

# Canadian News Services



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By  
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Volume 6  
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## Royal Commission on Newspapers

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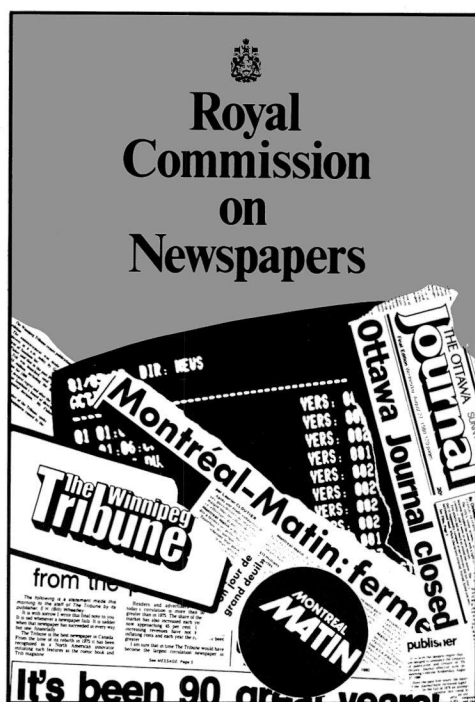
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**Mario Cardinal**  
**Peter Johansen**



**Research studies on  
newspaper industry**

**Volume 6**

### **Errata**

Page 27, line 5: 165 should read 16

Page 31, line 34: 60-day should read six-day



# **Canadian News Services**

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# Research publications of the Royal Commission on Newspapers

- Volume 1 *Newspapers and their Readers*, by the Communications Research Center, with an introductory chapter by Leonard Kubas.
- Volume 2 *The Journalists*, by Robert Fulford, Lysiane Gagnon, Florian Sauvageau, George Bain, Walter Stewart, Gérard LeBlanc, Dominique Clift, Tom Sloan, Pierre-Ivan Laroche, and Jean Cloutier.
- Volume 3 *Newspapers and the Law*, by Walter Tarnopolsky, Colin Wright, Gérard-A. Beaudoin, and Edith Cody-Rice.
- Volume 4 *The Newspaper as a Business*, by Eugene Hallman, P.F. Oliphant and R.C. White, and Communications Research Center.
- Volume 5 *Labor Relations in the Newspaper Industry*, by Gérard Hébert and associates.
- Volume 6 *Canadian News Services*, by Carman Cumming, Mario Cardinal, and Peter Johansen.
- Volume 7 *The Newspaper and Public Affairs*, by Frederick J. Fletcher, with contributions from David V.J. Bell, André Blais, Jean Crête, and William O. Gilsdorf.
- Volume 8 *Newspapers and Computers: An Industry in Transition*, by Peter Desbarats, with the research assistance of Morrison W. Hewitt, Michael Tyler, Jean-Paul Lafrance, Ian Brown, Robert Collison, Tom Paskal, Institute for Research on Public Policy, and Charles Dalfen.

*Note:* The numbering of the volumes reflects the order in which their subject matter is taken up in the Commission's Report.

## Introduction

Much of the information used in preparing Chapter 7 of the Commission's Report, published on August 18, 1981, was derived from this research study on Canada's news services. Space in this volume did not permit incorporating all the tables and appendices presented by the authors. That additional material is available in the Public Archives. Information contained in the tables carried here comes from the organizations described — for instance, CP and Southam.

The Commission's researchers, in addition to providing factual information, were encouraged to draw their own conclusions. These do not necessarily coincide with the conclusions of other researchers or with those of the Commission itself on the basis of all the evidence gathered in the course of its public hearings and supplementary inquiries.

The authors of this volume are respected journalists and educators. Carman Cumming, professor of journalism at Carleton University and who has been a visiting professor at the University of Western Ontario, spent 14 years with The Canadian Press, as an editor, United Nations correspondent, and parliamentary correspondent. He also served for several years as press analyst on the CBC program *Capital Report*.

Mario Cardinal, a staff producer in the public affairs department of Radio-Canada in Montréal, also is engaged in communications projects in Third World countries. He taught journalism at the Université de Montréal and the Université du Québec à Montréal, having previously served as editor-in-chief of *Le Magazine Maclean*, executive editor of *Le Soleil*, and executive editor of *Le Devoir*.

Peter Johansen also teaches journalism at Carleton University. He had been research associate at the School of Public Communications of Syracuse University and obtained his master's degree in communications at Stanford University. He was a reporter with the Ottawa *Citizen* prior to a parliamentary internship with the Canadian Political Science Association.

Tim Naumetz, researcher on the study, wrote Chapter 2 on the history of CP. A graduate student at Carleton, he is night editor at the Canadian Press bureau in Ottawa and has worked as a reporter for newspapers and the CBC in Western Canada.

The editor of this volume was Dick MacDonald, who was also co-ordinating editor of the series of research publications. Jean-Claude Labrecque was co-ordinator of editorial research projects. Tim Creery, director of research, was responsible to the Commission for supervision of the publication program.

# 1

## The national news system

The effect of newspaper concentration on an individual city is, at least on one level, clear and striking. When a newspaper is closed, citizens find they have lost one of the “voices” they were used to hearing. Businesses find they have lost an advertising vehicle, and politicians a platform. The effect of newspaper concentration on the national news system is much less obvious, but in the long run perhaps no less important.

The dual news system in Canada (French and English language) is dominated by The Canadian Press, which serves mainly newspapers but also extends strongly into broadcasting. The extent of CP’s importance is probably not widely understood, because the system is designed to disguise it. Radio and TV stations, especially, downplay their reliance on print and on CP in particular, and accentuate those elements that make their programming appear distinctive. Nevertheless, it is possible to some extent to speak of a “single” news system, based primarily on newspaper reports and controlled primarily by newspapers. Any study of the consequences of newspaper concentration must, therefore, consider the effect on the system as a whole.

The reasons for newspaper dominance have to do with history, technology, and economics.

The historical factor is simply that newspapers arrived before radio and television, and established a newspaper exchange of news that broadcasting came to depend on in its weak, early years. Once established, that dependency was encouraged by the evolution of radio and TV mainly as entertainment rather than information media. It would have required considerable motivation on the part of broadcasters to create a separate agency capable of matching the sophisticated mechanism by which newspapers exchanged news among themselves and traded their product for foreign information.

The technological factors supporting newspaper domination include the fairly obvious but important point that print is durable while broadcasting material is transient, or at least more difficult to recall. All news organs feed on each other, but it is easier for broadcasters to feed on print than for print newsmen to feed on broadcast-

ing. Broadcast editors and reporters, trying to keep in touch with the news, may monitor other radio and TV stations, but newspapers and newspaper-based wire copy are more important to them. Print material, once obtained, remains at hand, available for attention when the broadcaster is ready to give it. He does not need to tune in at a particular time, or to record or transcribe. Also, the newspaper and wire service capacity for information is much greater than that of any broadcasting station (except perhaps an all-news station) so the newspaper information is more detailed as well as more readily usable. Newspapers and wire services have traditionally seen their chief business as the provision of current information, while radio and TV have not. These factors generate their own momentum. Newsmen come to see the print media as purveyors of *original* material while radio and TV extend or recirculate information, in the form of current affairs discussions or follow-up interviews. So newsmen tend to turn to print media for information, and strengthen the pattern of dependence.

In sum, newsmen assume (and there is little to challenge the assumption) that newspapers dominate the system by which news is generated and processed and disseminated, even though, paradoxically, they no longer seem to be the news medium with the highest public impact. These factors operate both in the formal wire service system and in the information processes by which newsmen hear about news and make selections on what to follow up.

The economic factors leading to newspaper domination include the interlocking ownership of newspapers and broadcasting organs, which naturally militates against duplication of cost or encouragement of rival services. It is probably no accident that, in radio's early days, it was the publicly-owned CBC, rather than private radio stations, that made the first steps toward independent generation of news for broadcast (although this did not happen until 1941, as Frank Peers points out).<sup>1</sup> And again, it was the CBC, in the early 1970s, which explored (unsuccessfully) steps to reduce its dependence on newspaper information through establishment of its own news wire. The CBC, because of its public ownership, has traditionally shown distinctive patterns and needs.

There are, of course, factors that tend to work against both the integration of the news system and the print dominance. There is a competitive factor that makes individual news organs want to be distinctive, and ahead of rivals. The competitiveness, though, may be more appearance than reality. As noted above, broadcasters share print-based services, for sound financial reasons, but try to disguise the extent of reliance. Items from Broadcast News Ltd. and Press News Ltd. (the CP subsidiaries that serve private broadcasters and the CBC, respectively) are rarely identified by source. The two services are thus almost totally anonymous, and their anonymity is all the more striking in an industry where all other components do everything possible to attract attention.

In recent years broadcasting has become more competitive, especially in the West and in parts of Central Canada where there is a heavy overlap of signals. New services such as Standard Broadcast News and Newsradio have carved out markets for voice-report news, adding an element of variety and competition. And television news has become increasingly independent, because of both its earning power and the particular demands of the medium. The competitiveness in itself, though, does not necessarily lead to variety. As Anthony Westell has noted, competition in news

can lead to conformity, because of the need for individual organs to “match” what their competitors have.

For these reasons, it is probable that most consumers do not appreciate the extent to which a system that seems to have many competing voices is actually one voice. The media themselves do not give much attention to the pattern, for reasons easy to understand. Yet the nature of the agency has effects that go beyond its own system. It has often been said that the rise of news services led to a tradition of political neutrality in Western journalism, because those services had to serve newspapers in rival political camps. One of the authors of this report has argued previously<sup>2</sup> that The Canadian Press has a tendency to address and reinforce consensus (at least within the separate language groupings) because of its need to satisfy a multitude of clients. The same analysis speculated that the generation of news service technology just past, centred on the low-speed teletypesetter, tended to produce homogeneous news, to limit selection in the receiving news organ, and to accentuate the importance of news-distribution centres such as New York and Toronto. By the same reasoning, the new high-speed computer-based mechanisms would tend to increase variety and editing freedom, and decrease the importance of the news-distribution centres.

Those theories suggest there may be a tension between what news services do and what has been happening in other parts of journalism in the last couple of decades. There has been a great deal of comment, for instance, on the rise of adversarial or investigative journalism, a trend sometimes associated with the show-business demands of television, and sometimes with a reaction against an era when journalists were seen as slavish recorders of the facts that officials chose to make public. There has also been a good deal of fascination for personal journalism, defined and labelled in various ways, but having as its central characteristic a kind of backstage intensity, an obsession with defining *what actually happened* as opposed to what appears on the public record.

News services generally have not been a part of these trends, and this may account for some of the frustration of wire service reporters, expressed vigorously in briefs to the Commission. They see themselves as more limited by structures than are other journalists.

The traditional reply to reporters who want to write interpretative or “depth” stories is that wire services naturally demand a particular kind of product — fast, tight, and factual — and that anyone who doesn’t like it should go away and write books or magazine articles. It is tempting to wonder, though, whether the new delivery capacity now opening up, and the increasing diversity among organs served, present possibilities in the wire services for depth and individuality that have not yet been exploited.

## References

1. *The Politics of Canadian Broadcasting 1920-1951* (Toronto: University of Toronto Press, 1969).
2. Carman Cumming, “The Canadian Press: A Force for Consensus,” in G. Stuart Adam, ed., *Journalism Communication and the Law* (Scarborough: Prentice-Hall, 1976), pps. 86-103.

# 2

## CP: its history

The roots of The Canadian Press reach back to 1907 and the young Prairie city of Winnipeg. That year, as settlement of the West mushroomed, three Winnipeg daily newspapers began a fight that would eventually lead to establishment of the country's present national news agency. The dailies' opponent was Canadian Pacific Railway Ltd. Their battle centred on one of the critical economic factors of newspaper life at that time: telegraph press rates.

Canadian Pacific exercised a virtual monopoly to distribute and gather news for Western Canadian papers.<sup>1</sup> From 1894, it had held exclusive rights to transmit and sell in Canada a daily report from the largest American agency, The Associated Press. AP provided not only news of the United States, but also a comprehensive world report for Canadian readers. Within Canada, the transcontinental railway company paid correspondents to gather information in the regions for distribution and sale to newspapers in other areas. Other smaller railways carried and gathered news, but not to the same extent. For a time, the CPR itself apparently owned or controlled newspapers. The late Blair Fraser, for example, quoted John W. Dafoe as saying that the then Manitoba *Free Press* was under direct or indirect control of the railway when it was bought in the late 1890s by Sir Clifford Sifton.

In early autumn, 1907, the CPR told the three Winnipeg dailies (the *Tribune*, the *Free Press*, and the *Telegram*) they would in future be getting their AP report telegraphed from St. Paul, Minnesota. Until then, it had been carried from New York via Montréal, along with the railway's Canadian dispatches. Those short summaries of Canadian news would end and the papers would have to find their own sources to report events in Eastern Canada. Cost of the revised and reduced service was to jump by 100 per cent.

The three Winnipeg publishers responded to the Canadian Pacific change with the historic formation of their own co-operative agency, The Western Associated Press (WAP). From then until 1917, WAP would flourish, slowly gathering other Western publishers into the service. But the fight with the CPR had not ended.

The railway's telegraph lines continued to carry the country's news, but now WAP was a competitor in selling a service to Prairie newspapers. And WAP wanted



to continue using CPR wires for transmission of its report. Instead of relying on AP for foreign news, the Western co-operative used the services of United Press, Publishers' Press and, later, Hearst News Service. During this early stage of WAP history, no mention of the battle over CPR telegraph rates was found on the pages of the three Winnipeg dailies. When WAP was launched, the newspapers' editorial columns ignored the obvious commercial motives and emphasized the co-operative nature of the venture.

Canadian Pacific countered. The railway declared it would enforce a federal rule stipulating that lower press telegraph rates were allowed only for news delivered to individual papers. The special rate, therefore, would not apply for information telegraphed to WAP as a single receiving point for all three Winnipeg papers.

That meant another leap in rates for the three dailies. This time, however, the publishers took the issue to their editorial pages and accused the railway of trying to crush press freedom and control the flow of news. Other Western papers joined the dispute. Appeals to the federal railway commission did not prevent the railway from getting eventual increases in 1910, though they were not at the high levels it had wanted. At the same time, Canadian Pacific followed advice to relinquish control of distribution and sale of the AP report in Canada. The Canadian publishers were left with that responsibility and, in 1911, they formed Canadian Press Ltd. to take over the AP contract in Canada. A return exchange of news was part of the arrangement.

By this time, AP had about 800 member newspapers across the United States. It supported a vast contingent of reporters and editors abroad. The Canadian newspapers, numbering just more than 100, reaped the benefits of the AP network by supplying it with a Canadian news report and paying a total of about \$6,000 annually.

For the next six years, Canadian Press remained primarily a holding company to handle the AP contract. Three immense geographical expanses — from Atlantic Canada to Central Canada, Ontario to the Prairies, and Calgary to Vancouver — complicated profitable transmission of the full news report across the country. The larger central publishers were unwilling to pay extra for leased telegraph wires to bridge those gaps.

No editorial component had yet developed in the agency. WAP in the Prairies, Eastern Associated Press in the Maritimes, and the Ontario and Québec divisions of Canadian Press handled actual distribution of the AP report for their respective papers and also gathered Canadian news for the other regions.

Finally, in 1917, at the insistence of the WAP publishers, the federal Government of Sir Robert Borden was asked for an annual \$32,000 grant to subsidize a leased telegraph line between Ottawa and Winnipeg. Borden granted the request and threw in another \$18,000 to link Calgary with Vancouver and New Brunswick to Montréal. Canadian Press also received an annual \$8,000 subsidy for a cable service from Britain that until then had been going to Canadian Associated Press, a small Ontario service started in 1903 by John Ross Robertson of the *Toronto Evening Telegram* to provide an alternate source of news from Britain.

From that point, CP developed into the news service it is today. In historical literature written by the agency, that year — 1917 — is counted as its birthdate. An editorial staff was established in Toronto and bureaus opened across the country. The budget was about \$300,000 a year.

The subsidy arrangement worked, apparently without major complaints from either side, until 1923. In the spring of that year, during Commons debate over budget estimates for the coming fiscal year, Prime Minister Mackenzie King announced the grants would end. The split between the publishers and the Government had been approaching for more than a year.

Several events foretold the impending division. After the 1914-18 war, CP refused to send a correspondent to the European peace conferences, despite a letter from Ottawa asking for CP journalists to cover the historic moment from the Canadian viewpoint. The agency relied instead on dispatches from Dafoe, editor of the *Free Press*, who was an official Canadian Government observer at the conference.

Other, perhaps more significant, troubles popped up in 1923. CP refused membership to an Ottawa newspaper — a daily publication that was to be a Liberal party organ and which was sponsored by Mackenzie King himself. And earlier that year, the prime minister had dropped hints to a group of publishers that the CP subsidy might be reduced. In response, the publishers submitted a statement to the Government supporting the subsidy on the grounds that The Canadian Press served an essential role in building national unity.<sup>2</sup> A major part of that statement was penned by Dafoe: “I should say that no money ever expended for the purpose of furthering national interests has had such beneficial results.”

Also, that year CP wired news of a strike in Cape Breton, and the coverage offended James Murdock, minister of labor. He wrote to Fred Livesay, CP’s general manager, and complained: “Having in mind the fact that your organization receives from the Dominion Government a very substantial annual grant in aid of the undertakings, you will, I am sure, realize my right to lay the matter before you.”

In the Commons debate over estimates, CP was attacked by Liberal and Conservative MPs alike. Denials of membership to two new dailies in Edmonton and Windsor brought accusations that the agency was a monopoly. Other Liberal MPs said the country’s news was “prostituted” by the subsidy. Mackenzie King appealed for support in the estimates vote because CP had developed its budget for the next fiscal year with the subsidy taken into account. The prime minister, however, promised the grant would not appear again in Government estimates.

The move should have come as no surprise to Canadian publishers. Earlier, when rejection of the Liberal newspaper’s application for CP membership came up during debate on the new anti-combines law, a Liberal MP asked Mackenzie King if the agency could be considered a monopoly under the new legislation.

“I think there should be no more fatal combination so far as the public is concerned than that all of the news of the country should be controlled by a few men in such a way as to make it impossible for others to enter the field of news competition,” the prime minister replied. He added that under the proposed legislation such a question would have to be settled by an investigation after the required number of complaints were received.<sup>3</sup>

Canadian Press was not the only agency to become the centre of argument in Parliament at the time. From 1923 to 1933, the Canadian Government paid Reuters \$32,000 a year for what was called a British and overseas news service. The money was not a subsidy. It was, as came out in parliamentary debate, payment for service which Reuters supplied for the Canadian Government on special contract. In return

for the money, the European agency wired Canadian news abroad, news that centred mostly on trade and industry figures. The Reuters contract stipulated that the reports were to be over and above the agency's regular dispatches from Canada.<sup>4</sup>

When the payments first surfaced in the 1923 Commons debate over estimates, the only MP to speak against them, on the basis that government should not be involved financially with the press, was the CCF's J.S. Woodsworth. Later, in 1927, a Government minister defended the payments during debate and called the special service "the very best possible advertising for Canada".

In 1931, however, an Alberta MP warned that the Government "might look very carefully into the character of the news supplied and ascertain that the news thus subsidized — because it is subsidized — gives an absolutely impartial and accurate view of the country as a whole and does not reflect the departmental or governmental view of things as they would wish them to be".<sup>5</sup>

The Government paid Reuters for additional, smaller cable services to newspapers in South America and Japan and China from 1928 to 1936.

