

**THE SENATE OF  
CANADA**

**LE SÉNAT DU  
CANADA**

**FINAL REPORT ON  
THE CANADIAN NEWS MEDIA**

**Volume 1 of 2**

Standing Senate Committee  
on  
Transport and Communications

*Chair*

The Honourable Lise Bacon

*Deputy Chair*

The Honourable David Tkachuk

June 2006

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\* \* \*

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The Committee also expresses thanks to Alexandre Drago in the office of the Chair; Rhonda Walker and Robin Hay in the office of the Deputy Chair; Céline Ethier in the office of Senator Fraser, former Chair; Tracy Bellefontaine in the office of Senator Johnson and Till Heyde, former Clerk of the Committee, and Jessica Richardson with the Committees Directorate, for their contributions to this study.

## ORDER OF REFERENCE

Extract from the *Journals of the Senate* of Thursday, April 27, 2006:

The Honourable Senator Robichaud, P.C., for the Honourable Senator Bacon, moved, seconded by the Honourable Senator Dallaire:

That the Standing Senate Committee on Transport and Communications be authorized to examine and report on the current state of Canadian media industries, emerging trends and developments in these industries; the media's role, rights, and responsibilities in Canadian society; and current and appropriate future policies relating thereto;

That the Committee submit its final report to the Senate no later than June 30, 2006 and that it retain until July 31, 2006 all powers necessary to publicise its findings; and

That the papers and evidence received and taken and the work accomplished by the Committee on the subject since the Second Session of the Thirty-Seventh Parliament be referred to the Committee.

The question being put on the motion, it was adopted.

Paul C. Bélisle  
*Clerk of the Senate*

(This Order of Reference is similar to the Committee's Orders of Reference for this study during previous parliamentary sessions.)

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## **CHAIR'S FOREWORD**

On March 19, 2003, the Senate authorized the Standing Senate Committee on Transport and Communications to launch a study of Canadian media industries. An interim report was tabled by the Committee in May 2004. Over three years have elapsed between the initial mandate and the tabling of the final report. During that time, we saw two federal elections and a prorogation of Parliament. Each time, the Committee had to be re-struck and given a new order of reference from the Senate.

During the first session of the 39<sup>th</sup> Parliament, I had the privilege of being elected Chair of the Committee by my colleagues. Having not been a member of the Committee at the time of the public hearings and Committee deliberations on the drafting of the various versions of the report, I only recently became involved in the deliberations. It would be remiss not to acknowledge the contributions of every senator who worked on the Committee at one time or another during the three years of our study. In particular, we must acknowledge the work of Senator Joan Fraser, who chaired the Committee from the start of the study until very recently, and Senators Leonard Gustafson and David Tkachuk, the two deputy chairs during this period.

I would also like to thank everyone, from the Committee clerks to the support staff, not to mention the Library of Parliament's research staff, who helped to make this study a reality. Thank you for your dedication and hard work. Without the combined efforts of everyone involved, this report could not have come to fruition.

The Honourable Lise Bacon, Senator  
Chair

# PART I: INTRODUCTION

A free press, free expression – it's the last line of defence for all the other freedoms....

No matter how imperfect things are, if you've got a free press everything is correctable, and without it everything is concealable.

Tom Stoppard  
*Night and Day.*

And there were never in the world two opinions alike, any more than two hairs or two grains. Their most universal quality is diversity.

Michel de Montaigne  
*Of the Resemblance of Children to their Fathers*

To make informed decisions, citizens need a wide range of news and information. They also need access to a broad and diverse array of opinions and analyses about matters of public interest. Journalists are important providers of such information, as are the information media that transmit such material. This is why the freedom of the press is widely recognized as a central pillar of any democracy.

In Canada, Section 2 of the *Charter of Rights and Freedoms* guarantees not only freedom of expression but also freedom of the press and other communications media. Canadians are fortunate to have these protections; this country has a long tradition of excellence in journalism, and can be proud of the overall quality of its news media.

