intents and purposes, is its sister magazine *Perspectives.* (*Weekend* is published by Standard under contract to *Weekend's* thirty nine member newspapers who share in any profits or losses. *Perspectives,* published by Perspectives Inc., owned by its seven member newspapers, contracts with Montreal Standard to publish the magazine.) *The Canadian, Canadian Homes* and the *Canadian/Star Weekly* are published by Southstar Publishers Ltd., a consortium of the Toronto *Star* and Southam. The new owners of *Actualité* (they bought it in 1969 when it seemed about to go bankrupt) are Drummond Business Forms, Canada's third largest printing firm which is diversifying into other forms of publishing.

Only other magazines to meet four of the six criteria for inclusion in this paper's "short list" (see appendix) are: *Canadian Churchman* which is the official organ of the Anglican Church; *Legion,* which has the resources of the Royal Canadian Legion behind it; and *Le Petit Journal, Dimanche Matin,* and *Photo Journal,* which are closer to being weekly newspapers than magazines in the usual sense. Which leaves only *Saturday Night* as a Canadian consumer magazine of significance trying to stand on its own feet (and even Saturday Night Publications found it necessary to launch a trade paper to help spread company overheads).

Other magazines mentioned in this Report: *Toronto Life* is now owned by the Sifton interests which are, of course, heavily involved in other media. *Toronto*

Calendar is owned by Lakemar Ltd., a Ballentine family company; among other directors with a minority interest is Frank Nash of All Canada Radio and Television. Real estate man David Owen helped Peter Gzowski in his efforts to launch *This City.* Controlling interest in *Homemaker's Digest* was acquired in 1969 by Donald Smith and John Norris of Toronto. Southam Press Ltd., a participant in the original company, retains a 10% interest.

Most magazines and trade papers in Canada belong to companies which publish other things as well. Sixty-eight Canadian publishers put out two or more periodicals. In some cases the "two" are merely a monthly and an annual directory covering the same field. However fifty-nine are genuinely "group publishers" and between them they account for forty-one publications listed as "consumer magazines" or "weekend supplements" by *Canadian Advertising Rates and Data.*

But not all publishers of trade papers get into consumer magazines. National Business Publications of Montreal publishes ten trade papers and four directories, but has no consumer magazines. The company once considered entering this field but, according to A. W. Dancy, president: "We thought we'd be taken to the cleaners too fast! Our base of trade papers just was not big enough."[2]

WHY STAY IN SUCH A TOUGH BUSINESS?

As most major Canadian magazines either lose money or make marginal profits only, one might wonder what motives prompt their publishers.

Floyd Chalmers, former long-time president of Maclean-Hunter, talks rather grandly–and presumably sincerely–of the role that a *Maclean's,* French and English, can play in creating a Canadian awareness. And R.A. McEachern of the same company declares: "We spend more money than we should because we think these magazines are important to the country. We think they have a useful social purpose in Canada. And Donald Hunter hasn't yet cried, 'Halt'."

But the existence of *Maclean's* also adds a prestige to the organization which can be helpful when salesmen are promoting the interests of the Maclean-Hunter trade papers, or when the company applies for a broadcasting licence.

Ed Mannion, publisher of *The Canadian, Canadian Homes,* and *The Canadian/Star Weekly,* is proud that his publication carries mainly positive stories, almost totally about Canadians, and most of which he believes would otherwise be unpublished. He also believes this serves a national purpose. On the other hand, newspapers which have to compete for Saturday circulation with others carrying *Weekend Magazine* probably feel the commercial need to carry a magazine supplement of their own (and many but not all, charge five cents extra for their Saturday edition).

Beland Honderich, whose Toronto Star Ltd. helps carry *The Canadian's* losses, believes that national print media are necessary in developing a national awareness or point of view, and that they must be written and edited by Canadians. He says he feels as strongly now as he did when he appeared before the O'Leary

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[2] Since this report was written, National Business Publications has been purchased by Southam Press Ltd.

Commission that *Time* and *The Reader's Digest* compete unfairly with Canadian publications. He believes also that unless *The Canadian* and *Weekend/Perspectives* somehow get together to present a united sales front;[3] and/or unless some restriction is placed on *Time* and *The Reader's Digest* there will be no national weekend supplements in existence in Canada in ten years. "We still hope we can make some money out of *The Canadian,*" he declares. "We are, after all, in business to make money. However, in addition to being a businessman, you get publishing in your blood and we do feel the need of a national Canadian magazine."

TIME AND THE READER'S DIGEST

Whether *Time* and *The Reader's Digest* should be allowed to do business in Canada without special restriction was argued long and passionately before the O'Leary Commission. The Commission decided that restrictions should be placed in Canada on the local editions and split-run advertising deals of all American publications. But the government exempted from the resulting legislation both *Time* (now in its 27th year in Canada) and *The Reader's Digest* (now in its 28th).

Since then, both publications appear to have consciously worked to become "good corporate citizens." *The Reader's Digest* has sold stock to Canadians–the only *Digest* subsidiary to do so. *Time* has four or more pages of Canadian news every week. The Canadian edition and many foreign editions of *The Reader's Digest* use primarily Canadian paper. Between five and ten percent of the material appearing in the Canadian edition of *The Reader's Digest* is by and/or about Canadians, and the magazine maintains almost as large a Canadian editorial staff as does *Maclean's*. Their Canadian stories are fed into the international editorial pool and, on the average, 80% of other *Digest* editions pick them up resulting in enormous international readership. The *Digest's* Paul Zimmerman insists that his company exceeded all of Robert Winters' guidelines for good corporate citizenship before they were issued.

Many of the magazines that so stridently opposed the two Americans in appearances before the O'Leary Commission are better disposed to them these days. "Their existence here today," says Lloyd Hodgkinson of *Chatelaine,* "is a constructive element. Without them there would not be enough Canadian publications to make a good 'magazine buy' for advertisers." In other words it can be debated whether *Time* and *The Reader's Digest* take advertising dollars away from Canadian magazines or help to develop a larger total magazine advertising market in which they can all share. *Time* and *The Reader's Digest* jointly take more than half the market. But now both French and English *Maclean's, Miss Chatelaine, Saturday Night,* and *The Observer* have the same page size as *Time.* Consequently when an advertiser has paid all the unavoidable production costs to place an advertisement in *Time* it becomes comparatively less costly to add some of the other magazines to his schedule as well.

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[3] This was done in 1969 when the two publications merged their advertising sales organizations in a new company, MagnaMedia Ltd.

Presumably an extra factor in making Canadian magazines less hostile towards their American in-laws is that both were activists in getting the Magazine Advertising Bureau established and both are heavy financial supporters of it. The more successful the Bureau is, the more successful, presumably, its individual members will be. So in general, M.A.B. members no longer complain about the American subsidiaries.

Weekend supplements, (not M.A.B. members), however are still critical of the American presence in Canadian publishing. Beland Honderich points out that local editions of *Time* now compete with newspapers, and he suggests that such competition may delay or prevent the introduction of the local weekend supplements which are now appearing in American newspapers. He has no doubts that the *Time/Digest* presence was one factor that killed *Star Weekly.* Even though *Star Weekly* was selling 900,000 copies a week on newsstands–which indicates it was comparatively more popular than any publication in the United States–it did not win the same popularity from advertisers. He compares *Star Weekly* to a Chevrolet and *The Reader's Digest* to a Cadillac. For the same money, Canadian advertisers preferred to advertise with the "Cadillac," with its high-quality, extremely costly editorial content "dumped" into this country after having being paid for in the United States.

So the same economic dilemmas apply now as when the Royal Commission pondered them. *Time* goes into 185 countries every week. *The Reader's Digest,* published every month in thirty editions in fourteeen languages for readers in more than 100 countries, is by far the largest magazine in the world. Its global circulation exceeds twenty-six million copies a month. With the additional factor of readers-per-copy, the *Digest* can claim close to ninety million readers a month. As the majority of the editorial material which appears in the *Digest's* Canadian edition appears also in the other editions, they can all help absorb the cost. For this reason the *Digest* can pay a Canadian writer $2,000 to develop an original article whereas *Maclean's* and *Chatelaine* pay in the $400 to $700 range; *Saturday Night* about $200 to $300; *Actualité* about the same; *The Observer* considerably less.

Even though *The Reader's Digest's* profits in Canada took a battering from the postal increases (which boosted its costs by $600,000), in general the two magazines go from strength to strength. This is hardly surprising: they are, after all, probably the most technically skilful mass magazines in history. The company's skills in the various fields of commercial communications are overwhelming.

Every publishing project handled by the *Digest* assumes a huge volume. A year after the National Film Board and the Queen's Printer and McClelland and Stewart all brought out ambitious and highly illustrated books to celebrate the Canadian Centennial, *The Reader's Digest* published *Canada, This Land, This People* (its first Canadian original) and outsold them all. It was followed by *Canada's Second World War* in three volumes and a three-volume cookbook by Madame Benoit. Where most hard-covered books in Canada sell 3,000 to 10,000 copies, *The Reader's Digest* is not interested in starting a book project unless it is convinced it will sell several times that number. Through its carefully-built mailing list the company does business with about 40% of the nation's five million families every year. After it used its mailing list to sell long-playing musical records, it became the biggest Canadian customer of the RCA recording company.

Time in Canada has prospered since the O'Leary Report. President Stephen LaRue reports: "There is no flak at all from advertising agencies. In fact, our being American seems to attract them. The agencies disliked the nationalism furore that went on at the time of the Royal Commission." *Time's* 1963 circulation was 250,000; it expects to reach 500,000 in 1971. Even in Quebec, *Time* is the biggest competitor of *Le Magazine Maclean*, most of whose readers are bilingual. Its advertising revenue was $2.6 million in 1953, $8.1 million in 1968.

If O'Leary-style legislation was passed to stop dollars flowing into *Time* and *The Reader's Digest,* there seems even now no way of telling whether those dollars would be diverted into other existing Canadian A.B.C. magazines; into existing weekend supplements; into helping launch new magazines or supplements; into other advertising media altogether; or right out of advertising and into non-media sales promotion. But it does seem likely that without the advertising revenue neither magazine would stay around for long.

THE MAGAZINE ADVERTISING BUREAU

Before deciding to implement or ignore the recommendations of the Royal Commission on Publications, successive governments waited to see whether the protagonists (basically *Time* and *Reader's Digest* on the one side and Maclean-Hunter on the other–both sides preferring to act as if weekend supplements were mere intruders) could agree on some compromise. While waiting, the revenue of all Canadian magazines declined because of advertisers' uncertainty. Eventually legislation was brought down which allowed *Time* and *The Digest* to continue operating in Canada.

At this stage the leading "consumer magazines," spearheaded by the Americans, decided they must create a unified front to present the Canadian magazine story to advertisers. As membership in the existing associations was restricted to "Canadian" magazines, some new organization was necessary. It was decided to extract the statistics-gathering section of the Periodical Press Association and use that as the base of a Magazine Advertising Bureau which the Americans would be eligible to join. The M.A.B. is essentially a sales promotion agency, but its functions seem to be expanding, and it seems that it will eventually become, to all intents and purposes, a "trade association" for so-called consumer magazines.

Just as the Periodical Press Association and the Magazine Publishers Association carefully excluded American owned publications from membership, so does the comparatively new M.A.B. exclude weekend supplements and controlled circulation magazines. Its members seem to be trying to protect the use of the word "magazine"; they imply that it can only be rightly applied to publications sold directly to the public and not to those distributed by other means.

M.A.B. membership comprises *Time, The Reader's Digest* (French and English editions), three *Chatelaines,* two *Maclean's, The Observer, Actualité,* and *Saturday Night.* Their circulations total 4,618,000–85% of the circulation of Canadian A.B.C. consumer magazines, but slightly less than the combined circulations of *Weekend/Perspectives* and *The Canadian.*

Section 3.06 of the M.A.B.'s constitution determines which publications may apply for membership:

> The board of directors, upon the application of a Member, may designate any magazine published by the Member as a Member Magazine. The magazine in respect of which the Member seeks designation as a Member Magazine must meet the following requirements:
> (a) Such magazine must have been published regularly during the twelve months preceding application for designation as a Member Magazine.
> (b) Such magazine shall be published not less than four times annually and shall not be issued in the form of or as an adjunct to a newspaper. Its principal source of readers shall be paid subscribers.
> (c) Such magazine must at the time of the application of the Member for such designation and thereafter as a condition to remaining designated as a Member Magazine, be subject to audit by the Audit Bureau of Circulations.
> (d) Such magazine shall at the time of such application by the Member and thereafter derive a significant portion of its actual gross advertising revenue from national advertising.
> (e) The Member and the magazine in respect of which such Member seeks such designation must endorse and adhere to the Canadian Code of Advertising Standards of the Canadian Advertising Advisory Board.

The M.A.B.'S rigid restriction of membership implies a special status attached to the description "magazine." If so, and if they are able to protect it, then there are disadvantages for those excluded from membership. Certainly *Weekend* and *The Canadian* would like to be automatically considered when an advertiser wonders: "Which magazines, if any, shall I advertise in? :

Beland Honderich comments:

> I suppose one would like all the advantages one could get to survive. We [*Star Weekly*] tried to get into the M.A.B. once. We would like to be members in order to build recognition in the minds of advertisers that we are, in fact, a magazine and would therefore automatically be considered for magazine advertising schedules.

Time's Stephen LaRue says: "The membership requirements are there to let us control the membership. We want new members who can add to the mix."

M.A.B. magazines attracted 446 new advertisers into their pages in 1968, for a total of 939. The Bureau's budget that year was $200,000 which included a special $80,000 levy for a big research project. The results of that project caused a storm of controversy because the results were very unflattering to the weekend magazines, and especially to *The Canadian.* It indicated that M.A.B. member publications had average readerships ranging from 2.8 per copy *(Chatelaine)* to 5.9 *(Saturday Night). Weekend* had only 2.1 readers and *The Canadian,* 1.5. Qualifications for M.A.B. membership seem to rule out all the main new developments in publishing – single-market magazines, newspaper supplements, controlled circulation. However the M.A.B.'s president, John S. Crosbie, says that the single-market magazine *Toronto Life* now carries enough national advertising to qualify for membership if only its circulation were audited by A.B.C. (*Toronto Life's* publisher, Michael Sifton, on the other hand, says he is not sure that he would want to join anyway: he is not sure whether he wants his publication to be known as "a magazine.") Crosbie also says *The Atlantic Advocate* would probably be welcome too if it were a member of A.B.C. At the same time, he implies that magazines are only likely to be accepted for membership if their editorial standards are considered by the board of directors to be "high enough" to satisfy the rest of the members.

About the only French-language magazines in Quebec that seem to come within the scope of this paper are the French-language counterparts of *Maclean's (Le Magazine Maclean), Chatelaine (Châtelaine), Reader's Digest (Selection du Reader's Digest)* and *Weekend (Perspectives).* Only one French-language monthly is not connected with an English-language counterpart: *Actualité.* The French-language news weekly *Sept Jours* has been in continuous difficulty and was published irregularly in 1970. The Quebec market has numerous weekend tabloid newspapers sold primarily on newsstands. They do not attract much national advertising. Recently there have been moves to consolidate a number of these under a couple of corporate roofs.

Le Magazine Maclean carries content quite different from that of *Maclean's*. This fact somewhat saddens Floyd Chalmers who had anticipated more cross-fertilization between the two. Both magazines invariably buy full national rights to their articles in case their counterpart wants to run the story too. But in 1968 only one article appeared in both magazines ("My Friend Richard Nixon," by Joey Smallwood). (*Le Magazine Maclean* pays editorial rates almost as high as those of the English *Maclean's*; It has rather fewer people on staff because fewer of its stories need the national scope of *Maclean's* pieces.)

Well over half the material in *Châtelaine,* on the other hand, is picked up from the English *Chatelaine.* All the "service" material – fashions, foods, beauty, furnishings, etc. – is common to both and *Châtelaine* also often takes articles from English *Chatelaine* and adapts them for Quebec readers. There is less traffic in articles from French to English. Both magazines buy full Canadian rights on all articles but, by the time they pay translation costs, there is no great financial saving in the cross-fertilization.

Selection du Reader's Digest has its own editorial team who, like editors of all other editions of the *Digest,* choose material for their edition from a central pool. Much of the translation work has already been done in France.

Perspectives and Weekend run 40% to 50% common articles. Most such pieces originate in English because *Weekend* has to find stories of national interest whereas *Perspective's* audience is mainly within Quebec.

Actualité has grown out of an old magazine that used to be distributed free to 200,000 Catholic families. Launched in 1909, it had a heavily religious aspect until the 1960s, when it became more generally consumer-oriented, joined the Audit Bureau of Circulations, and appointed representatives to pursue national advertising business. In 1964, a television company bought a 51% interest but in January, 1969, when the publication seemed likely to be abandoned, Drummond Business Forms took it over.

Its circulation in June, 1969, was 104,000, and the publishers have their sights set on meeting *Le Magazine Maclean's* 170,000 circulation. It plans to extend its distribution nationally to French-Canadians in the Maritimes and Ontario. The magazine has an editorial staff of three and buys all its material from freelancers to whom it pays $60 to $200 a page.

Drummond Business Forms, which bought *Actualité* because it thought the only independent French-language monthly should not be allowed to disappear, is getting heavily into other forms of publishing. With *Actualité* it also bought *Vie et Carrière*, published ten times a year for 48,000 students. (Its content is divided between youth activities and career information.) The company will probably also get into trade papers and try to pull together many existing independent French-language publications. It is also publishing books and under contract prints seven magazines and three newspapers.

COMPLAINTS AGAINST GOVERNMENT

Publishers of all magazines aimed at fairly broad audiences have to compete not only with each other, but also with other advertising media. Consequently they nearly all feel that it is unfair for public money to subsidize imported TV programmes which CBC sells to advertisers at less than cost. Advertisers, they declare, rush to spend their limited advertising appropriations on the big American shows carried by CBC because these are, genuinely, a bargain – at the taxpayer's expense. Magazines see this as a form of government discrimination against their own medium and others.