## **Domestic growth and broadcasting**

In 1938, 83 of the country's 97 daily newspapers were members of CP. The agency's budget had grown to more than \$500,000. Five years earlier, the co-operative had started to deliver a news summary to the Canadian Radio-Broadcasting Commission, which in 1936 was succeeded by the Canadian Broadcasting Corporation. The summaries were free. The publishers had insisted that news broadcasts not contain advertisements.

Initially, the publishers resisted selling wire services to private broadcasters. But by 1941, after it became obvious that the radio stations could simply scalp stories from the dailies for newscasts, the situation changed. That year, Press News Ltd. (PN) was formed as a subsidiary of CP to market wire services to both the CBC and private sector stations. By 1948, PN was serving 77 private stations as well as the publicly-owned network. In the same year, CP's wirephoto service was launched.

Consumer and corporate affairs department records show that in 1950 another CP subsidiary, Canadian Radio News Ltd., was created. In 1953, the name of that company was changed to Broadcast News Ltd. (BN), and it assumed responsibility for wire and audio service to private broadcasters in January, 1954. PN retained management of the CBC contract.

What competition there was in Canada for CP came from British United Press (BUP), formed in 1923. BUP head offices were in Montréal and the agency had a branch office in London. By 1938, the service had 85 correspondents, 24 of them in Canada. Subscribers to BUP also got the report of the United Press Associations of America (UP). In 1938, 15 dailies that were members of CP subscribed to the BUP-UP services.

Six of the major dailies taking BUP wire stories were *La Presse* and the *Star* in Montréal, the *Star* and *Evening Telegram* in Toronto, the *Winnipeg Free Press*, and the *Vancouver Daily Province*.

In 1940, BUP had fully-staffed bureaus in Halifax, Montréal, Ottawa, Toronto, Winnipeg, and Vancouver. The agency claimed about 100 regular part-time Canadian correspondents. BUP operations were integrated with those of UP International in 1958.

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2. Ibid., p. 172.
3. Canada. House of Commons Debates. (May 7, 1923, p. 2524).
4. Canada. National Archives. Industry and Commerce Dept. files (1923-36).
5. Canada. House of Commons Debates. (May 12, 1931, p. 1502).

# 3

## Wire services: structure and function

CP's function as a news exchange system was built on the premise that news collected by one paper could be passed on to others, without detracting from its value to the paper that originally collected it. That exchange dimension remains the unique strength of the organization, despite the expansion of staff-written copy and the increasing importance of sale of news to broadcast or commercial concerns. All newspaper members are obligated to supply news of their areas to CP, which selects, rewrites, and condenses the material, and then disseminates it to members and clients. This process is centralized to a considerable degree, with English-language news (including foreign material) brought into Toronto for processing, while French-language material is collected and filed from Montréal.

According to CP's figures, about three-fifths of its current domestic output comes from its own reporters. The agency has an editorial staff of 195, of which some 71 per cent (139) work in Toronto, Montréal, and Ottawa. Total editorial staff, including Broadcast News and Picture Service staff, is 297, of whom 218 are in the three main cities. There are also line bureaus, with staff ranging from one to 16, in St. John's, Halifax, Fredericton, Saint John, Québec City, Winnipeg, Victoria, Regina, Calgary, Edmonton, and Vancouver. Foreign bureaus of one or two people are maintained in New York, Washington, and London.

The volume of CP's file of copy — combining staff, member, and foreign material — is staggering. According to its own computerized word count, CP's daily total output approaches a quarter-million words, or about 300 full newspaper columns.

Our own research shows similarly impressive statistics. Over the course of a constructed week during the first quarter of 1981, CP's top-of-the-line service, Datafile, provided more than 4,000 separate items, which averages nearly 700 items during each day of a six-day publishing week. (Use of a constructed week sample has two advantages. It permits the study of a three-month period, January-March, 1981, thereby minimizing distortion that would inevitably occur from the specific news events of a single week. At the same time, it ensures that every weekday is represented, thereby controlling for the patterned peculiarities in the news file of particu-

lar days. In this study, the following dates were selected randomly: Sunday, Jan. 18; Monday, Feb. 2; Tuesday, Feb. 10; Wednesday, Feb. 11; Thursday, Jan. 8; Friday, Jan. 30; Saturday, March 7.)

Our constructed week sample, to which we shall return throughout the study, reflects the range of CP interests — from routine tabular material on NHL player standings and the value of the Canadian dollar, to in-depth stories summarizing the constitutional amendments and national energy policy. But it also reflects the backbone of the wire — straightforward accounts of skirmishes in Zimbabwe, deadlock in the BC Tel strike, fire at the Las Vegas Hilton, attacks on farm marketing policy, a tough statement on Moscow by the external affairs minister, and rising sales figures of imported cars. (The subject coding categories used in our analysis of the CP Datafile are described in Appendix II.)

## **Delivery systems**

CP's system for transmitting copy is in a state of transition. For about two decades up until the mid-1970s, the English-language system was based largely on three low-speed teletypesetter circuits (East, West, Ontario) filed from Toronto. In addition, major papers in Central Canada were served by a regular teletype service called the Central Circuit. Teletypesetter, as opposed to teletype, delivers copy in "justified" or column-width lines, and permits the receiving paper to set type automatically. Because of its relatively low initial capacity (about 53 words per minute), teletypesetter (TTS) systems demanded a high degree of selectivity on the part of CP editors. They also tended to discourage copy changes in the receiving paper, since changes wiped out the benefit of automatic typesetting. In general, then, the teletypesetter era tended to produce a limited and homogenized report, not fully exploiting the range of material available to the agency. As one CP executive commented, teletypesetter was like linking a garden hose to a fire hydrant.

The major change, now well advanced, is toward delivery of material at data-speed from agency computer to newspaper computers. The system retains the benefit of automatic typesetting while providing an immensely increased supply (at 1,200 words per minute) and consequently tends to move news decision-making down the line, from the agency to the newspaper. CP introduced what it calls its Datafile system in the mid-1970s and by the end of 1980 it was taken (at an extra charge) by 28 of the larger CP members. East and West teletypesetter wires continued on a 24-hour basis to some members, but most smaller papers received a more condensed "package" wire. (This description simplifies the structure considerably. There are regional inputs on some circuits, a few papers continue to receive the Central Circuit by teletype rather than Datafile, and some papers receive more than one service.)

While papers not subscribing to Datafile get a much more limited supply of news, the speed and flexibility of TTS circuits is improving. The column width of the material now can be programmed by the receiving paper, and wordage capacity is increasing. It had reached 66 wpm by 1981 and was expected to go to 100 wpm by the end of the year, although this change would require added computer capacity at CP. French-service TTS is already delivered at 300 wpm.

The range of service provided by these circuits is indicated by the total columns delivered in each period. While papers receiving Datafile get 300 columns per day, those on the 24-hour TTS circuits get 70 to 80 columns, and those on the package

wires get 55 columns. Papers pay an extra service fee for the Datafile, ranging from \$800 to \$1,760 monthly. The fee was initially calculated to cover costs if 10 papers took the service. Now that 28 members are taking it, excess income is transferred to general revenues.

The Ontario package wire operates from 9:30 p.m. to 2 p.m., the East package wire from 10:30 p.m. to 12:30 p.m., and the West wire from 10:30 p.m. to 3:30 p.m., all EST. In each case, the package services start with condensed supply of accumulated news organized according to category (finance, political, etc.). The whole system centres on a highly complex computerized routing of domestic and foreign news at Toronto head office.

The overall effect of the technological transition has been significant. Datafile subscribers now receive virtually the whole CP report, and therefore select from a much wider range of copy, while the smaller papers receiving TTS service continue to depend on CP Toronto's editorial decision-making.

## **Assessment formula**

CP's members pay for their service according to a complex and often controversial formula based on circulation. The calculation is based on weekly circulation (to take account of papers that publish five or seven days a week instead of the usual six) and the cost per thousand decreases as circulation goes higher.

It is a curious system, since it can be seen as sale of a product at various prices, depending on the client's size. CP officials see this as the essence of the co-operative nature of the organization, with the stronger members helping the weaker ones, but it can also in part be seen as an exercise in practical politics.

Several factors come into play in determining CP payments. First, there are two clear levels, basic assessment and "extra service". The latter is charged for such services as the Datafile report and stock market quotations. Also, newspapers in competitive situations pay less, because they are assessed on the basis of total circulation for all newspapers in the city, with 60 per cent of the overall cost shared equally and 40 per cent divided on the basis of individual circulation. (The assessments of individual newspaper members of CP for 1980 and 1981 are shown in Appendix I.)

The complexity of the formula is shown by the wording of the relevant CP bylaw, Article IX, Section 4:

- (a) The total assessment will be divided among member cities on basis of average weekly circulation in accord with a formula under which cost will increase uniformly in six circulation categories.

The formula will be expressed in a table of cost units, increasing from 10,000 units at weekly circulation 12,500 to 48,000 units at circulation 120,000; to 95,000 units at circulation 300,000; to 205,000 units at circulation 880,000; to 300,000 units at circulation 1,500,000; to 640,000 at circulation 4,500,000; and to 680,000 units at circulation 5,500,000.

The value of the unit for each assessment year shall be determined by the Executive Committee, subject to confirmation by the board of directors and the annual meeting.



- (b) In a city in which more than one member newspaper is published, 60 per cent of the city's assessment shall be borne equally by the papers and the remainder shall be divided among them in the ratio of their circulation. . . .

The 60-40 split has led to complaints that CP makes it difficult for a new paper to get into a market. General manager Donald Hunt of the Toronto *Sun* commented that part of the cost of CP to a new paper in effect goes to the existing paper or papers in the city. It was for this reason that the new Winnipeg *Sun* — no relation to the Toronto *Sun* — went to UPC when it started on a tri-weekly basis in 1980. If UPC had not existed, Hunt said, it would have had to pay CP rates. (The CP bylaws stipulate, however, that no paper in a competitive city will pay more than it would pay in a single-paper city.)

Tom Denton, publisher of the Winnipeg *Sun*, said CP services would have cost \$85,000 a year. The *Sun* got UPC for \$45,000, including pictures. Asked whether the CP price was a block in starting a newspaper, he said: "It was certainly an awfully big nut, and the price was certainly a factor." But he added that he did not get the impression CP was reluctant to take the *Sun* on as a client, and that he preferred UPC because of the different style and choice of stories. "With the *Trib* and the *Free Press*, the headlines were different but the stories were almost always the same."

Until 1970, CP levied what was in effect an entrance fee. A new member's fee in the first year was 25 per cent above the normal rate, and it dropped by five per cent in each of the first five years.

As can be surmised, the process of adjusting the assessment formula is one of the most difficult tasks of CP officers, since papers of varying size complain regularly that their share is too high. Walter Blackburn, publisher of the London *Free Press*, and 1981 chairman of the CP assessment committee, said that at one point in the late 1970s the Toronto *Star*, as the largest CP member, reacted to one assessment increase by arguing that it would be better off to do without CP and spend the money enhancing its own service. The committee achieved a compromise: instead of drawing a "straight line" increase based on circulation, it in effect set a maximum for the *Star* and then adjusted the increase line between smallest and biggest, with reduction factors built in as circulation reached certain levels.

The actual range of assessments is shown by the 1981 basic assessments levied on the largest and smallest members. The Toronto *Star*, with weekly circulation of more than 3.5 million, contributes \$545,813, while the Thompson (Manitoba) *Citizen*, with weekly circulation of 15,000, contributes \$13,341.

It is obvious that newspapers so different in size will have different news needs, and that this will be a constant problem for the agency. To help alleviate it, Blackburn has suggested that CP consider a two-tier structure with differing levels of service for smaller and larger papers. He observes that, to a degree, this already is in effect through the extra charges applied to such services as the high-speed Datafile service. He said he had proposed such an approach at one point both to the CP assessment committee and to the board of directors, but that it "didn't fly".

When the Québec referendum issue developed in 1980, he said, the larger papers felt CP needed to beef up its coverage. Some papers, especially the smaller ones, felt it would be an unnecessary expense. Blackburn proposed that three extra reporters be assigned to Québec, with their work "packaged" and filed as an extra



service. The weakness of the plan, he said, lay in the difficulty of sorting out what would be produced by the three from what would be drawn from the general CP service. Some critics also felt it would give CP members an opportunity to opt out of an important area of coverage. However, Blackburn said he still thinks there is an opportunity for CP to move in this direction, possibly in the area of foreign coverage.

## Effect of closings

The closing of several major newspapers in 1979 and 1980 affected CP in two ways: through loss of assessment and through loss of news supply. The former was ameliorated significantly, both by increased assessments from the remaining papers and by increased income from subsidiary operations, especially from broadcasting. The latter was offset to a degree by increased news contributions from broadcasters and by a shift in emphasis within CP away from dependence on member copy and toward more staff-written material. There are, however, strong complaints from CP staffers about austerity pressures, reflected in under-staffing and poor equipment.

The 1980 closings, on the heels of the death of the *Montréal Star* in 1979 and *Montréal-Matin* in 1978, dealt severe blows to CP's income prospects. The death of the *Ottawa Journal*, the *Winnipeg Tribune*, and the FP News Service, together with the withdrawal of the *Calgary Sun* (previously *Albertan*), reduced projected 1981 revenue by more than \$600,000, even without including a 1981 assessment increase. These projected losses were partially offset by gains resulting largely from higher assessments to the remaining papers in the Ottawa and Winnipeg markets. The projected net loss in 1981 from the closings amounted to some \$410,000 — again, before any increase in assessment rate is calculated. Assessments to both the *Winnipeg Free Press* and the *Ottawa Citizen*, left alone in their market areas, went up sharply. In the case of the *Free Press*, the projected increase of \$103,010 was some \$20,000 higher than it could have been because the *Free Press* voluntarily provided up-to-date circulation figures, rather than waiting for official figures from the Audit Bureau of Circulations. The *Ottawa Citizen's* assessment rose sharply because it began to publish before 9 a.m., in effect opening a morning paper. The *Free Press* also waived a bylaw provision restricting assessment increases when a competitor folds. Keith Kincaid, general manager of CP, said these actions by the two papers improved the 1981 outlook substantially.

In further attempts to offset the losses, the CP board in the fall of 1980 imposed a two per cent special assessment to help defray losses in the remaining part of 1980. Management also reported to the fall meeting of the board that an assessment increase of 16 per cent would be needed in 1981. This later was reduced slightly. The executive committee in December, 1980, proposed an increase of 13.5 per cent in assessments and all extra services, plus 1.5 per cent, on assessments only, for capital contingencies. The latter is to be applied principally to a three-year program, starting in 1981, to replace computer equipment installed in the early 1970s and now considered outdated.

Then CP President Martin Goodman reported in December, 1980, that the cumulative effect of these actions would permit CP to break even in 1981 without deterioration of service. But he said the break-even operation depended on a growth of 16.7 per cent in BN contributions to news-gathering costs, and an increase of 28 per cent in revenues from the commercial activities of Press News. Goodman said

the executive committee felt both of these targets were reasonable, but instructed the management to "proceed cautiously" until the new revenue from the subsidiaries was assured. CP subsequently hired a marketing manager charged with developing new commercial activities, such as its Canapress business wire and a private photo service.

Any short-term financial losses to CP will be cushioned by a growth in its income that has outpaced inflation in recent years. Between 1974 and 1980, for instance, the Consumer Price Index increased by 68 per cent. CP's total budget jumped by 117 per cent. The major contributor, of course, was Broadcast News, whose fee increases and larger client lists meant a growth in revenue of 176 per cent. However, even newspaper revenues — both basic assessments and extra services — remained ahead of inflation (see Tables 1 and 2). And the 1981 budget is 11 per cent more than it was in 1980, indicating that despite the newspaper closings CP is keeping pace with the CPI.

**Table 1**  
*Canadian Press budget revenues 1974-1981*

	1981	1980	1977	1974
Assessments	\$8,888,000	\$8,112,771	\$6,289,723	\$4,284,072
Other Services	2,989,100	2,612,536	2,222,121	1,306,046
Broadcast News, gross	7,233,500	6,517,935	4,132,350	2,360,655
Press News, gross	2,084,100	1,635,542	1,379,379	797,005
Pictures	1,483,600	1,365,075	992,416	708,455
	<b>\$22,678,300</b>	<b>\$20,243,859</b>	<b>\$15,015,989</b>	<b>\$9,456,233</b>

**Table 2**  
*Percentage growth of CP budget, 1974-1980*

Item	1974	1980	Growth rate
Assessments	\$4,284,072	\$8,077,400	88.65%
Other services	1,306,046	2,753,300	110.82
Broadcast News, gross	2,360,655	6,515,500	176.01
Press News, gross	797,005	1,627,400	104.2
Pictures, cost	741,628	1,599,300	115.7
	<b>\$9,489,406</b>	<b>\$20,572,900</b>	<b>116.8%</b>

One presumed effect of newspaper closings is that CP receives a smaller range of local copy, and loses the benefit of being able to cross-check accounts from two sources. CP staffers report these effects have been felt in Montréal, Ottawa, and Winnipeg, after the deaths of papers there, but precise measurement of the loss is difficult. No figures are available on the Montréal or Ottawa situations. In the case of Winnipeg, the Commission was told by a CP official that the Winnipeg bureau

estimated the news flow from the *Free Press* was about 30 per cent less than what had come from the *Free Press* and *Tribune* together. Later usage statistics from CP Winnipeg indicate the loss may be somewhat less. In the six months after the *Tribune* died in August, 1980, CP carried an average of 199 items a month from the *Free Press*. That was 12 per cent less than the figure of 223 items a month from the two papers in the comparable period a year earlier. It was also lower by about the same margin from the six months immediately preceding the *Tribune*'s death. The Winnipeg bureau has also rejected fewer *Free Press* stories since the summer of 1980. Between May (when records were first kept) and August, when the *Tribune* died, the bureau used about two stories for every one rejected. From September on, the ratio was about three to one.

## Broadcast News

Just as The Canadian Press is of great importance to newspapers, its subsidiary, Broadcast News Limited (BN), is the principal provider of news and information services to both English and French-language private broadcasters.

In sharp contrast to such competitors as Standard Broadcast News and Newsradio, BN is a non-exclusive service: more than one station in a given market area can subscribe. Thus, in Vancouver, for example, there are nine radio stations that carry BN material. Stations in surrounding communities, such as New Westminster and Langley, also are BN clients whose signals can be picked up in Vancouver. This is reflected in BN's commanding position in terms of radio and TV clients — 449, compared to the 58 stations affiliated with Standard or the 55 in the Newsradio fold.

But BN faces a somewhat uncertain future. Its general manager, Bob Trimbee, points in a memo to subscribers to "rapid changes and regulatory uncertainties", and also writes that "the quiet success and the strength of BN today can leave it vulnerable in the years ahead".

BN gathers news from a variety of sources, and distributes it in several forms. First, there is a printer service, sold to 383 radio and 66 television stations. Second, BN provides an audio service for 154 radio subscribers, 12 of which are French-language. This service provides individual news and feature items, hourly five-minute newscasts, and live spot coverage of such news events as federal budgets and elections. Third, since 1974 there has been a service for broadcast on cable systems which tailors the full BN wire for that format; this has attracted 116 subscribers. Fifty-four broadcast outlets, all in larger centres, have a CP teleprinter as well. (All figures are as of September, 1980.)