Innovations in technology coupled with recent changes in the ownership of certain news media groups in Canada, however, have raised some concerns and questions. These include: Will the diversity of ownership and of shared information be restricted? Will the diversity of viewpoints be reduced? Will smaller and more remote regions lose out in the new world of much larger media corporations?

## **A. Technology: Catalytic and Disruptive**

Traditionally, news was supplied to the public in a fixed format, such as a newspaper, or at a fixed time, such as the 6 o'clock news. News organizations decided what news to supply, what events to report on, and how resources needed for the process should be allocated. In this traditional "news as supplied" world, readers and viewers were largely passive consumers of the news.



Innovations in communication technologies – in particular the widespread availability and use of the Internet – have changed this picture beyond recognition. Most major newspapers now offer electronic editions; 24-hour television news services cover breaking news as it happens; Internet search tools allow users to seek out news from a near limitless number of sources; personal web logs (or blogs) offer a range of perspectives on news and current events; and cell phones and other portable digital devices provide news and information tailored to personal interests. Taken together, these relatively recent innovations have made it possible for citizens to be more active participants in what is sometimes referred to as a “news on demand” culture.

In light of these developments, consumer markets for all forms of news media have fragmented dramatically in recent years, triggering a widespread struggle for economic viability among Canada’s major media firms. Media mergers, sales, re-mergers, and divestitures of broadcast and print media holdings have been the most striking coping strategies. In the print sector, certain major dailies have introduced free daily “metro” papers to counteract falling circulation and (re)attract readers.<sup>1</sup>

The argument is sometimes made that the “news on demand” culture will, in the near future, render the “news as supplied” model obsolete. This outcome, however, is far from certain for a number of reasons:

- 1. The traditional media still generate the majority of news reporting.** Much of the news on the Internet is supplied by traditional media sources, notably newspapers and broadcasters. Few online services provide the quantity and quality of original reporting that is generated by the traditional news media.<sup>2</sup> At present, there are few successful business models for stand-alone Internet news gathering organizations.
- 2. If the price of online news and information goes up, consumption may decline.** Although the Internet and other technologies offer efficiencies in the cost of physically producing and distributing information, there are still costs associated with covering the news and producing news reports. In cases where

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<sup>1</sup> The downward trend in daily circulation is not universal. Some papers have recently recorded circulation gains. Many papers, however, have suffered gradual circulation drops for many years now, and there are some indications that this trend may be accelerating. This pattern is not unique to Canada. In the United States overall newspaper circulation was also on the decline.

<sup>2</sup> There are comparatively few Internet-based news gathering organizations. The Tyee, an Internet news service based in British Columbia and Allnovascotia.com, an electronic business publication in Nova Scotia, are two Canadian examples.

advertising revenue does not cover costs, the online news and information provider may have no choice but to introduce subscription fees to stay in business.

- 3. The credibility of online news and information is sometimes uncertain.** It will take time for online media sources to establish levels of credibility similar to traditional media sources. This may lead Internet users to question the accuracy of an online news source, particularly if it is less well known.

From the perspective of the producers of print and broadcast news, one of the most disruptive effects of online news sources has been the diversion of advertising revenues. Classified ad revenues make up a large proportion of the total revenue of most newspapers; a variety of Internet sites, such as e-Bay and Craigslist, now compete for these listings. Online sites offer the competitive advantages of a larger market and more informative and interactive listings. This phenomenon has notable but as yet unclear implications for journalists employed by the print and broadcast media.

Consider, for example, the consolidation of news gathering organizations, the fragmentation of audiences and the associated impact on revenues. It is often the case that structural changes in the industry and shareholder pressures lead to cost-cutting measures, including reductions in the number of journalists. Taken one step further, fewer journalists could mean less or no coverage of a particular topic.