There is real resentment among all magazine publishers (except perhaps those at *Canada Month* who believe the post office should by all means pay its own way) about the effects of sudden, drastic postage rate increases coupled with a decline in postal delivery service. The new rates put the cost of mailing *The Observer*, for example, up $120,000 in a total budget of $800,000. "If we didn't have the church and the publishing house behind us, we'd be dead," notes the editor. The new rates increased *Actualité's* postage bill by more than 400% *(Actualité* costs 11¢ to mail; *Playboy* 2½¢). In addition, complain the publishers, the delivery service is so bad that some advertisements are out of date before the magazine reaches its readers. "We had to employ three people just to answer telephone complaints from people who received the magazine on the twentieth instead of on the first," claims Gregoire Ewing, of Drummond Business Forms. He wonders what will happen when *Actualité* starts to sell to the French-speaking subscribers across the country.

If the A.B.C. magazines took a drubbing, the mass appeal controlled circulation publications were almost knocked out of business. (Controlled circulation trade papers, for some reason, were treated more leniently.) One, in fact, did quickly disappear. In 1968 *Chatelaine* had launched *Hostess*, a controlled circulation magazine to complement *Chatelaine*'s own paid circulation. Where *Time* and *The Reader's Digest* pay 2½¢ postage under the new rates, *Hostess* would have had to pay 4¢ or 7¢ depending on the size of the issue. That is 100% more on a per-piece basis and 500% more on weight, declared the publishers, who promptly abandoned the magazine.

Homemaker's Digest, after a million dollar investment, had just about reached a break-even stage when the new rates were established pushing its mailing costs from 1¢ to 4¢ minimum. On an annual budget of $1 million, this represented a postage increase of $300,000. The magazine had three choices: to go out of business and wave its million dollar investment farewell (as Maclean-Hunter had done with its investments in *Hostess*); to switch to fourth class mail at 2¢ ("But then you lose your viability altogether."); or to set up its own distribution system. It chose the third alternative.

Toronto Calendar, another controlled circulation magazine, did not qualify for the new second class mailing privileges, and switched to distribution by Wayne Distributors at a delivery cost in Toronto of 2¢ a piece.

The Reader's Digest notes that it is discriminated against in Canada in two ways. It, along with *Time*, was granted exemption from the post-O'Leary Report legislation. However, to retain this special status, it must now remain similar in content and in the class of readers to which it is directed as in the issues of the twelve months ending April 26, 1965. Paul Zimmerman of the *Digest* declares: "We are thus denied the right to meet changing competitive concepts, in format and circulation." *Chatelaine*, for example, competes with *The Reader's Digest* for various types of advertising. When *Chatelaine* launched *Hostess* in an attempt to improve its competitive position, *The Reader's Digest* was unable to counter.

The new postal regulations restrict second-class mailing privileges to "Canadian" newspapers and periodicals. "*The Reader's Digest* and *Sélection du Reader's Digest* do not fall within the Postal Act definition of Canadian periodicals," notes Zimmerman. "Under these circumstances the postage cost of mailing subscribers' copies of *Reader's Digest* and *Sélection du Reader's Digest* can be increased by the Postmaster General without reference to Parliament."

SHOULD CANADA CARE?

The Royal Commission on Publications declared:

> Ideally, periodical publishing in Canada should be Canadian, competitive and healthy – *Canadian* because of the desirability of information written by Canadians to Canadians; *competitive*, because no one has a monopoly on truth or wisdom, and monopolistic or oligopolistic tendencies inhibit unfettered decision-making and debate; and *healthy*, because general well-being of the industry is valuable both in itself and as a climate in which new publishing ventures would have a chance to survive.

The bulk of material in Canadian magazines – if *Time* and *The Reader's Digest* are excluded – is decidedly *Canadian* because that seems the only way Canadian publishers can win any attention in competition with the American magazines that dominate our newsstands by a factor of ten-to-one or more. They are *competitive* with each other to an extent – although increasingly the competitive lines are being drawn on the basis of A.B.C. magazines *v.* weekend supplements *v.* controlled circulation magazines; and then all three, lumped together as "national print," compete for revenue with newspapers, radio, television, direct mail.

But *healthy* they are not. Only *Time* and *The Reader's Digest* have made money on any consistent basis in the past decade. It is hard to imagine any grand enough change in the immediate future that will make mass magazines in Canada economically robust. Does this matter?

Publishers of national magazines believe that their magazines' existence helps create a national awareness and contributes to the formation of a national point of view. There seems little real evidence either for or against this. It is hard to recall a magazine exposé in recent years that had the same public impact as, say, the CBC's television story on air pollution at Dunnville.

Magazines may be considered valuable in that they usually give a writer more time to work on a story than a newspaper does, and thefore it should have a better chance of being accurate and told in a truer perspective. The magazine writer also has more time to improve the calibre of the writing involved – probably why book publishers have been able to acknowledge that magazines have been the training ground – not to say feeding trough – of many Canadian authors.

Certainly to freelance writers the declining number of magazine outlets can be a handicap, especially now that most *Maclean's* material is staff-written. A shortage of markets soon results in a shortage of freelancers. A *Maclean's* man moaned: "All we seem to see nowadays is guys with jobs, or housewives, or college kids." On the other hand, as print declines, broadcasting grows, and presumably it is up to the writer to aim his efforts at the markets that do exist.

In Canada, however, there are worrying aspects in any general move of writers from print to broadcast. The *Maclean's* staff man noted: "If I get brassed off with my boss, where can I go for a job at my level? " The only place he could think of going was to the CBC, and certainly the Corporation is the major employer of talent of his type in Canada these days. But such a migration from print to broadcast also means in Canada a migration of professional communicators from private enterprise to public enterprise, a matter which should surely be given some thought. Canadians may indeed decide to accept a predominantly state-supported culture, but the decision should presumably not be made by default. The *Maclean's* editor said sombrely: "Most of us feel really trapped."

National magazines play, unintentionally, an external-relations role for Canada too. Until a few years ago, sunbathers on a beach in New Zealand could – and did – buy copies of *Star Weekly* at their local newsstand. *Saturday Night* magazine has a number of paid subscriptions from Americans who have browsed through a copy of the magazine on an Air Canada flight. It is ironic that the greatest exposure of magazine stories overseas about Canada may be through the pages of *The Reader's Digest*.

Without the existence of commercially supported national magazines, the government may eventually be temped to create one of its own to spread the Canadian word abroad. A provincial example of such a magazine has recently been seen in *Alberta, A Land for Living* published by the Alberta government. Significantly the first forty-eight page issue carried five pages of photographs of members of the cabinet.

CONTENT AND IMPACT

WHO DECIDES WHAT GOES INTO A MAGAZINE?

"Life," according to a pronouncement by *The Reader's Digest* to the O'Leary Commission, "is a savoury adventure." The editor of the Canadian edition of the *Digest* had better believe it; because much of the material he selects is expected to reflect that understanding. (*Digest's* Canadian editors are responsible to the editors at the American head office in Pleasantville, not to the head of the Canadian company.)

Few editors, however, have such a clear guideline. Serrell Hillman, until recently chief of *Time*'s Toronto bureau, always found it impossible to define a *Time* story. He could only say that staffers over the years get a feel for what creates one. (The editor of *Time's* Canadian pages can be criticized for their content by head office – but only after publication. However all *Time's* Canadian material is sent in advance to the United States for final editing.)

Maclean's offers a little bit of something to almost everyone, so its editors look for articles that will create the right "mix." They need some pieces in each issue to carry colour illustrations; some in a light vein; some "think pieces"; and a geographic spread of coverage, if possible. Then they have to juggle these considerations to match the talents of the writers available. Superimposed on top of everything, is the need to be interesting. "We can't take the attitude that we must put something on the record simply because it is important," explained a *Maclean's* man. "We would really like to do something on the Carter report, for example, but how can you make that interesting?" (Magazines do often succeed in making apparently dull subjects interesting, and in this way convey public-service information. But self-consciously educational material published "in the public interest," rather than because "it will interest the public" never yet supported a mass magazine.)

With the exception of such general-interest publications as *The Reader's Digest, Time, Maclean's, Weekend, The Canadian, Actualité*, most magazines these days pitch their editorial content to appeal to a specific group. *Chatelaine's* target group, women, is sizeable but among all women there is a smaller audience – young married women with children – that the publishers especially want to attract because they spend a lot of money on a lot of things. A proportion of *Chatelaine* editorial material, then. is always selected to appeal to them.

Saturday Night wants to attract an audience with a certain level of intelligence and social, political, and economic awareness, so that means its editors cannot run comic strips or kitchen hints. *Toronto Life* wants to get into the hands of Torontonians with disposable income, so its editors select stories they think will capture the attention of such people.

And so it goes. Most mass magazines in Canada use their editorial content in an attempt to create a specific audience to appeal to specific advertisers. Their battle for survival is fought in terms of technique and not message; the battle takes almost all the energies of publishers, editors, writers and advertising managers. In years past, a Colonel J. B. MacLean might indeed sometimes try to influence public or government opinion by issuing a vigorous blast simultaneously through the pages of *Maclean's, The Financial Post,* and various trade papers – all of which he personally owned. But today in mass magazines in Canada the professional managers preoccupied with business considerations have taken over from the owner-managers; and polemics and profitability do not often coincide. Probably no mass magazine in Canada can afford permanently to alienate any sizeable group of potential readers.

In the long run, then, commercial demands dictate the content of most Canadian magazines, and it would be a mistake to look in many for a deliberate attempt to promote a particular point of view. Admittedly, *The Observer* does try to hook some Christian or church angle to the stories it runs. *Chatelaine* is feministic and proud that it ran articles on, say, abortion twenty years before appropriate legislation was passed. Arnold Edinborough felt that *Saturday Night* should continuously "interpret what is new in society and bring up to date the perpetual problems of Canada in a way that stops people getting bored with the things that have to be rethought." But none of that really sounds like hidden persuasion.

Canadian magazines do tend to be nationalistic. *Star Weekly* was deliberately so, and *The Canadian* is too: it prefers to present positive rather than negative aspects of Canada. *Maclean's* founder told its first editor: "The [one feature] that should distinguish *Maclean's* from others is the Canadianism of the original matter. . . . Nearly all letters received from readers show the Canadianism of *Maclean's* appeals to them. This is the strongest feature in the magazine. Make it the guiding principle of your work. Keep it before you every minute." Today Canadian magazines carry Canadian content as the only way to compete with foreign magazines that have no Canadian content.

On the whole, however, magazine publishers are too busy trying to create a product that will, one way or another appeal to advertisers, to spend their energies trying to propagate particular viewpoints, even nationalism.

THE ADVERTISER'S ROLE

Does it matter that Canadian magazines' survival is so dependent on advertisers' appreciation? If varied enough advertisers want to reach varied enough audiences, and if they believe that magazine advertising is an effective medium, then the system will support a reasonable diversity of magazines. But Canadian magazines are not attracting a great deal of national advertising revenue these days (less than radio, for example), so Canada has few magazines, and most of those that do exist are vulnerable. If an adults' magazine is not selected for liquor company advertising, for example, its economic prospects are bleak.

IMPORTANCE OF CLIMATE

Magazine editors and publishers are unlikely to let an individual advertiser influence the content of an indiviual story, but advertisers as a group influence the total editorial climate of a magazine.

"Advertisers are the most conservative people in the world," insists Arnold Edinborough. *Saturday Night* lost one major advertiser when it carried a picture of a nude woman. *Maclean's* lost drug company advertising for a while, after it ran a series of critical pieces on over-medication. In general, however, advertisers are too sophisticated to try to directly influence the editorial content of any major magazine.

But the prosperity, if any, of a magazine will be affected by whether or not its editorial atmosphere appeals to advertisers. The *United Church Observer*, for example, consistently promotes the idea of Christian giving, suggesting that the haves of this world should always help the have-nots. This atmosphere makes it a poor medium for advertising luxury products and consequently only 25% of its revenue comes from advertising. "I can't enjoy a good cigar while I'm looking at pictures of all those little kids with pot bellies," complained one potential advertiser. "It doesn't put me in a buying mood." The *Observer* is, on the otherhand, very effective for promoting charitable causes. "I suspect in *that* we outdraw *Time*," grins the editor.

The atmosphere created by presenting life as a "savoury adventure" has probably helped attract advertisers to *The Reader's Digest* although, with "sweetness 'n' light" somewhat out of style these days, the Digest recently ran an advertisement in *Marketing* stressing that "... there's nothing square about the *Digest*. Gutsy, controversial and contemporary subjects are a part of every issue: 'The Pill and the Teen-age Girl,' 'But, Mom, Everybody Smokes Pot,' 'This Stranger, My Son.'"

During one period in the life of *Maclean's*, the magazine ran many exposé-style stories, emphasizing the negative rather than the positive in society. Advertising dropped off drastically. When that editor quit, the incoming editor was left in no doubt that future issues of the magazine must be more cheerful and positive or it was likely to collapse altogether.

An outsider might be startled that content is manipulated to attract a certain type of reader, and style and approach tailored to create an effective advertising environment. The Royal Commissioners of 1960 also found it worthy of comment. The O'Leary Report noted that in magazine publishing, the reader becomes

> a product to be sold for the best possible price to the largest number of customers... Magazines vie with each other to prove how near perfection their circulation has become...
>
> Will a large circulation or a smaller influential one bring the publisher the most profit? Should his editorial content be aimed at the lowest intelligence and income brackets? Which will attract the most revenue without itself costing too much to attract and maintain?

Most decisions on the content of major magazines are made on that sort of basis, so it seems unlikely that any major Canadian-owned magazine is deliberately propagating a publisher's viewpoint. (Publishers and editors wanting to get across particular philosophies are more likely to be found among the smaller magazines which try to garner an audience among those who are themselves influential: politicians, academics, senior business executives, other writers and publishers and editors.)

BAD TASTE AND MY TASTE

Interestingly enough, publishers who say they are reluctant to push their own political viewpoints through the pages of their magazines feel less hesitation in imposing their own ideas of "good taste." Floyd Chalmers can recall only one instance in his fifteen years as president of Maclean-Hunter when he insisted that an item be dropped from *Maclean's*. The reason: He considered it unnecessarily loaded with obscenity. Michael Sifton likewise acknowledges that he blue-pencils vulgarities in *Toronto Life* when he feels they contribute nothing to the article in question. All of which is understandable and may even be commendable. But it is worth observing that language and presentations considered obscene by one generation or one established group are sometimes symbols of attempts to force change by younger or non-established groups. In the broadest sense, there may be more significant "political" implications in not printing four-letter words than in printing political slogans.

TUG OF WAR

Probably because of the nature of the work and its unspectacular financial rewards, there is a tendency for Canadian writers and editors to be the kind of people who are not primarily motivated by money. For the young man with broad interests, a good education and no inherited money, journalism can offer a fair route into the middle class, but it is no route to meaningful wealth. On the other hand, the $10,000 to $15,000 a year offered senior staff writers on Canadian magazines probably has little appeal to sons of well-established families who may be more conscious of the advantages that come with money and property. Magazines, this would imply, are more likely to attract "liberals" than any other medium.

Publishers and advertisers on the other hand have, amongst other things, a more obvious stake in the prosperity of capitalism. By definition, they are owners. They seem more likely to be "conservatives." And tensions inevitably arise. In a couple of cases they have led to a walkout by magazine staffs. In September, 1961, Jack Kent Cooke sold *Saturday Night,* of which Arnold Edinborough was then editor. Edinborough stayed on as editor for about nine months until he decided that his new employers wanted to use the magazine to promote Social Credit ideas. He and most others on the editorial staff quit. "Nobody under sixty stayed," he recalls. (A year later he was able to buy the magazine for the cost of its printing bill.) On another occasion, Ken Lefolii and most of the editorial staff of *Maclean's* quit when a non-editorial executive killed a piece of copy. In 1969, Charles Templeton quit as editor of *Maclean's* citing "harassment" by management.

One staff writer feels that, because Maclean-Hunter is heavily involved in radio and in cable television, the company's magazines do not tackle such topics as frequently as would otherwise be expected. "To that extent," he suggests, "we are too much a part of the business establishment." But there is a feeling among Maclean-Hunter executives that *Maclean's,* with its sixty years as "Canada's national magazine," has become almost a public trust. (There is an unwritten policy that it supports no political party.) If it shows any continuing bias it is probably simply "pro-Canada." This tradition of editorial independence, built over the past decade or so, has been inherited by *Le Magazine Maclean.* Although Floyd Chalmers, then president, had hoped there would be considerable cross-fertilization between the two *Maclean's*, he made no effort to insist that there should be. Nor did anyone interfere when *Le Magazine Maclean* hired an acknowledged separatist as a staff writer.

LITERARY MAFIA

Because the world of Canadian media is fairly restricted, many of its successful citizens move from one conspicuous role within it to another and are sometimes collectively labelled "the literary mafia." The paths between the outlets for journalistic talent are well trodden by a comparatively small number of feet. An especially well-trodden circuit takes in the CBC, *Maclean's*, the Toronto *Star*, and McClelland and Stewart, the book publishers. Charles Templeton, for example, former editor of *Maclean's*, has worked for both television networks and been an editor of the *Star*. His predecessor at Maclean's had also been a Star editor. Robert Fulford, editor of *Saturday Night*, has been a *Maclean's* staff man, *Toronto Star* columnist, a McClelland and Stewart author, and is a busy broadcaster on CBC.

So there is a tendency for Canadian media originating in Toronto – and most do originate in Toronto – to offer a somewhat similar flavour of opinion. It tends to be liberal, city-oriented, mildly iconoclastic. In the case of most magazines, publishers and advertisers exercise a counterbalancing effect. When Ken Lefolii and his writers made *Maclean's* too iconoclastic ("Muck-racking," moaned his critics), there were soon conflicts with management and *Maclean's* advertising revenue nosedived.

If magazine economics continue to tighten, presumably editors and writers will be able to bring less weight to this tug of war and owners and advertisers will bring more.

DO MAGAZINES OFFER BOTH SIDES OF A PICTURE?

The style of magazine journalism has changed in recent years. The "new journalism" most often reflects the writer's intimate involvement in and reaction to what he is describing. Subjective writing is in vogue. Where once an article writer was expected to try to present a rounded or balanced picture of any controversy, this is often no longer the case.