CP's association with radio and television began in the 1920s and 1930s, when a number of radio stations subscribed to its newspaper wires. In the early 1940s, many broadcasters — especially the Canadian Broadcasting Corporation — called for a service more specially attuned to their needs, and a separate printer service was established under Press News Limited, a subsidiary created for that purpose because CP was a newspaper co-operative and the entry of broadcasters would create tax problems. However, the material was rewritten from the CP wire by CP personnel, and, in the early 1950s, CP responded to escalating demands for a separate service staffed by its own personnel. Broadcast News Ltd. was created as an associated company of CP, and it took over and expanded the Press News wire. (Press News continued to serve the CBC.) In 1956, an audio service was introduced. At first, this

consisted merely of an exchange of station tape recordings, but by 1960 BN provided a direct line through which subscribers could transcribe tapes.

BN's annual budget is about \$6.5 million. Of that, close to 25 per cent is accounted for by its hardware needs: \$1.25 million is spent annually on facilities and services leased from CNCP Telecommunications, and another \$350,000 is spent on maintenance of BN's own internal communications equipment. The company has 85 full-time editorial personnel and 12 management personnel. Technical and accounting personnel are shared with CP.

To raise its income, BN charges each station according to formulas based on that client's highest advertising rate. In 1981, for example, a radio station charging \$60 for its most expensive minute could expect to pay \$395 weekly for the BN print wire, and an additional \$272 weekly for the audio service. But a station with a maximum advertising fee of \$30 would pay \$231 and \$164 respectively. Charges levied on a cable system are calculated according to the number of subscribers it has hooked up.

This fee structure, which came into effect in 1981, is designed to reduce that percentage of BN income based on clients' market success, and to increase the percentage equally shared by all subscribers. In the long run, BN hopes that each of the services — radio, television, audio, and cable — will pay for its own direct costs and a proportionate share of overall indirect costs. One result of this new approach is that FM stations, which until 1981 had been charged less than AM stations, now will be assessed by the same formula as AM counterparts. (They will, however, receive a temporary fee abatement for the next five years "because of uneven market success of some FM operations"; it is thought that by the end of the five-year period, FM stations will not need special assistance.) Another result of the equalization principle is that some two dozen stations and cable systems in remote regions will no longer be assessed for the extra costs incurred in linking them to printer circuits.

As suggested, though, BN has a schedule of fee abatements to meet special situations. Some of these are designed to compensate for a station's particular market circumstances. Thus, there are discounts for non-commercial stations (a reduction of 25 per cent of base price), for AM-FM affiliates in the same city (five per cent), and for stations broadcasting only from dawn to dusk (25 per cent). Other discounts, however, are designed to encourage greater use of a commitment to BN. Subscribers taking both audio and printer services get a rebate of 25 per cent on the printer costs. Those taking out a five-year contract save five per cent, with an additional five per cent for new subscribers during the inaugural year of the five-year contract. There have been complaints that this has had the effect of hurting competitive services, especially United Press Canada, which hopes to establish its own voice service. Another innovation of the BN fee schedule is that, for the first time in 1981, networks will be charged a fee. Until 1981, they had not paid for use of BN news if all network stations were individual BN subscribers.

Though owned by the newspapers, Broadcast News is structured so broadcasters have a voice in its operations. A 12-person board of directors is divided equally between broadcasters and publishers. The former are elected by regional broadcasting associations; the latter are appointed by the CP board. However, operational control resides with Kincaid, CP's general manager, and share and voting control rests with the newspaper members of the BN board.

From time to time, the broadcasters have considered establishing their own service, separate from the newspaper-owned BN. But one reason such initiatives have not come to fruition is that broadcasters could not replicate the breadth and depth of service they now obtain without multiplying their news costs. Moreover, broadcasters put varying priorities on news, and there are also conflicting needs from the various segments of the industry.

For their part, the newspapers also benefit from links with broadcasting. BN contributes significantly to those overall expenditures of Canadian Press beyond BN's direct costs, and in 1979 this amounted to \$1.4 million. When most newspaper city rooms are virtually empty on weekends, broadcasters also provide coverage of local events — mainly traffic fatalities, fires, and the like, it is true — that contribute to the CP news budget.

## **United Press Canada**

In contrast to CP's structure as a co-operative, United Press Canada is a private company selling its service to clients on a contractual basis. Descended from British United Press, UPC absorbed and expanded the operations of United Press International of Canada Ltd. in January, 1979. UPI's parent organization continues to hold an interest in UPC, but 80 per cent of the firm is owned by the Toronto Sun Publishing Co.

According to UPC's general manager, Patrick Harden, discussions on expanding UPI's Canadian operation stretch back to the days of the Toronto *Telegram*. About 1975, the Sterling newspaper chain joined the talks. Sterling president David Radler said they did so after both the *Sun* and Sterling executives became disenchanted with CP when their candidates both lost a CP election. The original ownership plan that evolved provided for 20 per cent shares to be owned by Sterling and UPI, with a further 20 per cent held in escrow for another possible partner. But no other partner was found, and Sterling pulled out.

The reasons for Sterling's reversal are unclear. According to Donald Hunt, general manager of the Toronto *Sun*, only one of the Sterling partners, Conrad Black, made the initial commitment, but the other UPC partners assumed he spoke for his company. But, Hunt said, a dispute arose among the Sterling partners — Conrad and Monty Black, Radler, and Peter A. White — about the worth of UPC. Radler, on the other hand, denied that only his partner participated in the early negotiations. He said that it was agreed Sterling would run a four-month trial before committing itself to UPC. Three British Columbia newspapers were selected — in Port Alberni, Nelson, and Dawson Creek. A wire also was installed in Sterling's Toronto office so that UPC copy could be monitored. Although UPC provided national and international sports and world news, the Sterling publishers decided it could not supply sufficient provincial news with its three Vancouver staffers. Radler said he would have had to open a Victoria bureau for the Sterling group, and that the savings gleaned from switching to UPC would not cover the bureau's cost. In any event, ownership now is divided on an 80-20 basis between the *Sun* papers and UPI.

UPC provides three basic editorial wires and a telephoto network. A national wire carries its staff coverage of national and regional news (about 30,000 words daily) and international copy from UPI (about 50,000 words). There is also a sports wire. Both wires are offered in two forms — as a 1,200-word-per-minute computer

feed, or on conventional teleprinters. The third wire is a British Columbia regional package, designed for smaller markets. Together, Harden said, the wires carry about 240,000 words daily. In addition to the three basic wires, UPC also distributes a Spanish-language wire, two UPI broadcast wires, the UPI financial wire, and a cable television news wire.

UPC does this with a full staff of 38, of whom 24 are writers and editors, and eight are photographers. (In July, 1980, before UPC lost several subscribers as a result of the events of August, 1980, it had two fewer writer/editors, one more photographer.) With headquarters in Toronto, its bureaus are in Vancouver, Calgary, Edmonton, Winnipeg, Ottawa, Montréal, and Québec City. It also uses stringers. An interesting example of its coverage techniques with so small a staff was Prime Minister Trudeau's 1980 fall trip abroad, when UPC arranged with Newsradio to have Jim Maclean of the broadcasting service's Ottawa bureau file to UPC as well.

One implication of UPC's private ownership is that domestic stories must be staffed: the agency cannot rely on local contributions from clients to supplement its staff report. In fact, CP bylaws expressly forbid members from furnishing copy "to any news agency or broadcasting operation in Canada which is not entitled to receive Canadian Press news through a contractual relationship". UPC's acknowledged edge in photo services led some photographers at CP papers to offer their pictures to the private agency. But in 1979, CP's picture service plan was tightened to permit sale of photos only to agencies with which CP has contractual obligations. Harden said this was a "quiet and deliberate attempt to block any access of pictures to us".

UPC's annual budget is about \$2.3 million, and in 1981 it was running a deficit of about \$300,000. Leasing wires costs about \$600,000, and 70 per cent of the budget is spent on salaries and communications costs. UPC serves about 25 print subscribers, including not only daily and community newspapers but other publications, such as *Maclean's*. In broadcasting, UPC has between 45 and 50 clients, including the CBC and the CKO news network. There are a dozen other clients, such as schools and embassies. It should be noted that some clients do not take UPC's full package. The *Globe and Mail*, for example, subscribes to the sports and photo wires, but not to the news wire. There is a basic rate structure, Harden said, but costs to individual subscribers are individually negotiated. Some of its clients, such as Winnipeg *Sun* publisher Tom Denton, have suggested UPC prices are low because it is trying to develop clients in Canada. Even so, as a second agency, the death of newspapers and reduction in competition have hurt it substantially, a point detailed in Chapter 5.

# 4

## CP: group influence

One of the main aims of our study was to explore whether the newspaper groups, especially Thomson with 41 memberships (for 40 papers) and Southam with 16 (for 14 papers), have inordinate influence on CP, and through it on the national news system. Our findings indicate that CP's control structure does indeed reflect group interests, but we have little evidence that individual groups have dominated in particular decisions. The charge sometimes heard, especially from CP staffers, that "Thomson controls the board", is not borne out by our findings.

### **The structure**

CP's management is supervised by a six-person executive committee which meets four times a year and reports to a 19-person board of directors which meets twice a year. The board in turn reports to an annual meeting of members — the individuals who represent the papers making up CP. Several executives familiar with this structure agree that the executive committee is the most critical level of decision-making, and that proposals by the executive are rarely turned back by the directors and the annual meeting.

This executive committee is dominated by the groups. In the 1973-1980 period, the Toronto *Star* was the only independent represented on the committee. (However, Martin Goodman, president of the *Star* and president of CP in the 1979-81 period, is considered to have been extremely influential, partly because CP's general manager, Kincaid, was appointed only in 1978.) CP executives say independent papers have normally had representation on the board disproportionate to their numbers, and statistics partly bear this out. The number of independents on the board increased from only two of 19 in 1973-1974, to seven of 19 in 1980-81. Twenty-seven of the 110 CP members are classed as independents. (There are 106 separate newspapers belonging to the CP co-operative. Four have dual voting privileges because they publish both morning and evening editions.)

Traditionally, new directors have been nominated after informal soundings designed to ensure representation from the various constituents of CP, including the groups, the independents, and the French-language papers. Regional balance is also



ensured. A new system, applied for the first time in the spring of 1981, formalizes this procedure by empowering an advisory committee to name a slate of candidates. Significantly, the makeup of this six-member committee represents key power groups in the organization. The six are Gordon Fisher, president of Southam Inc.; Margaret Hamilton, president, Thomson Newspapers Limited; Martin Goodman, president of the Toronto *Star*, and formerly of CP; Ralph Costello, publisher of the Saint John *Telegraph-Journal* and the *Evening Times-Globe* (Irving); Clark Davey, publisher of the Vancouver *Sun* (Southam); and Walter Blackburn, publisher of the London *Free Press* (independent).

This slate certainly reflects the real power blocs in CP, but CP and newspaper executives suggest it is a necessary process to ensure executive decisions receive general support. One publisher observed that there was no point in being "surprised" by negative votes at the annual general meeting.

One member of the CP executive committee argued, in fact, that there may be a danger of under-representation by Thomson over the next few years, in view of the retirement of St. Clair McCabe as president and the indications by his successor, Margaret Hamilton, that she plans to take an active part in The Associated Press and the American Newspaper Publishers Association. He said both McCabe and Hamilton have played strong roles in CP in the past, and that there will be a need for another high-profile Thomson executive to fill the void. (Hamilton, who had been expected to become president of CP, stepped out after serving one year as vice-president in 1979-1980.)

Another veteran CP member, Blackburn of the London *Free Press*, said both Thomson and Southam have "very substantial influence" on CP decision-making, with Thomson people generally concerned about expenditures and Southam more interested in a better CP service. However, he added that this difference is not surprising in view of the kind of papers Thomson owned, at least until the FP takeover in early 1980. Nor was the influence of the groups surprising; it would be the same in any business with major shareholders who had to pay the bulk of the costs.

Blackburn blamed a bloc Thomson vote for his own defeat in one CP election, although he added that it appeared to be an accident, and that even the Thomson people were upset over the incident. The defeat occurred at a time in the 1960s when Blackburn was second vice-president and "in training" to become president. He had to stand for re-election to the board and was opposed by a Thomson executive running from the same Ontario region. Blackburn lost, but said he did not think the defeat was caused by a "voting arrangement".

He said the incident may have marked CP's first experience in recent times with the potential power of group votes. It bothered a lot of people, he said — as did another incident, when publisher Michael Davies of the independent Kingston *Whig-Standard* was nominated to the board but not elected. When Gordon Fisher proposed empowering the advisory committee to select a balanced slate of directors, there was no opposition from the Thomson people, Blackburn said.

Davies said Thomson has been "progressively minded as far as the mechanics of CP are concerned", but in general both Thomson and Southam have veto power over CP decisions. "If either of the two dominant chains is not in agreement, you couldn't get a program through. They have to agree. Otherwise, it doesn't matter what the rest of us want."



Davies said he has been active in both CP and the Canadian Daily Newspaper Publishers Association, and he could recall only one instance in either group when an item had gone through without Thomson support. He said votes on proposals at the general meeting are a "foregone conclusion" because the executive has representation from the major chains, and, as a result, anything coming up for a vote has had the executive's prior approval.

Davies said consensus has become easier to reach as the number of independents has shrunk. At one time, many independent publishers had to be persuaded to adopt any course of action; now, it is sufficient to get the approval of only two or three influential members — Thomson, Southam, and the *Toronto Star*. "The job of the general manager is a lot easier when he now has to please only those three."

However, this acknowledged dominance of the groups does not necessarily translate into an even pattern of involvement in CP's committee work. Davies said Southam publishers are more dominant in CP discussions than Thomson — "it's Southam by far." In fact, he said, the problem is to get Thomson people to participate in committee work. Thomson executives don't want to assume the top jobs because they don't want to be accused of domination, he said, and because they don't have to hold the top positions to gain influence over decisions.

Davies confirmed that Blackburn was not elected when he ought to have been, but said he was not sure whether this was group pressure or merely accidental. His own defeat, he said, was not significant; he had been appointed for a two-year term to the board, had stood for re-election and had been defeated, because a number of prominent publishers were running against him and because the Ontario-English Québec region is always the toughest region for which to run.

Nonetheless, Davies rejected forcefully a statement by Hamilton that Thomson people vote no more than two proxies each. He said he had seen annual meetings where only a handful of Thomson people had shown up and where some people were each holding a couple of dozen proxies. It was concern over bloc voting, he said, that had led Southam's Gordon Fisher to propose the change in election procedure to provide for a formal slate.

The suggestion that Thomson people do not participate actively in CP committees was backed up by another independent publisher, Mrs. Perry Grant Taylor, co-publisher and editor of the *Brockville Recorder and Times*. Taylor suggested that as the number of independent papers shrinks, the opportunities for the independents to sit on committees actually increases. This is because the co-operative wants independents to participate, but has only a small number to work with. Hunter S. Grant, co-publisher and president of the *Recorder and Times*, said Thomson people do not put much effort into CP meetings. "The reason is that a day out of the office is a day they aren't making a buck for Ken (Thomson)."

One instance of a group effort to influence CP voting was cited by Stuart Keate, former publisher of the *Vancouver Sun* when it was part of the FP group, and a former president of CP. On one occasion when he was on his way to vote for CP directors, he said, FP president Richard Malone presented him with a list of names. "I was mad as hell because the names were all of the people I intended to vote for anyway," Keate said.

In the case of Thomson, Hamilton said head office does not direct individual publishers on how to vote at CP meetings, and that the publishers are an "independ-

ent-minded" group who wouldn't take direction anyway. However, it is significant that head office executives of several groups, including Thomson, are members for individual papers.

In general then, we have not found evidence that the major groups have exerted their influence in specific cases, though the decision-making structure is designed to ensure their views are taken into account in early planning stages. Some executives who have been part of the decision-making process suggest that many of the major decisions are made through informal contacts, and that individuals, including some independent publishers who show strong personal interest, have been more significant than groups in shaping CP.

## **Group influence on news**

Aside from the formal control structure, CP staffers generally believe Thomson newspapers have a strong and negative effect on CP. The view, contrasting with generally high respect for the Southam group, appears to be one of the most commonly held items of conventional wisdom among staffers. The effect is said to show up in three ways:

1. It is argued that Thomson has a penny-pinching approach to news coverage that affects decisions on funding of CP.
2. The quality of Thomson papers is said to damage the CP news report because of inadequate contributions to the CP news pool and because of the kind of summary news requested by Thomson editors.
3. Some staffers say that the activities of Thomson and other groups are inadequately covered by CP because editors and executives are over-sensitive to the group interests. It is said that while information about the groups that emerges in public bodies is well enough covered, CP does not apply the same searching journalism to newspaper group activity that it gives to other sectors.

CP and newspaper executives, on the other hand, tend to argue that the tensions within CP arise from an inevitable clash of interests between small and large newspapers. They say the demands made by Thomson papers would be essentially the same even if they were not group-owned, and suggest that Thomson's view of CP may change now that the group owns some large papers, following takeover of the FP group. Some former Thomson editors say Thomson has a high regard for CP, based partly on the belief that CP is well shaped to serve the group's needs, and partly on considerations that go beyond economic interests, to concern for CP's integrity as a national agency. Hamilton, as president of Thomson Newspapers, speaks highly of CP and says Thomson's support for the agency is proportionately much greater than the support for AP given by Thomson Newspapers in the U.S. She says the CP assessment for a Thomson paper is approximately four times as high as the AP assessment for an equivalent-sized Thomson paper in the U.S.

Some former Thomson executives also complain that CP does not exploit news contributions from Thomson papers as well as it could. They suggest this may be partly because of an anti-Thomson bias and partly because of a bias against small-town as opposed to city (especially Toronto) journalism. For instance, Dick Brim-

mell, former managing editor of the Guelph *Mercury*, told of one instance in which a *Mercury* staffer filed identical stories to the *Globe* and to CP. CP carried a brief story, but after the *Globe* story became available, it phoned the *Mercury* to demand more details. Brimmell also said that there were instances when CP rejected stories filed by the *Mercury*, but then picked up the same stories after they were “pinched” by the Kitchener or Hamilton papers. This view is obliquely supported by some CP staffers who complain that CP head office in Toronto tends not to recognize the value of a story until it turns up in the *Globe and Mail* or the *Star*.

CP figures do indicate that the rejection of Thomson stories is higher, though the reason is not clear. In the period June–November, 1980, Thomson’s 21 Ontario papers submitted a total of 2,032 stories, of which 30 per cent were not relayed over the wire. Only 16 per cent of the 502 stories from the eight non-Thomson papers listed were unused. Though one Thomson paper, the Pembroke *Observer*, had the best usage record, eight Thomson papers submitted a higher rate of unused copy than the least-used non-Thomson paper.

There is very little indication that Thomson influences CP’s coverage of Thomson affairs. A brief to the Commission by the CP Wire Service Guild in Toronto reported a rewrite desk directive saying that ownership of a Thomson newspaper should not be mentioned in most stories about newspapers. The brief said rewrite staffers “were told by an editor that someone at Thomson had complained of always seeing the company’s name in CP stories”. This is, however, the only complaint of the kind we have encountered. Other instances where copy was said to have been changed to take account of member sensitivities were not linked to specific demands by the members.

CP’s own brief to the Commission said it is not company policy to handle news about members with kid gloves, and cited the memo in question, written in September, 1979, by the CP managing editor:

Stories about the strike at the St. John’s *Telegram* almost always mention that the newspaper is owned by Thomson Newspapers (Canada) Ltd. It is a question whether this is pertinent and writers should give some thought before automatically inserting the fact.