The Committee believes that, while online news and information is of growing importance, its presence may not be the solution for many of the issues raised in this report. The proliferation and popularity of blogs is a case in point. While it is true that they are a stimulating element of today's news and information environment and that they sometimes have a near instantaneous impact on public debate, they do not generate the volume or type of news generated by traditional news providers. On the contrary, most blogs supplement news and current events with additional facts and a wide range of opinions.

For these reasons, the Committee believes that over the medium term – possibly the next fifteen or twenty years – there will be a mix of news gathering organizations: some Internet-based, others distributing traditional print or broadcast news and yet others using a mix of distribution mechanisms. Indeed, despite the proliferation of the electronic media, newspapers and broadcasters will continue to generate much of the news and information that citizens obtain.

## **B. What the Committee Set Out to Do**

The Committee issued an interim report in April 2004. The information in that report should be considered an integral part of this report.<sup>3</sup>

This Committee's formal mandate (see page ii) was vast, covering the entire field of media in Canada. The Committee quickly resolved, however, to focus on the news media, which have received less attention in recent years than other aspects of the media. This was the third federal study of news media policy in 35 years.<sup>4</sup> The object in this instance was simple: to identify ways in which federal public policy could be rethought to foster healthy, independent news media for the 21<sup>st</sup> century. Along the way the Committee reached some conclusions about matters outside federal jurisdiction; suggestions on some of those topics are found in Part V of this report.

The Committee has avoided proposals that violate freedom of expression or freedom of the press and other media. Canada's history includes cases of inappropriate interference with the internal workings of news media;<sup>5</sup> this Committee strongly agrees that news gathering organizations must be free from government interference. Proprietors must be free to produce excellent, mediocre, even terrible products. Within a system of a free and independent media, all qualities of news and information will likely be found. While high quality news and information services are important, their existence cannot be legislated.

The Committee has also kept in mind that public policy must foster the sustainability of Canada's news organizations; after all, failing corporations cannot provide the news, information and diverse views that Canadians want and need.

## **C. What the Committee Heard**

Many Canadians believe that public policy has not kept pace with change. Witnesses who appeared before the Committee raised many concerns regarding the state of news gathering organizations, the plurality of owners, and access to a diversity of viewpoints. The Committee thanks all those who appeared to share their thoughts on the state of the news media in Canada.

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<sup>3</sup> This Committee's Interim Report is available on-line at [www.parl.gc.ca/37/3/parlbus/commbus/senate/com-e/tran-e/rep04apr04-e.htm](http://www.parl.gc.ca/37/3/parlbus/commbus/senate/com-e/tran-e/rep04apr04-e.htm).

<sup>4</sup> The other two were: Report of the Special Senate Committee on Mass Media, "The Uncertain Mirror" (The Davey Report), Ottawa: Queen's Printer, 1970; Royal Commission on Newspapers (The Kent Commission), Ottawa, 1981.

<sup>5</sup> Two examples illustrate this point. In 1937 the province of Alberta enacted the *Accurate News and Information Act*, which required newspapers to publish the government's reply to any statements critical of the Social Credit party's policies. This legislation was later struck down by the Supreme Court of Canada. Ontario's *Charitable Gifts Act, 1949*, led to government involvement in the day-to-day operations of the *Toronto Star*.

The Committee's Interim Report provides a detailed account of what it heard up to March 2004; Volume II of this report summarizes much of what has been heard since that time. Observations of greatest importance in light of the Committee's mandate were as follows:

**On media concentration.** Many witnesses expressed concern about concentration of ownership in particular regions and the potential dangers this poses to diversity of opinion. A number of witnesses criticized the Competition Bureau and the Canadian Radio-television and Telecommunications Commission (CRTC) for failing to address these issues adequately. Some of the most vocal concerns came from the journalists.

**On the national public broadcaster.** The Committee heard that all is not well with Canada's national public broadcaster, the Canadian Broadcasting Corporation (CBC).<sup>6</sup> Inadequate funding, an unclear role and mandate, and the Corporation's reduced coverage of local and regional news were the most common concerns raised by witnesses.