Magazines feel no obligation to give precisely equal space or prominence to both viewpoints in a dispute. Yet good publishing techniques tend to encourage this anyway in the long run. If *Maclean's* runs two or three consecutive profiles of Progressive Conservative politicians, it will soon feel the need to run a story on a Liberal or an N.D.P. man simply to avoid boring the readers. If any particular viewpoint is presented frequently, then a devil's advocate's argument will attract many readers – and the magazine is in business to attract readers.

Magazines do sometimes make more self-conscious attempts to give "equal space." *Maclean's* for many years ran a regular piece, "For the Sake of Argument." But it was often a problem finding articulate people who wanted to express strong and unorthodox viewpoints in this way. Similarly *Weekend* recently launched a regular feature, "Counter-Attack" to let people argue against viewpoints expressed in the magazine. Again it is not proving easy to find contributors.

DO MAGAZINES LEAD OR REFLECT PUBLIC OPINION?

Most editors say their magazines should be ahead of public opinion. "I think you should be ahead of the pack, an instigator of thinking," says Dr. Forrest of the *Observer*. "I see myself as being in a privileged position. I travel, I can learn things, I can form opinions. The *Observer* opposed capital punishment for years before the church did."

Chatelaine is proud that it too has been "ahead of the pack." But a magazine, nevertheless, is paced by a certain speed the public will accept. Why else would the French-language *Châtelaine* find that it cannot move as fast as the English-language version?

CONTROLLED-CIRCULATION MAGAZINES

Magazines that arrive unrequested in a Canadian household probably have to be more circumspect, more careful to avoid offending than those actually chosen by the reader. A *Saturday Night* article, for example, recently used the word "fuck," and no doubt it offended some readers who probably cancelled their subscriptions.

But when *Toronto Calendar* ran a forum of letters-to-the-editor on the topic of censorship, one letter received used the same four-letter word. Doubly aware of the irony involved because the debate itself was on "censorship," the editors telephoned the letter-writer to see whether *he* agreed the word should not be used in a magazine that is circulated free. He did agree. *Toronto Calendar* has to be especially careful not to offend people because, by the nature of the way it is distributed, it is not possible to *stop* delivering the magazine to anyone who asks to be left off the list.

To an extent then, controlled-circulation magazines share some of the drawbacks of broadcasting channels. An obvious comparison to draw is that of Kenneth Tynan, who used That Word on a television broadcast in Britain. The protest that arose from offended viewers on that occasion was heard round the world.

Perhaps there are similar restrictions on magazines delivered as part of a newspaper. In the same month (September, 1969) that many newspapers refused to carry an issue of *Weekend* with a story on homosexuality, *Saturday Night* had a cover story entitled: "The Homosexual Life in Canada: After the Trudeau Law."

Appendix I

Canadian Magazines by Size & Significance:
List includes only magazines that meet four or more of these six criteria.

	Size Rating			Significance Rating		
Magazine	per issue circulation 100,000 or more	annual circulation 1,000,000 or more	b/w page rate $1000 or more	established 40 years or more	looked into by many MPs	retained by many libraries
Maclean's (E)	x	x	x	x	x	x
Le Magazine Maclean (F)	x	x	x		x	x
Chatelaine (E)	x	x	x	x		x
Reader's Digest (E)	x	x	x		x	x
Time Canada (E)	x	x	x		x	x
Weekend Magazine (E)	x	x	x		x	x
Canadian Churchman (E)	x	x	x	x		
Saturday Night (E)	x	x	x	x		x
Actualité (F)	x	x		x	x	
Le Petit Journal (F)	x	x	x	x		
Legion (E)	x	x	x	x		
Photo Journal (F)	x	x	x	x		
Sélection du Reader's Digest (F)	x	x	x		x	
Dimanche Matin (F)	x	x	x		x	
Perspectives (F)	x	x	x		x	

Magazines that met three of our six criteria: *La Patrie* (F), *Rod & Gun in Canada* (E), *Toronto Calendar* (E), *United Church Observer* (E), *Canadian Motorist* (E), *Canadian High News* (E), *TV Guide* (E), *The Canadian* (E), *Key Map Digest* (E), *Canadian Boy* (E), *Co-operative Consumer* (E), *TV Hebdo* (F), *Toronto Calendar Magazine* (E), *Canadian Homes* (E), *Chatelaine* (F).

Appendix II

Canadian Magazines by Per Issue Circulation

Magazine	Per Issue Circulation	Magazine	Per Issue Circulation
Weekend Magazine (E)	2,017,000	*Co-operative Consumer* (E)	209,000
The Canadian (E)	2,000,000	*The Saskatchewan Motorist* (E)	188,000
Homemakers Digest (E)	1,100,000	*Allo Police* (F)	174,000
Madame Au Foyer (F)		*Canadian Motorist* (E)	167,000
Reader's Digest (E)	1,085,000	*Canadian High News* (E)	159,000
Key Map Digest (E)	1,005,000	*TV Hebdo* (F)	142,000
Chatelaine (E&F)	944,000	*La Patrie* (F)	138,000
Maclean's (E&F)	885,000	*The Alberta Motorist* (E)	131,000
TV Guide (E)	759,000	*Photo Journal* (F)	131,000
Perspectives (F)	473,000	*Almanach du Peuple* (F)	123,000
Time Canada (E)	410,000	*Miss Chatelaine* (E)	120,000
The United Church Observer (E)	323,000	*Saturday Night* (E)	102,000
Canadian Boy (E)	306,000	*B.C. Motorist* (E)	112,000
Dimanche Matin (F)	289,000	*Sports Famille* (F)	110,000
Legion (E)	286,000	*Actualité* (F)	110,000
Globe Magazine (E)	258,625	*Échos Vedettes* (F)	110,000
Sélection du Reader's Digest (F)	265,000	*Quest* (E)	107,000
Canadian Churchman (E)	266,000	*Nouvelles Illustrées* (F)	104,000
Le Petit Journal (F)	225,000	*Toronto Calendar* (E)	120,000

Magazines with circulations between 20,000 and 100,000: *Passport, Best Wishes* (E), *Hockey News* (E), *Le Nouveau Samedi* (F), *Téléradiomonde* (F), *Sunday Sun* (E), *Dernière Heure* (F), *Le Journal Des Vedettes* (F), *Autoclub* (Bi), *Rod & Gun in Canada* (E), *Hockey Pictorial* (E), *La Semaine* (F), *Canadian Football News* (E), *Photo Vedettes* (F), *Vie et Carrière* (F), *Toronto Life* (E), *What's On in Ottawa* (E), *Know Canada* (E), *Current Events à Montréal* (E), *Golf Canada* (Bi), *Wildlife Crusader* (E), *Country Guide* (E), *Echoes* (E), *The Scout Leader* (E), *B.C. Outdoors* (E), *Blue Water Circle Drives* (E), *Canadian Geographic Journal* (E), *The Atlantic Advocate* (E), *Au Grand Air* (F), *The Cadet Traveller* (E), *Key to Toronto* (E).

Chapter 3

THE STUDENT PRESS IN CANADA

Barbara Sullivan

INTRODUCTION

The student press in Canada cannot be described as monolithic. Technical proficiency, editorial and news content, and production techniques differ from campus to campus – the singular factor influencing the nature of each publication being the personality, experience, and political and journalistic goals of its editor-in-chief.

On the other hand, the student press across Canada is for the most part a dynamic press, a vibrant press, a press which is readily open to change, new techniques, and "radical" content. It is not a press easily appreciated by a stultified middle class, conditioned by and for the tamer fare of daily and weekly newspapers. It is a press which has become "radicalized" during the decade, and this process has affected, as will be shown, techniques, personnel, content, and direction throughout Canada.

On March 22, 1926, a poem was published by A. J. M. Smith in the *McGill Fortnightly Review.* It asked, and answered:

> "Why is The McGill Daily?"
> Asked the pessimist sourly.
> "Thank God," said the optimist gaily,
> "That it isn't hourly!"[1]

It is a reasonable to suspect that close to forty-five years later, administrators on most Canadian campuses could express similar sentiments concerning their student publications. For the student press can be, and is, a stubborn dandelion on administrations' collective green lawns. It is equally unimpressed by rank and verbiage, and is often delightfully on-target with its criticisms of administration's decisions. On the other hand, the student press can be, and is, often anti-intellectual, and closed to discussions of points of view or explanations other than its own. As a result, a relatively new development in the field of student press is the emergence of administration-produced, student-oriented newspapers. While this "alternate" press is functioning reality today on only four campuses, it is acknowledged by students and administrators alike to be a portent of things to come.

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[1] Reprinted in *The Blasted Pine* (Toronto: Macmillan, 1957).

A problem about which student editors complain is that of correcting the "image" of the student presented in the daily press, and, more important, the description of the goals of student activists, which editors feel has been distorted or misunderstood by dailies. Possibly this misunderstanding is a result of a retreat into a new jargon on the part of student activists, who tend to rely less on "proper English usage" than other speech-makers with whom daily reporters come into contact. Indeed, student editors and leaders seem to feel they are unique in dealing with the problem of press misinterpretation, and express incredulity when it is suggested that businessmen, even politicians, have sometimes registered complaints of distortion by the press.

Once again reaching into A. J. M. Smith's satire of the twenties, we find in "College Spirit" an engaging description of the limited, one-dimensional university against which student journalists have railed and continue to protest:

> Our boys and girls must be taught
> Right ideas from the start.
> There is great danger
> In independent thought –
> We'll have none of it here,
> No fear! [2]

While the student press has changed in structure, in content, in personnel, and in direction, it has been, throughout its Canadian history, the "protector-in-principle" of student independent thought and expression. It has two predominant goals: first, to reflect the developing and independent thought of the student community which it serves; and, second, to lead it–more recently expanding its focus beyond the student community into the world.

A CONTEMPORARY HISTORY – THE SIXTIES

An examination of the student press during the sixties indicates a gradual shift in emphasis – a shift paralleled in the student movements of the decade. In the late fifties and early sixties, the student press was a soft, unconcerned medium, self-satisfied. Its editorial criticisms were more often framed in laughter than those of today, and its targets tended to be other members of the student community. The student press in 1960 was not thoughtless – just complacent. It could laugh at Senator Joseph McCarthy in retrospect because the threat posed by his type of conservative-paranoia seemed removed from the Canadian scene. It could satirize The Bomb because the atrocious realities of the nuclear threat seemed illogical, hence unreal. And while student theatrical productions were polished, intellectual, and sophisticated satirical reviews with great appeal to the academic community, the student press was similarly a part of the ivory tower – and of the comfortable élite which inhabited that tower.

1962-63 was a key year in the development of the Canadian student press in the decade, for it was the year in which students initiated a re-examination of the goals and perspectives of student journalism in light of the changing concerns of the

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[2] *Ibid.*

student world. The re-examination extended to the role of the student press in the student community, the philosophy of the press as "leader" of the community, the financial structures and place of staff within the organizational press structure – and it has continued over the past seven years.

By 1962, a "search for identity" characterized the student, who began to search his conscience to find answers to problems which, it appeared, were created and endured by his forefathers. The student press also began to seek answers, and its questions were framed in terms of justice, equality, opportunity, freedom. James Baldwin, Norman Mailer, and Salinger spoke to students through their novels, and the student press responded. John F. Kennedy articulated many of the ideals of the student community, and received wide coverage and editorial acclaim in Canadian student media.

Two events involving the United States in the 1962-63 academic year shocked the Canadian student press out of its previous gentility: the crushingly tense, dramatic, and fearful night of the Cuban Missile crisis; followed closely by the "March on Washington." The black freedom movement in the United States became a "cause" for Canadian student journalists, as did opposition to South African apartheid and the white government policies in Rhodesia. Peace movements on campus grew stronger in 1962-63 (Combined Universities Campaign for Nuclear Disarmament, later Student Union for Peace Action), and while student editors could not philosophically wear the "peace buttons" in 1963, they began to present the views of the peace movement in their papers. In the same period, the student press began to echo student government leaders who asked for participation by students in university government and its decisions.

By 1965, the orientation of the peace movement shifted to a peace-social movement, and the student press in Canada shifted with it – combining in fact the two earlier movements of the sixties: equality and peace. Kennedy was dead, and the student press came out of its mourning with a vigour and aggressiveness unmatched in the decade.

Its first target was the university community itself, which the student press felt, was failing to provide leadership in society and was becoming a factory for people "trained for jobs" rather than a centre for intellectual inquiry through which solutions for the problems of society were discovered. The link between the business community (through boards of governors) and the universities perpetuated this *status quo*, and the student press vigorously campaigned for new directions for universities – and for student participation in determining that direction.

"In loco parentis," the tradition that universities must bear responsibility for the morals and behavior of its students in place of the parent, became a key issue and critical focus in 1963-64, and the student press opted against tradition. It demanded that students be accepted as equals in the academic community, and share the responsibility and power of decision for that community.

By 1965-66, the press was no longer presenting its goals in terms of "asking," but substituting "demands" for requests. By this time also, the student press was beginning to see the student community as a "repressed minority" – again echoing the views of the student political leadership in the country, who were in fact, drawing from ideological developments in the American student movement.

This period of thought led into the next phase – that of identifying the student minority with other "repressed minorities" – women, laborers, blacks, Indians, and so on – again, a mirror of American student thought. During 1966-67, the student press engaged in some theoretical reflection on this question, and coupled it with the earlier and still-emphatic views on social equality and the demands of the peace movement.

In 1967-68, and in the year following, the student press moved out of the theoretical phase, and into a period of action. Student journalists began in 1968-69 to produce community newspapers, which reached beyond the university student and his concerns and were directed to high school students, factory workers, strikers, and other minority or special-interest groups. Those newspapers which did not produce community issues *per se* nonetheless covered within their pages those same points of view expressed in the community newspapers.

The following survey provides an illustration of the present status of the student press in its production of community newspapers. These newspapers are produced with two goals in mind: to educate, and to promote activity in areas where students feel injustice exists. They are often propagandist in tone, but editors feel this is necessary to meeting the goals which they have set for the papers.

Readership is difficult to estimate or determine since the community newspapers are distributed by hand by students, and follow-up surveys have not been undertaken by any of the newspapers to date. At least one paper, the *Chevron*, hopes to complete a readership survey in the coming academic year.

Not included in the list is a description of a unique situation in which the Toronto Newspaper Guild asked student assistance in manning picket lines at Peterborough during the reporters' strike at the *Examiner*. Students from the *Ontarion*, along with a committee of "Peterborough citizens," published a newspaper, printed in Guelph, which supported the strikers, and was called the "Peterborough Free Press." It ran weekly for approximately two months, and was financed by advertising and sales.

There is some consideration in the student press of the possibility of selling rather than giving away the community newspapers. The *Gateway* has already adopted a policy of street-sales, and the *Chevron* is considering selling its community issues. Certainly, experiments with selling the issues will be tried this year, and may bring a new scope to student newspaper operations in the future.

NON-OBJECTIVE REPORTING

Until 1965-66, the standards of journalistic proficiency exacted by the daily press were accepted and served by the student press. The objective news report, written in "pyramid" news style, was accepted as the standard news format. Interpretative articles and news features, involving a point of view on the part of the author, were identified as such and by-lined. Editorial views and guest opinion were conspicuously labelled as such. By the mid-sixties, however, there was serious questioning of the legitimacy and possibility of the "unbiased" news report among student editors.

In 1967, the *Chevron* at the University of Waterloo became the first of many student newspapers to attempt the "non-objective" newspaper, in which biases were explained and presented editorially, and news copy written in accordance with that "identified bias." Experiments with non-objective newspapers continued at the *McGill Daily,* the *Ontarion,* the *Ubyssey,* and the *Carillon.* Some papers dismiss the non-objective technique because, as student editors said in interviews, "it invites the production of propaganda sheets," or because the non-objective newspaper can become a "house-organ for like-minded students which are vehicles for in-jokes and in-thoughts." However, in the past three years, other newspapers have begun to utilize the technique, and it is expected to remain a part of student journalism for some time. This is particularly apparent with those newspapers which accept the philosophy of the student press as being an "agent for social change," that philosophy then becoming the "bias" from which student journalists write.

FINANCIAL GROWTH

Just as university student newspapers have broadened their scope during the sixties, so have their financial structures changed and their budgets increased. While in 1962-63, the high-budget student newspaper in Canada was the *Varsity* at University of Toronto with a budget of $40,000, today there are at least four student newspapers with annual budgets of close to $100,000. This group includes the *Varsity*, the *McGill Daily*, the *Ubyssey*, and the *Chevron*. If the *Gateway* completes its proposed change from tri-weekly to daily publication this year, its anticipated budget will be more than $103,000.

At Ryerson Polytechnical Institute, the student newspaper the *Eye-Opener* has a 1969-70 budget for its weekly publication which exceeds the total 1962-63 budget of the daily *Ryersonian*. In 1962-63, the *Ryersonian* was the only student publication at Ryerson, and has now become the laboratory paper for the Journalism course at the Institute.

In 1969-70, advertising revenue in student newspapers across Canada who are members of Canadian University Press will exceed $600,000. In 1962-63, the total value of advertising revenue in C.U.P. papers was approximately $150,000, or one quarter of today's value. And as the dollar-value of student newspapers has dramatically increased over this short period, so has the audience which the student publications reach trebled in the period.

THE GROWTH OF RADICALISM

No discussion of the student press in Canada today would be valid without some interpretation of the contemporary student community which its press reflects. The "radical" ideas which are prevalent today in the student leadership are a natural outgrowth of previous developments in the decade which have been outlined. They are also in large part a reflection of views held in popular student movements in the United States, and a result of student activities in that country.

The original philosophy of the Students for a Democratic Society, as framed in the Port Hope statement, is well known and broadly accepted amongst Canadian student leaders, particularly on a national level of student affairs.

In 1969, national student organizations were less unified organizationally than during the sixties. The leadership, both elected and appointed, of the national student organization – the Canadian Union of Students – became the radical student leadership in the country; that is, those students who demand immediate and unconditional changes in the system, if necessary, by overturning present structures in the process. This leadership group survived the withdrawal of fifteen major member councils from the organization during 1969 – these councils having left C.U.S. in protest of its "radical" activities and pronouncements. C.U.S. membership dropped from 140,000 students to 53,000 students then, and despite an attempt to develop a philosophy and policy satisfactory to both liberals and radical leftists, referendums held on campuses in the fall of 1969 ensured the failure of C.U.S. Following the defeat of the association, its records, studies and papers were sold to Queen's University to form part of its library collection.

