

# Choice and Content: Media Ownership and Democratic Ideals in Canada

Kelly Blidook (Memorial University of Newfoundland)<sup>1</sup>

## Abstract

*This article explores concerns regarding media ownership in Canada from a “marketplace of ideas” perspective. It assesses evidence indicating whether the ideals associated with this perspective are threatened and proposes steps that seem best suited to achieving those broad ideals. It concludes that regulations limiting ownership levels by single corporations combined with relaxed foreign ownership controls would likely increase the range of choice and diversity of content in the news media. The latter, it also suggests, would allow regulators to more effectively enforce the ownership guidelines already in place for maintaining a vibrant and competitive media market.*

## Introduction<sup>1</sup>

This paper will address the state of media ownership in Canada and attempt to uncover some of the potential concerns related to ownership patterns as they are related to the case of Canada, and more broadly to the ideals of a free press and to a healthy democracy. It asks whether or not ownership of media organizations is a significant issue in terms of how media organizations are run and news is reported, and if so, how this issue might be addressed. The paper will provide a snapshot of the current state of media ownership in Canada, assess the nature of ownership concentration and cross-ownership, and evaluate data which indicates the views of journalists regarding ownership effects upon news content. Finally, it will address recent proposals regarding changes to the regulatory structure in terms of their value for addressing some of these existing concerns.

The concern at the root of this paper is whether the ideal of full and balanced coverage of political events and actors is threatened by current ownership patterns, and whether changes appear necessary. There has been considerable attention given

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<sup>1</sup> Kelly Blidook, Department of Political Science, Memorial University of Newfoundland, St. John's, NL A1B 3X9 [kblidook@mun.ca](mailto:kblidook@mun.ca)

to ownership patterns, threats regarding ownership patterns, and regulatory reform of media in Canada. Little of this, however, has integrated the discussion of threats, evidence regarding those threats, and discussion of solutions in the manner that this paper does.

### **The “Marketplace” and Media Ownership: Concerns about Choice and Content**

The mass media is more than simply a means of finding out facts. It also sets the context for the facts that are gathered, determines how such facts should be viewed and debated, and offers in-depth analysis and positions on significant events and issues. In this way, the news media shapes not only how events are presented, but how they become relevant to the public.

Dean Alger suggests that a democracy is “a ‘marketplace of ideas,’ where a wide range of people and organizations have a real opportunity to express information and ideas for all of us to ponder”(1998:1). The “free press”, as it is so vehemently supported in Western democracies, is based on this idea of free and open exchange of ideas and expressions.

The “marketplace of ideas” metaphor originated with the writings of 17th century poet John Milton, and was more formally developed in the works of 19th century philosopher John Stuart Mill (Napoli 1999; Gordon 1997). Both writers developed notions whereby an understanding of truth could be achieved through the free exchange of ideas. While the use of the “marketplace of ideas” metaphor has clearly entailed both economic and democratic considerations, there appears to be broad agreement that a *competitive* market is necessary for the exchange of ideas – that consumers in the market are rational and are able to make informed decisions (Gordon 1997). What also appears clear of the original intent behind the metaphor, however, is that the market must be maintained in a competitive state, and that minority voices not be marginalized (Napoli 1997). Indeed, it can be assumed that Mill’s marketplace should provide clear evidence of competition between a variety of actors, and that it may be regulated to maintain this state.

In order to maintain a vibrant marketplace, then, we expect a media market that includes both choice of outlets and diversity of content. Both have long-term consequences for the state of Canadian democracy.

### **Choice**

One of the main concerns regarding the media, as it relates to ownership, is that it will not serve the ideals of democracy because a small number of owners may provide a limited choice in terms of where consumers can get information. This is in part due to the fact that mass media production is primarily a business, and that the metrics for a successful business are different than those for a successful democracy. In short, the interests of the media producers may not intersect with the interests (or at least the ideals) of the consumers. As an example of this viewpoint, James Squires, former editor of the *Chicago Tribune*, has referred to the modern press as “no longer an

institution dedicated to the public interest, but rather a business run solely in the interest of the highest possible level of profitability” (quoted in Miller 1998: 21).

Perhaps the best known Canadian example of how large media companies can serve business interests while apparently violating public interests is “Black Tuesday,” August 27, 1980, when a competitive trade-off was made between the two largest chain newspaper owners at that time – Southam and Thomson. Southam closed its *Tribune* newspaper (Winnipeg), giving the Thomson-owned *Winnipeg Free Press* a monopoly in the city, while Thomson closed its *Ottawa Journal*, thus leaving the Southam-owned *Ottawa Citizen* as the only daily in the country’s capital. Further, Thomson sold its Vancouver Sun to Southam, which already owned the city’s only other daily, the Province, and Thomson also sold to Southam its minority share in the Montreal Gazette – Montreal’s only English daily following the then recent demise of the Star (Hackett 2000; Kent 1992).

At the time, these actions led to a major review of mass media by the Canadian federal government beginning in 1980 with the Royal Commission on Newspapers (Kent Commission). More recently in 2006, the Canadian Senate issued a report on the state of media and proposals for regulation over media ownership in Canada. These reports will be discussed later in this paper.