**On the legal and professional environment for working journalists.** Witnesses expressed concern over the impact of the legal system on the work of journalists: problems with access to information laws, the absence of adequate whistleblower legislation, the absence of appropriate policies to protect journalists from police searches, and Section 4 of the *Security of Information Act*, which makes it a crime for a journalist to possess a government secret.

**On training and research.** Witnesses made note of the lack of training support for journalists and pointed out that Canada does not have a permanent centre with stable funding for research on the media similar, for example, to the Pew Institute in the United States.

**On federal support programs.** The Committee learned that federal support for publications (notably postal subsidies and magazine support) does not take into account the availability of the Internet as a distribution mechanism and related challenges triggered by changes in the media environment.

## **D. The Purpose of this Report**

Canada's geography, its sparsely scattered population and its proximity to the United States have been a challenge for federal policymakers since the earliest days of

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<sup>6</sup> The CBC provides a number of services in French and in English. This report uses 'CBC' to refer to all of the services provided by the Corporation. When discussing individual services they are specified (e.g., CBC English language television).

Confederation. Observers have long argued that strong and diverse news media are in the public interest. Many witnesses who appeared before the Committee argued that the public interest should be the guiding principle for the functioning of the CBC, the actions of the CRTC, the Competition Bureau, and for regulations governing Canadian news media ownership.

Numerous witnesses also argued that a focus on profits has led to increased media concentration, raising concerns about a possible deterioration in the quality of news in Canada. Others argued that the free market gives consumers what they want because profit-oriented firms will not commit resources to provide what consumers do not want. Media proprietors argued that the survival of their organizations depends on their freedom to consolidate various forms of media to deal with the reality of increasingly fragmented markets for both print and broadcast media.

While the Committee recognizes the importance of sustainable news media organizations, it does not agree that the unfettered free market is as optimal or benign as its proponents sometimes argue. Consolidation, that is, the centralization of some activities, is different from concentration and the Committee has seen evidence that there are news media organizations with excessively dominant positions within individual Canadian markets. Such concentration of ownership could have negative consequences for the public interest. The lack of appropriate regulation has led to the present situation.

This volume of the Committee's final report on the Canadian news media discusses these important issues, and others, in greater depth; where appropriate, recommendations and suggestions are offered.

- Part II of this Volume elaborates on the Committee's main areas of concern, including the impact of news media ownership concentration on the diversity of sources and analysis available to Canadians, the absence of federal control over news media ownership, and the role of the national public broadcaster.
- Part III contains the Committee's recommendations to reflect better the public interest in policy related to the Canadian news media.
- Part IV makes further recommendations concerning existing support policies for the news media and journalists in Canada as well as minority language rights.

- Part V makes suggestions and recommendations on matters outside federal jurisdiction, including self-regulation in the news media industry, continuing education for journalists and diversity in the newsroom.

The second volume of this report offers more detailed discussions of key issues raised in this volume and provides supporting material that helped shape this final report.

## **PART II: CAUSES FOR CONCERN**

Among the many strengths of the Canadian news media system is the presence of a number of profitable companies that run successful and high quality print and broadcasting news operations. Important contributions are also made to news and information by the CBC, provincial educational broadcasters, not-for-profit services such as the cable public affairs channel CPAC and the aboriginal television network APTN, and community radio and television stations.

These strengths are offset by warning signs. Four serious problems are apparent:

1. Many regions and markets are characterized by high levels of concentration in news media ownership and/or cross-ownership.
2. Canada's national public broadcaster, an important complement to the private sector, seems in danger of losing its way.
3. There is no recognized mechanism that allows the public interest in these issues to be discussed and reviewed in an open, transparent and democratic manner.
4. Many current rules and programs discourage or inhibit new voices and organizations from entering the news media industry.

The first, second, and fourth problems are discussed in the sections below and the third is explored in Part III.