Ownership of the Montréal *Star* and the two Pacific Press Ltd. papers rarely seemed to rate mention in stories about their strikes, and singling out Thomson papers may be gratuitous.

Of course, the involvement of a negotiator from the Thomson head office is news and requires proper identification. But let’s try to be even-handed in our coverage.

## **Group financial support**

On the principle that he who pays the piper calls the tune, another approach to the question of group domination is analysis of CP’s financial support. As noted in Chapter 3, CP obtains income from members in two ways — through its complicated assessment formula for basic service, and through its charges for extra services such as Datafile and the photo wire.

The assessment formula in one sense favors those papers with the largest circulation. One publisher said, “It is in the best interests of the co-operative to keep the

Toronto *Star* happy. We've had enough problems with newspapers that have died, let alone losing the largest members because they feel they're paying too much." Because of the pattern of properties each group owns, therefore, Thomson pays a relatively larger share of that income derived from basic service, as shown in Table 3.

**Table 3**

*Assessment contributions to Canadian Press (1981)*

	Total payment	% contribution to total assessment income with % of total CP circulation in brackets		Annual assessment per 1,000 weekly circulation			
				Average	Highest	Lowest	Median
Southam	\$ 2,357,377	26.6	(28.8)	\$272	\$1,116	\$184	\$317-428
Thomson	2,443,661	27.5	(22.4)	363	631	208	510
Desmarais	478,009	5.4	(5.6)	282	—	—	—
Quebecor	478,068	5.4	(9.1)	173	—	—	—
Irving	307,986	3.5	(2.6)	388	—	—	—
UniMedia	247,225	2.8	(3.0)	273	—	—	—
Sterling	197,410	2.2	(1.0)	663	820	535	749-762
Independents	2,370,410	26.7	(27.5)	287	889	154	497-514

True, there is not much difference in the total assessments of Thomson and Southam newspapers — both are about \$2.4 million, both comprise just over a quarter of CP's assessment income. Another quarter derives from independent papers, including the Toronto *Star*. But with only 22.4 per cent of CP's weekly circulation, Thomson properties pay 27.5 per cent of CP's total assessment income — an average of \$91 more annually per 1,000 weekly circulation than Southam newspapers. In Commission testimony, Hamilton pointed to this as evidence of Thomson's commitment to the co-operative. The smaller papers, however, also rely more heavily on CP for their diet of national and international news than do larger dailies, with their own stringers and supplementary services. Moreover, Thomson's higher average assessment means that at least the potential exists for the company to take an especially active interest in budgetary increases and to back its point of view on contentious issues with the moral clout of its proportionately greater support.

The pattern of income from CP's extra services must also be taken into account when considering Hamilton's point. The co-operative expected to receive almost \$3 million for its special services in 1981, and it is the larger papers that are more apt to request them. These services are profitable and the cost of the basic news report is subsidized by the excess revenue. During the past decade, the cost of the basic news contribution met by assessments has dropped from 73 to 67.4 per cent, while the extra services share has climbed from 1.9 to 7.8 per cent. (The remainder represents the contributions of Broadcast News and Press News.)

In making that contribution, Thomson assumes a lesser role. Of the 28 subscribers to the high-speed Datafile, for example, only four are Thomson papers, all former FP papers. Southam has 10 subscribers, Desmarais has one, and there are 12

independents. Though we did not have access to individual payments for extra services, it is known that the smallest Datafile subscribers pay an availability fee of \$10,560 annually; the largest yearly payment is \$21,120. The bulk of CP's members take the laserphoto wire, but a handful are on a service that mails out five pictures daily, and some take no photo service at all. Of the 165 on the cheaper five-a-day service, 10 are Thomson papers, four are independents, one is Sterling, and one Desmarais.

Of those without any picture service whatsoever, nine are in the Sterling fold, seven are independent, and six are Thomson-owned. The picture service, in short, receives proportionately greater Southam support. A like pattern holds for stock wires: there are 16 Thomson, seven Sterling, one Irving, and 15 independent papers not paying for either the high/or slow-speed stocks.

In only one area do Thomson papers provide the bulk of extra business. This is the East and West package wires for evening papers. Though these are abbreviated services, papers pay an additional fee of \$440 monthly, in exchange for which CP editors condense tightly the night report. Of 15 subscribers, 11 are Thomson papers.

# 5

## News service competition

A strong connection exists between two major questions of this study: the outlook for a second national wire service, and the relationship between print-based services and broadcasters.

First, United Press Canada, after 2½ years of operation, finds its newspaper market increasingly precarious. Almost all Canadian newspapers are alone in their market areas, and perhaps not overly interested in rival services. Almost all are part-owners of Canadian Press, and therefore, on the face of it, would seem to have an interest in ensuring UPC does not succeed. Executives of UPC certainly believe this to be the case. Opinion in the industry seems divided between the view that a second service would be good for papers, keeping CP on its toes, and the view that any improvement in UPC means an inevitable decline for CP.

UPC suffered from the 1980 newspaper closings. When it started in 1979 its service was bought by six FP newspapers: the *Montréal Star*, *Ottawa Journal*, *Victoria Times*, *Victoria Colonist*, *Vancouver Sun*, and the *Globe and Mail*. The death of the *Star* and the *Journal*, and the merger of the *Victoria* papers, meant a loss of four clients.

The *Vancouver Sun*, now under Southam, continues to subscribe, along with the *Montréal Gazette*, the *Ottawa Citizen*, the *Windsor Star*, and the *Vancouver Province*. Three Southam papers, the *Hamilton Spectator*, the *Edmonton Journal*, and the *Calgary Herald*, have dropped the service. The last two are in direct competition with *Sun* papers, run by UPC's majority owner.

Colin McCullough, publisher of the *Victoria Times-Colonist* (now Thomson), says it was not the change in ownership but the merger of the two papers that led to the dropping of UPC. The two papers previously had a variety of supplementary services which they split between them for competitive reasons. The combined paper now has a tremendous flow of copy and therefore doesn't need UPC, according to McCullough.

None of the newspapers owned by Thomson before its FP takeover subscribes to UPC, although the agency made a strong bid for Thomson support when it was in the organizing stages in 1978. Southam newspapers say no policy is laid down on

whether their papers shall or shall not subscribe. At Thomson the decision is apparently made, or heavily influenced, by head office. That at least is the impression of those who attempt to sell services to the group. UPC also suffered from the withdrawal of the Sterling group, an original partner in the agency (see Chapter 3).

These losses, especially on the newspaper closings, are proportionately much more serious to UPC than they would be for CP, since their budgets compare in a ratio of roughly 10 to one. In the Ottawa *Journal* closing, for instance, CP lost some \$188,000, but was able to make up part of it in added income from the *Citizen*. UPC lost \$50,000 annually from the closing of the *Journal*.

The result of these developments is that competition in broadcasting, which brings in some 40 per cent of its income, has become crucial to UPC's survival. The agency has responded with an effort to form a separate broadcasting service, with separate wires for television and radio. The proposal comes at a time when broadcasting clients, particularly in television, are increasingly restive over their continued dependence on CP. It has drawn some interest in the early stages from executives of CTV, Standard Broadcast News, and Newsradio. The news service was planned to start in 1981, if it was to start at all, and would operate on a first-year budget of about \$1.25 million, according to UPC general manager Harden. Most of the cost would be in extra staff — possibly as many as 25 to 28. The service might be a separate subsidiary of UPC, with part ownership by other groups, but this has not been settled.

Chances for the success of this plan are uncertain. Despite rather widespread complaints, many broadcasters appear to feel that CP and its subsidiaries provide the only comprehensive news service available in Canada now, or likely to be available in the near future. The proposal for a new agency was presented to a meeting of CTV news directors at Kitchener in March, 1981, and apparently was not received with much enthusiasm. Thompson MacDonald of CFCN Calgary, a strong advocate of the proposal, said most of the 16 affiliate news directors took the position that they would "keep on listening", but that the services they already have are adequate.

In the meantime, CFCN-TV has dropped the BN service in favor of UPC, CKCO-TV in Kitchener has served notice of cancellation, and at least one other CTV station has resisted the initial assessment levied by BN. The reasons for discontent among the CTV news directors vary. Some cite the cost of the service, while others say it is not a matter of cost but of the quality of service. They say that the BN service is tailored primarily for radio stations and that they have to pay, in effect, for the hourly audio reports filed by BN to radio. They also complain about the quality and accuracy of BN writing, and they are concerned about similarity of news reports in areas of heavy signal overlay.

CP has responded to the problem on several levels. It has levied an assessment on the CTV network for the first time, arguing in effect that the network should be responsible if its national news is broadcast by CTV stations which are not BN subscribers. CTV has resisted the assessment and network sources say BN has threatened to pull out its printers. Kincaid would not confirm this, but said he expected the problem to be resolved soon. Under the new formula, there would be a rebate to the network if all affiliates subscribe. Kincaid said this is a "useful marketing strategy", but he added that it is a consistent policy that applies equally to all networks. At the

same time, BN has proposed offering a new high-speed news wire, at 1,200 wpm, shaped for TV clients.

In response to another complaint, the BN board agreed to include the Central Circuit CP news wire at no cost to TV clients signing a five-year BN contract. And, as noted earlier (see Chapter 3), BN is also offering a system of rebates for long-term contracts, prepayment, etc.

The sum of these moves is that BN is competing strongly in an attempt to ensure that UPC does not gain a strong foothold as a supplier of news to TV and radio. Whether this competition can be described as undercutting the small rival is probably a matter of interpretation. One deal in particular, with the Global TV network, has caused a good deal of industry comment. The circumstances were these:

In May, 1980, UPC made an agreement with Global TV to provide news and sports wires at a rate considerably below the CP/BN charges. UPC understood it would have a 2½-year contract with Global. In December, 1980, however, Global dropped UPC and signed a five-year contract with CP/BN at what CP acknowledges was \$40,000 to \$50,000 below the previous rate. The precise charges have not been released by either party, but the new charges were apparently about one-half the previous ones.

CP insists the new fee was in line with BN's assessment formula and was based on a rate card change by Global. However, it would appear CP/BN has latitude for bargaining with the rate schedule, especially in provision of services. In another case in 1981, BN, during negotiations within a television outlet, reduced proposed yearly charges by \$6,000 to \$33,000 from \$39,000.

Since an increasing share of the budget for CP and its subsidiaries comes from broadcasters, this area of competition is obviously critical. In 1981, some \$8.25 million, or well over a third of CP's overall budget of some \$22.9 million, derived from broadcasting.

## **CBC relations**

At the same time as some disenchantment with CP is showing up among CTV editors, some senior executives of the CBC indicate they consider CP is declining in importance as a supplier of news to the network. The CBC is CP's largest single client. It recently concluded a new three-year contract at approximately \$1 million a year with Press News, the CP subsidiary that handles special services. Yet CBC executives at least twice have considered whether the network could do without the service.

In the early 1970s, the corporation at one point ran a 60-day test to see whether CP could be dropped, an action that one CBC staffer said was at least partly a negotiating ploy.

Internal CBC documents from the period, however, show a very positive assessment of the possibilities for a separate service. The test was run for Dec. 9-15, 1971, and a preliminary report on Dec. 21 on the English service said the flow of news stories had been heavier than anticipated, and that the CBC news wire's competitive position vis-à-vis CP was good. The CBC had missed only a couple of major stories, and had generated many worthwhile items not carried by CP.

The report drew a number of conclusions, predicated on the assumption that Québec coverage would turn out as well as the English service:



1. Should Canadian Press withdraw its service, we could provide an instant replacement from our own resources, and without detriment to service to the public.
2. A CBC service would provide a fuller report of Canadian news than Canadian Press, and the CBC-originated copy is of a more positive nature, as opposed to traditional police beat, disaster, and pestilence type of news report. We reflect the country much more accurately than does Canadian Press.
3. CBC coverage is much superior to Canadian Press in the North and in Newfoundland.
4. The untapped news resource within the corporation is fantastic. Not to harness it and utilize it would be a waste and a continuing disservice to the listening and watching public.

A supplementary report dated Feb. 11, 1972, confirmed the main findings of the preliminary report and suggested that CBC was not adequately exploiting the value of its news service.

A CBC news wire would have marketable possibilities both domestic and foreign. While selling such a service within Canada might present problems of various kinds, selling the service for use outside Canada would not be fraught with problems.

There is one news agency already interested in purchasing the CBC news wire, should it come into being, and another has made a diplomatic sounding.

It is likely that several customers, serving only clients outside Canada, could be found and a considerable recovery made — perhaps as much as one-quarter to one-third.

The report said the news service would vastly enhance all news programming by turning the CBC's news efforts more and more to primary news-gathering.

Before the most recent contract with the agency was concluded, news executives again considered whether the network could get by without CP. They concluded it could — but that it would be journalistically irresponsible and politically touchy to drop the service.

If this view is valid, of course, it would imply a kind of indirect public subsidy to CP. However, other CBC staffers, especially in radio and in the regions, tend to disagree. They point out that wire copy is used extensively in CBC radio's 31 daily network newscasts, and in local shows. They suggest the negative viewpoint on CP may be more pronounced among Toronto staffers, working in a richer news environment, than it is in the regions, and that it may apply especially in network TV news, which uses little wire copy.

It is difficult to evaluate these developments and to set them in the context of the general growth of CP's broadcast operations. One point that can be made with confidence, though, is that broadcast revenues are becoming increasingly important to the health of CP. Any significant reduction could be seen as damaging to the basic national news service. Whether the advantages of a competitive situation would offset that damage is moot.

The general growth of CP's broadcast services thus may be both a benefit and a threat — a threat, that is, in the sense that a significant part of the expanding trade might be hived off if broadcasters are convinced it would be profitable to make the attempt.

BN revenues are rising faster than CP's, a not surprising pattern given newspaper retrenchment and broadcasting expansion. The extent of that expansion is clear: from 1970 to 1980, the number of BN's radio teleprinter clients grew from 248 to 314, its audio clients from 31 to 154, and its TV clients from 56 to 64. Since the cable operation began in 1974, BN has attracted 115 clients. As a result, Broadcast News revenue shows a dramatic increase. Between 1977 actual figures and projected revenues for 1981, for instance, BN's total revenue increased 75 per cent, to \$7,233,500 from \$4,132,350. By contrast, CP's total revenue from basic assessments (excluding extra charges and pictures) shows an increase of 41 per cent, to \$8,888,000 from \$6,289,723.

If CP's basic assessments and extra charges to newspapers are combined, and compared with total income from broadcasting (BN income plus CBC revenue, amounting to about half of Press News earnings), it can be seen that more than one-third of CP's total income is drawn from broadcasting.

As CP's broadcasting revenues approach the level of its newspaper income, questions are sure to be raised about whether the original print-based co-operative structure of CP, and the mechanisms by which broadcasters influence the organization, are still appropriate.

The picture is extremely complex, however, and a number of factors must be taken into account in attempting to assess it. For one thing, broadcasters are still generally dependent on print news, even though they are putting up a significant part of the CP revenue. Over the years, this mutual dependence has produced a more or less constant debate between broadcasters and the CP members over who receives the greatest advantage. CP executives have had the delicate task of trying to referee the conflicting arguments, of trying to ensure the mutual dependence is stable.

The problem of determining which side actually receives the greater benefit seems almost to defy resolution. Both the revenues and the news flows from the two sectors are so intermingled it would be impossible to disentangle them.

BN's overwhelming reliance on print copy is illustrated by the company's own statistics. A BN study of the sources of its stories in January, 1980, showed that only 10.7 per cent of the items came from BN (including material filed by subscribing stations). An additional 1.1 per cent was written from BN's voice services. By contrast, 44.7 per cent of the copy was rewritten from CP, 20.4 per cent was taken from AP, 16.2 per cent from Reuters, 6.4 per cent from the AP broadcast wires, and 0.5 per cent from other sources. BN does, at times, supply material to CP, however. According to BN editorial operations manager Phil Adler, for example, the CP Ontario wire picked up 54 items from BN in November, 1980, and CP sometimes relies on BN reporters to cover off stories.

It is notable that even some newspaper people, such as Murray Burt, managing editor of the Winnipeg *Free Press*, have urged creation of a stronger competitive broadcasting service. Burt said CP's broadcast income "lifts a tremendous burden of costs from the member newspapers", but he deplored what he called the lack of a strongly competitive independent radio and TV news-gathering service.

The issue in one sense has probably been complicated by improvements in radio-TV news. Several industry people have noted a trend, especially in television, toward seeing news as a profitable item in the broadcasting picture, rather than simply a public service put on grudgingly because regulators have demanded it. This new sense of the financial importance of news has led to increased competitiveness, especially in the West, and a consequent reluctance to serve up to listeners or viewers more or less the same package offered by competitors in the area. The bulk of BN's 314 radio clients apparently still "rip and read" (or roll BN's packaged hourly audio broadcasts), but the picture is changing.

More broadly, it is evident that television and radio have different news demands, and it may be that CP, while pushing aggressively into audio news, has been slow in providing video news. Some television executives complain that the national service is shaped for newspapers and radio, but not for TV. CP general manager Kincaid says CP is considering a possible video service at some time in the future, but plans are not firm.

It would appear, then, that one of the major questions hanging over Canada's news system is whether the mutual dependence of newspapers and broadcasters will continue, or whether some new configuration will emerge. The 1980 newspaper closings could alter the balance, by reducing the available supply of print news and by tempting CP to make up some of its losses by increasing assessments to broadcasters. Kincaid said the broadcasters have been given firm assurance that this will not be done.

# 6

## CP: news patterns

The difference of view between those who work for CP and those who own and manage it is nowhere sharper than in the area of assessing news quality, especially in foreign news. In the view of owners and managers, CP is a solid and improving service (one described it as “the finest domestic news service in the world”) while staffers raise a host of complaints, extensively detailed in briefs to the Commission, ranging from staff shortage and too-great concentration on trivia to lack of specialist training, weakness in foreign staffing, and weakness in regional coverage.

Just how valid are these perceptions? Evaluating news quality is an imprecise science lacking objective yardsticks, but it will be useful at least to consider what have been described as CP’s strengths and weaknesses. The discussion will be more manageable if we look separately at the agency’s foreign and domestic file.

### Foreign news

CP’s mechanisms for importing and distributing foreign news are in one sense remarkable. Interlocking arrangements with the international Associated Press, Reuters, and Agence France-Presse agencies provide not only the massive news supply of those systems, but also material from other national and regional agencies that deal with them. On one level it is an extremely efficient system.

The criticisms that might be raised about it are not new. Analysis of CP’s spending on its own foreign staffing abroad shows there has been an actual decline in the last few years. Analysis of CP’s main Datafile service shows overwhelming U.S. dominance and skimpy coverage of the Third World.

In 1974, for example, CP spent \$213,796 on its own international news-gathering. By 1979, that figure had edged up to \$230,992. But both inflation and the declining value of the Canadian dollar abroad had more than wiped out the gain. Another indicator of the reduced priority for foreign coverage is that, as a percentage of CP’s overall budget, as shown in Table 4, international news-gathering expenditures have been halved during the 1974-79 period — to 1.1 per cent from 2.3 per cent.