## **Content**

The second key component is the content of the media, which may reflect particular interests (or biases) of the owners of media outlets, in turn affecting the type of content seen in coverage of political (and other) issues. Winters claims that the media play a vital role in “the formation of attitudes, opinions, beliefs and values in our society” (1997:1). Of course, there is substantial debate about the degree to which the media impact opinion and behaviour (see Blidook 2008), but it is a generally accepted view that a free and diverse media are a vital component of a healthy democracy, in part, because of the media’s ability to inform the opinions of the citizens, who then make choices about who will govern them. While it is generally held that much political media coverage is consumed by users in a manner that serves to simply reinforce previously held values, political views or beliefs (Zaller 1992), it is also clear that opinion formation and assessments of political phenomena can be affected by the nature of media coverage (Blidook 2008; Miller and Krosnick 2000; Iyengar and Simon 1993).

It is for this reason that understanding the factors that might affect the content of the media remains crucial. If indeed the content of mass media impact opinions and assessments of issues, and these opinions and assessments may in turn affect other components of political behaviour, such as the public salience of certain policy topics, or the choice to vote for a certain party, then content matters. Simply put, most would accept the ideal that the media should *inform*, but should not *direct*, the democratic process. If direction by the media does occur, then we would hope that it not be clearly biased or overwhelmingly in a particular direction (i.e. biased toward a certain ideology, partisan slant, or policy outcome), but rather that a range of voices

(or directions) are provided and that balance is achieved. Of course, if choice is greater, then content is likely to be more diverse.

Presumably, “news”, to a greater or lesser degree, should reflect some element of the real world – or “facts”. That is, we can assume that a major factor in news content is the noteworthy events that, in some objective sense, actually happen. Indeed, media coverage of the economy, in a general sense, tends to reflect actual changes in certain economic indicators, though coverage of positive and negative events may be asymmetric (Soroka 2006). Similarly, media coverage of polls during election campaigns, regardless of any analysis of the meaning of such polls, is generally based upon the results of actual polls.

However, other factors quite outside of the economy, or the poll numbers, may affect the manner in which information is portrayed, or *framed*. The fact that a given event occurs does not mean that a given news outlet will report on that event, or if the event is reported, that it will be presented in a manner that weighs certain information in the same manner as another outlet. In short, there is a process between “fact” and “coverage” that affects whether the given fact is reported, and also the manner in which it is reported – a process which leads Hackett (2000) to refer to some media as having “blind spots” and acting as a “filter”. This process may include many factors, though one important factor is ownership of the media outlet and the interests or biases of that ownership.

The bias of news media content has received a good deal of attention, and has been studied in a variety of ways. Gilens and Hertzman (2000) distinguish 3 basic forms of assessing the impact of ownership on content (or ownership bias), the first two seeming to be the more common types in studies of communication. The first involves looking at the practices of specific media corporations, and whether certain specified interests of each organization appear to have influenced the content of output of such organizations. The second involves looking at whose interests are served by the media agenda more broadly. The third, which is used in their study, is to compare differences in content on a topic between those organizations that have an apparent interest in a given topic or outcome versus those organizations that have no clear interest. In their study, Gilens and Hertzman ask whether certain U.S. outlets whose ownership had clear interests in the 1996 Telecommunications Act proposals to loosen restrictions on television ownership covered the topic differently than those without clear interests. Their results suggest that ownership interests clearly affected news content in this case.

Alternatively, some scholars argue that there may be reason to have concern about bias in content not only because people with media interests may have strong political interests, but also because it is possible that the media generally tends to contain content that is biased in a particular manner that differs from society generally. One perspective, more often associated with the first two methods of study noted above, suggests that large corporations are, for the most part, interested in conservative policies (Bagdikian 2004: 10; see also Herman and Chomsky 1988), and that these interests will be portrayed in media coverage of political parties and issues. Bagdikian suggests that most large media corporations espouse right-wing values in talk shows

and commentary, and that these values carry across media networks, not simply on isolated shows or stations.

This is, of course, not the only perspective on the news media which attempts to be all encompassing. There are various scholars who argue that there is a consistent “liberal”, or left-leaning, bias across the news media (Sutter 2001; Lichter et al. 1986). Here the argument often suggests that journalists (who in turn become editors) tend to be more liberal than the public generally and that this leads to a left-leaning slant in media coverage of issues.

In short, there are different and opposing views on the actual content of news and what causes bias, if it indeed exists. However, some of these perspectives do clearly suggest that ownership plays a role in leading to a particular result in terms of content.

While the current study focuses heavily upon newspapers, it is notable that newspapers alone are only one component of the mass media – which generally includes television, radio, and the internet as primary sources of news gathering and distribution. Nevertheless, newspapers are important both for the degree to which they reflect the media agenda more generally (Soroka 2002) and for their foundational role in developing that agenda. Hackett suggests that “no other mass medium offers the same combined possibilities for accessibility, in-depth analysis, potential diversity of viewpoints, and sustained reflection on important political and economic issues” (Hackett 2000: 11-12). Alger states that newspapers remain “the foundation of the news media” (Alger 1998: 2). Most recently, the Canadian Senate’s Final Report on the Canadian News Media (2006) suggests that traditional news sources still generate much of the news content available through new media, indicating the much of the news that people read on the internet originates with either major newspapers or television stations (3).<sup>2</sup> Thus, where newspapers are discussed, it is expected that this is informative of ownership impacts on media generally.