### **A. The Impacts of Concentration of Ownership on Diversity in Canadian News Media**

Some witnesses, in particular officials from large media companies, argued that concerns about ownership concentration and consolidation were misplaced, and that there was no evidence of harm from recent changes in the structure of ownership in the media sector. Other witnesses, mainly journalists, pointed out several areas of concern. One example is the closing of news bureaus – international, national and provincial – and, more generally, the centralization of news coverage. These practices, it was argued, reduce the diversity of both news and analysis available to Canadians.

#### **1) Foreign news bureaus**

Jeffrey Dvorkin, the Ombudsman at National Public Radio (NPR), told the Committee during a site visit to Washington, D.C. about foreign bureau cutbacks in the United

States. He said, for example, that in the 1980s CBS had 28 foreign bureaus, but now it has only four.<sup>7</sup>

Cost-cutting in the wake of media acquisitions has also led to the closing of some Canadian news bureaus. In an era of globalization Canadians need to have their own eyes and ears to report on world news from a Canadian perspective. The following table shows the number of foreign bureaus operated by Canadian media companies as of November 2005.

<b>Canadian Foreign News Bureaus (November 2005)</b>		
<b>Organization</b>	<b>Foreign Bureaus</b>	<b>Locations</b>
CanWest	2 <sup>8</sup>	Washington and London
CBC	12	Bangkok, Beijing, Dakar, Jerusalem, London, Mexico City, Moscow, New York, Paris, Rio de Janeiro, Shanghai <sup>9</sup> and Washington
CTV	9	Beijing, Jerusalem, Kampala, London, Los Angeles, Moscow, New Delhi, New York, and Washington
Globe and Mail	7	Beijing, Jerusalem, Johannesburg, London, Moscow, New York and Washington
La Presse (Gesca)	3	London, Paris, and Washington
TorStar	6	Delhi, Hong Kong, Israel, London, Mexico and Washington

Journalist James Travers explained the importance of foreign news bureaus to the Committee:

Maintaining foreign bureaus ... ensures momentous events will not take readers by surprise. That has never been more important and the importance will continue to grow as world events accelerate and this country tries to find its place in them. More practically, keeping Canadian journalists in the field ensures that the government and its agencies do not operate overseas with a unanimity that taxpayers would never tolerate at home. If we are to understand ourselves and be full citizens of the world and if we are to grasp the importance of evolving patterns, then newspapers must have the resources to play a meaningful part. Without those resources, readers, newsrooms and the quality of public debate suffer irreparable harm.

<sup>7</sup> NPR, however, still has 18 bureaus abroad. Foreign news accounts for 40 per cent of NPR's news stories and is one of the most popular elements of its programming.

<sup>8</sup> Southam News, whose major newspaper assets were eventually acquired by CanWest Global, had 11 foreign bureaus prior to the acquisition.

<sup>9</sup> This bureau did not become operational until March 2006.



Allan Thompson, a former journalist and currently a journalism professor at Carleton University, noted that today there are only a handful of journalists who are assigned full-time to cover Africa:

...to cover 56 countries, a half-dozen wars, three incipient famines, the most corrupt mining industries in the world — and, oh yes, the fact that 36 million people have HIV/AIDS and will die within the decade, barring some dramatic international intervention.

## **2) National and provincial news bureaus**

In the past, many local newspapers had correspondents in Ottawa to cover federal news of consequence to their local audiences. Today, most newspaper chains provide the majority of their coverage of federal and parliamentary activities from a single bureau. While this policy undoubtedly cuts costs, some witnesses told the Committee that it may also have negative consequences.

Fragmentary evidence was provided in a submission to the Committee by a former journalist, Professor Christopher Waddell of Carleton University.<sup>10</sup> Professor Waddell examined federal election voter turnout in three Ontario cities where local newspapers previously had Ottawa bureaus. He found that the decline in voter turnout was greater in cities that lost their national bureau than it was either in Ontario at large or in a sample of communities whose newspapers had never had Ottawa bureaus.