CP's foreign bureaus have been considerably reduced. London, which had as many as five correspondents in the late 1960s, has been reduced to one Canadian correspondent and a local staffer. New York has been reduced to two from nine, although this is because of a shift in the CP foreign desk to Toronto. At various times CP had bureaus in Moscow, Brussels, and Paris, but all were abandoned. The Paris bureau, staffed by a reporter from CP's French-language service, was closed in 1979 in a move supported by the co-operative's francophone news study committee.

**Table 4**  
*Cost of foreign coverage*

	Brussels	Paris	London, England	Assignments abroad	New York Washington	Total
1974	\$ 6,454	\$ 23,398	\$ 53,968	\$ 30,505	\$ 99,471	\$213,796
1975	—	37,519	84,599	24,707	109,217	256,042
1976	—	35,802	77,027	23,072	116,727	252,628
1977	—	41,190	80,732	23,170	120,345	265,437
1978	—	43,147	54,679	22,679	123,621	244,126
1979	—	—	60,625	43,063	127,304	230,992
	<b>\$6,454</b>	<b>\$181,056</b>	<b>\$411,630</b>	<b>\$167,196</b>	<b>\$696,685</b>	<b>\$1,463,021</b>

*Brussels, Paris, and London, England costs include salaries, rents, staff transfer costs, etc. Assignments abroad costs cover travelling and telex charges.*

Including the cost of its foreign desk, CP spends some \$1.2 million of its total budget of almost \$23 million on the news of international agencies. One of the major criticisms made about the news supply of these agencies is that they tend either to ignore the Third World or to focus on stereotypical kinds of stories — about riots, scandals, or disasters. Our study of the CP Datafile made no attempt to explore the latter problem, but it did confirm the kind of distribution patterns that have been criticized.

During our 1981 constructed week sample, Datafile carried more than 1,500 items with foreign placelines, from every part of the globe. Less than three per cent of all international datelines were from Latin America. Less than two per cent — just 22 stories — originated in Africa, and several of these dealt with Prime Minister Trudeau's visit there as part of his North-South mission. An editor consciously trying to provide material from those areas was given scant material to work with.

At the other extreme was the dominance of American stories, a problem identified by the Special Senate Committee on Mass Media a decade ago. The U.S. accounted for almost two-thirds of the foreign file. New York City alone accounted for a quarter of the American items. About one-quarter of all American copy is tabular material for the financial and sports sections of newspapers. But aside from the cultural priorities that statistic suggests, the U.S. remains CP's most significant foreign news focus. Regardless of the world coverage given, it is not CP's coverage. In all, CP was credited with less than a fifth of all foreign items, and the total included a good deal of sport and financial routine. Some 45 per cent of what CP did originate came from the United States, another 35 per cent from Western Europe, mainly London.

And CP does not seem to have maximized the diversity the three international services offer it. Nearly three-quarters of the Datafile emanates from Associated Press. Only one-tenth is credited to Reuters; an infinitesimal one-half per cent is from AFP. (The French-language report, of course, would show much larger use of AFP.) Fuller use of the British and French services would not Canadianize CP's report, but it would diminish its American perspective. In its brief to the Commission, CP made a particular point that some of its U.S. coverage comes from Reuters. In our week-long sample, however, just three per cent of U.S. stories came from Reuters.

There are those in CP who say, at least publicly, that more should be spent on international news. Thomson Newspapers president Hamilton said in December, 1980, that she wants to see more original world reporting, though she qualified that by saying that "there are some small papers in B.C. that are not in favor of it" and that "CP can't accelerate too quickly in improving services".

And another member of CP says he would like to see CP beef up its Washington coverage and distribute political commentary by London and Paris columnists to offset the numerous syndicated Washington writers available here.

But some are resigned to the status quo. Neil Reynolds, editor of the Kingston *Whig-Standard*, said he "never had the expectation CP will provide any kind of adequate international coverage", so is not bothered by it. Supplementary services provide the enrichment he seeks. Keith Kincaid says that "the only complaints about foreign coverage I hear are from journalism professors" and that "if I detected any interest from newspapers, we'd do more". And Martin Goodman, CP's past president, has similar sentiments: "If foreign coverage is important, show me the outcry. The audience is certainly not demanding it."

People such as Keate, former publisher of the Vancouver *Sun*, have said it was planned that reduced staffing abroad would be offset by more special assignments, in which reporters travel as world events dictate. Discussing the decline of CP foreign bureaus, which he dates as beginning in the early 1970s, Kincaid made the same point. He pointed to the November, 1980, trip of Prime Minister Trudeau, staffed by a reporter from the English service, another from the French service, a photographer, and a BN audio reporter. Yet CP's figures show that in 1979 the tab for assignments abroad totalled \$43,000 — just \$13,000 more than was spent in 1974, when CP had Paris and (for part of the year) Brussels bureaus. In short, what CP spent on special assignments was just slightly more than a third of the \$120,000 that Southam News spent on its Paris bureau the same year.

## Domestic news

To an outsider, CP seems to give extraordinary attention to detail in generating its domestic news report. Meticulous records are kept on news contributions from member papers, on numbers of "same-day" stories generated, on numbers of stories produced from the various regions for the news budget (the list of major stories upcoming for afternoon and morning papers). Discussions with CP staffers and management indicate that efforts to accentuate regional stories and to move toward a richer variety of specialist stories are primary concerns, along with an almost obsessive interest in immediacy. As noted earlier (see Chapter 3), the percentage of

staff-written copy has increased to some 60 per cent, and this is clearly a cause for satisfaction in the company.

A great deal of the staff-written copy is from Ottawa, generally acknowledged to be one of the strongest sectors of the service. Unlike other CP bureaus, Ottawa is largely a reporting operation, with 29 editorial staffers, plus six BN and three picture service people. It is the only Ottawa news operation that attempts to cover all governmental happenings all the time, including not only the Commons and Senate, but a multitude of committees and press conferences. Other Ottawa correspondents depend on it as well, so its impact on the news is undoubtedly greater than would be indicated by the actual number of stories printed or broadcast. Its material seems to be well received, although one Western publisher suggested CP may give Ottawa too much attention, and one Eastern Ontario editor complained that the bureau ignores local Ottawa news in its fascination for Government material. It has not expanded significantly in the last decade. In 1971, there were 27 editorial staff, compared to the present 29, and the additions seem to be on the supervisory rather than editorial side.

This may reflect a shift in CP emphasis toward the regions. Staff was increased in Québec during the referendum controversy and is now being increased in the West. It is an agency principle to run "at least one general news budget item from every region in every trick", managing editor Mel Sufrin has told his bureau chiefs. Between June, 1979, and November, 1980, every region had increased its monthly contribution of budgeted stories — to 72 from 58 in Atlantic Canada, and to 152 from 81 in the four Western provinces.

There have also been manpower increases in the past three years, in part answering the growing need for more expertise and sophisticated reporting in general. An internal review notes that, until recently, CP had grown by no more than a person per year. But in 1978, four new assignments were made. There were five more in 1979 and six in 1980. Most are editing jobs, but a few additions are reporters in specialized areas, such as business and agricultural writing. In the first four months of 1981, full-time sports writers were assigned to Edmonton and Vancouver, a television writer and business reporter-editor were added in Toronto, and a consumer affairs reporter was expected to be named in Ottawa. They're better educated, too: Kincaid told the 1980 general meeting that 13 of the 44 journalists hired in the previous 18 months hold post-graduate degrees.

The co-operative also established CP Enterprise in 1980 in a restructuring and upgrading of its feature service. Housed in a separate office, this group files 5,000 words a day on such major issues as energy policy and Western transportation. The various bureaus are regularly assigned to contribute to this file in an attempt to produce a national perspective. In some cases, CP Enterprise runs multi-part series, in which case all stories are moved together so that a member paper has the option of running the set as a series or in a single take-out report.

Finally, CP's continuing concern over slow filing of member news seems to be producing results. In 1979, Kincaid earmarked as a priority the speeding up of return news flow, to minimize the number of stories coming into the regional bureaus for rewriting the day after the events had occurred. The co-operative inaugurated a number of techniques to encourage promptness — from seminars at member papers to installation of WATS lines. Between August, 1979, and January, 1980, the per-



centage of "today" copy jumped to 92 per cent from 84 per cent. Publishers and editors agree that the volume of stories being sent to CP is increasing, too — in some measure because the larger papers can now transmit copy easily via computer link-ups.

But problems persist. For one thing, stories reflect an urban bias. Large cities are newsworthy, of course. They are the national and regional centres of political, financial, and cultural power. Perhaps it should not be surprising, then, that the 16 Canadian cities we specifically coded in our Datafile sample account for virtually four-fifths of the Canadian placelines, even though they have only half Canada's population. This urban focus could become more acute as newspapers find it economically attractive to restrict their rural circulation, and, in the process, curtail regional correspondence that might have found its way to a CP desk.

The scope of the urban focus seems to have shifted somewhat in the past few years. In 1977, Andrew Osler, now of the School of Journalism at the University of Western Ontario, reported that three-quarters of domestic stories in a five-day sample of the Central Circuit "A" wire originated in just four centres — Ottawa, Toronto, Montréal, and Québec City. His "Analysis of Some Aspects of French and English Content in the Canadian Press Wire Service, May 2-6, 1977" was an unpublished report to the Canadian Radio-television and Telecommunications Commission.

Data from the 1981 constructed week study are not strictly comparable, since the "A" wire carries only major domestic and foreign news items. Datafile, used in the present study, carries all CP material. It shows a different pattern in the origins of domestic copy. Just over 40 per cent of the 2,122 Canadian stories were placelined from the four centres in Osler's list. And patterns of prominence among the four central Canadian cities were also different. In Osler's study, Ottawa was the most prominent placeline. In our study, Toronto predominated, accounting for a fifth of all domestic stories. A tenth of the domestic items originated in Ottawa, another tenth in Montréal. Québec City surprisingly accounted for a mere 1.4 per cent.

To some extent, it could be argued, even these figures overstate the central dominance. Some Ottawa stories, for example, can be seen as regional stories. A case in point is a February, 1981 announcement by the federal environment minister that Saint John is a potential site for a liquefied natural gas terminal. By the same token, a Toronto label is sometimes placed on essentially placeless stories, such as national weather forecasts. In short, while a metropolitan Central Canada bias persists, it appears to be less acute in our sample.

Still, there are frequent charges of Toronto domination. Typical is that of Calgary *Herald* editor Bill Gold, who said CP supplies only fragmentary material on Prairie problems despite an enormous interest among Western papers. This is partly a matter of staff numbers, he acknowledged, but it's also partly a state of mind dictating that "it isn't important unless it will sell in Toronto."

He added that, just as Toronto sees the news through its perspective, the regional bureaus also see regional news through *their* perspectives. In addition to the national wires, CP maintains a group of regional wires, which provide a vehicle for the exchange of more localized news. Several bureaus — Vancouver, Edmonton, Winnipeg, Toronto, Montréal, and Halifax — receive items from newspapers and staff correspondents in their own regions, and decide whether to distribute them



throughout the region. But, according to Gold, the news flow within regions tends to be weak. For instance, Prairie stories usually are filed through Edmonton; thus, decisions on which Saskatchewan stories get on the wire often are made in another province. He suggests the situation would improve if the various CP bureaus would put all stories directly onto the regional wire, bypassing the Edmonton desk.

Another issue is that of covering off-beat subject areas. Though CP has beefed up its complement of specialist reporters, there is a tension between those clients who seek more specialists in hard news areas, such as economics and energy, and those who want CP to provide more copy for the soft special-interest sections of the paper — lifestyles, sports, and entertainment. Kincaid says that it is the latter demand which seems most intense. In his 1980 report to the annual general meeting, he said entertainment copy had tripled in the previous three years, “but the more of it (lifestyles reporting) we provide, the more of a bottomless pit of demand we seem to create”.

In the study week, there were 44 lifestyles items moved, though not all of these would necessarily be relayed on the package wires most small papers get. Certainly, it is the small-circulation dailies that seek more and better lifestyles copy. Donald Tomchick, publisher of the Cornwall *Standard-Freeholder*, is typical: though he admitted CP is improving, his paper depends heavily on the Thomson service to supplement CP. Part of CP’s problem, said the wire editor at another small daily, is that CP’s lifestyles department seems to be a “catch-all” for stories Toronto does not know how to handle; as a result, one can never predict what will be moved with a lifestyles designation.

In Québec, most French papers have called for greater sports coverage, and the French service is planning to provide it. Perhaps as a result of such pressures, several of CP’s recent appointments have been in relatively “soft” areas such as sports and television.

It is ultimately a value judgment to say what constitutes the “right” mix of serious public affairs and frothy entertainment. But it is possible to report what constitutes the present mix. The 4,154 stories that appeared in our 1981 Datafile sample were categorized and, for the purposes of this report, were grouped into eight broader classes, as shown in Table 5.

**Table 5**  
*Subject categories of CP Datafile sample*

	Number of items	% of items
Politics	660	15.9
Economics/business/labor	1,066	25.7
Accidents/crime	455	11.0
Issues	303	7.3
Arts/entertainment	79	1.9
Sports	1,042	25.1
Human interest	173	4.2
Other	376	9.1

The results show that the dominant categories are economics-business and sports, each with a quarter of the full file. But in both cases, a substantial proportion

of the material is routine tabular material. Financial tables constitute just under half of the business category; league standings and game statistics form 30 per cent of sports items.

Excluding sports and economics, it appears that civic news — politics and social issues — edges out the soft news categories of accidents, crime, arts, and human interest. The remaining tenth is uncategorized, but consists mostly of weather forecasts.

One of CP's stated functions is to contribute to national unity. The co-operative affirmed this in its brief to the Commission, just as it affirms it in its goal of at least one budget story from each region in each trick. At least in volume, CP's pattern of coverage seems to reflect, for the most part, the distribution of population by province, as demonstrated in Table 6. The major exception is Québec, which has a quarter of the nation's people but only 14 per cent of CP's domestic file (excluding Ottawa). Given that the period studied directly preceded the last provincial election, this lack of attention is puzzling. Moreover, the coverage is highly centralized in the two dominant cities of the province. Of the 268 items with Québec provincial placelines, only a tenth came from outside Montréal and Québec City. The figures point up a weakness, recognized by CP staff and management, in coverage of non-urban Québec.

**Table 6**

*Comparison of provincial contributions to domestic Datafile report with percentage of Canadian population*

	Per cent of domestic Datafile*	Per cent of Canadian population
British Columbia	13.4	10.8
Alberta	14.9	8.3
Saskatchewan	4.1	4.0
Manitoba	10.3	4.4
Ontario*	29.5	36.0
Québec	14.0	26.8
New Brunswick	3.9	3.0
Nova Scotia	7.1	3.6
Prince Edward Island	1.2	0.5
Newfoundland	1.2	2.4
Northwest Territories and Yukon	0.5	0.3

\*Calculations exclude stories with Ottawa placelines.

Criticisms also have been made about CP's Atlantic Canada file. In comparison to population, though, these four provinces do better than expected. It may be significant that complaints about Atlantic coverage elsewhere in the country were matched by complaints from the Halifax bureau people that they were too busy with trivia to do a thorough job on the better stories.

Another area described as under-covered is the North. The Yukon is handled from Vancouver and the Northwest Territories from Edmonton, but the distances

involved mean sporadic attention. Calgary's Bill Gold suggested that by default the Northern story is being captured by special-interest groups located in Ottawa. In the spring of 1980, Kincaid promised publishers more attention to this area, but so far this has been confined to occasional staff trips.

# 7

## Other services

In the perspective of early 1980, it appeared that one of the richer dimensions of the Canadian news system was the growth of alternate news services of the Southam and FP type. The two were similar in function, not duplicating the efforts of the general wire services, or the one-point focus of individual correspondents, but trying instead to search out distinctive stories or to give a distinctive touch to the top national and international news.

### **FP News Service**

It is almost superfluous to say that journalists unanimously deplored the passing of the FP News Service, in terms ranging from regret to anger. Its material did achieve the goal of distinctiveness, whether in the sometimes combative and sometimes frothy columns of Walter Stewart, Allan Fotheringham, and Doug Small, or in the substantial reportage of such writers as Mary Janigan, Carol Goar, Claude Adams, Dan Turner, and Peter Hadekel.

The story of its disappearance can be told quickly. The service was set up in the fall of 1979, as a considerable expansion of previous FP news exchange based mainly on reporters working for individual FP papers. It had an initial budget of some \$900,000, covering capital outlay and first-year salaries. At peak strength, there were seven people in Ottawa, two in Montréal, one in London, one in Washington, and one in Edmonton.

It barely was under way when the Montréal *Star* folded and the Ottawa *Journal* turned, in a last attempt to stay alive, to morning publication. The *Globe and Mail* never used the service, on the grounds that it was trying to go national and didn't want to appear in Winnipeg or Calgary with the same stories that showed up in the *Free Press* or the *Albertan*. After Thomson took over the FP group in January, 1980, news service staffers suggested that their operation might be integrated with the small Thomson service. The last news editor of the FP service, Doug Small, said this was always resisted by Thomson executives on the grounds that the FP service was shaped for larger papers. "They said we wrote features while they (the Thomson service) wrote news."

When the *Journal* folded, the two Victoria papers were merged, and the Vancouver *Sun* passed to Southam, the FP service was left serving just three papers — the Winnipeg *Free Press*, the Lethbridge *Herald*, and the Victoria *Times-Colonist*. On the day the *Journal* and Winnipeg *Tribune* died, Doug Small called Brian Slight, Thomson executive vice-president, to ask about the future of the service. Slight said it had not been decided. Small said the service could not possibly go on with three papers. The remaining staff (some had already left) “hunkered down together”, and decided the service should be closed. Thomson concurred and paid generous severance.

The death of FP left just one major “alternate” service.

## Southam News

No Canadian-based supplementary news service is more important than Southam News (SN), not only because it appears in the 14 Southam dailies with their significant circulation, but also because parts of the service appear in non-Southam papers. Southam News is generally praised by journalists, such as the Wire Service Guild members at CP’s Ottawa bureau, whose brief to the Commission said:

The calibre of the Southam News service is outstanding thanks to the support it gets from that organization. Likely the only reason Southam gets little recognition across the country is that it doesn’t appear in Toronto. But its work is at least equal and often superior to what appears in many large dailies.

Southam Inc. views its service as supplementary to CP, said Chris Young, Southam News general manager until his appointment in the summer of 1981 as senior correspondent in London, England. The 23 writers aim to give papers “a more reflective and analytical type of report than CP does” and they attempt this by writing interpretation, background, and color. Young said that on those few occasions when the service does “spot” news, “We write it either because the story is so big that we want to provide a version of it, or perhaps we are able to break a news story ourselves that is an exclusive.” On international stories, he added, events can be seen through Canadian eyes. Young said he tries to ensure a balance of weighty and lighter stories, and to ensure geographic balance in the case of those reporters responsible for large territories. Young estimated an output of 60,000 words weekly.

According to Southam historian Charles Bruce, in his book *News and the Southams* (Toronto: Macmillan, 1968) the service began in mid-1928, less than a year after a central holding company was established for the six papers then held by the Southam interests. The earliest company-wide journalists were located in Ottawa, Washington, and London, with a fourth writing on economic subjects from Montréal.

During the past decade, the service has expanded to 11 bureaus from seven. Three of those four new bureaus are domestic. Besides the largest bureau, in Ottawa, SN now has full-time domestic correspondents in Halifax, Montréal, Toronto, Edmonton, and Vancouver. In mid-1981, the Edmonton bureau was opened. That move, however, did not represent any net growth; the Québec City bureau was closed. This represents a judgment based on shifting news values — the Montréal

bureau, for instance, was opened in 1979, in response to the ferment over the referendum on sovereignty-association.