If the Canadian Union of Students had survived, the elected leaders could have seen the development as a victory, since their position was one of rebuilding C.U.S. and emphasizing student-related issues.[3] In addition, the radical leaders would view the return as a victory since moderate leaders are often drawn in support of radical activities – after the fact of the activities. So at Columbia University in New York, for instance, the radical activists (Students for a Democratic Society and the Students Afro-American Society) created the pressures, the issues, and the activity, and – after the fact – the liberal faculty and students were vital supporters of the "revolution."[4] And these similar tactics have been evidenced at Berkely, University of Montreal, University of Saskatchewan, Regina, Sir George Williams, McGill, and Simon Fraser Universities.

The philosophy of the radicals stems basically from the social analysis of Karl Marx, which holds that members of particular classes are aware of mutual interests and a class identity, and strive through collective action to perpetuate or change to its benefit those interests and that identity. Thus, Marxist theory predicts social change through class struggle, and the "class consciousness" becomes an ideological concept which is the centre of revolutionary social movements.

While social theorists have for the most part abandoned the Marxist view as unrealistic as a means of analysing present urban-technological societies, the radical students have adopted the theory, and added to it the ideas of Herbert Marcuse on repressive tolerance.[5]

Professor Marcuse, who teaches philosophy at the University of California at San Diego, holds that "tolerance" of the political system, its institutions and practices, while appearing to be a liberating practice is by itself oppressive and suppressive. Thus, minority groups are repressed because they "tolerate" the

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[3] *The Financial Post*, August 21/69, "Better Temper on Campus" by Ian Roger; *The Globe and Mail*, September 1/69, "CUS Eases Left Politics for Support" by Ross Munro.

[4] *Saturday Night*, July, 1969, "The Ominous Politics of the Students Left" by George Woodcock; *Issue*, October, 1968, "The U.S. Experience" By Cyril Levitt.

[5] Marcuse, *A Critique of Pure Tolerance*, Beacon Press, 1966.

oppressive manifestations of the democratic system. And radical student leaders believe that students – along with Indians, Eskimos, the poor, the workers, women, ethnic groups, and so on – are repressed minorities who ought not to tolerate the conditions which suppress them. The "rich," while statistically a minority, are not a repressed minority because they have the power and the "class consciousness" to work in collusion in order to maintain the *status quo*. And so – the "revolution" and the "movement."[6]

This radical philosophy, coupled with a genuine and humanistic hatred and fear of war and its manifestations (indicated, for instance, by wide-spread student opposition to the Vietnam war), merges with most liberal, committed student demands that they be allowed to participate in those decisions which will affect their lives and the development of society, and to make those changes which they feel are necessary to eliminate inequality and oppression.

As a consequence of development of "radicalism" in the student movement in general, there has been an introduction and increase in radical newspapers produced by students. The editor of the *Ubyssey*, Michael Finlay, summed up the philosophy of the radical student newspaper as follows:

> The line which we pursue . . . is that the world is going to hell in a handbasket (environmental collapse, famine, nuclear war, germ war, chemical war, whatever you like) and that we, the youth of the world, are its only hope for survival. Pretty grim prognosis. The fact is, if we don't save it, who will?
>
> Ergo, we are out to save the world by destroying the military-industrial-capitalist-imperialist system. And we do this by presenting a picture of the world (in microcosm, usually) that people will find so frightening that they will be moved to take action. Mind you, the picture we draw is totally true and factual. The fact is, a true and factual picture of things is enough to make people that frightened. It will take time, but we've been waiting a long while and can wait a little more.
>
> With these basic tenets accepted, we then go about the nitty-gritty business of putting out a paper. These larger goals merge into our lesser goals on campus.[7]

The editor of the *McGill Daily*, Mark Wilson, added:

> We try to give our readers the information they need to equip themselves to cope with the world, under the slogans "Information is Power" and "Power to the People." We also think that most of our readers have, fairly close to the surface, impulses in favor of a society where they and everybody else can develop and realize their full human potential and we try to pass on tips as to what must be done in order to bring this about. Those with a vested interest in monopoly capitalism in any or all of its aspects, and their apologists, seem to become very agitated at this.[8]

It must be stressed that the radical philosophical views are not held by the average, uninvolved student, or by all student leaders, who tend to be more moderate and liberal in philosophy than Marxist-socialist. The aims of the radical student, however, cannot be distingushed from the aims of the moderate or liberal in many cases, and there follows a supportive sympathy. Radical students are politically oriented, and as a "tactic," work to elect or choose other like-minded

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[6] *Encounter*, March, 1969: "Men and Ideas – Herbert Marcuse" by Maurice Cranston.

[7] Written in response to questions for this paper.

[8] Written in response to questions for this paper.

students to positions of power within student organizations (council and press) on individual campuses and nationally. This effort is no more insidious, however, than attempts by like-minded individuals of a political party to gain power in the country during an election; the attainment of power provides the means by which change can be effected.

Again, the student press is not monolithic – some editors are "radicals,"[9] some are not. The views of the student radicals are treated by all papers with differing emphasis, but are treated because they affect all student activities and events. These ideas explain to some extent the nature of the community described and reflected in the student press. As a consequence of the changing nature of student activities and thought, the "editorial enemy" has shifted during the sixties from the student councils to the administrations, and to provincial and federal governments, who have power to make changes in society. The focus of attention of the student press is no longer sports activity, campus queens, and freshman hazing – as it tended to be in the late fifties. Rather the attention is directed to the wider community and the social system of which the university is a part.

STUDENT NEWSPAPER PRODUCTION

PUBLISHERS

In the majority of instances, student publications are published by student unions or student councils on the individual campus. Thus, in legal fact, student unions who are responsible for student government on campus, as publishers, become liable for content of student-produced journalism, along with editors and staffers. Many student governments have incorporated or are being incorporated to establish legal independence from the university administration, and as a by-product of the incorporation, individual student political leaders are better able to avoid individual and personal responsibility for the content of student newspapers.

In actual fact, student governments exercise little control over newspaper content – and certainly do not read the papers in advance of publication. Their role as publisher, then, has become one of reacting to the policies and content of student newspapers rather than determining them. When student councils have attempted to set newspaper policy (as in the case of the *Peak* and the *Georgian* in 1968), the publication of the paper was disrupted and staffs resigned. It is the view of the student press that the publisher's role is to be a "nominal" publisher, and any further interest in content on his part is interpreted as an "abridgement of the freedom of the student press."

While in 1962-63 publishers of student newspapers had effective control over the selection of the editor-in-chief, in 1969 that control has become more one of ratification than of actual selection. On more and more campuses, editors are elected by the staffs or recommended by the former editor, and, in all but one case, reported in 1969,[10] the staff selections were accepted by the student councils. In

[9] Radical student newspapers would include, among others: *The Ubyssey, The McGill Daily, The Chevron, The Carillon, The St. Mary's Journal.*

[10] *The Uniter*, University of Winnipeg; Staff selection refused by council.

1969, the *Varsity* at University of Toronto underwent its first S.A.C. election for *Varsity* editor in five years because the Varsity staff itself could not agree on a recommendation to the publications committee of the Students' Administrative Council.

On most campuses, student editors can be removed by council vote, usually on grounds of financial or journalistic incompetence. In some instances, however, such as at the *Chevron*, the editor must resign to be removed from office.

Student councils as publishers of student newspapers play two other important roles in determining the nature of the publication: they decide the financial participation of the student body in the newspaper by setting a student grant to the paper (usually on the recommendation of the editor), and they exercise financial control through communications or publications committees. Because of this financial involvement, student councils can effectively determine the number of issues of the newspaper which will appear in any given year, or the type of technical improvements which will be made in the newspaper when they hinge on financial commitments for equipment and material. In 1968-69 at the University of Guelph, for instance, the Student Council committed itself to a $10,000 equipment expenditure in addition to the usual student grant to the *Ontarion*. This money was used to purchase IBM composing equipment for use by the newspaper staff in the production of the newspaper.[11]

The publishers of the newspapers also determine the salary or honorarium to be paid to the editor-in-chief and his staff for the publication year. The introduction of salaries and honorariums began at the *Varsity* in the early 1960s, and has been adopted gradually at most campus newspapers since 1963.

BUDGETS AND FINANCING

As indicated earlier in this paper, the production of student newspapers has become "big business" on many campuses in Canada. The student media take the largest share of the individual student's Student Activities fee, and, thus, at most universities represent the largest single expenditure of student councils.

The financial contribution from student government to student media represents only a portion of the income with which a student newspaper operates – the remainder of the income coming from advertising, usually from local sources. On a minority of campuses, additional revenue accrues to the student newspaper through the sale of services in printing and design. A minor proportion of income becomes available through paid circulation, which amounts on most newspapers to approximatley one percent or less of total income.

The following table indicates financial structures of representative Canadian student newspapers for the two year period, 1968-69, and the proposed figures for 1969-70, where these are available. Where the 1969-70 budgets are not included, it is an indication that they have not yet been finalized, or were not made available for this paper.

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[11] Financial structures are detailed in the next section of this chapter.

Table 1. Student Newspaper Financing

Newspaper	University Enrolment	1968-69 Total Budget	1968-69 Student Grant		1968-69 Advertising Revenue		1969-70 Total Budget	1969-70 Student Grant		1969-70 Advertising Revenue	
		Dollars	Dollars	Per Cent	Dollars	Per Cent	Dollars	Dollars	Per Cent	Dollars	Per Cent
The Argosy Weekly	1,250	6,500	5,200	80	1,300	20	6,500	5,200	80	1,300	20
The Argus	2,000	13,000	9,000	69	4,000	31	14,000	9,000	64	5,000	36
The Athenaeum	2,000	11,500	6,500	60	5,000	40	13,000	7,000	54	6,000	46
The Brunswickan	4,000	16,000	6,300	39	9,700	61	21,215	8,915	42	11,700	58
The Carillon	4,200	23,000	15,000	65	8,000	35	n/a	n/a		n/a	
The Carleton	6,000	25,000	15,000	60	10,000	40	25,000	12,000	48	13,000	52
The Chevron	10,500	66,000	30,000	46	36,000	54	97,700	49,700	52	48,000	48
Dal Gazette	4,000	n/a	n/a		n/a		18,500	8,500	46	10,000	54
The Equinox	700	2,000	2,000	100	0	0	5,000	5,000	100	0	0
The Eye-Opener	6,200	10,000	5,000	50	5,000	50	15,000	Re-invested		15,000	100
The Gateway (tri-weekly)		65,000	30,000	48	30,000	48	75,000	30,000	40	37,000	49
The Gateway (daily)	18,000						103,000	30,000	25	78,000	75
The Gauntlet	8,000	18,500	8,000	43	10,500	57	30,000	15,000	50	15,000	50
The Georgian	6,000	32,000	10,600	33	20,000	62	n/a	n/a		n/a	
Loyola News	4,200	23,300	8,000	36	15,000	64	n/a	n/a		n/a	
The Manitoban	12,500	28,000	8,000	29	20,000	71	n/a	n/a		n/a	
The Martlet	5,000	25,000	10,000	40	15,000	60	n/a	n/a		n/a	
McGill Daily	15,000	85,000	35,000	42	50,000	58	90,000	40,000	44	50,000	56
The Muse	5,000	n/a	n/a		n/a		16,000	10,400	68	5,000	31
The Ontarion	5,500	20,000	7,000	35	13,000	65	20,000	6,500	32	12,500	62
The Peak	6,000	n/a	n/a		n/a		20,000	7,600	38	12,400	62
Queen's Journal	7,500	n/a	n/a		n/a		40,000	21,000	52	19,000	48
St. Mary's Journal	2,000	9,000	3,000	33	6,000	66	12,000	5,500	46	6,000	50
The Saint	1,600	8,000	n/a		n/a		8,000	n/a		n/a	
The Sheaf	10,000	30,000	13,000	46	17,000	56	43,000	21,000	48	22,000	52
The Silhouette	6,000	n/a	n/a		n/a		n/a	n/a		n/a	
The Ubyssey	20,000	67,500	17,000	26	50,000	74	70,000	20,000	29	50,000	71
The Varsity	27,000	82,900	16,000	19	66,900	81	82,900	16,000	19	67,000	91
The Western Gazette	10,000	41,000	deficit		n/a		n/a	n/a		n/a	
Xaverian Weekly	2,000	5,500	3,000	54	2,500	46	6,000	3,000	50	3,000	50

Source: University Press Survey, July, 1969; Canadian University Press, 1969 Note: From the chart it can be seen that many student newspapers, with small cut-backs in the number of issues or number of pages produced, could exist without student grants. That is, some newspapers (generally those with $8,000+ advertising revenue) could operate today without reference to financial dependence or content obligations to the student community from which they originate. The student grant does allow, however, a measure of independence from advertisers and a freedom of content because the newspapers do not

ADVERTISING

Advertising is solicited for student newspapers by other students on campus, either through a central advertising bureau (which handles advertising for all student publications on campus), or through a student who acts as agent for the newspaper alone. Most agents receive a commission of 10% of advertising contracts.

Major source of advertisers is the local market close to each campus: laundries, entertainment outlets, clothing and book stores, art galleries, and so on. There are only three national advertisers who traditionally advertise in the student press across Canada today: Coca-Cola, Tampax, and The Bank of Montreal, and students jealously guard these accounts. In the early sixties, students also drew from such national advertisers as Canadian Breweries (O'Keefe), The Royal Bank of Canada, and national book publishers; but these sources are apparently no longer available on a wide basis, although they may advertise in specific publications during specific advertising campaigns.

Student newspapers, on the other hand, have captured and hold local advertisers who can benefit directly from the students' spending power, and who are more likely to ignore the "philosophy" of the newspaper than their national counterparts. The fact that the student press is not geared to profit-making allows it to be less solicitous of national advertisers' views of their publications than their commercial counterparts might be.

Some student editors believe that national advertisers do not seek out student publications today because the advertisers fear their images will be tarnished through association with the "radical student press." National advertisers do commit themselves to advertising in magazines such as *Campus*, an independently owned and operated magazine which is distributed on a profit-making basis to students on campuses across Canada, and which is moderate in tone and content. The publisher of *Issue*, (the Canadian Union of Students), was advised by its advertising agency to "have student opinions voicing various opinions on contentious issues," to "have points of view expressed by the administration," and to "avoid topics like Rhodesia" in the paper.[12] While this may be good advice to students who hope to attract advertisers, it is felt by them to be an interference in editorial policy and undue advertising pressure on the press. As a consequence, *Issue* has not carried advertising since it began publication, although it will attempt to include advertising in the 1969-70 publishing year.

Student editors agree with the philosophy of the daily press with regard to advertising – that it must exist apart from editorial content. The advertiser can reach his intended market by buying space in the pages of the newspaper, and in the case of the university student press, the audience is a select and defined group. The relationship between the advertiser and the newspaper, then, is a business arrangement between purchaser and supplier of space, with the advertiser having no further influence on the content of the newspaper.

Student editors are initiating plans for a centrally-operated co-operative agency to solicit national advertising for all student newspapers in Canada, and while today

[12] Letter to CUS National President, September 1968

plans are still being discussed, it is expected that the agency will operate under the auspices of Canadian University Press within the next two years. Virtually all student editors interviewed for this paper expressed enthusiasm for the central agency, and are anxious to enter the national advertising market.

CIRCULATION AND DISTRIBUTION

At most student newspapers, circulation figures (that is, estimated press run) closely approximate total full-time student enrolment at the university from which the publication ensues. Paid circulation, for which subscriptions costs generally cover postal charges, is minimal on all campuses.

Informal surveys completed in the last two years at the *Gauntlet*, St. Mary's *Journal* and the *Chevron* indicate that student newspapers are received by 85% to 90% of students, faculty, and administration on each of these campuses. Interviews with editors of other campus publications confirm these results, which are also similar to results received at the *Brunswickan* and the *Carleton* from surveys completed in 1963. The 1963 surveys indicated that 86% to 91% of all personnel (students, administration and faculty) on campus received the student newspaper.

The *Gateway*, which produced statistically valid readership surveys in 1966-67, indicated a similar readership on campus. Their results showed a front-page readership of 80% of students in all faculties[13]–a probable reflection of the number of students who receive the paper. The remaining 20% of the *Gateway's* press run would be received by faculty and administration members. Circulation on campus, then, is predictable for any given year, and the proportion of people in the university community who receive student newspapers has been relatively stable through the years.

An interesting sidelight to the stability of circulation in ordinary circumstances is that, in "extraordinary" circumstances, the circulation figures remain constant. Thus, at times of major news breaks, editors report that there is no accompanying increase in readership. Of similar interest is the fact that, on those campuses where for various reasons the student newspapers are not "liked," they are nonetheless read, and press runs are not decreased, according to editors.

Distribution of student newspapers is handled on most campuses by newspaper staff, who in other roles and at other times might be managing editors, reporters, lay-out staff, or cartoonists. Distribution is generally to specific and traditional drop-off points throughout the campus (eating centres, halls, lobbies, lounges) where they are picked up by readers. On some larger campuses, the printer delivers the newspapers directly to the drop-off points, thus eliminating the staff distribution. Distribution points are usually checked by staff members for efficiency at frequent or infrequent intervals depending on the campus.

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[13] *Gateway* survey, 1966-67.

STUDENT PRESS ORGANIZATIONS

CANADIAN UNIVERSITY PRESS

The Canadian University Press is a co-operative newsgathering and news distributing organization which includes in its membership some forty-nine major campus newspapers across Canada – in total, approximately 85% of Canadian primary student media. In the past five years, membership has close to doubled (thirty full and associate members in 1964), and with new universities and community colleges in the first stage of student organization and newspaper production, the organization should again double in the next five years.