Professor Waddell emphasized the preliminary nature of his research and noted that there are many influences on voter turnout. One possibility is that when citizens lose a local interpretation of national events, they feel less connected to national policies and less inclined to vote for those who set these policies. As Professor Waddell noted,

National news services ... produce qualitatively different coverage than the individual newspapers with their own reporters in Ottawa provided their readers through the 1980s. The national news services have no ability to provide local examples or context to national political or public policy stories. Everything is written in broad brush strokes. ... They are not looking for the specific stories or issues that may have an impact primarily in one city – in Hamilton, in Windsor, in London, in Regina or in Saskatoon. Neither are they looking for local angles on the national stories they write.

It would be useful for researchers to explore this more fully.

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<sup>10</sup> Submission to the Committee: “Newspaper Cutbacks and Falling Voter Turnout – Is There a Link?”

In some cases, bureaus covering provincial legislatures have also been closed or reduced. In Vancouver, for example, the Committee heard that the city's major dailies, the *Sun* and the *Province*, no longer have reporters at the provincial legislature in Victoria and instead depend on their sister paper, the *Victoria Times-Colonist*, for coverage. The Committee was also told that the *Province* no longer has a forestry reporter, even though forestry represents one of the province's most important economic industries.

### **3) Centralized news coverage**

A further concern relates to centralized news coverage. There has always been some tendency, especially during times of reduced budgets, for organizations with more than one news outlet to centralize certain coverage to make more efficient use of available resources. For example, if members of a newspaper chain contract jointly for a central source of sports listings, the money saved can be used to develop or provide coverage that otherwise would not be affordable.

Centralization, however, can also come at a cost. The perception that only the "centre" matters was exacerbated by English CBC TV's early 1990s decision, now partly reversed, to scale back some local and regional news coverage. Witnesses from outside Ontario and Quebec expressed frustration over the extent to which national broadcasters, particularly the CBC, now focus on Toronto and Montreal. As one francophone witness in New Brunswick noted, listeners in the regions do not need to hear reports about traffic jams in Montreal while important stories in their own communities receive no mention.

Other witnesses raised concerns over CanWest's decision to create a Canadian News Desk (CND) to feed wire copy and re-edited material across its chain from various papers on subjects such as fashion, food, homes, personal finances, automobiles and health.<sup>11</sup>

Centralization can also occur at the local level. The Committee was told that the Gesca newspaper group in Quebec has reduced local coverage outside Montreal. In Halifax, witnesses told of newsroom staff being cut by 75 per cent and then being called upon to provide newscasts for two or three additional private radio stations.<sup>12</sup>

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<sup>11</sup> These concerns are not based on the fact that the CND is in Winnipeg rather than Toronto. News operations outside a country's metropolis are as capable of achieving top stature as any others. Examples range from the Manchester *Guardian* to CNN, which was founded in Atlanta. Indeed, John W. Dafoe made the *Winnipeg Free Press* one of Canada's most important newspapers, with significant national influence.

<sup>12</sup> Murray Brewster, Nova Scotia Chapter Representative, Canadian Association of Journalists, April 19, 2005.

In short, some witnesses were worried that a continued stress on centralization by Canadian media groups would lessen the diversity of news and information in Canada. Few dispute that some degree of centralized service can be an advantage. The question is: how far should centralization go? Centralization may threaten both the media owner and consumers as the resulting loss of local coverage may reduce both demand for the franchise's products and the diversity of news and information available to Canadians.

#### **4) Potential impacts on analysis and opinion**

Concerns about diversity also apply to analysis and opinion. 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.

Several witnesses before the Committee expressed concern about a potential loss of diversity in analysis and opinion. Such concerns had been heightened by CanWest Global's 2001 announcement that national editorials would be featured two or three times a week in its daily newspapers. Under this policy, CanWest's English-language papers would not be allowed to publish dissenting editorials.