A number of domestic reporters are assigned to specific beats. At present, arts and energy specialists are located in Calgary, a travel writer is based in Montréal, a sports columnist in Toronto, and an economics editor in Ottawa. Young said he would also like a science and medicine specialist, an area which has previously been covered. Finally, the domestic staff includes two regular Ottawa columnists, Charles Lynch and Allan Fotheringham.

The service has long been relatively strong in foreign reporting. According to Gordon Fisher, president of Southam, SN has stationed proportionately more reporters abroad than CP because "there was a greater incentive to go where CP didn't have people". The role of the foreign reporters, Young said, lies not necessarily in providing a Canadian angle on each story, but rather in seeing major events or trends and situations as Canadians. Today, foreign correspondents are stationed in Nairobi, London, Paris, Washington, and Tokyo, but these are seen as "command posts" from which they travel as news events dictate. In addition, John Walker, who has covered London, Washington, Tokyo, and Peking, now writes on foreign affairs from Ottawa, though he makes periodic trips abroad. SN has used stringers, but Fisher said they have not worked well and, in any case, it is difficult to find those who are knowledgeable about Canadian needs.

Southam has opened and closed foreign bureaus over the years. In the 1960s, for example, it had a Latin American correspondent, but the bureau was closed when papers made little use of the copy. Young proposed that a Latin American bureau be reopened in Mexico City. If approved, it would open in 1982. A Peking bureau opened in 1972, but was closed four years later. Young said the novelty of the bureau had worn off, and, given the restrictions on the correspondent, stories were becoming repetitive. In 1979, however, SN re-established its Asian presence in Tokyo.

Decisions to open and close bureaus and to establish such "beats" as energy are ultimately made by a three-member publishers' committee and also the Southam board. But in general, both Fisher and Young said, the role of head office is minimal. The line of authority is straightforward. Young reported as general manager to the publishers' committee, under the chairmanship of J.P. O'Callaghan of the *Edmonton Journal*. Fisher said the publishers and board also talk about the personnel in SN and the use of news service copy by the individual dailies. The president said it was the board which first suggested the Tokyo bureau, but Young said that, in general, publishers reacted to his proposals.

As general manager, Young proposed a budget which was approved by the committee and then by the board. The 1981 budget was \$2,306,000. In the decade since 1971, there has been a four-fold increase in allocations to the service, with the foreign component outpacing the domestic percentage increase, as shown in Tables 7 and 8.

Each Southam paper is assessed for the service according to its profits. Thus, the two rich Alberta papers together contribute roughly 70 per cent of the total SN cost; on the other hand, before it died in 1980, the *Winnipeg Tribune* was not paying for the service at all.

The service was partly established to give Southam papers what Fisher termed "unique product qualities" for those cities in which Southam newspapers faced com-

**Table 7**  
*Cost of Southam News foreign coverage*

	Africa	China	London	Paris	Washington	Total
1974	—	\$ 51,000	\$ 49,000	\$ 52,000	\$ 42,000	\$ 194,000
1975	—	58,000	64,000	65,000	59,000	246,000
1976	—	62,000	61,000	65,000	57,000	245,000
1977	\$ 105,000	—	89,000	76,000	56,000	326,000
1978	110,000	—	90,000	85,000	59,000	344,000
1979	157,000	—	130,000	120,000	68,000	475,000
	<b>\$ 372,000</b>	<b>\$171,000</b>	<b>\$483,000</b>	<b>\$463,000</b>	<b>\$341,000</b>	<b>\$1,830,000</b>

**Table 8**  
*Cost of Southam News domestic coverage*  
*(in thousands of dollars)*

	1974	1975	1976	1977	1978	1979	1980	Total
Ottawa	\$306	\$350	\$433	\$505	\$518	\$661	\$771	\$3,544
Québec	25	28	36	47	49	55	65	305
Toronto	29	31	38	41	39	41	64	283
Vancouver	39	41	47	71	63	83	66	410
Atlantic	31	30	—	—	—	63	57	181
Montréal	—	—	—	—	—	39	66	105
Arts	16	37	42	47	54	56	66	318
Sports	—	—	40	30	35	39	40	184
Travel	—	—	—	21	47	47	50	165
Energy	—	—	—	—	—	—	62	62
	<b>\$446</b>	<b>\$517</b>	<b>\$636</b>	<b>\$762</b>	<b>\$805</b>	<b>\$1,084</b>	<b>\$1,307</b>	<b>\$5,557</b>

petition. Despite the 1979 and 1980 closings in Montréal and Ottawa, however, Fisher dismissed the suggestion that the company would reduce expenditures. "It has never crossed our minds to contract the news service. In fact, it will expand as our bottom line expands." He said Southam still faces competition in Alberta, and the incentive for supplementary material continues because broadcasters feed off the same CP-BN system that would otherwise fill the papers.

Fisher also pointed out that SN contributes to Southam's performance of public responsibility as journalists. There have been suggestions that the company would improve Canadian journalism more generally if it were to spend the money it puts into SN to beef up CP. Young termed this "one of the sillier comments". He said it is not Southam's duty to subsidize newspapers that do not see it as their responsibility to cover foreign affairs adequately. Fisher said many of CP's members would not have the space for increased interpretative material.

One test of SN's value to Southam is the extent to which its copy is used by member papers. This test can be done because the Ottawa bureau checks its papers monthly, detailing which SN stories are used and with what news play. (According to Young, the numbers are somewhat imprecise because a few papers fail to arrive through the mails, because some stories are printed without credit and thus may be missed, and because items are sometimes combined with material from other sources by the newspaper. He believes the overall patterns are accurate, however.)

In 1980, the service moved 3,281 stories, averaging almost 275 monthly. Its papers used the material to varying degrees. The Brantford *Expositor* printed only a fifth of the items; the Calgary *Herald* ran almost three times as many. Young noted that usage by individual papers has less to do with their size than with the editors' perceptions of quality. In one case, which Young stressed was unusual, the individual with the most influence over the paper's content has "almost a hit list" of reporters whose work he does not respect. Their material, regardless of quality, does not appear. As publishers and editors change, usage changes at particular papers. Low usage is a constant sore point, he said, but experience had shown "that it's not very profitable to keep on badgering about it".

Low usage also may occur because some papers, such as the Ottawa *Citizen* and Montréal *Gazette*, have a great number of services from which to choose copy, or because the Southam style does not fit into the style of presentation that emphasizes columnists, and thus reduces the amount of open space. By the same token, small papers make good use of Southam files because they do not have other services to choose from.

In general, said Young, he would like the papers to take a more positive attitude toward the service, and to regard it as an extension of their own staff rather than as "some bloody service that comes thundering in with a bunch of other junk from New York and London". But he said the Southam policy of local autonomy is admirable.

It is local autonomy that resulted in the two Vancouver publishers, Clark Davey and Paddy Sherman, dividing up the Southam stable of writers following the August, 1980, acquisition of the *Sun*. According to Vancouver *Sun* managing editor Bruce Larsen, there was a consensus that the same bylines should not appear in both papers, so they divided the bureaus. The *Province* replaced some of its bureau losses by adding other services; the Vancouver *Sun*, which did not get the Ottawa bureau, has its own staff there. Young said he regarded this division as only a temporary solution. Although it is the correct way to handle columnists, he said, "I think it's an unworkable system with regard to the news correspondents." He would prefer that each story be selected by the newspaper which publishes first, as is now done with CP, and that both run the story if they wish.

## Thomson News Service

Only partly paralleling the function of Southam News is the service mounted by Thomson for its group of papers. That service, which has only sporadically been adopted by the newly acquired FP properties, provides three distinct types of information. First, it offers several staff-written columns — a five-times-weekly political commentary by Stewart MacLeod in Ottawa; a foreign affairs column by John Harbron, based in Toronto; a business and consumer column by Vincent Egan; and, for its Ontario papers, a Queen's Park column by Derek Nelson. Second, it maintains a



number of legislative bureaus and stringers to write governmental and political news with localized appeal. The Ottawa reporters work chain-wide, but provincial copy is generally restricted to papers located in the province in question. Third, the service bulk-buys for the group the rights to a few feature columns, such as advice columns by Ann Landers and a medical doctor.

It is the localized legislative news that is the most distinctive feature of Thomson News Service. There are three staffers each in Ottawa and Toronto, and stringers are located in Vancouver, Regina, and (at present vacant) Halifax. In Commission testimony, Colin McConechy, the former editorial director for Thomson Newspapers, said he would have liked more funds to add personnel in other centres; executive vice-president Brian Slaight said he would have considered such a request if he had received it.

Thomson's service does not try to duplicate CP by covering stories from a nation-wide or province-wide perspective. Rather, it zeroes in on happenings with primarily local appeal. Thus, said parliamentary reporter Rennie Mackenzie, the Cape Breton *Post* has requested stories on Ottawa meetings of the Cape Breton Development Corporation, and a Saskatchewan editor has sought updates on federal-provincial negotiations over Grasslands National Park. Some queries — such as one to interview Chief Justice Bora Laskin — have wider appeal, but Mackenzie emphasized that the majority of stories are written for single papers. Requests fluctuate — they may range from none to two dozen weekly, and as a result much of the copy is initiated by the bureau, a lot from Commons debate.

The policy of responding to member requests is in sharp contrast to procedures in the Southam group. General manager Young said his members recognize special requests are not the *raison d'être* of the service, and sometimes when requests were made, he put the paper in touch with freelancers.

One Thomson editor said his paper requests stories, particularly of the Queen's Park bureau, because that is more convenient than asking CP. Although CP handles member requests, said Lee Ballantyne of the Belleville *Intelligencer*, the Toronto desk sometimes fills them only if another paper is pursuing the story anyway and can file a dupe for CP rewrite. Even so, however, not all Thomson papers make extensive use of the service: according to Slaight, the Halifax bureau does not warrant a full-time staffer, and he pointed to the limited number of requests received even when the legislature was sitting.

A random check of Thomson papers, however, suggests that the regular columns and features are widely printed. One Thomson editor said there is an incentive to publish the material because each paper pays for it anyway through annual assessments. He stressed, however, that there are no orders from corporate headquarters to publish it.

According to Slaight, the annual budget of the service is about \$400,000.

## Feature syndicates

Canada has two principal syndicates, generating their own news and entertainment features and acting as agents for foreign services. Both are associated with major dailies — the Toronto *Star* Syndicate is a part of Torstar, while Canada Wide Feature Service is a Toronto *Sun* subsidiary. As a result of the ownership structure, some of their most popular Canadian offerings are by writers or artists employed by

or freelancing for the parent newspapers. The *Star* syndicate, for example, sells *Star* columnists Richard Gwyn, Gary Lautens, Jack MacArthur, Milt Dunnell, and others. The *Sun's* Canada Wide, for its part, markets such *Sun* people as cartoonist Andy Donato.

To market domestically produced syndicated material without the backing of a major newspaper is difficult, according to *Star* syndicate manager James Cherrier. It is virtually impossible for Canadian writers to make a living solely from syndication, he said, noting that even a high-priced item such as the Richard Gwyn column earns only \$150 weekly in the largest market, and as little as \$10 from the smaller clients.

The newspaper closings have only added to the problem, reducing the demand for domestic features. Cherrier predicted the decline will continue. Although the community newspaper market is largely untapped, he said, the low fees that weeklies pay are insufficient to maintain independent writers.

The difficulty of fostering native talent is compounded by two factors. First, it is more economically attractive to market U.S. features, because they are pre-sold to Canadian editors and readers through American marketing and promotion. They also recoup their costs in the U.S.; the four largest American markets alone generate as much as all of Canada, Cherrier said. As a result, Canada's syndicates are active purveyors of foreign services. The *Star* syndicate handles the U.S. supplementary news wires of the Chicago *Tribune-New York News*, the Des Moines *Register and Tribune*, the *Christian Science Monitor*, and *Knight-Ridder*. It also markets the London *Sunday Times* service. Its feature packages include King Features and the McNaught Service (which provides packages for the community press), and two Belgian services for the French market. The *Sun* syndicate's stable includes the Los Angeles *Times* syndicate; United Features Syndicate, which in turn handles Scripps-Howard and the *Economist*; and several British syndicates.

Second, a reduction in newspaper competition means that individual papers have less incentive to purchase supplementary services. "When there were two papers in Winnipeg, for example, both knew damned well they had to seriously consider something or it would go across the street," Cherrier said. But the change in Winnipeg and elsewhere has had an impact on market price, which is determined by both circulation and competition. As a result, newspapers generally are not paying what Cherrier termed a fair market price.

In Canada, sales are also somewhat affected by the fact that two chains, Thomson and Sterling, make group purchases of syndicated material. In the former case, head office makes a preliminary selection of items, which it then forwards to its editors for assessment. Those most highly rated by the papers are then purchased as a package for the Thomson group.

Despite the bleak picture, the syndicates feel they will continue to grow. The *Star* has put together a weekly mailed package of six or seven news and entertainment features taken from its weekend papers. Topics covered have been as diverse as the U.S. space shuttle, South African politics, entertainment reviews, and medical features. Cherrier said that the package is growing in the United States, where the current \$40,000 to \$50,000 in annual billing is expected to increase tenfold once the material is distributed electronically, which was expected by late 1981. Subscribers pay only for those items they reprint, with fees ranging from \$10 to \$250 per story.

# 8

## French-language dailies and news services

The French service of The Canadian Press does not correspond exactly to its English-language service. Rather, it is a subsidiary wire service similar to those of the Maritimes, Ontario, and the West. The French service is thus a regional service (but distinguished from the other subsidiary services in that through its translators it assures French-language coverage of events reported in English by CP, AP and so on). Its subsidiary status is confirmed by the makeup of CP's board of directors.

The French service also serves as a point of collection and retransmission of texts written by member papers and likely to be of mutual interest. It serves, too, to assure some coverage of events taking place in Montréal or Québec City and, on occasion, elsewhere in Québec.

The service occupies most of CP's Montréal and Québec City offices. In Montréal, 76 of the 100 employees are French-speaking. But the staff handling the news have mainly desk jobs or work as translators. Unlike the English-speaking team, mostly working as reporters, only six of the 20 French-speaking journalists may be called reporters as such, four handling general news, and two covering sports. (This was the situation in March, 1981. At the beginning of August, however, CP added two general reporters and two sports reporters.)

In Québec, the Canadian Press office is in the National Assembly building; it is manned by 11 people, including seven French-speaking journalists who devote most of their time to the Assembly but occasionally cover regional events in eastern Québec. Two of the remaining four journalists work for Canadian Press and two for radio.

The Montréal bureau is run by a career journalist, Guy Rondeau, who is respected by his team and by the heads of the French-language dailies. As chief of the Montréal bureau, he is responsible for the bureau in Québec City and Nouvelles Télé-Radio, the French-language equivalent of Broadcast News. He has two assistants, one on the French side, one on the English. His relationship with the general manager of Canadian Press is that of subordinate to boss, even though he enjoys enough independence to ensure coverage of everything going in Québec and to maintain appropriate relationships with the French-language papers. His budget is not a

separate one but is a part of the general budget of Canadian Press; the only budget which may properly be said to belong to the Montréal bureau goes to pay the salaries of its employees and to cover its operating costs. When it is a question of replacing a journalist who has resigned his post at the Montréal bureau, as five did after the Québec referendum of May 20, 1980, it falls to the head office of Canadian Press in Toronto to decide if the vacancies need filling. In the latter case, the Toronto office has apparently decided for the time being not to replace those who resigned, believing that, given the results of the referendum vote, "the crisis in Québec was over".

The Montréal bureau's dependence on CP's head office prevents the former from considering French-language coverage of contemporary Canada outside Québec. The autonomy enjoyed by the Montréal bureau in covering events in Québec (though limited by its small number of reporters) ends at Québec's borders. So, while the English-language dailies in the rest of Canada publish English versions (written by English-speaking journalists) of events occurring in Québec, Québec French-language dailies publish news from elsewhere in the country via an English version of things "translated" or "adapted" by French-speaking journalists stuck at their desk on St. James Street in Montréal.

As a result, the French service is merely a regional service which serves mostly to translate stories written by English-language journalists concerning the rest of the country rather than presenting to the rest of the country a vision of Québec as seen by French-speaking journalists. This is because there are English-speaking reporters attached to Canadian Press inside Québec but, except in Ottawa, there are no French-speaking reporters stationed elsewhere in Canada. "Biculturalism, two cultures, two official languages, isn't for Canadian Press," said the editor-in-chief of a small daily, regretting the fact that the French service couldn't provide him with a good feature story on the acquisition of Petrofina by Petro-Canada written by a French-speaking journalist for a French-speaking public.

The overall result is that the heads of French-language dailies in no way see Canadian Press as "having anything to do with them", as an association of which they are members, in which they may play a part and have any influence. "The Toronto *Star*, Southam, and the Thomson bunch," said one publisher. "As far as French-Canadians are concerned, it's a nice social club," said an editor-in-chief. "A group of anglophones who offer us a translation service for everything concerning Canada and tell us after that the country belongs to everyone," said a third person.

This does not mean that the French-language dailies do not use the service. But Canadian Press is seen mainly as a foreign body from which French-language dailies can still obtain valuable service due to the personal relationships which exist between the chief of the Montréal bureau and the heads of the various papers. But this valuable service involves essentially information from Québec assured by member papers and translations of English-language stories which are published because Canadian politics (read "federal politics") have to be covered to some extent and often a considerable number of columns need to be filled. As far as content is concerned, the ratio of in-house stories to news service copy varies considerably from one paper to another depending on the objectives of each, sales volume, personnel, and so on. *Le Journal de Montréal* and *Le Journal de Québec*, which mainly contain news items and sporting events, devote between 20 and 25 per cent of their available space to news service items. A daily such as *Le Nouvelliste* of Trois-Rivières, a regional news-

paper, uses agency copy to the extent of 25 to 30 per cent. But in *Le Quotidien* of Chicoutimi, another regional newspaper, wire service dispatches may reach 65 per cent as opposed to only 35 per cent written by its own journalists. A paper such as *La Presse*, on the other hand, contains the reverse proportion of 65 per cent of original articles as against 35 per cent of wire service dispatches. Much the same proportion appears in papers such as *Le Soleil* and *Le Devoir*.

## **Content and use of the French service**

By looking at the wire copy from CP's French service used by French-language dailies during a three-day period in late 1980, it is possible to make an approximate evaluation of just how such copy is used. The analysis covers the items of November 25-26 for papers appearing November 27; those of November 18 for the papers appearing the 19th, and those of the 21st for papers appearing Saturday, November 22.

### **International news**

Some 38.8 per cent of the items sent during these three days were international stories, that is, not original copy from member papers but retransmissions of wire copy from Agence France-Presse, translations of Associated Press pieces, and both types from Reuters. The 11 French-language dailies used 27.8 per cent of all these items, the largest user being *Le Journal de Montréal* with 67.5 per cent. *Le Nouvelliste*, *La Tribune*, *Le Soleil*, *Le Droit*, *l'Evangéline*, *Le Devoir*, and *Le Journal de Québec* each used anywhere from 20 to 30 per cent. Those using the least were *La Presse* (13.6 per cent) and *La Voix de l'Est* of Granby (six per cent).