Membership in C.U.P. is open to any Canadian newspaper produced by students of an educational institution beyond the secondary-school level. It is not, unfortunately, a national organization, in that there are no French-language members at the present time. Major French-language newspapers withdrew from C.U.P. in 1963 to form their own Presse Etudiante Nationale (P.E.N.), which itself dissolved in 1967. In 1963, the French-language editors felt that the copy standards provided by C.U.P. were not applicable to the kinds of newspaper-journals which were produced by Quebec students at French-language institutions, where they required more "agitative-feature" material.[14]

From a full-time office established in Ottawa in 1960, C.U.P. provides its members with a mimeographed and mailed news service, feature service, and photo service when available. Each paper receives copy on a split schedule, with some newspapers on a five-times-weekly mailing, others on two-times weekly, and so on, depending on local publishing schedules. As well, C.U.P. provides Telex or wire news service to members on fast-break stories. More than twenty-five C.U.P. members have Telex or access to a Telex machine.

The news copy provided by C.U.P. is well-written, and provides members with details of happenings within and without the student community. It does not meet the objective-reporting standards which would be required for instance, at Canadian Press or at any daily newspaper–or those which were required by C.U.P. as recently as 1965. It is unabashedly non-objective. The present president of C.U.P., Stewart Saxe, explained that in his view, the unbiased news report is a myth created by the daily press. The human being is non-objective, and as a result any report of a newsworthy event must be recognized as including the biased interpretation of the reporter. The recognition of the bias, however, does not excuse conscious management of the news, and thus all fact situations must be accurate.

These views are fairly widely held within the student press (as outlined in "Non-Objective Reporting") when they relate to individual newspapers, but are less acceptable when pursued by the news service, according to a survey of editors for this paper. Some editors complained of the necessity of re-writing all C.U.P. news copy; to which C.U.P. would reply that one bias was being substituted for another. The *Carleton* withdrew from C.U.P. in objection to its news-writting standards two years ago, but is expected to return in 1970. Certainly the students are battling out in practice a journalistic problem which is discussed at every daily

[14] Letter to CUP members from the editor of *Le Quartier Latin* (for PEN), January, 1963.

newspaper conference, and in every journalism school, and one which has come to the fore of student journalism only since 1967.

Throughout its thirty-eight year history, Canadian University Press has been a service organization and a co-operative service. It has been concerned with the development of journalistic standards on campus newspapers, and until 1966 sponsored national competitions for news writing, feature writing, editorial writing and so on. These competitions were then eliminated because student editors felt they were counter-productive: members hesitated to use good material from other member papers since new and original material was required and expected for competition. As well, the competitions tended to encourage the standards of the daily press within student newspapers, and to eliminate experimentation with technique, content, and approach. Thus, in 1969, because "co-operatives co-operate, they don't compete," members are encouraged to "steal" techniques, copy, and illustrations from other members; and, due to the facility of photo-offset production, whole pages are often reprinted from a second member's paper.

To replace the competitive method of improving journalistic standards, C.U.P. has initiated (in 1968) a system of field-workers who travel from campus to campus to assist members with production and to conduct staff and editorial instruction sessions. At present, C.U.P. has one national field-worker, and hopes to introduce a second in the Atlantic region this fall. In addition, at each regional (Western, Ontario, Quebec, and Atlantic), C.U.P. conference seminars are held to assist editors with adopting new techniques and mastering old ones.

In addition to this, through the national office each member paper can request a professional critique of that publication. The critique will be prepared by a working journalist from the commercial press, and subsequently used by the publication concerned as it sees fit.

Aside from the services provided, a large part of the value derived from the organization stems from its annual national conferences, at which editors and staffers meet to exchange views and predict directions of the student press. The conferences provide editors and staff members with a national perspective on student affairs, and most editors agree that C.U.P.'s great value lies in its function of relating and extending student concerns beyond the isolation of the local university campus.

As a condition of membership in C.U.P., each newspaper agrees to uphold the "Statement of Principles of the Student Press in Canada" and the "Code of Ethics of the Canadian University Press." As an indication of the changes which have occurred in the philosophy of the student press since 1964, it is worthwhile to compare the "Statement of Principles" of five years ago with those of today. At the conclusion of the 26th National Conference of C.U.P. in 1964, the statement of principles (then called the Charter) read:

> Whereas the Canadian Student Press believes in the following principles:
>
> that freedom of expression and debate by means of a free and vigorous press is essential to the effectiveness of an educational community in a democratic society;
>
> that where the student press is a function of the student government, or of the university administration, this should in no way be allowed to impair the freedom of the student press;

> that the student press should be free of all forms of external interference;
> that it is essential to a free student press that it be responsible for the views and opinions it expresses;
> that the basic duties of such a free student press are to present the varied opinions of the students it represents, to present news fairly and without bias, to interpret local, national and international events, and issues of interest and import to students to the best of its ability; and; that it is the prerogative of the free student press to include literary expression as an additional basic duty.[15]

This statement of principles (which is effectively the same as that of the U.S. Student Press Association statement in 1964), an affirmation of the duties and rights of the student press was accepted by all editors of C.U.P. papers, and applauded by professional journalists and philosophers of the press. It went on to expand on those areas in which student press freedom had been abridged (which remain in the 1969 statement), and concluded:

> Therefore, the Canadian Student Press affirms its belief that it should be free from abuses listed . . . and declares the following fundamental rights, duties, and responsibilities necessary for the effective implementation of the principles:
> that the Canadian student press should be free from pressure by student governments, university authorities, or any external agencies;
> that within the restrictions of the laws of libel and within the scope of their responsibilities and duties as outlined . . . the Canadian student press should be autonomous; and
> that the Canadian student press should be free to develop so that it can continue to fulfill its role in the academic community.[16]

The 1969 statement reflects less of a press-oriented introspection and more political orientation towards the community. The particular change which has encouraged philosophical changes (and therefore the type of paper which is produced) on individual papers is the assertion that the primary role of the student press is to act as "an agent of social change." The statement reads:

> Whereas the Canadian student press believes in the following principles:
> That the major role of the student press is to act as an agent of social change, striving to emphasize the rights and responsibilities of the student citizen;
> That the student press must in fulfilling this role perform both an educative and an active function and support groups serving as agents of social change;
> That the student press must present local, national and international news fairly, and interpret ideas and events to the best of its ability;
> That the student press must use its freedom from commercial and other controls to ensure that all it does is consistent with its major role and to examine issues which other media avoid;
> And whereas freedom of the student press has been abridged in the following ways:
>
> > Threatened or actual expulsion or suspension and/or confiscation of issues of the student newspaper by student government, administrators or faculty attempting to suppress matters which they consider uncomplimentary to or critical of the institution;
> > Financial pressure used to limit or retaliate against newspaper policy;

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[15] Report of the 26th National Conference, Canadian University Press.

[16] Report of the 31st National Conference, Canadian University Press.

Censorship of articles by faculty, civil and administrative authorities or student government, making the newspaper incapable of fulfilling its role;

Excessive pressures, both formal and informal, used to prevent publication of particular articles and opinions;

Therefore, the student press affirms its belief that it must be free from the abuses listed above, and declares the following fundamental rights and responsibilities necessary for the effective implementation of the principles outlined above:

That the Canadian student press should be free from pressure by student governments, university authorities, or any other external agencies, whether or not the press is a part of such an organization except for the extraordinary power of removing an editor, which should reside only in the authority which appointed him;

That whenever there are serious charges of irresponsibility on the part of an editor, the extent of their validity must be determined by due process before any action is taken, and that except for the power of removal of the editor, all subsequent action should come within the internal structure of the newspaper;

That the newspaper should be free from outside financial control and that once its budget is granted, no holdup, decrease or discontinuing of funds should be made by financial administrators unless the paper desires such change;

That within the restrictions of the laws of libel and within the scope of the principles outlined above, the Canadian student press should be autonomous, and that it is, therefore, necessary that the Canadian student press abuse neither its freedom nor the principles outlined above;

That it is essential to a free student press that it be responsible for the views it expresses and that each student newspaper should carry a disclaimer on the editorial page declaring that the opinions expressed are not necessarily those of the administration or student government;

That in no case should a representative or representatives of the student government or administration have the explicit or implied power of censorship or the power to set editorial or advertising policies;

That appointment of the editorial board and staff of the student newspaper should be internal, not subject to the discretion of external bodies;

That the editor of the student newspaper should be selected by the staff of the newspaper;

That overall policy decisions should be made through collective discussion by the staff, whenever possible;

That the Canadian student press must always be aware of its role in society and in the academic community and must be free to develop so that it can continue to fulfill its role.[17]

A significant addition to the "Statement of Principles" is the requirement, added in 1968-69, that editors and editorial boards should be selected by newspaper staffs (not necessarily from newspaper staffs) – a requirement that is being met on many campuses (usually with student council ratification).

The next requirement – that overall policy decisions should be made by staff discussion – is not yet a factor at most student newspapers. Most editors report that the requirement is impractical, since "staffers" are, for the most part, transients because of their primary academic commitment. At the *McGill Daily*, editorial positions within the staff are decided by staff election, and staffers in these positions are subject to replacement by staff vote. With the advent of collective policy decision-making, the *Daily* will set up this year a credentials

[17] *Ibid.*

committee of photo, sports, supplement, news, and editorial representatives to decide who is Staff at any given time of formal, voted decisions. The *McGill Daily* pattern is expected to serve as the example for other student newspapers, who have no formal means of determining who qualifies as a "staff member" and thus as a part of the decision-making process. C.U.P. has not given direction to its member newspapers in this area since the requirement is a relatively new one.

And despite the requirement, the editor-in-chief of each paper is still the effective controller of newspaper policy, the spokesman for the newspaper, and responsible to Student Councils for management and control of production.

C.U.P.-Investigation Commission

In addition to its other services, Canadian University Press has a mechanism for investigating alleged violations of the "Statement of Principles" and/or "Code of Ethics" through its Investigation Commission.

The Commission consists of three members, each of whom is appointed at the time of a particular investigation. They include: a member of the C.U.P. executive or its appointee; a student from another member paper in the region of the paper involved (appointed by the regional president); and a member of the professional press from the regional area appointed by the editor of the paper involved in the investigation.

The Investigation Commission can be made operational in one of the following ways:

upon written request to the C.U.P. executive by the member newspaper involved;

upon written request to the C.U.P. executive by the publisher involved:

upon written request to the C.U.P. executive by any three member papers in the region; or

upon the request of the C.U.P. executive (which could arise through a petition to the C.U.P. executive by the staff of the newspaper involved).

Within a week of a request, the Investigation Commission convenes and holds hearings (calling witnesses) on the campus concerned. No one called as a witness is under compulsion to testify. A report and recommendations are prepared within two weeks of the hearings for C.U.P., the member paper, and the publisher involved. While the Investigation Commission can report and recommend, it has no authority to ensure that its recommendations are followed.

C.U.P., through its member newspapers, is encouraging Student Councils to recognize the Investigation Commission as the sole arbiter and judicial authority in matters concerning the student press, thus investing it with an authority it does not now enjoy. The only paper reporting that the C.U.P. Commission is recognized as an authority by the student council is the *Pro-Tem*, where the editor can be removed only on the recommendation of a C.U.P. Investigation Commission.

In 1968-69, two Investigation Commissions were called, at Sir George Williams University and at the University of Winnipeg. In each case, the C.U.P. Investigation Commission favoured the position of the respective editor (who in each case had requested the Commission), and the Student Councils involved each rejected the Commission's recommendations.

Student Council members contend that if the Investigation Commission is to gain wider acceptance by councils, it must ensure student council representation and eliminate its seeming pro-press bias.

OTHER ORGANIZATIONS

Press organizations other than Canadian University Press are not widely supported through the Canadian student press, although available to it. Part of the reason for this is that other student press organizations are neither located in Canada nor oriented to the Canadian student community. As well, the most recent ideological trend in the Canadian student media is Canadian nationalism – student editors have provided a great deal of space in the last two years to events outside the Canadian borders, and feel that it is now time to relate its demands (as an agent of social change) to events within Canada.

The major alternative press organizations upon which local campus papers can draw include Liberation News Service, Underground Press Syndicate, and Collegiate Press Service–all American organizations. The first two are not solely geared to student press, while the latter is a student press organization.

Liberation News Service, an independent radical press service operating out of New York city, provides graphics, news and feature copy to members, who pay subscription costs of $15 monthly or $180 annually for the material. Copy is written in the style of the militant radical American newspapers, and deals substantially with events within the borders of the United States. Subscribers include members of the underground and student press, and newspapers produced by radical groups such as the Students for Democratic Society. C.U.P. itself subscribes to the service, and makes use of its copy in preparation of feature articles for C.U.P. members. Several Canadian student newspapers are subscribers, but copy is sparsely used in these papers, and usually re-written. Material is mailed to subscribers.

The Underground Press Syndicate, which has recently moved to New York city from Phoenix, Arizona, is a co-operative organization for underground newspapers. For a small fee, it allows members and associates to reprint material from other member papers, and provides a newspaper-exchange system. It has approximately two hundred members, including about four Canadian student newspapers. Those belonging to the Syndicate, including the *Chevron* and the *Ubyssey*, find the material valuable for feature reports, and the exchange system valuable for new lay-out techniques and ideas.

The Collegiate Press Service is the news-gathering and disseminating branch of the United States Student Press Association, and although membership in the U.S.S.P.A. is open to regular student publications in the United States, exceptions have been made for Canadian student newspapers who wish to join. The structure and operations are similar to that of C.U.P., and content is, for the most part, directed to American student events. Canadian membership is small, including about four student newspapers and C.U.P.

RELATIONS OF THE STUDENT PRESS

STUDENT GOVERNMENT

The student government on individual campuses usually has an initial relationship with the student press – that of publisher, (as outlined above in "A Contemporary History – The Sixties").

In actual practice, this relationship is regarded as a nominal one. Hence, the student press is free to serve as critic or supporter of student government according to its own views and decisions. In the early 1960s, when student newspapers focused more on local campus concerns than today, the editor of the newspaper often became the "leader of the opposition" to the council president's "prime minister." Today, when student newspapers expend more time and space on events and developments apart from the local university, the editor has become less of the unofficial opposition leader, although still a watchdog of campus government.

Throughout Canadian student press history there has been strife between student government and student press arising out of this "opposition" role. Most recent problems seem to be rooted in differences in ideology, and while culminating in one particular incident or activity, they often stem from a broader base. Much of today's council-press problems are the result of the production of "radical" newspapers where councils would prefer a moderate press. The following recent examples indicate the handling of some of these problems.

In February, 1969, the Sir George Williams University Students Legislative Council removed the editor of the *Georgian*, David Bowman, on grounds of financial incompetence. The circumstances arose from the printing of "extra" issues during the protesting students' occupation of the ninth floor computer centre of the Henry Hall Building. The motion was presented two days after the $2,000,000 damage to the computer centre, and apparently rose from additional production charges of $720 for the "extra" issues.

The editor had turned over one of the extras to black students, an issue which allegedly contained several libellous passages; as well, he printed as fact a satirical letter indicating that the S.G.W.U. administration planned to create a situation of "controlled confrontation" between administration and students. In all of the extra issues, the editorial position was that of sympathy with the demonstrating students, a position which had not been taken by the students' council.

The students' council president stated that he was not prepared to add to his legal responsibility for more than the two contracted issues per week, particularly when the editor seemed to exercise bad judgment in controlling and assessing content of the extras.

The real issue in this case, however, was a question of opposing ideologies, and should have led to an examination of journalistic rather than financial incompetence.[18]

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[18] Report, Investigation Commission hearings, February, 1969.

Prior to this incident, the *Georgian* had incurred the dislike of students and the council for its "radical" editorial policy and content – and this basic disagreement led ultimately to the dramatic removal of the editor in the context of a volatile political situation. Recommendations of a Canadian University Press Investigation Commission that the editor be reinstated were not followed by council, and a new editor whose publishing and political views more closely approximated those of council was appointed.

At the *Uniter* at the University of Winnipeg, tension arose concerning the appointment of an editor for 1969-70 in March, 1969, when the student council did not accept the newspaper staff recommendation for editor, and placed another student in that position. In September, 1968, the same council removed an editor after he had produced one issue because of its "radical" content and ideology. Again, the council appears to have chosen the 1969-70 incoming editor to avoid the "radical" continuity which the staff preferred.

At the *Carleton* in 1967, the editor published a special edition to tell about the withdrawal of one presidential candidate in the student council elections. As a result, the council passed a constitutional amendment prohibiting distribution of the paper forty-eight hours before an election. The amendment still stands.

At St. Mary's University in 1965, the student council was forced by its own constitution to remove an editor of the *Journal* who had been suspended by the administration "for conduct unbecoming a student of Saint Mary's." Today, as a result of a constitutional amendment by a sympathetic council, the editor can hold his position whether or not he is a student, and despite administration views of his "conduct."

At the *Sheaf,* in early 1969, an attempt was made by the students' council to appoint two advisers to the newspaper to improve the quality of reporting, and to bring about a change back to "objective reporting." When the editorial board of the newspaper threatened to resign, the council withdrew its forceful opposition, and the motion was defeated by two votes.

The present editor of the *Athenaeum* reported the ups and downs of council-press relations in 1969 at Acadia University:

> The editor-in-chief was fired by the Students' Representative Council on the recommendation of the [newspaper] staff for setting up an illegal wiretap of a Union Executive secret meeting. The secret meeting was being held to determine whether the editor should be fired for printing too much "obscene material" and articles about Viet Nam, marijuana, etc. Catching the editor [wire-tapping] gave the council an excuse to fire him. The staff decided to recommend firing in order that they could disavow any knowledge of wiretapping and to be clear of any implication. The staff then nominated [by the constitution] a new editor. He was rejected [by council] for fear that he would produce a similar paper. After heated Council battles, the staff of the paper was forced to accept a constitution that effectively removed control over the choice of Editor from the staff [and gave it] to the Students Council. A new editor was chosen [coincidentally approved by the staff]. This person had no experience and managed to put out a mediocre but acceptable paper. Once on better terms with the Council, a new constitution was written by the staff returning past powers and adding new ones. It was passed by the council.[19]

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[19]Written in response to questions for this paper.

Other incoming editors gave amusing reports of council-press relations. The editor of the University of Ottawa's *Union* magazine, for example, recalled that two years ago "an imprudent editor was a Ché fan and everyone got so tired of him that they (council) purged him in a true revolutionary fashion."