Although CanWest later withdrew the national editorials of its own accord, the initial announcement aroused great controversy among journalists. Some columnists who publicly disagreed with the policy had their columns dropped from the papers, even though the company had said that divergent views would be permitted on op-ed pages. At the *Montreal Gazette*, journalists protested against the policy by withholding their bylines. In response, the paper's management posted a memo warning employees that public statements criticizing the policy:

violate the legal requirement for primary fidelity to the employer. Case law supports sanctions, including suspension or termination, against those who persist in disregarding their obligations to the employer after clear warning. ...

No one, journalist or otherwise, has the right to work at *The Gazette*. It is a privilege that carries with it the obligations of prudence, diligence, honesty and fidelity to the employer.<sup>13</sup>

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<sup>13</sup> The *Gazette*, Memorandum: Advisory/Reminder to all staff. Signed by Peter Stockland, editor in chief, and Raymond Brassard, managing editor, December 14, 2001.

However correct these observations may have been in law, this was a clear message that dissent from the views of head office was a firing offence. As several witnesses reminded the Committee, the greater the media concentration, the harder it is for a journalist to find work elsewhere.

## **B. The Watchdogs Do Not Bite**

The legal and regulatory framework should support diversity while not interfering with news, editorial content or discussions of public affairs. The federal government has several important responsibilities in this regard. It funds the national public broadcaster and appoints the CRTC, which regulates the broadcasting system; the federal Competition Bureau has jurisdiction over certain economic components of the private media sector.

### **1) The legislative role**

The *Canadian Charter of Rights and Freedoms* establishes a fundamental “freedom of thought, belief, opinion and expression including freedom of the press and other media of communication.” Some claim that freedom of speech places the press and other news gathering organizations outside of any government law or regulation that is not a law of general application (that is, a law affecting the news media only in the same way that all other Canadians are affected).<sup>14</sup> Supporters of this argument believe that the *Charter* rights of news and information organizations supersede any special laws that might apply to them.

The claim that no legislation of any kind can apply specifically to news gathering organizations is unduly broad. As can be seen in the table below, Canada has developed legislation that applies only to the media, such as the legislation establishing postal subsidies. Furthermore, the *Income Tax Act*, which is an act of general applicability, has sections dealing specifically with newspapers and periodicals (such as conditions for allowing the deductibility of advertising expenses in them).

<b>Government Influences on Media</b>	
<i>Canadian Charter of Rights and Freedoms</i>	Section 2 (“... Freedom of press and other media of communication.”).
<u>Laws</u>	
<i>Competition Act</i>	Legislation of general applicability (no media-specific provisions). Overseen by the Competition Bureau

<sup>14</sup> The *Broadcasting Act* is a recognized exception to this rule. The original justification for the *Act* was that the broadcast spectrum was limited and that use of it therefore had to be regulated.

*Broadcasting Act*

Regulates all broadcasters (only influence on print media is on regulation of cross-media companies; in 1999 the CRTC decided that new media on the Internet would not be regulated as broadcasters).

Overseen by the Canadian Radio-television and Telecommunications Commission (CRTC)

*Canadian Radio-television and Telecommunications Commission Act*

*Income Tax Act*

*Investment Canada Act*

*Copyright Act*

*Security of Information Act*

*Access to Information Act*

Relevant Government Policies

Cultural

Education (Provincial responsibility)

National Security

Official Languages

Relevant Government Programs

Canada Magazine Fund

Publications Assistance Program

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.

## **2) Regulators neglect the news**

Two federal agencies administer the legislation and regulations that have an impact on the corporate practices of Canadian news gathering organizations. The Competition Bureau is responsible for matters relating to the *Competition Act*, including media mergers that might affect competitive markets. The CRTC regulates the broadcasting system; changes of ownership that involve broadcasting licences must have its approval.

A history of the approach of the Competition Bureau and the CRTC in their respective treatment of news gathering organizations and news media is available in a paper prepared for this Committee by Professor Richard Schultz.<sup>15</sup> It concludes that the Competition Bureau has had a narrow focus on advertising markets and the CRTC has

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<sup>15</sup> Schultz, Richard J., *Mandates and Operation of the CRTC and Competition Bureau In Media Mergers and Acquisitions*, March 2005.

largely set aside its concerns about news and information. Instead, the CRTC focuses on “cultural” issues, i.e., policing Canadian content.