### **Sport news**

After international stories, sport news occupied the biggest portion of the French service during these three days (26.8 per cent). In fact, newspapers used 30.2 per cent of these items, but if those used by *Le Journal de Montréal* (16.4 per cent) and *Le Journal de Québec* (18.1 per cent) are not counted the percentage exceeds 33 per cent. In fact, without the copy used by Montréal papers and counting only that used by regional papers, the level reaches 37.8 per cent. In the cases of *La Tribune* of Sherbrooke, of *Le Nouvelliste*, *Le Droit*, and *l'Evangéline*, over four sports items in 10 are used, while *Le Quotidien* uses 35.7 per cent and *Le Soleil* 31.2 per cent. For Montréal newspapers, this level sinks to less than 20 per cent, since these papers cover local professional sports themselves — the Canadiens, the Expos, and the Alouettes.

### **Québec news**

During these three days, 19.6 per cent of the stories sent by the French service had to do with Québec and the newspapers used 27.4 per cent of them. It is important to note, however, that November 16 was a day when by-elections were held in Québec, so newspapers used more Québec news than usual Monday, November 17. Even so, the regional-area papers were the largest consumers: *Le Quotidien* (32.7 per cent), *La Tribune* (26.9 per cent), *Le Nouvelliste* (28.3 per cent), *Le Soleil* (31.9 per cent), *Le Droit* (34.5 per cent). *Le Journal de Montréal* used 44.5 per cent of all Québec

news but in widely varying proportions: 90.3 per cent Monday, the day after the by-elections; 4.4 per cent Wednesday; and 10.5 per cent Saturday. *La Presse* used this information least — 5.7 per cent of all stories sent.

### Canada-wide news

During these three days, Canadian news occupied 15.1 per cent of the French service wire, and proportionally, this news, together with sports, interested the papers most, accounting for 30.2 per cent of all Canadian copy. The largest users were *Le Soleil* (48.3 per cent), *Le Droit* (42.6 per cent), and *Le Journal de Montréal* which used more than half the items (51.7 per cent). But this was before *Le Journal de Montréal* had an Ottawa correspondent. *Le Journal de Québec* used the fewest items (3.5 per cent).

### Economic news (excluding stock market)

During the same period, the French service devoted 10.7 per cent of its file to economic news and once again *Le Journal de Montréal* (47.2 per cent) was the largest consumer followed by *Le Quotidien* (44.2 per cent) and *La Presse* (41.3 per cent). Altogether, the papers used only 21.9 per cent of all available economic news but in this evaluation one has to keep in mind papers such as *La Tribune* (15.5 per cent), *Le Droit* (11.6 per cent), *l'Évangéline* (5.2 per cent), *Le Journal de Québec* (4.9 per cent), and *La Voix de l'Est* (nil).

Later in this study, a close look at these levels of use will give a better idea of the problem which confronts the French service in the type of coverage forced upon it, the choice of events, and, in general, the establishment of its short and medium-term priorities.

### Evaluation of the French service

Accepting the fact that their papers take passively what the French service sends them, with only an occasional request as far as content goes, publishers and editors say they are relatively satisfied with the service provided.

"The service is efficient," says Bertrand Genest, news editor of *Le Quotidien* in Chicoutimi, the most demanding of the papers in terms of events. "We ask them regularly to cover regional and Canadian news for us and events which concern our region but which take place in Montréal or Québec City. They always come through, using either their own reporters or members' stories. It's a good service. . . ."

"The service has got a lot better ever since it went from 66 to 300 words a minute," says René Ferron, managing editor of *Le Nouvelliste*. "The stories are still far too long but each time we ask the French service to shorten them, *La Presse* protests. . . ."

"The service is very fast now," says Michel Roy, editor-in-chief of *Le Devoir*. "Aside from the stories written by political correspondents and which are certainly not checked over by the Montréal desk — that's one of the disadvantages of the cathode ray screen — the quality of the French has improved 150 per cent in the last 10 years. . . . It's still spotty but everything's publishable."

"In general, we're satisfied with the service. The quality of the French? Better than it used to be. . . ." says Jean Sisto, assistant publisher of *La Presse*.

In this overall analysis of the French service, which is essentially positive, there are nonetheless a few sour notes struck regarding the weak coverage of federal politics and of major events on the Canadian scene by French-language journalists.

"Ask for a Canadian feature story from Canadian Press?" says Serge Côté, editor-in-chief of *Le Journal de Québec*. "I'd rather ask the lowliest guy in the newsroom to do it. At least it wouldn't be a dull, lifeless translation, and it would be written in the paper's own style. . . ."

"What interests us is Ottawa," says Gérard Cellier, editor-in-chief of *Le Journal de Montréal*. "Everything else Canadian Press sends us is dull and uninteresting. And to print news from the rest of the country just to be printing stuff from the rest of the country isn't terribly interesting."

"Canadian Press isn't much in French in Ottawa," affirms Claude Masson, editor-in-chief of *Le Soleil*. "So we have a team here which translates the English wire service while our correspondent does features or covers regional events."

"Canadian Press sends us the hard facts," says Roy of *Le Devoir*. "But what I want from Canadian coverage are analyses and explanations. I want to have the why of what's happening in Winnipeg or Vancouver. We've had to make up for Canadian Press' weaknesses. More and more we cover Canadian news with our own people, correspondents who know what we want. . . . Daily newspapers have to define themselves more and in terms of radio and television. And to keep people from going straight from these two media to interpretative and specialized magazines, newspapers have to provide explanations with their news, and quickly, the same day or the day after the event. And in order to do that, Canadian Press has got to adjust. . . ."

"Canadian Press doesn't have a French-speaking correspondent in Fredericton," says Martin Boudreau, editor and general manager of *l'Évangéline*. "When we can't cover the legislative assembly ourselves, we have to translate the English correspondent's text or one sent us by Canadian Press written by a journalist from one or other of the Irving papers."

"Even if we have confidence in the Edmonton *Journal* to tell us what's going on in Alberta," says Sisto of *La Presse*, "we still send Rhéal Bercier, our Toronto correspondent, out West a dozen times a year."

These several statements reveal the general dissatisfaction on the part of the French-language dailies with the coverage provided by Canadian Press. This dissatisfaction includes the selection of events covered, the way they are covered, and especially the fact that the coverage is done in English and then translated. And that is perhaps one of the reasons why French-language newspapers — and consequently their readers — pay little attention to Canadian news other than federal.

## **Member papers and Canadian Press**

"Canadian Press is one of the flowers of Confederation," says Jean Sisto of *La Presse*.

With this label to describe Canadian Press, Sisto illustrates the way Québec journalists regard the agency. Not one of the persons quoted in this study considers Canadian Press a truly co-operative organization in which each French-language daily has a full and equal share.

"It's run by the Toronto *Star* and the Southam and Thomson groups," says Sisto.



"La Presse canadienne is above all Canadian Press," says René Ferron of *Le Nouvelliste*. "The moment a weakness shows up in the English wire service, repercussions are felt in the French service. If the newspaper chains in English Canada were to decide via their representatives on the board of directors to reduce the quality of their wire services, we couldn't do anything about it. The French service is dependent on the English service."

"CP is Toronto's business all the way," emphasizes Denis Tremblay of *Le Quotidien*. "First Toronto's, and then the big papers. Small papers like ours have no influence whatsoever on CP."

"We get no collaboration from the large French papers. They consider CP as an auxiliary wire service because they too have given up hope of influencing Toronto or having a say in planning the main trends within Canadian Press."

Claude Masson of *Le Soleil* speaks in much the same terms: "French member papers take Canadian Press service for granted; in a sense for them it's an established fact which they have learned to live with, like it or not. They don't think of themselves as participants in this service. They're unaware that Canadian Press wouldn't exist without its members."

For Michel Roy of *Le Devoir*, the general manager of Canadian Press in Toronto is the one who runs the service, including the French service — "though heeding the observations of the board of directors," he adds. According to Roy, the co-operative formula of Canadian Press, while offering undeniable advantages, also harbors a major inconvenience: "Up to now," he says, "newspaper concentration hasn't affected the freedom of The Canadian Press. But some day there could be a more ominous sort of grouping. It's possible. It's a problem we have to face."

These various appraisals by member papers are echoed by the chief of Canadian Press' Montréal bureau.

"It seems impossible to make the French papers' presence felt within Canadian Press," says Guy Rondeau. "Is it because they've only got two representatives out of the 19 members of the board of directors? I don't know. The lack of interest in Canadian Press shows up as well in the French service. We hardly ever get requests any more from member papers except where sport news is concerned. It appears that competition from the newspapers belonging to Quebecor has forced the other papers to cover regional news better and to concentrate more on sports."

This competition has even led certain papers to ask the French service to put a reporter on the "big" news items in Montréal.

"The smaller and more regionally-oriented a paper, the more it depends on Canadian Press," Rondeau adds, "but at the same time these papers force us to modify our coverage. No member paper requested anything specific on the Ontario general election. They all claim our coverage is too political. But they ask for more sports and news items."

### **Canadian Press caught in a bind**

It is due to this ever-intensifying competition between the Quebecor papers and the others that at the moment the French service is caught in a bind and is being forced to choose between two member papers who are among its principal subscribers, on the one hand, and, on the other, those who in order to remain competitive ask Canadian Press for sports news and random news coverage, thereby running the risk of upsetting the former.



The result is that these two major subscribers, *Le Journal de Montréal* and *Le Journal de Québec*, could pull out of Canadian Press altogether.

The principal reason is the rising cost of the service — \$350,000 for *Le Journal de Montréal* and \$160,000 for *Le Journal de Québec*. These two papers are owned by Quebecor, a business run by Pierre Péladeau.

Quebecor is currently re-evaluating Canadian Press' system of assessment which is based essentially on circulation rather than on the extent to which a paper uses the service. Moreover, at the request of most of its members, the French service is having to increase the amount of its sports news, something which does not please in the least the publishers of *Le Journal de Montréal* and *Le Journal de Québec*, papers which are widely distributed outside Montréal and Québec.

"Because of the system of assessment," says *Le Journal de Montréal's* managing editor, Gérard Cellier, "we subsidize the sports news printed by our competitors. And sports, which isn't essential news, is our main marketing item. . . ."

Cellier is categorical: "Add a sports reporter to Canadian Press? No! Unless the papers who ask for it foot the whole bill. Canadian Press isn't there for sports. The way Canadian Press' assessment system is set up, we allow the small papers to get into the habit of receiving news for half-price. When *Le Journal de Montréal* finances Canadian Press, it allows *Le Nouvelliste* in Trois-Rivières, *Le Quotidien* in Chicoutimi, *La Tribune* in Sherbrooke, to keep from hiring reporters. A false sense of security is created." (The meeting with Cellier took place February 20, 1981. Less than six months later, at the beginning of August, CP agreed nevertheless to the request of the majority of its members, and raised the number of its sports reporters to four, without altering the assessment structure.)

According to Cellier, the reason Québec newspapers have a hard time keeping their heads above water is that they are too dependent on Canadian Press and because Canadian Press' journalistic style is so traditional and conformist that people have no desire to read the news it provides. This tends to confirm a study done by the *Le Journal de Montréal* among its readers: 40 per cent read no newspaper before *Le Journal de Montréal* came into existence.

It also explains Quebecor's third grievance against the French service: it doesn't meet their needs and its dispatches are not written in a style which fits their pages.

"We aren't crazy about the service," says Pierre Péladeau, president of Quebecor Inc., who adds, "we have to find out if what Canadian Press is selling us is worth what we're paying for it. We pay for a service, nothing more. If it doesn't meet our needs, we'll look elsewhere. There's the Agence France-Presse, there's Reuters. . . . It's a practical question. We're not a bank. . . ."

The managing editor of *Le Journal de Montréal* makes no secret of how he feels about the French service. In a report which the paper's president, Maurice Custeau, ordered, he recommended that *Le Journal de Montréal* quit Canadian Press. "We can subscribe directly to the wire service of the Agence France-Presse, which would cost us around \$80,000. From now on, we could use United Press Canada for Canadian news. We could hire three or four translators and keep a correspondent in Ottawa."

And Cellier adds, "Strategically, in fact, it would be logical for *Le Journal de Montréal* to leave Canadian Press. If it did so, the other newspapers would have to shoulder an additional burden of \$350,000. Can they?" Cellier recognizes that for

the moment, however, *Le Journal de Montréal* is not ready, technically speaking, to replace the newspapers which might fold in consequence.

In sum, the Quebecor papers consider that:

1. The French service of The Canadian Press is not particularly useful to them where their strongest side is concerned, namely, random news items ("faits divers"). Furthermore, *Le Journal de Québec* intends to intensify its relationship with the papers which resemble it, such as the *London Sun* or the *Toronto Sun*. "The human interest feature is relatively ageless," says Serge Côté. "A child of seven who suffers from precocious senility or a 75-year old woman jogger is of interest to everybody and it doesn't matter if we publish the news two days after the *Toronto Sun*."
2. Their correspondents in Ottawa and Québec City meet their needs fully as far as federal and provincial politics are concerned.
3. Canadian Press perhaps carries too much Canadian news. "*Le Journal de Montréal* is a Québécois newspaper," says Cellier.
4. Sport news is not essential information and each newspaper should assume its own costs in this area.
5. The photo service of Canadian Press is not up to that of United Press Canada.
6. Canadian Press' journalistic style — in the case of its French service — is too conventional and lacks bite. "When Canadian Press writes for *Le Nouvelliste*, it isn't writing for me," says the managing editor of *Le Journal de Québec*. "It should get itself a team of good journalists who specialize in features. There are never any good features on the French service wire. Our readers want human interest stories. That's why we buy more stories from the *Toronto Sun*."

If the Quebecor papers pull out of Canadian Press, the latter will lose \$500,000 a year, more than a quarter of its total income from French-language papers.

### **Alternative considered by UniMédia**

This perspective has already been envisaged by another newspaper owner, Jacques Francoeur, president of UniMédia, which publishes *Le Soleil* and *Le Quotidien*.

The UniMédia papers are in direct competition with *Le Journal de Québec*, the latter's distribution stretching from Portneuf and Thetford Mines all the way to the Gaspé Peninsula and publishing a regional section going to the Saguenay-Lac St. Jean area. A major handicap which UniMédia papers suffer is found in certain clauses of their collective agreement.

In the case of the Quebecor papers, the collective agreements signed between *Le Journal de Montréal* and the Confederation of National Trade Unions on the one hand, and between *Le Journal de Québec* and the Public Service Alliance of Canada on the other, do not forbid publication of the same article or column in the two newspapers. And, in fact, *Le Journal de Québec* draws heavily upon *Le Journal de Montréal's* columns. But this practice is forbidden between *Le Soleil* and *Le Quotidien*, even though their collective agreements were signed with the CNTU.

To get around this handicap, UniMédia has created a small press service, EdiMédia, which sells freelance articles to a certain number of papers. EdiMédia was destined to grow: the project, which *La Presse* was interested in for awhile, was to offer as a basic service columns on the arts, sports, Québec, and American politics (from Jean Pelletier, *La Presse's* Washington correspondent).

Parallel to this basic service, EdiMédia was looking to create United Press of Québec, which would have exchanged services with United Press Canada.

"Our idea," says Francoeur, "was to build a bureau with the best desk editors in Québec who would have screened the dispatches of UPC and sent to subscribers a selection of the best of them in English. Parallel to that, we counted on improving EdiMédia so as to be able eventually to drop Canadian Press. These two services wouldn't have cost us any more than Canadian Press. . . ."

The project has been shelved, temporarily at least, because according to UniMédia's lawyers, the unions could contest it. This caused someone to say: "And that's how the unions saved Canadian Press in Québec."

But the project could be resuscitated at some point. For that to be the case, UniMédia will have not only to convince the unions that their members will not be threatened by it but also to succeed in a number of operations: acquire UPC or at least become associated with it; be able to use articles from *Le Soleil*, *Le Quotidien* and, eventually, those of its clients; be able to offer its services to all the media in Québec; hire a few journalists on a permanent basis; acquire exclusive rights for Québec distribution of a certain number of foreign wire services (*New York Times*, *Le Monde*, etc.). And, naturally, re-evaluate the membership of *Le Soleil* and *Le Quotidien* in Canadian Press.

This re-evaluation could be brought about by Quebecor pulling its papers out of Canadian Press. For it would mean a raise in costs to other members of 20 to 25 per cent, or else a reduction in the quality of service. "It couldn't be otherwise," says Francoeur, who for five years was a member of the executive committee of Canadian Press. "At present, CP's budget is as low as it can be. It isn't possible to cut costs. . . ."

Papers other than those belonging to Quebecor affirm two things equally firmly: they can't do without Canadian Press and they can't pay more than they are currently paying.

Meanwhile, the Government of Québec still has on hand a 600-page document, the result of a study commissioned in November, 1977, by the minister of communications, concerning the viability of a Québec news service. One of the conclusions found there: a news service in Québec would have to count on the massive support of the dailies and on the disappearance of Canadian Press from the Québec market in order to be profitable.

# 9

## Summary and conclusions

More than a decade ago, the Davey Committee examined CP and concluded that it performed “supremely well” as a news clearing house, supplying a report that was “fast, comprehensive, reliable, tough, and more colorful than it is often given credit for”. The committee had only one major complaint, on weakness in foreign staffing, plus a minor cavil about weak reportage on cultural matters.

In the years since then, CP has expanded a great deal, has gone through a major technological changeover, has started to diversify, and has encountered successive challenges from the rise of the tabloid press, the increasingly powerful broadcasting industry, and the increasingly demanding regions. It has moved from what one publisher called the “war correspondent” era of management to a younger and more open management style. It has accepted certification of the Wire Service Guild (an earlier attempt to unionize, in the 1950s, was fiercely and successfully resisted), and it has sought to develop ways of curing a chronic problem of staff turnover.

It has a number of problems remaining. For all the official disclaimers, it is difficult to see how CP staff can be anything but nervous about a situation where, as one publisher put it, management has to be responsive to only two or three bosses. Even with the best-motivated management in the groups, CP — and through it, the whole news system — is at risk.

The very strength of the broadcasting industry, so far a financial benefit to CP, also poses a risk. Some broadcasters are unhappy with a structure that gives publishers equal and therefore veto power on the board of Broadcast News. The division of the Canadian broadcasting system into private and public sectors has probably enabled CP to hold off the day when that structure is revised.

The strength of the tabloid press poses a problem in that it demands of CP a move away from the good, grey, factual style of reporting — a move that would not necessarily improve the organization. The alternative, a second service such as UPC, more geared to tabloid style, could be preferable for the whole news industry in the long term, despite the views of CP officials that the country can’t afford two good general news services. In the short term, the threatened and actual defections of the tabloids are a serious problem. CP estimated that the loss of the Toronto, Edmonton,

and Calgary *Suns* meant a revenue loss of \$600,000 in 1981, and the threatened withdrawal of the Quebecor tabloids in Montréal and Québec City could mean a loss of nearly \$500,000 — plus a serious weakening of the agency's operation in Québec, where news generation already appears to be notably weak.

The possibilities for CP to diversify into news-for-business appear to be good, although the direction is not without risk; news well shaped for the business community is much different from that required in the general report. Over the horizon, there are interesting possibilities for recycling CP news through computer-based services going to offices and homes, and CP is beginning to explore them. If this area does open up, it could raise another hazard. The main industry innovators in computer-based news services are Infomart, owned by Torstar and Southam, and Info Globe, owned by Thomson. CP could thus find itself either a competitor of its major owners, or again a supplier to them.