The *Eye-Opener's* editor told of a incident at Ryerson in late fall, 1968, "when two student members of the Board of Governors were upset at a mention in the paper, and when they learned that we painted our office black" they attempted to take measures against the paper. The *Eye-Opener*, in retaliation, "fought them off as we always do with reactionaries."

And a resigned editor at the *Lance* wrote with a sigh that instances of council-press hostilities at the University of Windsor "are far too numerous and complicated to mention."

Healthy tensions between government and press exist in all societies where a free press is guaranteed. In the student society, a very safe prediction would be that student council and press relations will often be strained, particularly when councils have dual roles as publisher of the newspapers and government of the students. An unfortunate aspect of council-press relations is that councils can take measures against the student press when editorial policies and comment is in opposition to council views by applying the inherent "publishers' power" to that situation. And in those situations, the student press can be expected to "fight them off as we always do with reactionaries."

UNIVERSITY ADMINISTRATIONS

Student press relations with university administrations have been very volatile during the last half of the decade, for students have recognized that administrations hold the keys to changes wanted by students, and which were heretofore locked away from them.

On virtually every campus in Canada, the student press has assumed the role of critic of the administration, the President, and the Board of Governors. On some campuses, such as the University of Toronto, the student press has played a positive role in presenting accounts of student demands to the administration by approaching the question without hostility and as a problem for the whole university.

At other universities, relations are not quite as free from conflict, and much of the reason for the lack of serenity is not what is said, but how it is said in the student press. The press, viewing Boards of Governors as absentee landlords who control a university of which they are not a part, has often presented one-sided pictures of members of the Boards, their interests, and their problems in connection with the university. The *Chevron*, the *Eye-Opener*, and the *Ontarion*, among others, have presented lists of members of their Boards of Governors accompanied by their business associations – a technique designed to portray a group with limited interest in the pursuit of university goals. At Ryerson, the Board of Governors is characterized as the "Bored of Governors" in the student press; at the *Brunswickan*, members are referred to as BOG's.

Administrations have taken action against the student press in order to stop publication or change direction of the individual newspapers, but more and more the legal status of the newspaper makes it unavailable for administrative censure.

In February, 1968, the editor of *Argosy Weekly* was removed from office by the president of the university, at the request of the student-faculty board, for publication of the controversial "Student as Nigger" article. Similar publication at the *Carleton* and the *Ontarion,* as well as on other campuses, brought no administration repercussions.

At the St. Mary's University in 1968-69, the administration suspended the editor of the *Journal* and a columnist for "printing and disseminating an obscene article, under the title of 'Mother Tucker'." Under the by-laws of the Students Association at the time, the editor was no longer able to hold his position. The administration then issued a press release concerning the incident, and called for a public retraction and apology through local off-campus media from both students involved. The editor agreed and was allowed to write his examinations, while the columnist refused and threatened legal action. The administration then allowed both students to be reinstated after they had published an apology in the *Journal* only.

At the *Brunswickan,* the administration has complained of the fact that the editor was a non-student, thus allowing little control over his policies by the administration from within the structure. This situation is similar to that at the *Varsity,* the Western *Gazette,* the *Chevron,* and the *Ontarion,* where editors are employed full-time, and are not necessarily students at the university during their terms as editor.

Some student editors emphasized that their working relations with administration were amicable and open. Editors at the *Carleton,* the *Arthur,* and the *Saint* were among those who were enthusiastic about the role of the administration in dealing with students and the student press on campus.

Administration Newspapers

Several university administrations have begun to publish newspapers which are directed to students, faculty and administrative staff, and whose intention is largely to present facts not included in student publications, and to correct some interpretations of university events as presented in the student press.

Administration newspapers to this end are produced at the University of Waterloo, University of British Columbia, and McGill University and will commence in 1969-70 at York University. Other newspapers are expected over the next five year period at a number of Canadian campuses.

Budgets range from a high of $110,000 annually at the *McGill Reporter,* to $10,000 annually at the *Gazette* (Waterloo). Budgets have not yet been determined for the *Bulletin* at York University, and figures are unavailable for *U.B.C. Reports.* The first paper to accept advertising will be the *McGill Reporter,* which intends to solicit $10,000 advertising revenue for the 1969-70 publishing year.

The editor of the *McGill Reporter,* Harry E. Thomas, described the reasons for publication, and role in relation to student press of his publication:

> The *McGill Reporter* was established by the University to provide a dependable, alternative outlet on campus for news of campus activity and comment about

matters of concern to the academic community. It was felt at the time of the founding [September, 1968] that existing publications did not provide adequate opportunity for a major segment of the university to express itself. The editors decided that the publication would die if allowed to be very parochial in emphasis. With this in mind, we have endeavoured to include a wide range of articles related to educational politics, learning reform and innovation, as well as stimulating interviews with important persons who have vital things to say about education, science, the humanities, and the social sciences.

The student newspapers remain as important publications, and we do not attempt to inhibit in any way their functions. We do not try to redress any imbalances that they are presumed to create, nor do we challenge their right to be as controversial and as narrow in view as they want to be. Our role, we believe, is to give our readers, (who in addition to students, faculty and administrative staff, include a large number of graduates, persons at other universities, and the general public) intelligent and provocative coverage of the university scene.[20]

R.W. Whitton, editor of the *Gazette,* which was founded in September, 1960, outlined the following background to the present publication:

> Initially the *Gazette* was published almost solely for faculty and staff and served as a repository for official statements. Gradually it began to do a reporting job, uncovering campus stories that would not otherwise have been told and serving as a medium to explain the University to its audience. In the fall of 1968, the student newspaper on campus began to concentrate sharply on what might be called matters of student interest only, omitting much of the information formerly passed on to it from University departments . . . for instance, they would not run announcements of parking restrictions, forthcoming concerts and plays, statements from the President etc. except as paid advertisements. It became apparent that there was a wealth of information not being communicated to the student body, and the Information Services department proposed the *Gazette* be revamped and utilized to do this job.[21]

The *Gazette* has an on-campus circulation of 5,000, and is published by the University of Waterloo throughout the year. The McGill Reporter, also a weekly publication, has a total circulation of 20,000, (12,000 on-campus and 8,000 off-campus), and is published by the Senate of McGill University. The *McGill Reporter* has won several graphics awards in its year of publication, including awards from the New York Art Directors' Show, Graphics '69; *Communications Arts* magazine; and the American College Public Relations Society.

The editor of the *McGill Reporter* has expressed strong objections to the classification of the publication as a "house organ," and certainly in content, circulation, and scope, his publication bears the least resemblance to a "house organ" of all administration newspapers. He predicts that the *McGill Reporter* "will emerge this year as one of the country's most important publications," and objects to the fact that the newspaper is not permitted second-class mailing privileges, thus requiring postal costs of more than $20,000 for a publishing year. "This is a publication having national impact, a national audience, and yet we are treated as just another in-house publication. The Ottawa bureaucracy is unrelenting in its determination to stifle creative activity in the field of Canadian journalism."[22]

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[20] Written in response to questions for this paper.
[21] Written in response to questions for this paper.
[22] Written in response to questions for this paper.

OTHER PRESS

The student press in Canada has established good working relationships with the daily and weekly press throughout the years, indicated by the successful and frequent forums in which representatives of both media participate.

On individual campuses, the local press is often called on for assistance with training sessions, critiques, and technical instruction, and for many years the *Ubyssey* served as a "farm team" for the Vancouver *Sun*. Local press is sometimes used to assist student journalists in making new contacts, or providing clipping files and material from morgues. Most often, the working relationship is dependent in any given year on the rapport that the student newspaper editor can establish with the local press.

The daily press, weekly press, and magazines often look to the student newspaper as a source of personnel for part-time employment during the academic term, summer employment with a view to employment after graduation, and for full-time employment. From student newspapers, the commercial press has available potential reporters and deskmen who are accustomed to newspaper production, understand deadlines and copy requirements, and have had some reportorial training. Every major daily paper in Canada hires students for full or part-time employment, and in the majority of cases, experience on a student newspaper weighs heavily in the permanent hiring decision.

The attitudes held by most student journalists to the commercial press belie the good relationships which exist. Students feel that the "establishment" or "bourgeois" press is able to manipulate and distort news according to its preconceptions of situations, and does so. They also believe that the "myth of objectivity" (a term used to describe objective reporting) is a dangerous tool which can be used by the press to serve its vested interests, presenting a picture which while appearing to be objective is in fact a biased account.[23]

Much of this criticism stems from what students feel across Canada has been unfair and sloppy coverage of student activities by the daily press, which, they feel, has opted for sensationalism and inadequate research. As well, students are critical of what they feel is inadequate coverage of national and international events where these events affect mankind; the Vietnam war, according to students, has been covered with a bias that has allowed as much error by omission as by commission.

Despite their suspicions and criticisms of the daily press, the student press looks to it for material, for technical assistance, and for employment, and relations between the two are mutually cultivated.

RECENT INNOVATIONS IN THE STUDENT PRESS

As well as the non-objective reporting technique and the production of community newspapers previously mentioned, student editors have introduced other "new

[23] "The Concensus Press" by Steve Ireland, *The Chevron*, April, 1969.

methods" of journalism in an attempt to produce newspapers which are lively and successful in capturing its readership audience.

A recent addition to the scope of reporting on many campuses is the classroom – where lectures are covered as news or feature material. In 1968-69, reporters were assigned to the classroom at the *Chevron*, the *Gateway*, the *Varsity*, the Western *Gazette*, the *Picaro*, the *Sheaf*, and the *Athenaeum*, and as a result of the experience on these papers, it is expected that more student newspapers will adopt the technique.

The material which is produced as a result of the foray into the classroom is varied. The *Ubyssey* has had little luck in its attempt at classroom reporting, and its only "story" from a classroom assignment was a pungent statement which indicated that the lecture in a particular course had been cancelled for the eighth time in that semester, and for the eighth time since the reporter had been assigned to cover it.

The *Picaro*, produced at 700-student Mount St. Vincent (women's) College, has featured reports from Racial Forums in an Afro-American history course and on the Role of Women in Politics from coverage of a lecture in a Political Institutions course. The response to this reporting has been "great," according to the present editor, with "outsiders participating" in follow-up material.

Other editors indicate that student response has been more favorable than professors'. The latter see the introduction of the reporter into the classroom as an invasion of academic freedom. Because of the difficulty of misinterpretation of content due to the teaching technique (for example, use of satirical techniques by teachers), most classroom reporting is accompanied by an interview with the lecturer, who can provide background to the lecture and discuss the teaching method used. In most cases, the lecture is handled as would be a lecture given by a visiting speaker. As well, there is usually an automatic guarantee of rebuttal through letters, and the anonymity of students who participate in class discussion is preserved.

Technical innovations in the student press have made content innovations more simple for student production. Most student newspapers are now produced by the photo-offset method, a technique which is less costly than letter-press, and provides greater scope for wide use of photography, artwork, and exciting and challenging lay-out.

Some newspapers (*Queen's Journal*, for example) are returning to or making more use of the tabloid journal format, thus taking "straight news" off the front page and substituting feature material or artwork (the *Ontarion* and *Chevron*). This technique is used particularly in the production of community newspapers, where feature and interpretative material provides 95% of content. The *Equinox* is limited to a magazine-journal format, and accepts no advertising.

A number of student newspapers have their own photography labs and darkrooms, and many work in conjunction with campus camera clubs for photo assignments. Because of this association (and photo-offset production), the use of experimental and art-photos is becoming more prevalent in student newspapers – an innovation that makes student paper layouts more lively and attractive, and often provides greater punch to the written copy.

At University of Ottawa, the two-newspaper tradition, where one newspaper was directed to English-speaking students and a second to French-speaking students, is to be abandoned in 1969-70. The two newspapers will be replaced by two bilingual publications, a magazine and a newsbulletin. The monthly magazine will be devoted to features and news editorials, with the semi-weekly bulletin covering news, services, activities and sports. The new publications at University of Ottawa are intended to rectify, according to the present editor, "the communal polarizations which have developed over the years between the French and English mentalities at our academe."

Along with these altered publications, the University of Ottawa students' union has purchased composing equipment "not only to reduce costs and to expedite production, but also with an eye to training and familiarizing individuals with basic press technology." The *Ontarion* also makes use of student-operated IBM DTT/ST composing equipment to prepare camera-ready copy. The *Gateway* is expecting to introduce a rotary press next year. The *Athenaeum* owns its own IBM typesetting and composing equipment, and the trend to student owned and operated equipment appears to be growing.

FRENCH-LANGUAGE STUDENT PRESS

Those student newspapers which publish in French in the province of Quebec have evolved in a manner quite different from that of their English-language counterparts in the rest of Canada.

French-language student press has throughout the sixties been a political and literary press – political and literary in the Quebec nationalistic sense. It has promoted views of independence for Quebec, and has provided a serious vehicle for young Quebec journalists, novelists, and poets.

An activist press, French-language student newspapers withdrew from participation in Canadian University Press in 1963 to form their own Presse Etudiante Nationale, which survived for four years. P.E.N. members were closely allied with the developing Quebec student organization Union Générale des Etudiantes du Québec (U.G.E.Q.), which dissolved with P.E.N., and with the demise of formally organized student unions on Quebec campuses.

U.G.E.Q. served as a unifying body for Quebec students of universities and classical colleges, and the student press produced at those institutions tended to reflect the ideologies of the organization. As student unions ceased to play a role on university campuses, the student press began to change its format and to draw on other than student-sponsored production methods.

Thus *Le Quartier Latin* has become a commercial, provincial newspaper which promotes the U.G.E.Q. ideology and seeks an audience broader than the University of Montreal faculty and student base. At Laval, the formerly produced *Le Carabin* has ceased to exist as a student medium. The administration of Laval University now produces the paper *Au fil des événements* and has consciously attempted to include student participation in the articles and planning of that newspaper, in order to fill the void caused by the absence of the student press.

For Laval, the situation is problematic, since the university edits the newspaper and tends to promote the value system which the administrative body endorses and maintains, while students would probably tend to promote other values than those of the administration.

Editor M. André Villeneuve describes the Laval publishing system as "paradoxical, even abnormal" and suggests that "means should be found at our university level to make a press controlled by the students economically possible without outside advertising revenue, or other control mechanisms."[24]

STUDENT PRESS AND THE LAW

The student press in Canada is subject to all laws which affect all press in Canada – it has no immunity because it is non-professional or youthful. Thus, laws of libel, defamation, contempt of court, obscenity, distribution of false information, and regulations affecting the confidentiality of sources and privileged meetings are applicable to the student press.

Members of the student press provide instruction sessions for staff members on individual newspapers in those areas of the law which affect them, and legal seminars are sometimes conducted through Canadian University Press. Because of the increased possibility of legal repercussions, the use of satire in student magazines, journals, and newspapers has declined over the past five years.

Students are affected and confused by the laws concerning obscenity. The Criminal Code definition of obscenity as "any publication, a dominant characteristic of which is undue exploitation of sex or of sex and any one of the following subjects, namely, crime, horror, cruelty, and violence"[25] seems to students to be arbitrary and illogical. Students would define obscenity more in terms of the portrayal of illegitimate violence, unconnected with sex, since violence is more offensive to the student community generally than is sex.

An aspect of the application of statute laws to the student press which is not found in other media is the arbitrary application of the law by regulatory bodies (administrations, student councils, municipal authorities) without proceeding by due process, and in the past year at least three examples readily come to mind.

At St. Mary's University, the administration suspended the editor and a columnist of the *Journal* for publishing "an obscene article." The question of "obscenity" was never settled by the courts, but the administration served as prosecutor and judge, found the students guilty, and provided an either/or sentence: either retract and apologize, or forfeit academic standing.

At Sir George Williams University, the student council removed the editor of the *Georgian*, and indicated that one of the reasons for dismissal was the inclusion of libellous material in one edition of the publication. Threats of suit were apparently made by student council and administration lawyers – before the material had been

[24]Remarks to Special Senate Committee on Mass Media, February 10, 1970.
[25]Criminal Code, Section 150 (2)

printed. Following distribution of the newspaper, no legal action was taken through the courts, but the editor was nonetheless removed from his position.

The third example indicates how student press can be affected by laws which are applied out of context in order to stop distribution of student newspapers.

The high school (community newspaper) supplement produced by the *Ontarion* was banned from the city of Peterborough by city council on November 26, 1968, after an alderman called it "filthy, dirty, rotten, salacious." The student council at Trent University had arranged for Peterborough distribution with the *Ontarion*, and although the city council found the material objectionable, it was not prepared to "take it to court."

Six students were also found guilty of trespassing and fined $10 each after distributing the same newspaper in Waterloo, Ontario. The newspaper contained Jerry Farber's article, "Student as Nigger," but once again, there was no determination by court procedure of the legality or illegality of the material contained in the supplement.

Recent cases where members of the student press have actually been allowed due process are few, and these have often been interpreted as attempts to censor the student press and disallow free comment, rather than to establish the legality of publication of certain material.

At the University of New Brunswick, the editor of the *Brunswickan* and a columnist were found guilty of contempt of court following a December 3, 1968 column which criticized court procedure in the New Brunswick Supreme Court case involving U.N.B. physics professor Dr. Norman Strax. The editor of the newspaper, John Oliver, was fined $50; the columnist, Tom Murphy was found guilty and sentenced to ten days' imprisonment.

Defence lawyer Alan Borovoy of the Civil Liberties Association, and E. U. Schrader, chairman of the Journalism department, Ryerson Polytechnical Institute (who assisted in the preparation of the students' case), argued that the column was well within the bounds of "fair comment" and the sentencing was unduly harsh . . . and in large part a reaction against the previous *Brunswickan* support for Dr. Strax and opposition to the university administration and president C.B. MacKay.

Certainly, in the legal area, students are under more pressure than their commercial counterparts since they are subject to action by bodies other than the courts. And most student editors agree that they would prefer the courts to decide the merits of any charges against them–and further, that they have the right to demand court interpretation to replace arbitrary judgments with which they are now faced.

CONCLUSION

While it is not the intention of this study to reach specific conclusions concerning the university press, certain observations and predictions can be made.