## **Media ownership in Canada**

There has been an ongoing debate in Canada regarding ownership and how best to treat the media as a unique industry. This debate is often laid out in terms of content and choice, as in this statement in the 2006 Senate *Report on the Canadian News Media*:

Public debate based on differing views is the cornerstone of democracy, and the news media provide a vital space where that debate is carried out. The right of proprietors to voice their opinions on their editorial pages has long been considered fundamental to freedom of the press. Difficulty arises, however, if one proprietor owns so many media outlets that his or her opinions crowd out others (Canada 2006: 13).

Concerns about choice were instrumental in leading to the Kent Commission, but again arose in the 1990s when Hollinger International purchased Southam's daily newspapers, which led to ownership of approximately 42% of daily circulation controlled by a single organization (Canada 2004). Hollinger later sold this Southam component, along with the newly created National Post newspaper, to CanWest Global in 2000 – creating less concentration of ownership than previously (Schultz 2007; Canada 2004) though apparently increasing the amount of cross-ownership (ownership of more than one type of media outlet) in Canada. CanWest, for example, already owned the Global television network at the time of the newspaper acquisitions, and the sale of these papers did cause concern regarding media ownership concentration generally.

CanWest currently owns the largest component of newspapers in Canada – with 13 dailies, 126 community papers, as well as internet assets, and its television network. It is also part owner of a television network in Australia and of Alliance Atlantis Communications in the U.S. (Dabrowski 2009). Nevertheless, the recent increases in assets have also significantly increased CanWest's debt, which currently stands at approximately \$3.9 billion (CAN) and the recent economic downturn has drastically reduced the company's ability to maintain sustainable levels of advertising revenue. Recently there has been considerable concern that CanWest would file for bankruptcy protection from creditors, though there seems to be a strong will among its creditors and potential investors to see that this not happen (Willis and Robertson 2009). However, it is a consideration that CanWest's size as a large media conglomerate may be a benefit especially in such circumstances, as some of its media outlets might have folded earlier under individual ownership.

Beyond CanWest, the most significant media corporations in Canada include CTV Globemedia, Quebecor (both own significant stakes in print and broadcast media) and TorStar. CTV Globemedia holds approximately 37% of the country's television broadcasting share (The Globe and Mail 2008). It too has had to adjust to the recent economic downturn, cutting approximately 10% of jobs at the Globe and Mail earlier this year, and cutting jobs at CTV in 2008 (SurrIDGE 2009). Quebecor holds broadcast and print media outlets primarily in Quebec and the French language. Torstar owns the country's largest circulating daily newspaper (Toronto Star) as well as a minority stake in CTV Globemedia, meaning it is part owner of the Globe and Mail which competes directly with the Toronto Star.

While there is some debate regarding exactly how "concentrated" the ownership of Canadian media are, there is nevertheless a broadly held view that ownership is relatively concentrated compared to other countries, and that this can be viewed as threatening to democratic ideals. While newspaper ownership may not be as concentrated as it was approximately 10 years ago, the degree of cross-ownership of media, and of single ownership of competing news sources, has increased.

Media concentration is also an issue of concern in many Western democracies. Some European countries, such as the U. K., have adopted regulative structures to safeguard against excessive concentration (Cox 2000).<sup>3</sup> Others have no ownership regulations in place, such as Italy, where current Prime Minister, Silvio Berlusconi, owns one of the

country's largest media empires and is seen by some critics as controlling his own political communications and campaigning machine (Henneberger 2002).

In Canada, CanWest stands out as a company that has garnered a good deal of attention in recent years due to what has been perceived as its hands-on approach to news content in its newspapers. In November 2000, the now late Izzy Asper published an opinion piece urging voters to elect Jean Chrétien's Liberal Party to a third term. The piece appeared in every CanWest owned paper – approximately 29% of the country's circulation (Canada 2004). While it is not uncommon for owners' views to be expressed in their newspapers, ownership's position on a given issue is usually expressed on the editorial page, not through news or opinion/comment sections.

Later, in January 2001, David Asper, chairman of CanWest's publication committee, felt that newspaper coverage of the "Shawinigate" affair – which suggested Prime Minister Jean Chrétien may have had a conflict of interest over a bank loan to a friend – had been unfair to the prime minister. David Asper wrote an open letter to journalists stating this, again publishing it in each paper. One journalist noted, "the history of support (financial and otherwise), combined with the chilling effect of federal regulation, has raised fears that CanWest will become out of necessity the broadcasting and publishing arm of the Liberal Party" (Grace 2001:11).

However, CanWest shifted its support to the Conservatives by the 2004 election. In each of the 2004, 2006 and 2008 elections, newspapers owned by CanWest Global endorsed the Conservatives in editorial endorsements appearing shortly before the election date.