Technology also poses possibilities and challenges in other areas. The *Globe and Mail* move to publish its national edition at remote plants through satellite delivery has cut across the traditional pattern of member return-news areas. The Calgary *Herald* has already complained, for instance, about its pictures, supplied to CP, returning to Calgary in the *Globe*. CP is also campaigning to get direct access to communications satellites (rather than service through the telecommunications carriers) for delivery of both print and audio services, and for reception of AP material. In another area, rapid changes in computer technology mean the agency will face a continuing drain on resources to keep abreast.

The Vancouver *Sun's* Clark Davey, new CP president, says there have been a number of accomplishments over the past two years, under Martin Goodman's term as president and Keith Kincaid's first years as general manager. Among the accomplishments have been the introduction of modern management systems, the implementation of marketing strategies, and the development of more professional employee relations. The accounting system has been put in order under a new treasurer (previously, decisions were sometimes three to six months behind). The approach to news has been modernized, with more original generation of copy and more specialist reporting.

For the future, Davey said that he continues to be concerned about the French-language service, and that the new technologies pose challenges as well as opportunities, including the question of whether CP should become a direct retailer of its own news. As for relations with broadcasters, Davey said CP members have shown great sensitivity toward the interests of broadcasters. While some CP members felt broadcasters had too much say in running CP, he himself had been surprised at the extent of agreement between broadcasting and print representatives.

Davey concluded that "the worst is behind us", reflecting a view of many newspaper industry executives that the recent closings represented a necessary consolidation or rationalization.

For United Press Canada, the prospect ahead is not so reassuring. If it fails to establish a substantial broadcasting market, or if the financially weak United Press International goes under in the United States, Canadian Press could be left alone as the general supplier of news to all sectors of the news systems.

# Appendices

# APPENDIX I

## CP member assessment roll 1981

The following table shows 1981 CP assessments compared with 1980 assessment in effect at December 1, 1980, based on changes in circulation plus 13.5 per cent assessment increase.

The formula is unchanged from 1980 and divides assessment by six circulation categories among member cities on the basis of Audit Bureau of Circulations (ABC) figures available at November 1, 1980, except those members who provided current circulations because of the exceptional circumstances which occurred. Each two-language city is treated as two separate cities, one English and one French. Division in multiple-paper cities is 60 per cent equally and 40 per cent based on circulation. The cost of Extra Service, including teletype, is not included. (5 indicates publishing five days weekly; 7 indicates publishing seven days weekly.)

City and paper	Weekly circ M-S	Change	1980 assessment	1981 assessment	Change
Toronto					
<i>Star - 7</i>	3,534.1	51.7+	\$480,135a	\$545,813a	\$65,678+
<i>Globe and Mail</i>	1,694.2	115.7+	303,887	352,382	48,495+
Montréal					
<i>La Presse</i>	1,073.6	3.0+	185,451c	220,671c	35,220+
<i>Le Journal - 7</i>	2,150.5	270.0+	243,092c	310,900c	67,808+
<i>Le Devoir</i>	248.4	31.6-	98,520c	101,710c	3,190+
<i>Gazette</i>	1,252.4	218.8+	246,819	321,236	74,417+
Vancouver					
<i>Sun</i>	1,375.7	68.0-	231,074	253,779	22,705+
<i>Province</i>	735.6	52.0-	182,437	198,885	16,448+
Québec					
<i>Le Soleil</i>	768.4	19.2+	158,083c	181,833c	23,750+
<i>Le Journal</i>	588.5	7.9-	144,007c	163,168c	19,161+
Ottawa					
<i>PM Citizen</i>	817.0	77.9+	143,487	173,972	30,485+
<i>AM Citizen</i>	260.2	8.2+	89,064	114,356	25,292+
<i>Le Droit</i>	284.4	2.9+	98,942c	113,235c	14,293+
Victoria					
<i>AM Times-Colonist</i>	288.6	19.5+	72,506	86,394	13,888+
<i>PM Times-Colonist</i>	209.1	12.9+	63,954	76,019	12,065+

City and paper	Weekly circ M-S	Change	1980 assessment	1981 assessment	Change
Edmonton					
PM <i>Journal</i>	1,066.4	3.4–	185,363	202,804	17,441+
AM <i>Journal</i>	90.0	—	82,552	100,400	17,848+
London					
AM <i>Free Press</i>	576.3	2.9+	119,721	135,810	16,089+
PM <i>Free Press</i> – 5	203.8	10.7–	82,817	92,954	9,437+
Halifax					
<i>Chronicle-Herald</i>	435.9	5.9+	103,679	119,197	15,518+
<i>Mail-Star</i>	340.7	8.9+	93,511	108,055	14,544+
Saint John					
<i>Telegraph-Journal</i>	228.2	.1+	64,351	73,126	8,775+
<i>Times-Globe</i> – 5	156.0	1.7+	55,128	62,899	7,771+
Moncton					
<i>Transcript</i>	154.9	30.1+	43,505	56,528	13,023+
<i>Times</i>	114.5	.4–	42,091	50,130	8,039+
<i>L'Évangéline</i> – 5	88.4	2.0+	40,053c	46,321c	6,268+
St. John's					
<i>Telegram</i>	207.8	9.3–	65,051	67,220	2,169+
<i>News</i>	66.5	20.4+	23,627	35,656	12,029+
Sherbrooke					
<i>La Tribune</i>	247.5	5.9+	87,691c	101,424c	13,733+
<i>Record</i>	36.8	1.1+	19,657	22,788	3,131+
Thunder Bay					
<i>Chronicle-Journal</i>	161.5	8.3+	45,208	53,162	7,954+
<i>Times-News</i>	47.1	1.3–	29,644	34,034	4,390+
Charlottetown					
<i>Guardian</i>	105.0	7.5+	32,779	39,206	6,427+
<i>Patriot</i>	36.2	4.1+	21,768	26,417	4,649+
Winnipeg					
<i>Free Press</i>	1,198.0	340.9+	188,112	311,017	122,905+
Hamilton					
<i>Spectator</i>	884.3	19.0+	218,392	252,097	33,705+
Calgary					
<i>Herald</i>	827.5	61.5+	146,804	193,621b	46,817+
Windsor					
<i>Star</i>	546.3	12.7+	150,449	173,711	23,262+
Kitchener					
<i>Record</i>	422.9	10.4+	125,644	145,022	19,378+
Regina					
<i>Leader-Post</i>	403.6	5.3+	122,736	140,536	17,800+
Saskatoon					
<i>Star-Phoenix</i>	318.3	5.9+	105,140	120,705	15,565+
Trois-Rivières					
<i>Le Nouvelliste</i>	310.2	3.0+	105,635c	120,598c	14,963+



City and paper	Weekly circ M-S	Change	1980 assessment	1981 assessment	Change
St. Catharines <i>Standard</i>	259.4	3.2+	90,248	103,456	13,208+
Kingston <i>Whig-Standard</i>	217.2	1.3-	79,617	89,949	10,393+
New Westminster <i>Columbian</i>	198.2	57.2-	90,022	83,867	6,155+
Sudbury <i>Star</i>	192.3	12.7-	75,810	81,979	6,169+
Brantford <i>Expositor</i>	189.2	2.7+	70,593	80,986	10,393+
Sydney <i>Cape Breton Post</i>	186.2	1.4+	70,114	80,026	9,912+
Lethbridge <i>Herald</i>	167.4	4.2+	64,022	74,011	9,989+
Sault Ste Marie <i>Star</i>	153.9	7.1+	59,398	69,690	10,292+
Oshawa <i>Times</i>	144.1	1.5-	59,059	66,552	7,493+
North Bay <i>Nugget</i>	143.8	1.5+	58,129	66,456	8,327+
Fredericton <i>Gleaner</i>	140.2	8.2+	55,224	65,303	10,079+
Chicoutimi <i>Le Quotidien</i>	136.8	—	57,617c	65,392c	7,775+
Peterborough <i>Examiner</i>	136.6	5.7-	58,129	64,151	6,022+
Sarnia <i>Observer</i>	130.9	5.2+	53,447	62,327	8,880+
Niagara Falls <i>Review</i>	127.5	2.6+	53,221	61,239	8,018+
Owen Sound <i>Sun Times</i>	121.4	1.7+	51,726	59,287	7,561+
Welland <i>Times</i>	113.2	.2+	49,168	55,892	6,724+
Red Deer <i>Advocate</i>	111.6	8.2+	45,503	55,198	9,695+
Prince George <i>Citizen - 5</i>	109.8	3.9+	46,456	54,419	7,963+
Brandon <i>Sun</i>	106.8	1.0+	46,418	53,119	6,701+
Belleville <i>Intelligencer</i>	105.0	—	46,114	52,338	6,224+

City and paper	Weekly circ M-S	Change	1980 assessment	1981 assessment	Change
Guelph <i>Mercury</i>	103.1	1.5–	45,960	51,515	5,555+
Cornwall <i>Standard-Freeholder</i>	102.0	1.7+	44,319	51,038	6,719+
Chatham <i>News</i>	88.9	2.9+	38,859	45,363	6,504+
Kelowna <i>Courier</i>	87.4	5.8+	37,180	44,712	7,532+
Brockville <i>Recorder and Times</i>	84.7	2.3+	37,485	43,543	6,058+
Cambridge <i>Reporter</i>	81.2	1.8+	36,340	42,026	5,686+
Medicine Hat <i>News</i>	80.4	6.1+	34,393	41,678	7,285+
Kamloops <i>Sentinel – 7</i>	77.0	24.1+	26,606	40,206	13,600+
Stratford <i>Beacon Herald</i>	75.5	3.8+	33,400	39,556	6,156+
Timmins <i>Press</i>	72.3	.6+	33,400	38,169	4,769+
New Glasgow <i>News</i>	71.8	2.6+	32,446	37,952	5,506+
Barrie <i>Examiner</i>	68.0	1.1+	31,568c	36,306c	4,738+
Summerside <i>Journal-Pioneer</i>	67.6	1.6+	31,225	36,133	4,908+
St. Thomas <i>Times-Journal</i>	65.7	.4–	31,263	35,310	4,047+
Granby <i>La Voix de l'Est</i>	63.0	3.4+	29,821c	35,316c	5,495+
Moose Jaw <i>Times-Herald</i>	59.0	1.4+	28,017	32,407	4,390+
Prince Albert <i>Herald</i>	58.9	2.3+	27,636	32,363	4,727+
Corner Brook <i>Western Star</i>	57.2	1.3+	27,368	31,627	4,259+
Nanaimo <i>Free Press</i>	56.2	.8–	27,788	31,193	3,405+
Woodstock <i>Sentinel Review</i>	55.7	2.4–	28,209	30,976	2,767+
Orillia <i>Packet</i>	54.2	—	26,720	30,327	3,607+

City and paper	Weekly circ M-S	Change	1980 assessment	1981 assessment	Change
Truro <i>News</i>	52.2	.1-	25,995	29,460	3,465+
Vernon <i>News</i>	51.1	3.5+	24,200	28,983	4,783+
Simcoe <i>Reformer</i> - 5	50.6	.6+	25,116	28,767	3,651+
Brampton <i>Times</i>	47.5	4.0-	25,689	27,424	1,735+
Pembroke <i>Observer</i>	46.5	—	23,779	26,990	3,211+
Nelson <i>News</i> - 5	40.8	.5-	21,794	24,520	2,726+
Penticton <i>Herald</i> - 5	40.4	1.5+	20,879	24,347	3,468+
Grande Prairie <i>Herald-Tribune</i> - 5	40.0	7.2+	18,550	24,174	5,624+
Port Alberni <i>Alberni Valley Times</i> - 5	39.4	1.7+	20,422	23,914	3,492+
Kirkland Lake <i>Northern News</i>	34.6	.2+	19,160	21,834	2,674+
Trail <i>Times</i> - 5	32.6	1.6+	17,863	20,968	3,105+
Fort McMurray <i>Today</i> - 5	31.0	2.4+	16,946	20,275	3,329+
Portage la Prairie <i>Graphic</i>	26.3	.9+	15,725	18,237	2,512+
Bedford-Sackville <i>News</i> - 5	26.3	3.7-	17,481	18,237	756+
Whitby <i>Star</i> - 5	25.1	2.4-	16,527	17,717	1,190+
Cobourg <i>Star</i> - 5	24.6	1.3-	15,916	17,501	1,585+
Terrace <i>Herald</i> - 5	21.7	7.7+	11,372	16,244	4,872+
Kenora <i>Miner and News</i> - 5	21.5	.2+	14,160	16,159	1,999+
Cranbrook <i>Townsmen</i> - 5	20.8	.4+	13,815	15,854	2,039+
Prince Rupert <i>News</i> - 5	20.1	1.1+	13,282	15,551	2,269+
Fort St. John <i>Alaska Highway News</i> - 5	18.9	2.8+	12,174	15,031	2,857+

City and paper	Weekly circ M-S	Change	1980 assessment	1981 assessment	Change
Amherst <i>News</i> – 5	18.8	1.7+	12,556	14,988	2,432+
Dawson Creek <i>Peace River Block News</i> – 5	18.1	.9–	13,282	14,684	1,402+
Lloydminster <i>Times</i> – 5	17.7	4.7+	10,990	14,511	3,521+
Port Hope <i>Guide</i> – 5	16.5	.5–	12,518	13,991	1,473+
Thompson <i>Citizen</i> – 5	15.0	—	11,755	13,341	1,586+
	<b>30,074.7</b>		<b>\$7,564,550</b>	<b>\$8,876,146</b>	<b>\$1,311,596</b>

#### Notes

- (a) Toronto *Star* includes one-sixth surcharge for early Saturday publication
- |  |           |           |           |
|--|-----------|-----------|-----------|
|  | \$ 68,591 | \$ 77,973 | \$ 9,382+ |
|--|-----------|-----------|-----------|
- (b) Calgary *Herald*. Because increase to *Herald*, when *Sun* left membership January 1, was limited to 10 per cent (Art. IX Sec. 4 of CP bylaws) current assessment is \$45,462 lower than formula. Assessment increases to formula January 1, 1982
- (c) includes charge for high-speed French wire
- |                                      |       |       |      |
|--------------------------------------|-------|-------|------|
| Montréal <i>Le Journal</i>           | 2,080 | 2,364 | 284+ |
| Montréal <i>La Presse</i>            | 2,080 | 2,364 | 284+ |
| Montréal <i>Le Devoir</i>            | 1,560 | 1,776 | 216+ |
| Québec <i>Le Soleil</i>              | 2,080 | 2,364 | 284+ |
| Québec <i>Le Journal</i>             | 1,560 | 1,776 | 216+ |
| Trois-Rivières <i>Le Nouvelliste</i> | 1,560 | 1,776 | 216+ |
| Ottawa <i>Le Droit</i>               | 1,560 | 1,776 | 216+ |
| Sherbrooke <i>La Tribune</i>         | 1,560 | 1,776 | 216+ |
| Chicoutimi <i>Le Quotidien</i>       | 1,040 | 1,176 | 136+ |
| Moncton <i>l'Evangéline</i>          | 1,040 | 1,176 | 136+ |
| Granby <i>La Voix de l'Est</i>       | 1,040 | 1,176 | 136+ |

# APPENDIX II

## CP Datafile coding categories for story subjects

(compiled by Carman Cumming  
and associates)

As explained in Chapter 6, Datafile is CP's top-of-the-line news distribution service. Introduced in the mid-1970s, the system retains the benefit of automatic typesetting while providing an immensely increased supply of information.

Described below are the subject coding categories for the Datafile service:

### 1. Politics

#### (a) *General political policy and legislation*

Stories in which the primary emphasis is on political proceedings, announcements of policy, debates on legislation, governmental, administrative, and regulatory activity, etc., except on topics specified in other categories of section 1. Can be at the municipal, provincial, or federal levels.

#### (b) *Party politics*

Stories in which the primary emphasis is on internal party structure, leadership, "power plays". Does not focus on substantive issues, although the dispute/agreement within the party may be on an issue. At municipal level especially, may not deal with recognized parties, but rather coalitions of politicians.

#### (c) *Constitution: federal-provincial relations*

Stories in which the primary emphasis is on patriation and/or amendments of the British North America Act; negotiations between the federal/provincial governments or among provincial governments on power-sharing, etc. Excludes any story dealing with negotiations on energy (see category 1d).

#### (d) *Domestic energy policy—inter-governmental aspects*

Stories explicitly dealing with the inter-governmental negotiations on energy supplies, pricing, National Energy Policy, etc. Includes stories about developments in the industry that are explained in terms of inter-governmental 4a).

#### (e) *International relations (peaceful)*

Stories in which the primary emphasis is on co-operative relations between *two or more* countries. Does not deal with the internal politics of a single foreign nation.

#### (f) *International relations (war and conflict)*

Stories in which the primary emphasis is on hostile relations (including actual combat, verbal threats, breakdown of diplomatic talks, etc.) between two or more countries. Does *not* deal with conflict within a single foreign nation (see category 1h).

(g) *Iran—hostages*

Stories concerning negotiations for release of the U.S. hostages, their return to the U.S. and stories centering on aspects of the hostage crisis (e.g., debate in the Iranian Parliament). Stories about other aspects of Iran to be coded in other appropriate category.

(h) *Political violence*

Stories involving foreign violence connected to internal political issues. Usually terrorist in nature. Examples: IRA bombings in Ireland, guerrilla activity in El Salvador.

## **2. Economics/business/production/labor**

Activities of the business and labor communities in which the main theme is non-governmental in its source. Includes matters on organized labor, farm organization, food production, transportation, cost of living index, consumer prices, stocks, banking.

## **3. Accidents and crime**

(a) *Accidents and natural disasters*

Stories ranging from single-car accidents to airplane crashes. Stories dealing with disasters of nature (fires, floods), explosions, transportation accidents happening to individuals. Includes property damage, personal injuries, fatalities because of such events, stories relating weather to loss of life.

(b) *Courts and crime*

This covers non-violent crime (corruption, bribery); violent crime (murder, hijacking); and court cases involving criminal or civil proceedings.

## **4. Social issues**

(a) *Energy issues—non-inter-governmental*

Stories about energy not linked to federal-provincial discussions (see category 1d). Includes world prices, alternate energy developments.

(b) *Education and religion*

News of public and private schools at all levels; statements by educators, students, politicians about education. Stories dealing with churches, religious sects, religious leaders; statements by church or religious leaders.

(c) *Science/ technology/ health/ medicine*

News or feature content concerned with the natural, health, or social sciences involving theory, methods, findings, discoveries, disputes, meetings, inventions.

(d) *Social problems*

Includes matters of broad social importance, affecting a country as a whole or large portions thereof. Emphasizes the issue or problem itself, rather than political responses thereto. Examples: status of women, system of justice, prison reform, minority rights.

## **5. Arts and entertainment**

Includes both “high-brow” cultural activities such as literature, painting, architecture, and museums, and mass entertainment such as TV, movies, popular music. Includes industry news, politics of the arts, reviews of productions, but *excludes* trivia items about entertainment personalities (latter are human interest).

## **6. Sports**

Stories covering games or contests, league standings, organizational changes in leagues, team personnel, and similar topics. Also stories on the politics of sports (funding of amateur sports, violence in hockey).

## **7. Human interest**

Stories dealing with personalities in show business, politics, other fields, where emphasis is on personal life rather than business. Oddities in nature and human temperament. Milestones (births, deaths).

## **8. Other**

### *(a) Weather*

Routine weather forecasts. Legitimate news stories dealing with effects of weather (adverse agriculture production, airplane cancellations) *except* loss of life (coded as natural disaster).

### *(b) Miscellaneous*