1 The student press, although not monolithic, has become increasingly "radical," and, through its commitment to the philosophy of serving as "an agent of social change," will probably continue in this vein for some time.
2 The student press can be expected to continue to extend its concerns to the community increasingly in the future, thus concentrating less on the university as an institution apart from society.
3 The student press is becoming increasingly independent – from advertisers, printers, student councils, and administrations – in its determination of policy, content and technique.
4 The student press is often subject to arbitrary application of statute law by student councils, administrations, and municipal authorities, who do not rely on courts for decisions concerning student newspaper material.
5 The student press can be expected to continue the non-objective reporting technique unless reaction from the student community is opposed to its use, thus rendering the newspapers impotent.
6 Administration newspapers will grow in number and quality, in large part as an alternative to the student press on campus, and as a medium for total coverage and examination of the university community.

Chapter 4

THE UNDERGROUND PRESS IN CANADA

Barbara Sullivan

> Presently they all sat down to luncheon together. The mole found himself placed next to Mr. Badger, and as the other two were still deep in river-gossip from which nothing could divert them, he took the opportunity to tell Badger how comfortable and homelike it all felt to him. "Once well underground," he said, "you know exactly where you are. Nothing can happen to you, and nothing can get at you. You're entirely your own master, and you don't have to consult anybody or mind what they say. Things go on the same overhead, and you let em, and don't bother about em. When you want to, up you go, and there the things are, waiting for you."
>
> The Badger simply beamed at him. "That's exactly what I say," he replied. "There's no security, or peace and tranquility, except underground. And then, if your ideas get larger and you want to expand – why a dig and a scrape and there you are! If you feel your house is too big, you stop up a hole or two, and there you are again! No builders, no tradesmen, no remarks passed on you by fellows looking over your wall, and above all, no weather. Look at Rat now. A couple of feet of floodwater, and he's got to move into hired lodgings; uncomfortable, inconveniently situated, and horribly expensive . . . No, up and out of doors is good enough to roam about and get one's living in; but underground to come back to at last – that's my idea of home!"
>
> Kenneth Graham, *The Wind in the Willows*

INTRODUCTION

"Underground press" is a term used to describe those publications which are produced to serve the "hip" community. As such, it is a type of *journal de maison* which validly reflects a small community of people who have adopted similar life-styles and goals, and the contents of the underground press are not usually projected beyond that community.

The underground press in Canada serves as an alternate press – an alternate to the commercial dailies and weeklies and magazines that carry little material which relates directly to the hip community. It began as an experiment in journalism in many ways: a regional press, an innovator in newspaper design and interpretative reporting, and it became a spokesman for an alternate society and way of life.

Although the content and direction of the underground press is intended for the hip community, the readership of the underground press is far more extensive than the community itself, appealing to youth in the cities and urban areas, and to sophisticated middle-class society. Underground press workers cannot explain this phenomenon, but do not discourage it because the added circulation helps to pay the bills. For the most part, the underground press does not serve as a crusading force to convince of the validity of the way of life chosen – rather, it attempts to speak to those who are already part of the community. On broader social issues, such as pollution, war, and famine, the underground press speaks to its total readership, within and without the community.

The hip community, or underground community, is composed of people who have withdrawn from the expected life pattern of North American society in opposition to its competitive nature and its emphasis on social approval. It is a community for whom "liberation" is a key word – liberation in speech, in ways of dress, in standards of achievement, in community life, and in sexual pursuits. It is a community for whom "co-operation" is a key word – a co-operation in communal living, which has been interpreted by members of the community as an outgrowth of "love," the brotherly love which will eliminate war, poverty, injustice, and inequality. Although the hip movement is a social movement rather than a political one, it does see the illnesses of society (war, injustice, and so on) in part as a result of competitive capitalistic democracy, and of imperialist tendencies in governments which drive one group of people to seek power over another.

Because of the demands for freedom in the hip philosophy, a large part of the life-style of the hip community centres around and is the offspring of the use of drugs, and the hip community began as a community through the communal use of drugs for "mind expansion," and a freeing of the conscious mind to accept new experiences and new phenomena.

One of the best explanations of the turning to psychedelic and hallucinatory drugs appears in Tom Wolfe's unofficial history of Ken Kesey's "Pranksters," the original hip community in Haight-Ashbury, in San Francisco, California:

> Under LSD, if it really went right, Ego and Non-Ego started to merge. Countless things that seemed separate started to merge, too: a sound became . . . a color! blue . . . colors became smells, walls began to breathe like the underside of a leaf, with one's own breath. A curtain became a column of concrete and yet it began rippling, this incredible concrete mass rippling in harmonic waves like the Puget Sound bridge before the crash and you can feel it, the entire harmonics of the universe from the most massive to the smallest and most personal – *presque vu!* – all flowing together in this very moment. . .
>
> This side of the LSD experience – the feeling! – tied in with Jung's theory of synchronicity. Jung tried to explain the meaningful coincidences that occur in life and cannot be explained by cause-and-effect reasoning, such as ESP phenomena. He put forth the hypothesis that the unconscious perceives certain archetypical patterns that elude the conscious mind. These patterns, he suggested, are what unite subjective or psychic events with objective phenomena, the Ego with the Non-Ego, as in psychosomatic medicine or in the microphysical events of modern physics in which the eye of the beholder becomes an integral part of the experiment. Countless philosophers, prophets, early scientists, not to mention alchemists and occultists, had tried to present the same idea in the past, Plotinus, Lao-tse, Pico della Mirandola, Agrippa, Kepler, Leibniz. Every phenomenon, and every person, is a microcosm of the whole pattern of the universe, according to this idea. It is as if each man were an atom in a molecule in a fingernail of a giant being. Most men spend their lives trying to understand the workings of the molecule they're born into and all they know for sure are the cause-and-effect workings of the atoms in it. A few brilliant men grasp the structure of the entire fingernail. A few geniuses, like Einstein, may even see that they're all part of a

> finger of some sort – So space equals time . . . All the while, however, many men get an occasional glimpse of another fingernail from another finger flashing by or even a whole finger or even the surface of the giant being's face and they realize that this is a part of a pattern they're all involved in, although they are totally powerless to explain it by cause and effect. And then – some visionary, through some accident –
>
> – through some quirk of metabolism, through some *drug* perhaps, has his doors of perception opened for an instant and he almost sees – *presque vu!* – the entire being and he knows for the first time that there is a whole . . . other pattern here . . . Each moment in his life is only minutely related to the cause-and-effect chain within his little molecular world. Each moment, if he could only analyze it, reveals the entire pattern of the motion of the giant being, and his life is minutely synched in with it –
>
> The Pranksters never talked about sychronicity by name, but they were more and more attuned to the principle. Obviously, according to this principle, man does not have free will. There is no use in his indulging in a lifelong competition to change the structure of the little environment he seems to be trapped in. But one could see the larger pattern and move with it – Go with the flow! – and accept it and rise above one's immediate environment and even alter it by accepting the larger pattern and grooving with it – Put your good where it will do the most!

And putting the good where it does the most means putting it in the "community," a community with a creed, a code, and a cult:

> Their place is called the Nest. Their life transcends all the usual earthly games of status, sex and money. No one who once shares water and partakes of life in the Nest ever cares about such banal competitions again. There is a pot of money inside the front door . . . Everything is totally out front in the Nest – no secrets, no guilt, no jealousies, no putting anyone down for anything: . . . a plural marriage – a group theogamy . . . Therefore whatever took place – or was about to take place . . . was not public but private. "Ain't nobody here but us gods" – so how could anyone be offended? Bacchanalia, unashamed swapping, communal living . . . everything.[1]

This, then, is the "underground" community which the underground press mirrors, examines, and leads; a community made visual and obvious by communal living, exuberant costume dress, a unique vocabulary with American-Negro and psychedelic drug origins, and a philosophy of liberated individualism, of "doing your own thing."

Because the hip community is regarded with suspicion by the larger, established, and more orthodox community, the underground press is also regarded with suspicion – and many misconceptions. The underground press in Canada is not a lascivious "sex" press, and those relatively new, New-York-originated "sex tabloids" (*Screw, Kiss, Pleasure*) are not part of the legitimate underground press, and do not exist in Canada. When sexual topics are treated in Canada's underground press, they are treated in the context of, and with the standards of, the hip community. The underground press is not an insidious political propagandist whose goal is to overturn society; rather, it is a community press which reflects a group of people who have chosen to live in a certain way – a social movement. As the underground press becomes more political, its political goals are people- and environment-oriented – elimination of poverty, racial and religious inequality, injustice, pollution, war, and inconsistent and "repressive" social standards.

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[1] Tom Wolfe, *The Electric Kool-Aid Acid Test* (New York: Farrar, Straus and Giroux, 1968), pp. 143-7, *passim.*

The underground press is a press of social protest on one level, and a press of community news and views on another. It is idealistic, like the community which spawned it, but is nevertheless suspect because it antagonizes (as does the hip community) the society it has rejected.

UNDERGROUND PRESS PRODUCTION

CATEGORIES

Two types of underground press are operative in Canada today, which, for purposes of this paper, will be described as legitimate underground and pseudo-underground.

The legitimate-underground press is composed of those newspapers which are written for and appeal to a community which is largely characterized by a common life-style, geographical proximity, and commitment. This group would include the *Georgia Straight* in Vancouver, *Octopus* in Ottawa, *Logos* in Montreal, and *Harbinger* in Toronto. While the audience of the legitimate underground press is not limited to this community, the newspapers reflect that community and are written primarily for it.

The pseudo-underground press is composed of those newspapers which have adopted the journalistic techniques of the legitimate underground press, much of the philosophy, but are directed to a community which has not adopted communal living and the total commitment to the hip way of life. These papers are most often produced by high school students, and sometimes by academics. This group would include *Sweeney* in Oakville, *Aquarius* in Saint Catharines, *Cabal* in Sudbury, *Youthquake* in Ottawa, *Both Sides Now* in Guelph, *This Paper Belongs to the People* in Kingston, and the lately defunct *Omphalos* in Winnipeg.

THE LEGITIMATE UNDERGROUND PRESS

The *Georgia Straight* was founded in the fall of 1967, and early issues of the newspaper have now become "collector's items," selling for $20 and more. It is published by Georgia Straight Publishing Co. Ltd., and printed by College Printers in Vancouver.

The photo-offset tabloid has a circulation of 10,000 to 15,000 and appears weekly on Fridays (tri-weekly from December to March). Highest circulation is directed to the hip communities in Vancouver, with secondary distribution in California, Toronto, and Montreal.

Edited by Dan McLeod (who holds a Bachelor of Science degree from the University of British Columbia), the content of the newspaper includes discussion of drugs, communal living, events, social issues within the context and reflecting the mores of the community. Staff members number about fifteen, but contributions in the form of poetry, photography, art, essays, and reviews are accepted. In addition to its regular content, the *Straight* has attempted to include a regular twelve page art supplement.

The newspaper is a member of the *Underground Press Syndicate* (U.P.S.) as well as being an associate of Liberation News Service (L.N.S.) thereby adding an international interpretation through material from these sources.

Since its inception, the *Straight* has been involved in a number of legal actions which will be outlined below in "The Underground Press and Canadian Law."

Logos, one of the largest underground newspapers in North America, is published in Montreal by Sagittarius Publishing Company, (a name which has been adopted for legal reasons; for the same reasons, Jean Untel is sometimes named as publisher). The offset tabloid appears monthly, and has made use of brilliant graphic techniques and colour in an attempt to project a mixed-media presentation through the use of print form. Circulation is 30,000 of which approximately 5,000 copies are directed to other Canadian cities and 5,000 to the United States, primarily New York.

Content is once again a reflection of the social concerns of the hip community, and editors point out that the newspaper validly reflects a community of approximately 2,000 people in the Montreal area. The newspaper started with a strong political base, evolved into a "street" or hip philosophy, and is now a synthesis of the writings and art-work of the eight-member editorial staff plus volunteer submissions from members of the community. All submissions are carefull scrutinized, with approximately 90 per cent rejected and 10 per cent accepted by the editorial staff.

Logos is financed by circulation sales ($.25 per copy in Montreal, $.35 elsewhere), borrowing and donations, advertising, and through the sale of graphics and promotional material to other papers and organizations. Like the *Georgia Straight, Logos* has faced legal actions, and, again, they are outlined below in "The Underground Press and Canadian Law." The editors emphasize their excellent working relations with the Montreal *Star*, and indicate with some surprise and amusement that *Logos* has become "the in-thing in middle-class homes–coffee-table literature in Westmount."

Logos is printed by Delpro Ltd. in Point Claire, and the lay out and use of colour has been described as a "visual declaration of freedom from tradition." Certainly, the newspaper is an experience in visual art as well as a verbal presentation of material. *Logos* is a member of U.P.S. and L.N.S., bur rarely makes use of material from either source.

Octopus is published monthly in Ottawa by Octopus Publishing Company, and its co-editors are Richard Cain and Stephen Harris. Circulation is 8,000 – the bulk of distribution centred in Ottawa, and a few hundred copies distributed in Toronto and Montreal. *Octopus* is one of the original members of U.P.S., and although the content of the newspaper reflects an affinity with the international hip community, it projects an individual character which is representative of the particular needs and character of the local Ottawa hip group.

Octopus is an action-oriented newspaper, and one of its most recent campaigns (within and without the newspaper) has been against the police pressures on marijuana and hashish users, which, the editors say, have forced the hip community to use available impure drugs, and "hard stuff" – opium, speed (amphetamines, methamphetamines), heroin, and barbiturates. The staffers of *Octopus* also participate frequently in a television show, "Up Against the Wall," with Allison Gordon and Veronica Davis, on CJOH-TV in Ottawa.

Other subjects treated by *Octopus* include support for the Drop-In Centre in Ottawa, an examination of bail procedures, distribution of community information, and pollution of natural resources.

Harbinger is published in Toronto by Harbinger Publications, and its co-editors are Hans Wetzel and David Bush. Originally a paper designed to present entertainment and highly political material, *Harbinger* has now become a paper which is "part of the community," and, as a result of the change, has begun to include more literary and feature material than earlier in its history.

Harbinger claims a circulation of 10,000, an increase from the May, 1968, circulation of 3,000 to 4,000. A special effort is being made by distribution teams to enter the high school market, and, certainly, the appeal of this newspaper is to an age group younger than that of the audience for *Georgia Straight* or *Logos.* Distribution is aimed at three distinct groups: tourists who visit "the street" (Yorkville, in Toronto); the hip or "head" community centred in the city; and young suburban students. *Harbinger* is self-described as a "drop-out" paper, dedicated to "establishing a cultural esthetic – emphasizing 'goodness,' and that it is acceptable to be happy." Staffers on the *Harbinger* feel that the Toronto *Star*, the *Globe and Mail*, and the *Telegram* are "radical" newspapers by comparison with the *Harbinger* – which itself tends to be apolitical and dissociated from "establishment social problems."

THE PSEUDO-UNDERGROUND PRESS

One newspaper definitely in the pseudo-underground category, and the most "academic" in the underground press, was *Omphalos. Omphalos* was published in Winnipeg until March, 1970, by two professors of English at the University of Manitoba, Len Anderson and Arthur Adamson. Its content was provincially oriented and served "to bridge the gap between what the media with vested interests judge as proper to report and what is actually happening." In describing its relation to the underground press, *Omphalos* stated:

> About the hippie influence on *Omphalos* we have no apologies. One of our aims has been to start a dialogue between the generations; besides, the young people are putting out the most exciting, honest, imaginative newspapers in the world today . . . and moreover, they are doing it on very small budgets. We would be mad if we didn't use their talent, wit and experience to help us.

Before financial difficulties forced closure, the circulation of *Omphalos* fluctuated between 3,000 and 5,000. Its final issue was a joint effort with *The Manitoban* (the University of Manitoba student union paper), 40,000 copies of which were printed and given away free.

Other newspapers in the pseudo-underground category include *Sweeney* and *Cabal*, for example; newspapers produced by adolescents in smaller urban areas. These newspapers use the journalistic techniques of the underground press, record much of the philosophy and are often supported by youth centres or youth groups in the community in which they originate. Their appeal is most often to the high-school student, and many of the concerns and "causes" presented are representative of the high-school generation.

A newspaper not heretofore mentioned, and which could be included in the legitimate underground-press category, is the *Tribal Village*, in Toronto, published by Brian Henderson and edited by Jack Weston. Although not accepted as an underground newspaper by other components of the legitimate underground press, the *Tribal Village* is a member of the U.P.S. Its orientation and purpose is "entertainment". As such, it reviews and provides entertainment of particular interest to the hip community, but not limited to it. Occasionally, articles examining the direction of the hip community are included, and the newspaper is probably the most financially successful in the underground press.

BUDGETS

Due to the facility of photo-offset production, and to its relatively low cost, an underground newspaper could be produced in any area of Canada with a budget of $200 to $250 per issue. Artwork, photography, and written material are donated by contributors, and the small membership fee in UPS ensures a budding underground newspaper of copy until that newspaper becomes established within the community.

Income is received through circulation, advertising, and, sometimes, through sale of graphic material and design work. Advertising revenue is usually meager, since advertisers are, for the most part, shops and industries which have a particular appeal to and find a market in the hip community – record and book shops, clothing outlets, craft shops, and entertainment outlets.

The production of underground newspapers is usually subsidized by the principals involved in the production – either through loans or gifts, with the ultimate goal of a profitable publishing venture. Printers will often be lenient with underground publishers, and several operate with a similar understanding to that with the *Octopus* – $100 down at commencement of publishing, with the remainder due when money becomes available through sales and advertising revenue.

CIRCULATION AND DISTRIBUTION

The circulation and distribution of underground newspapers is handled similarly by all underground press, through a two-tier system of vendors and store outlets.

The vendors of the underground press are people "from the street" who sell the newspapers on the street for a percentage of sales–usually about 40% of selling price. Vendors ordinarily do not participate in the production of the newspaper, and their relations are ordinarily with an agent who, again, receives a small percentage of sales revenue.

Regular staffers of underground press also seek out store outlets for sale of newspapers, and the stores which agree to carry the newspapers receive an identical percentage of sales revenue. The stores which carry the newspapers are ordinarily located in close proximity to "the street," or to university and college campuses.