Concerns about choice and content also arise with regard to cross-ownership of media types, as companies express the interests of one media outlet through a separate, though commonly-owned, outlet. For example, the *Globe and Mail*, in a 2008 editorial, criticized the Canadian Radio-Television Telecommunications Commission (CRTC), Canada's regulatory agency for broadcast media and telecommunications, for choosing 45% as the level of the national share that a broadcasting company cannot exceed through acquisitions or mergers. The opinion expressed in the paper coincides with the fact that the newspaper's owners, CTV Globemedia, also own the CTV television, is the broadcaster with the highest percentage of the national share (37%).

The 2006 Senate Report also highlighted a number of problems identified by observers and journalists that were associated with increased cross-ownership – including closing of foreign and regional news bureaus, centralization of news coverage, and reduced analysis of issues. Other concerns that have been raised include using "news" in one outlet to draw attention to entertainment provided by another outlet owned by the same company (Taras 2001), or using journalists from one outlet as "expert" sources for news in another (Hackett 2000), though this phenomenon occurs both within corporations and across corporations.

## **The Regulatory Framework Regarding Media Ownership**

Regulation of media in Canada occurs through a combination of agencies and

instruments, though there has been substantial debate as to whether these are adequate for each media form. While the Canadian Radio-Television and Telecommunications Commission (CRTC) claims some regulatory power over broadcast media and telecommunications in Canada, newspaper publishing in Canada is under no such regulatory body.

Under Canada's Competition Act, the Competition Bureau can review media mergers and takeovers, though it lacks media-specific instruments. This means that a basic economic analysis, considered acceptable for any economic sector, is applied by this government agency. The 2006 Senate Report implied that the media should receive unique treatment under this bureau, stating:

The legislation that many witnesses said should apply more specifically to the news media sector is the *Competition Act*. Freedom of expression under the *Charter* is not necessarily dependent on the ownership interests of a particular private company. Freedom of expression is enhanced, encouraged and more easily exercised if there are numerous owners (Canada 2006, 15).

Whether the media is a unique form of business (especially the news media) is certainly a worthy debate, but not one that has led to a unique set of rules from a competition standpoint to date. Despite past attempts, such as the 1970 Special Senate Committee on Mass Media (the Davey Report), and the 1980-81 Kent Commission, the publishing industry in Canada remains subject only to the Competition Act (Babe 1996: 27) – which governs based on economic market forces – and to certain provisions in the Income Tax Act (Dornan 2007) that encourage Canadian ownership and content through significant tax incentives for advertisers. While these tax provisions are the major reason why Canadian newspapers are virtually all Canadian-owned, the Competition Act does not appear to be much of a safeguard for ensuring any degree of “competition” among these Canadian owners. It is the purpose of the Act to proscribe any merger that “prevents or lessens, or is likely to prevent or lessen, competition substantially” (Section 92). While it appears true that media ownership across the country is more diverse than, perhaps, ownership of some other products or services might be, it is clear that there are a number of localized markets where competition among owners appears to be weak (see Table 1 below).

While the Kent Commission promoted the notion of a specific section of the Act dealing with newspaper ownership, Gaston Jorré of the Competition Bureau pointed out to the Standing Committee on Industry as it was considering amendments to the Act in 2000, that “The Act is one of general application ... the basic approach we use with newspapers are the same as with any other industry” (quoted in Whelan 2000). The Committee report's conclusion suggests that no changes with respect to newspaper ownership would be included in future amendments (Whelan 2000). The amendments to the Act passed in Bill C-23 in December 2001, reflect this conclusion.

The 2006 Senate Report also notes that the Competition Bureau generally uses a benchmark of 35% of market share when evaluating the likelihood of a company



achieving a dominant position, though it also notes that other factors are considered and that this is not a fixed limit (See p. 26, footnote 30). It is striking then, when considering Canada's largest local markets, that a number of media organizations greatly exceed this threshold in either broadcast or newspaper market share. In four out of the nine cases listed, both broadcast *and* print shares exceed the 35% threshold.

**Table 1: Market Share and Cross-Ownership in Nine Local Markets, 2002**

Market	Ownership Group	Market share (%)	
		Newscasts	Dailies
Quebec	Quebecor	47.1	56.2
Toronto	Bell Globemedia	43.8	18.3
Toronto	CanWest Global	33.0	11.5
Anglophone Montreal	CanWest Global	5.0	100.0
Francophone Montreal	Quebecor	37.1	60.4
Regina	CanWest Global	28.3	100.0
Saskatoon	CanWest Global	15.3	100.0
Calgary	CanWest Global	32.2	57.8
Edmonton	CanWest Global	39.7	60.0
Vancouver	CanWest Global	70.6	100.0

(Table reproduced from Canada 2004: 37).

Seeing these numbers, it is no surprise that some observers have felt that neither the Competition Bureau nor the CRTC has done much in recent years to prevent a dangerous degree of consolidation in certain markets:

The Canadian media industries have been completely restructured in the past ten years, under the approving eye of the CRTC. If the government feels that it is all right for the same company to control 100 percent of the daily newspapers and 70 percent of the local television news market in Canada's third largest city — as is the case with CanWest Global in Vancouver — or that there is no problem with one company being the dominant player in newspapers, television and cable distribution in one of our two official languages — as is the case with Quebecor — then let it say so and take the consequences (Raboy and Taras 2004: 64).

The 2006 Senate report recommended that certain restrictions be placed on media organizations regarding gathering and reporting if ownership levels exceeded a certain threshold. In 2008, the CRTC brought in regulations (noted in the previous section) that would limit total ownership of broadcast media to 45% of the national share, and also limit cross-ownership of media in Canada. The thrust of the latter change is to ensure that no single owner can control more than 2 traditional mass media forms (television, radio, newspaper) in a local market (Shecter 2008). At this point, the regulation has no impact on current ownership patterns — meaning that there is no reason to expect changes to the patterns observed in Table 1 above. However, given

recent changes to the media market, the regulation does place limits on potential buyers in the event that, for example, CanWest needs to sell assets to maintain debt financing in the near future.

The Kent Commission, with a more specific focus on newspapers, conceded that arguments regarding financial stability strengthen the claim of the benefit of chain newspapers, though it made significant recommendations to restrict the number of newspapers and other media that could be owned by any single corporation. The 2006 Senate Report, while focusing far less on newspapers than did the Kent Commission, made some similar recommendations broadly related to limitations on mergers and cross-ownership based on certain thresholds in light of concerns regarding news gathering and coverage. While certain recommendations of the Kent Commission – such as that owners be restricted from owning more than 5 daily papers – may seem draconian in the current era, the general theme of limiting ownership concentration is evident in the less stringent recommendations in the 2006 Senate Report, which appear to have led to the recent change in CRTC regulation in the arena of cross-ownership.

The proposals that have been endorsed in both the Kent Commission and the 2006 Senate report tend to point in the direction of greater regulation of the industry. The clear exception to the increased regulation approach which has gained traction with some observers is that of relaxing the foreign ownership restrictions in both print (significant tax incentives) and broadcast (outright limit on ownership levels), which currently result in foreign ownership of Canadian mass media being relatively rare. Indeed, the Standing Committee on Industry considered the possibility of increasing the foreign ownership threshold in its July 2000 Interim Report on the Competition Act. While the notion of increased foreign ownership does not appear to have been well received by the committee (Income Tax Act changes, which would impact newspaper ownership, were not within the jurisdiction of the committee) Tom Kent did suggest that some changes are necessary in the newspaper industry, even if it means increased vulnerability to U.S. (foreign) ownership of Canadian newspapers:

American takeover ... could be the lesser evil, if the only alternative is domination by a new Canadian media giant. But it would be a poor second to restoring the diversified Canadian ownership that there used to be ... I would certainly agree that to have some foreign ownership could be preferable to everything falling into the hands of one great big corporation just because it was Canadian (quoted in Whelan 2000).

In 2003, the Heritage committee of the House of Commons recommended maintaining foreign ownership limitations in broadcast (currently 46.8%) and these regulations remain. These ownership restrictions are seen by many as protecting Canada's cultural heritage. Raboy and Taras question if, for example, a large U.S. media conglomerate such as Disney or AOL TimeWarner were to takeover a Canadian broadcast company, would it be willing to follow other existing regulations such as those regarding Canadian distribution, or would it simply engage in an endless series of court challenges with the CRTC (2004: 64). The 1999 case of U.S. split-run

magazines in the Canadian market showed the importance of the WTO (or potentially NAFTA as well) in ensuring that foreign firms are not treated differently when conducting operations on Canadian soil. It is difficult to speculate whether NAFTA's Chapter 11 provisions on foreign investment may ultimately empower foreign firms to successfully litigate in areas where domestic firms could not.

While some feel it is unlikely that loosening foreign ownership restrictions would offer a long term solution (see e.g. Whelan 2000), in part because it could easily reproduce the same levels of ownership concentration simply with more foreign ownership, others suggest that it may be a viable solution to concentrated ownership and low competition levels in Canada. Notably, current restrictions on foreign ownership are seen by Schultz (2007) and Dornan (2007) to be one of the factors that lead to the small number of Canadian organizations who are capable of being players in the corporate media game – essentially leading to the “problem” of concentrated ownership.

Schultz (2007) appears to feel that the concern regarding foreign ownership and globalization (or “Americanization”) of the media more generally is tied both to a historical perception of the media as a much more powerful cultural force than recent research suggests it actually is, and also to a fear of the U.S. itself. The argument that Schultz puts forth is compelling in part because it attempts to drive home a point that those studying media effects from a behaviouralist perspective have argued for years – that the mass media do have influence, but that influence needs to be understood in a nuanced manner. The media as “magic bullet” or “hypodermic needle” is no longer a valid argument and has not been since the early-mid 20<sup>th</sup> century (Perse 2001) – yet it appears to be at the root of much of Canada's existing policy for longstanding historical reasons.

Dornan (2007) similarly argues that there is reason to believe that the media environment would be more vibrant with some foreign ownership working within the regulatory framework that already exists regarding Canadian content. Nevertheless, the concern regarding how U.S. media owners would act under current Canadian rules and what legal paths they might pursue remains, as noted above.