In addition, through underground newspapers in other cities, newspapers are sold (at slightly higher prices) outside the local area. In those cases where this occurs, selling is ordinarily through the store outlets rather than on the street.

Several underground newspapers have had difficulty in maintaining street-sales due to local municipal by-laws, and this problem will be discussed below in "The Underground Press and Canadian Law."

TECHNIQUES AND CONTENT

The underground press has been a highly innovative form of journalism – a reaction against the accepted layout techniques, spacing and standardization of advertising copy, and formal presentations of the commercial daily and weekly newspaper press.

Adopting the principles of modern art and Dada to newspaper design, the underground press is characterized by the use of collage, visual underlays behind type, split fountain colour, full-page photographs and hand-drawings, and over-large or hand-lettered headlines. To eliminate the cost of typesetting, underground newspapers are usually type-written in columns, and the original typewritten copy is applied directly to a collage-type paste-up sheet for photographing and reproduction. Experiments in the use of paper have been undertaken by some underground newspapers – the most obvious being the example of *Logos,* which has conducted trials with different weights and finishes of paper with virtually each issue.

Advertising is presented in the underground press without reference to the unofficial "rules" which have been customary for advertising placement in established newspapers. Three or four advertisements, composed into an artistic ensemble, may fill one page of the newspaper. Advertising may be placed in the centre of feature material, in top right hand corner of a page – anywhere it fits and assists to complete an artistic page arrangement.

Underground newspapers have maintained a policy of noneditorializing – that is, there is no particular column or space devoted to the editorial opinions of the newspaper as an institution. Each piece of writing included in an underground newspaper is voluntary, and highly subjective, thus producing an impression of collective action and opinion. Underground newspapers do not "cover" events as do their commercial counterparts; if someone feels like producing an article or piece of artwork or photography centred around a particular event or issue, he produces it, reporting subjectively his views concerning the event or issue. Consequently, contributors to underground newspapers tend to be involved (on one level or another) in the issue or event which is "reported."

Reviews play a large part in the content of underground newspapers, since cultural activities are important to the life-style of the community. The cultural activities reported range from opera to rock-folk music, from health-food recipes to talking to animals. Topics are off-beat from the vantage point of the entertainment section of a daily or weekly newspaper, but represent an exploration of cultural and artistic experience on the part of the hip community.

Editors of underground newspapers have tacit agreements not to copyright material which appears in the papers, and much material is exchanged and reprinted in other underground press throughout North America. Again, the interests and pursuits of the local community are taken into account in featuring material from outside the local environment. Recently, the Canadian underground press and its

American counterpart have presented and exchanged much material on pollution of air, water, and land resources on the continent, and the hip community has become involved in anti-pollution campaigns.

The journalistic innovations and graphic experimentation initiated by the underground press have recently been copied in some "above-ground" publications. There is still, however, a suspicion of the underground journalism in the established press, a suspicion often engendered through misinformation about and misinterpretation of the underground which appear in the established press.

Comics, which are often low-keyed editorials, have recently discovered the underground and student revolutions, and because of their high readership, can be persuasive in convincing of the "evils" of these movements. For example, "Apartment 3-G," a comic strip drawn by Alex Kotzky and carried in several Canadian daily newspapers, including the Toronto *Star*, could be said to have contributed to the persuasion through misinformation. "Archie" and "Lil Abner," also syndicated in Canadian dailies, have on occasion, joined the anti-underground cause, and underground journalists interpret the fact that the mass media continue to publish these strips as evidence of opposition to the validity of the underground press.

One above-ground newspaper which does, however, have excellent relations with the underground press is the Montreal *Star* – a paper described by underground journalists as having "beautiful people" on its staff. The *Star* has assisted with legal advice on at least one occasion, and has given fair and accurate coverage to the activities of the underground press, according to editors of *Logos.*

Certainly, underground journalists feel that since the established press purports to tell the truth to its readers in order to help them reach their own conclusions, it should reflect more truth in its reportage of the hip community and its press.

UNDERGROUND PRESS ORGANIZATIONS

UNDERGROUND PRESS SYNDICATE (U.P.S.)

The Underground Press Syndicate is an organization linking some 200 North American underground newspapers. For a $25 membership fee, a new paper can join U.P.S. and receive copies of all other member newspapers on an exchange basis – from which they are allowed to reprint articles, artwork, and photographs at will.

Originally located in Phoenix, Arizona, U.P.S. now operates out of New York City – until such time as the administrator decides to relocate, when the organization will move with him.

U.P.S. held its first conference of underground press editors in Ann Arbor, Michigan in July, 1969, and Canadian underground newspapers were represented by the *Georgia Straight, Logos,* and *Harbinger. Octopus* staffers who attempted to travel to the conference by bus were turned away at the United States border and refused admittance to that country for carrying "anti-American literature" – copies of their newspaper.

In addition to the newspaper exchange service, U.P.S. maintains and distributes a "restricted list" of advertisers who have placed and withdrawn copy in underground newspapers, or of individuals who have intimidated or threatened underground journalists in some way. A recent addition to the "restricted list" is Columbia Records Ltd., formerly the largest single advertiser in the underground press, whose decision to cease advertising in this medium was a prelude to the collapse of some twenty underground newspapers in the United States. In Canada, *Logos* investigated in late summer of 1969, the possibility of launching a suit against this company for withdrawing a contracted commitment for advertising in the newspaper.

One column which is syndicated through U.P.S., and which appears in an estimated twenty-five underground newspapers in Canada and the United States in "Dear Dr. Hip Pocrates," a medical-advice column written frankly and with wit by Dr. Eugene Schoenfield, thirty-four, staff physician at the University of California in Berkeley. Dr. Schoenfield began his column in 1967 in the *Berkeley Barb* since the above-ground press seemed unwilling to allocate much of its resources to medical problems and questions peculiar to youth. "Whatever information is available should be utilized," he says. "There needn't be censorship of any medical problem." Dr. Hip offers straight medical advice in answer to queries, and treats his replies with a humour that makes the information appealing to youth. His advice ranges from sexual information to warnings of dangers inherent in the use of certain drugs to common adolescent problems such as blemishes and obesity.

The following Canadian newspapers are members or associates of U.P.S.: *Harbinger, Octopus, Georgia Straight, Logos, Tribal Village, The Chevron, the Ubyssey,* and, most recently, *Sweeney.*

LIBERATION NEWS SERVICE (L.N.S.)

Liberation News Service is an independent radical press service operating out of New York City, which supplies politically oriented graphics, news, and feature material to members, who pay subscription costs of $15 monthly or $180 annually. Copy deals substantially with radical political activities in the United States, and although *Harbinger, Logos,* and *Octopus* are members of the service, material from L.N.S. is used sparingly in these publications. L.N.S. copy, because it is carried in many U.P.S.-member papers, can be used by other U.P.S. papers occasionally without membership in the organization, and the *Georgia Straight* makes use of L.N.S. copy in this manner. Because L.N.S. copy and graphic material is mailed to subscribers, news is rarely of a fast-break nature and is used by Canadian underground press in feature reports that relate to the local community. As well, L.N.S. copy is used in reportage of major events involving youth – such as the demonstrations and police action at the Chicago Democratic National Convention in 1968. These events, although not directly related to the local community, are important and interesting to it, and L.N.S. material becomes the major news source for underground press for these events, and is supplemented by underground-press coverage from the community local to the event.

Much of L.N.S. material is highly political, and thus becomes less valuable for Canadian underground-press use. Where the local hip community becomes politically involved in connection with a social issue (an anti-pollution campaign, for example), relevant L.N.S. material becomes more useful to the local underground newspaper. Again, use of L.N.S. material relates directly to the activity and interests of the hip community for which the underground newspaper is produced.

UNDERGROUND PRESS AND THE CANADIAN LAW

Court decisions relating to the press have measurably increased since the birth of underground newspapers. The underground press and its supporters feel that the law has been used to force underground newspapers to cease publication. In some cases, the image of the city which local municipal leaders hold seems to influence the number of charges and actions brought against the local underground newspaper.

The *Georgia Straight* had its introduction to legal procedures after the publication of its third issue in the fall of 1967, when the Vancouver city license inspector suspended the newspaper's business license. Vancouver mayor Thomas Campbell had apparently ordered license inspector Milt Harrell to suspend the license on the grounds that the newspaper "was filthy and was being sold to children."[2]

On its first three issues, the *Straight* claimed a circulation of 50,000 to 60,000, and when publication resumed, circulation dropped to one-third of that. The *Straight* then brought suit against Mayor Campbell and inspector Harrell for damages of $17,500 resulting from the suspension of the license. The newspaper's suit also asked that the Supreme Court of British Columbia declare that the section of the city charter under which the licensing inspector acted was invalid.

Appearing for the *Straight* was Federal Justice Department representative Norman Mullins, who argued that the section of the City Charter concerned – created by the British Columbia legislature – was invalid since it attempted to encroach on the freedom of the press – which only the federal government has the power to regulate. Mr. Mullins added that it was his opinion that the newspaper was closed because of its content, and that the withdrawal of the business license was a deliberate attempt to silence the newspaper. The *Georgia Straight* won its case on December 15, 1967, but Justice Thomas A. Dohm did not award damages to the newspaper.

Less than a year later, the *Georgia Straight* was charged with publishing defamatory libel against city magistrate Lawrence Eckhardt in an article written by Robert Cummings in the July 26, 1968 edition of the newspaper. The article announced that Magistrate Eckhardt had been awarded the "Pontius Pilate Certificate of Justice," and the charge quoted the article:

> The citation reads: "To Eckhardt, Magistrate Lawrence – the Pontius Pilate Certificate of Justice – (unfairly maligned by critics, Pilate upheld the highest traditions of a judge by placing law and order above human considerations, and by helping to clear the streets of Jerusalem of degenerate non-conformists)."
> The citation reads: "To Lawrence Eckhardt, who by closing his mind to justice, his eyes to fairness, and his ears to equality, has encouraged the belief that the law is not only blind, but also deaf, dumb and stupid. Let history judge your actions – then appeal! "

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[2] Toronto Daily *Star*, December 15, 1967

The preliminary hearing began Wednesday, September 11, 1968, before Magistrate James Bartman of the British Columbia High Court. Prosecutor John Hall argued that the article was written and published with an intent to insult. Defense counsel John Laxton argued that this was not the case; that Magistrate Eckhardt had himself stated that he had been forced to apply an unjust and outdated law in a courthouse-fountain loitering case.

Magistrate Bartman found the *Georgia Straight,* editor Dan McLeod, and writer Cummings guilty as charged, and fined the principals a total of $1,500. Money to pay the fines was raised through a benefit performance in which poet Allen Ginsberg came to the aid of the *Straight.*

On the day of Magistrate Bartman's judgment, September 20, 1968, the *Georgia Straight* was charged with seven counts of publishing and distributing obscene material (two counts of publishing and distributing against the *Straight,* two counts of publishing and distributing against editor Dan McLeod, and three counts of making, publishing, and distributing against cartoonist Zipp Almasy). Two additional charges of publishing and distributing obscene material against editor-in-exile George Tarasoff were withdrawn. The charges stemmed from the publication of a cartoon strip called "Acidman" drawn by Almasy, which featured prominent world figures in the nude, and which was considered by the *Straight* to be satirical political commentary. The *Straight,* its editor and cartoonist were found guilty of the seven charges in British Columbia provincial court, and fined a total of $600. An attempt to appeal failed since the application for appeal was filed in the wrong court by the *Straight's* legal counsel.

Less than a year after this case, the *Georgia Straight* was again faced with charges against it – eighteen in all – all laid during the summer of 1969.

The first case, in which the *Georgia Straight,* editor Dan McLeod, and managing editor Robert Cummings were named, stemmed from the publication of an article entitled "Grow Your Seeds" on March 29, 1969. The article purported to describe the steps necessary to the successful cultivation of marijuana. The *Straight,* McLeod, and Cummings pleaded not guilty in provincial court to a charge laid by Miss Penelope Ann York of "counselling another person to commit an indictable offense, which was not committed." Dr. V.C. Brink, a professor at University of British Columbia's plant science department, testified that the article "was not a good set of instructions, but there were some points that would be helpful in growing marijuana to maturity." Defence counsel John Laxton said the charges were "a threat to the freedom of the press. Many newspapers give details of how crimes are committed. Is a newspaper guilty of counselling if it gives details of how those crimes were committed?"[3] On September 18, 1969, Provincial judge Bernard Isman found the *Georgia Straight* guilty and fined it $1,500; Dan McLeod was found guilty, fined $500, and placed on probation for three years; and charges against Cummings were dismissed.

On September 23, 1969, all charges of publishing obscene material against editor Dan McLeod, former managing editor Robert Cummings, and the *Georgia Straight* were dismissed. Similar charges were, however, laid on October 8, 1969, concerning an allegedly obscene "Dear Dr. Hip Pocrates" article. According to the *Straight's*

[3] *The Globe and Mail,* CP report, September 19, 1969.

counsel, charges have now been dropped. Other charges, dated October 16, 1969, and arising out of Ed. Sanders' article "The Great Pentagon Hunching Contest" (a satirical history of the "Yippies"), have not reached the courts to date.

Although editor McLeod has stated that he tries to rely on donations to assist with the cost of legal cases, the *Georgia Straight* raised its circulation price from \$.15 to \$.25 per copy. In addition, it is the policy of the paper to increase in size and quality following legal charges in order to assure its readership of a continuing and viable publication. Editor Dan McLeod feels that the charges against the newspaper have been open attempts at suppression of a free press, and that the trials have a political base – since city leaders and the premier of the province hold political views different from those of the *Georgia Straight.*

New Westminster, B. C., for example, passed a by-law in September, 1968, making it illegal to sell the *Straight* in the street. In fact, other newspapers were being similarly distributed without prosecution, according to a B. C. Civil Liberties Association spokesman. The Association, during the past two years, has assisted the *Straight* in challenging the ordinance in New Westminster (with the result that the paper is now sold without the previous harassment) and offered its protection against other forms of censorship.

Daily newspapers in Vancouver, while providing news coverage of the *Georgia Straight* trials, have neither supported nor objected to the *Straight* through editorial opinion. The *Straight* finds this surprising since it feels that when one area of the press is threatened through the application of law, all the press are threatened. The *Sun* and the *Province,* nonetheless, remain silent.

Logos, while not having faced as many legal battles as the *Straight,* has also had its initiation in the courts.

In June, 1968, eleven *Logos* vendors were charged and found guilty of selling the newspaper in the street, and each was fined \$40. Because the municipal by-law relates to magazines and pamphlets, *Logos* appealed the decision, and the higher court acquitted all vendors.

In October, 1968, *Logos* published a spoof on the Montreal *Gazette,* and headed the mock-*Gazette* with a story entitled "Mayor Shot by Dope-Crazed Hippie." Editor Paul Kirby and staff member Alvin Calder were then charged under section 166 of the Criminal Code with publishing false news. This section has been invoked twice since Confederation before this case – the first time, before the First World War, a case against an Alberta merchant resulted in a conviction; and the second, during the Second World War, a case in Quebec resulted in an acquittal. Sessions Judge Maurice Rousseau found Kirby guilty, but the conviction was quashed by the unanimous judgment of the Quebec Court of Appeal.

Logos also has one obscenity charge pending against it; a charge relating to the front cover of the newspaper which included a photograph in which pubic hair was shown. Trial dates have not yet been set for dealing with this charge.

Finally, *Logos* has been harassed by Montreal police in connection with infractions of a city by-law. Defense counsel Morris Fish has argued that the ordinance which forbids selling without a permit is not valid. The Superior Court has refused to reverse the convictions, and the matter is currently before the Quebec Court of Appeal.

In the fall of 1968, *Octopus* was also involved in a case in municipal court regarding the distribution of the newspaper, and vendors were found guilty of selling the newspaper on the Sparks Street Mall, prohibited by an Ottawa by-law. The Civil Liberties Association provided counsel for the *Octopus* vendors at that time, and continues to assist the newspaper by reading copy in advance of publication on request of the staff.

Until the fall of 1969, *Harbinger* had no charges against it, a situation which the editors attributed to the fact that Toronto as a city tended to be more cosmopolitan and less introspective than other cities in Canada. That autumn, however, the newspaper was charged with publishing obscene material, and the editors were fined a total of $1,500. The charges related to the publication of a Christmas issue on the cover of which was featured a pen-and-ink drawing of a woman giving birth to a child. The original complaints leading to the charge were made by a fundamentalist Protestant minister. Benefits were held to raise funds to pay the fines, and the editors remained in jail only overnight.

Editors of *Harbinger* also report that police have harassed vendors of the newspaper by ordering them to "keep moving" in Yorkville where the newspaper has major distribution, but that their relationships with the law and its officers have been fairly healthy in Toronto otherwise.

That standards of the application of the law vary across the country is evident from the charges made against underground newspapers. *Logos* reprinted the "Dear Dr. Hip Pocrates" article which the *Georgia Straight* was charged for publishing, and no charges were laid. *Harbinger* carried "The Great Pentagon Hunching Contest," and no charges were laid. Equally interesting is the fact that application of municipal by-laws tends to vary within each city. Until the *Logos* case, no attempts to stop sale of newspapers had been made in Montreal. In Vancouver and New Westminster, the Salvation Army's *War Cry* is distributed in the streets, and no action is taken; with the *Georgia Straight,* however, by-laws are invoked.

It is no paradox to assert that the underground and its press thrive on opposition from the establishment and its press. Real inequalities before the law in a nominal democracy are one of the major *raisons d'être* of the underground press, and so long as the establishment and its organs approve such inequalities, and at the same time hypocritically celebrate the egalitarian virtues of law in a democracy, the underground press will never be at a loss for copy and a reason for publishing it. It is not just a question of freedom of the press. What underground editors are asking is whether, given that mere geography seems to have a considerable effect on the formulation and application of laws, there can be such a thing as law – let alone such a thing as justice. Further, if special concessions are to be made to one section of society, or, more important, to its spokesmen – to the establishment and its above-ground press – why should similar concessions not be made to another section of society – the underground and its press? These are the questions being asked about principle and about consistency – questions ultimately about justice, and about people who don't ask questions.

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