## **Ownership and Content – The Views of Journalists**

Is the concern that a particular owner will use all of his/her consolidated media outlets as a means of promoting a single viewpoint one that is realized in practice. While there is little direct evidence of this on a large scale, there is some evidence suggesting that this concern is a valid one. We know, for example, that many media owners do have strong political views that they present in their news outlets, such as the example of CanWest-owned newspapers endorsing the Conservative Party in their editorials during the previous three Canadian federal elections. The main concern is whether such interests are applied to other aspects, such as reporting news or commenting on events in the paper.

It is apparent that one of the sources of concern about media concentration and ownership impact on news content comes from journalists themselves (Soroka and

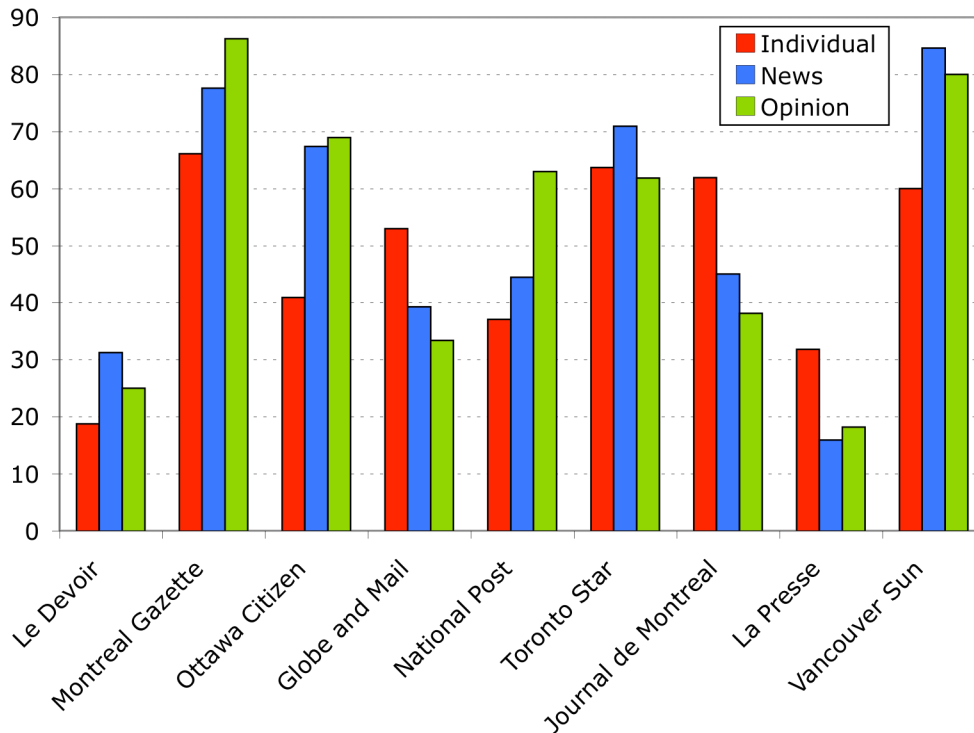
Fournier 2003; Canada 2006). A survey of journalists conducted in 2003 by Stuart Soroka and Patrick Fournier was designed to capture the views of journalists regarding the influence of ownership on media content.<sup>4</sup> While results should be viewed as likely combining concerns about the content of the news with concerns about employment prospects, they are nevertheless informative.

Among the findings of this survey are suggestions that, from the perspective of the surveyed journalists, ownership does have an effect on the output of the newspaper, not on editorial content alone. Soroka and Fournier state:

Journalists' opinions regarding the concentration of newspaper ownership are quite clear. A vast proportion believe that greater concentration of newspaper ownership decreases the quality of newspaper content (86%) and decreases the public credibility of newspapers (95%). ... But a substantial proportion (56%) also feels that news stories often reflect the owners' views and interests. (Soroka and Fournier 2003).

Soroka and Fournier's results point in the direction of CanWest and TorStar as being the companies within which journalists are most likely to feel that ownership affects content, and not just in the editorial pages (see Figure 1).

**Figure 1: Views of ownership impact by newspaper**



Using Soroka and Fournier's survey data, the first column for each newspaper in Figure 1 indicates the number of respondents who indicated that ownership impacts

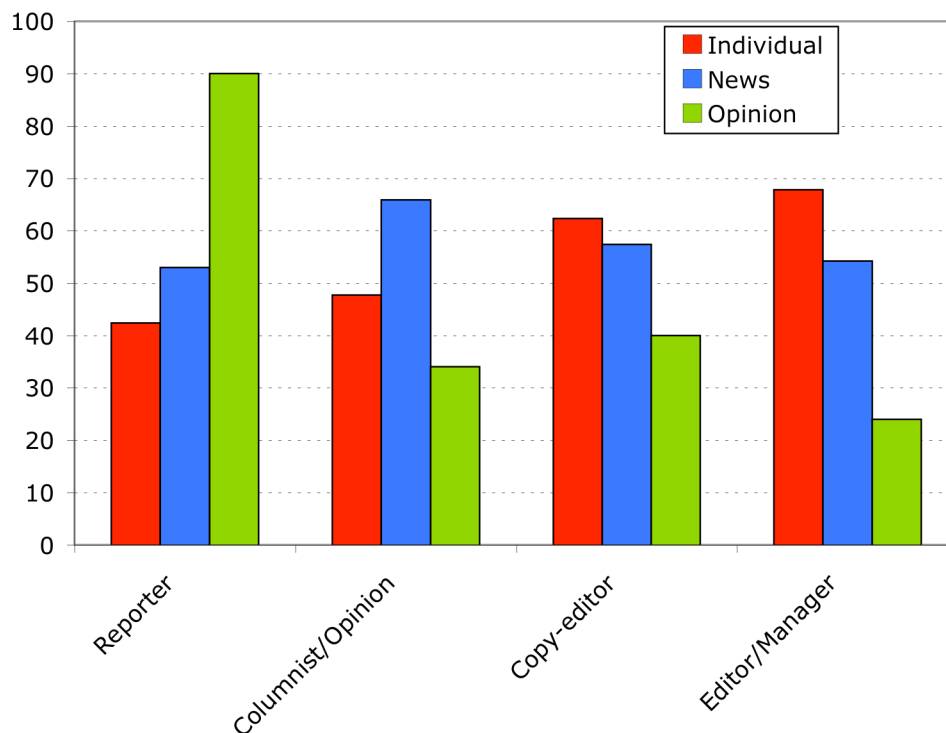
what they write or edit either “most of the time” or “almost all the time” (though the vast majority of responses are in the former category).

This is in contrast to respondents indicating “some of the time” or “not at all” (where the vast majority of responses are “some of the time”). In other words, the figure does not indicate perceived *impact* versus *non-impact*, rather it indicates a perceived *high degree of impact* versus a *low degree of impact*. The categories included in Figure 1 indicate whether this impact is perceived as affecting: 1.) what the *individual respondent* does, 2.) the *news content* of the newspaper, and 3.) the *opinion* content of the paper (not the editorial).

As can be seen, the perception of ownership impact varies a good deal by newspaper, though in many cases it is relatively high, with responses indicating a high impact on individual output and news coverage exceeding 60% at 4 of the papers surveyed, and responses indicating a high impact on opinion/comment content exceeding 60% at 5 of the papers surveyed. Ownership impact, interestingly, is viewed as being weakest by employees surveyed at the French language papers, Le Devoir and La Presse, though perceptions at the Journal de Montreal appear to be closer to the average evident among the English language papers.

In Figure 2 (see below), it is notable that the impact on the individual is perceived as highest among Editor/Managers of newspapers, and the next highest is among copy-editors.

**Figure 2: Views of ownership impact by position**



Those who actually write the news and columns are less likely to view the individual impact as high and, interestingly, are more likely to view the section of the paper in which they do not write (excluding editorial) as the one upon which ownership has a high impact (i.e. reporters are more likely to view the opinion section as portraying a high ownership impact, and columnists are more likely to view the news section as portraying a high ownership impact). Over 50% of respondents from all positions suggested that there is a high impact on the news sections, and over 40% from all positions indicated a high impact on their individual output.

Approximately 6% of respondents felt that ownership's views should be reflected in news content, while approximately 13% of respondents felt that ownership's views should be reflected in opinion-comment content. However, more than half felt that ownership's views actually are reflected in news content, with just under half feeling that opinion-comment content is impacted by ownership. If this is indeed the case – that content actually reflects ownership interests – then the issue of choice for consumers (as outlined in the first section of this paper) becomes much more crucial.

## **Discussion**

The sections above have outlined these broad concerns with regard to ownership, the nature of ownership in Canada, the current regulatory framework that affects choice, and some evidence regarding ownership impact on content. What we can ask ourselves, if we see these current circumstances as threatening to the democratic ideals of the role of media in society, is: what tools should be used to correct these problems? This paper will dismiss any discussion of regulation regarding *content*, assuming it is unlikely to be a fruitful one.<sup>5</sup> This leaves the option of discussing regulation of *choice*, which most proposals for regulation previously have tended to focus upon.

Here, an argument that combines both state control over the amount of media owned, along with loosened foreign ownership control, is a compelling one. Of course, these perspectives are not usually promoted in the same breath, but from a “marketplace of ideas” perspective, it seems a particularly good fit.

Regarding foreign ownership, it is hard to accept that an insular perspective on what “Canada” or “being Canadian” *is* or *is not* must be the foundation upon which politics or any other idea or event must be communicated. The “marketplace of ideas” does not call for this anymore than it calls for a dominant perspective in any other manner.

Further, there is no reason to assume that Canadian ownership has an interest in preserving a particular culture, or that it would be “successful” in doing so even if it did hold this interest. Again, there is little evidence to support the idea that culture and values are created, or caused, by the media. There is also little to suggest that Canadian media owners have a clear interest in preserving a Canadian culture. Evidence indicates, for example, that Canadian broadcasters fill their Canadian content quota, and then fill the remaining space with popular U.S. programs that provide low cost and high viewership (Dornan 2007). In short, there is very little that

is compelling about protecting Canadian ownership regardless of whether the basis of argument is a democratic ideal *or* if the basis is a cultural ideal.

That said, this option is likely a non-starter at the current time, as loosening foreign ownership restrictions is, ironically, probably less attractive as a result of liberalizing trade agreements and institutions such as NAFTA and the WTO. As states see an increasing possibility of litigation from foreign firms resulting from loosening ownership restrictions, there appears to be less appetite for such reforms. Nevertheless, it could be argued – based on the outcome of the WTO magazine case in 1999 – that such steps may not necessarily be detrimental to Canadian media. While the outcome in that case signaled a victory for foreign magazine owners in the Canadian industry which may not necessarily be desirable to all, Magazines Canada (formerly the Canadian Magazine Publishers Association) recently provided evidence that the end result has been both greater choice and a stable Canadian-owned market (2008).<sup>6</sup> In this sector, foreign investors can operate magazines within Canada with a 50% threshold of Canadian (or original) content and operate within the same advertising tax structure as Canadian-owned magazines. Canada maintains the power of foreign investment review, and in 2007, a NAFTA panel reaffirmed Canada's "cultural exemption" in this sector.<sup>7</sup> Under these rules the sector is no longer plagued by international trade disputes, though the new provisions for foreign-owned magazines were not extended to newspapers.

Certainly there is value in providing incentives and support for Canadian programming and published content, and Shultz (2007) provides some suggestions for the realization of this objective. These should be effectively established and enforced, and justified as being good *economic* policy as much as being good *cultural* policy. There should not, however, be a fortification of the media industry that protects a small number of well-positioned actors within the country to the exclusion of others. This state of affairs has tended to force regulatory actors to bend rules and adapt to a market with few actors (Raboy and Taras 2004) and therefore places significant constraints on what realistic possibilities for regulation exist.

If indeed there is concern among observers and journalists regarding this fortification, then there is clearly a role for the state to strengthen its regulatory role in terms of total holdings across media by single owners, while at the same time loosening it in terms of the number of potential owners. To simply pinch the existing actors, while making no provision for new ones, hardly seems an approach that will lead to increased diversity or effective news gathering practices. It seems more likely to devalue the existing assets of media companies and further jeopardize realization of democratic ideals through the media.

To incorporate journalistic concerns, the best approach is also likely one that ensures them a range of potential employers. If consumers of news desire that journalists, columnists/commentators, and editors/producers use their best judgment when doing their work, then this is likely best accomplished with greater diversity of ownership. Otherwise, journalists are left with less employment options should they choose to act on principles not shared by their employers. Again, this suggests a

mixed approach of domestic regulation upon total ownership within markets, combined with relaxing foreign ownership requirements.

As a final note, any consideration of changes in regulations requires a clearer view of the direction of the industry itself. Any recommendations must be taken with some consideration that the current state of media ownership in Canada is somewhat complicated by recent events – primarily that of change in the nature of mass media generally, and also changes in the economy currently. The former of these, primarily the rise of new media forms, has not presented the fatal blow to traditional media that was forecasted in previous years. However, combined with the recent economic downturn, which has seen advertising revenues slashed for virtually all media forms, many media companies are making significant changes in both output and employment, and some are clearly in financial danger. Many print newspapers have limited their output or cut print production entirely in recent months. The impact that this might have on news gathering and distribution, remains to be seen. While the current time might be seen as an opportunity to move forward within a new regulatory framework, it seems more likely that any consideration of new proposals in this area will first require that the dust settles.

## **Endnotes**

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<sup>1</sup> I would like to thank Blake Andrew for sharing information about newspaper editorial content, and both Stuart Soroka and Patrick Fournier for sharing survey data on the views of journalists, which was collected as part of their 2003 Newspapers in Canada Pilot Study. I would also like to thank the journal's reviewer for valuable feedback. Any errors are solely my own responsibility.

<sup>2</sup> Many other concerns beside partisan bias arise with regard to concentrated ownership. The dependence of many news outlets on very few resources, a particular bias or disregard to certain types of stories or perspectives, or expectations for high amounts of output from a small number of journalists are among the many concerns that have been highlighted which are not addressed in this paper.

<sup>3</sup> Current regulations place limits on cross-ownership in T.V., radio, and newspapers.

<sup>4</sup> In 2003, a one-page survey was mailed to approximately 1000 journalists working at 9 major newspapers across the country. 361 completed surveys were returned. The sample contains a substantial contingent of respondents from each of the 9 newspapers sampled (La Presse, Le Devoir, Le Journal de Montreal, Globe and Mail, National Post, Ottawa Citizen, Toronto Star, Montreal Gazette, Vancouver Sun), and across a variety of newsroom jobs.

<sup>5</sup> This is not to suggest that regulations cannot require or encourage certain forms of content. Certainly regulations regarding Canadian content by the CRTC already do this. However, any discussion of whether content must be regulated in order to contain the expression of certain interests is unlikely to find many supporters.

<sup>6</sup> The report does indicate, however, that existing rules regarding Canadian ownership and content require stricter enforcement.



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<sup>7</sup> See Magazines Canada 2008. Regarding Canada's cultural exemption, see the Investment Review Guidelines available on the World Wide Web at: <http://www.pch.gc.ca/pch/org/sectr/ac-ca/eiic-csir/prd-eng.cfm>.

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