### **a) The Competition Bureau**

The Competition Bureau applies a generalized form of economic analysis of individual firms’ behaviour to judge whether a particular market is competitive. As it explained in a submission to the Committee:

The Bureau strives to ensure that Canada has a competitive marketplace and that all Canadians enjoy the benefits of competitive prices, product choice and quality service.

As a law of general application that covers all businesses in Canada, the *Competition Act* has no specific provisions regarding broadcasting, telecommunications, newspapers or other media. Also, the *Competition Act* is essentially an economic law. When it is applied to specific cases, an analytical framework common to all products and services is employed.<sup>16</sup>

In practice, *prices* are used to gauge the conditions in a market for goods or services. In the media market, where radio, television and some newspapers are supplied free of charge, the Bureau’s focus price is generally the price of advertising.

While it is true that some readers buy a newspaper for the advertising, most are interested in the news, information and other non-advertising features. The same is true for radio listeners and television viewers, who are seeking out content, not commercials. Clearly, a principal public interest about the news media should be the diversity of news and opinion. For this reason, advertising costs are not always the best indicator of market conditions for the news media given that rates can stay the same (or even decline) in the wake of increased concentration of ownership.

The way the Competition Bureau defines a market may also impede it from preventing anti-competitive practices in the Canadian news media industry. The Competition Bureau’s general analytical framework may lead it to define local news markets in a way that is detrimental to particular regional or national markets. As the Bureau explained:

Conceptually, a relevant market is defined as the smallest group of products, including at least one product of the merging parties, and the smallest geographic area in which a sole profit-maximizing seller (a “hypothetical monopolist”)

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<sup>16</sup> The Competition Bureau, “The Competition Bureau’s Work in Media Industries: Background for the Senate Committee on Transport and Communications,” 2003.

would impose and sustain a significant and non-transitory price increase above levels that would likely exist in the absence of the merger.<sup>17</sup>

This definition of the news market, combined with the potentially misleading analysis of prices in the advertising market, has led to significant concentration of ownership of various media in Canada, notably community newspapers, in several regions. For example, the 2004 decision involving Transcontinental Inc. and Optipress Inc. left Transcontinental with control of every daily and weekly paper in Newfoundland.<sup>18</sup>

The Competition Bureau's operating procedures may be well suited to analysing most markets for goods and services in Canada, but not the news media market. The Bureau's prescribed frame of reference – what some have called a silo approach – misses a critical dimension of news and information, namely, the importance of the plurality of owners and the diversity of voices, not just in a given community but in the wider regional and national landscape.

This is in sharp contrast to the regulatory regimes in countries such as France, the United Kingdom, Germany, Australia and the United States. Each of those countries has laws and regulations that question or prevent high levels of ownership concentration in media markets. The objective is to foster a plurality of owners within specific markets and to ensure that a diversity of news and information sources is available.

#### **b) The Canadian Radio-television and Telecommunications Commission**

The Department of Canadian Heritage is responsible for broadcasting policy, but policy development has been largely delegated to the CRTC. The CRTC's current policy approach focuses on the public interest in cultural aspects of broadcasting, e.g., the genre of music played on radio stations, and is one of *laissez faire* towards news and information. The CRTC is also concerned about the economic viability of Canadian broadcasters and the availability of Canadian content. The absence of policies respecting news and information programming, however, has resulted in a decrease in news programming, particularly noticeable in radio.

The CRTC takes its mandate from the *Broadcasting Act*, which may explain why it has placed a greater emphasis on cultural and economic matters than on news and information. The *Broadcasting Act*<sup>19</sup> states that the Canadian broadcasting system should:

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<sup>17</sup> Competition Bureau, Merger Enforcement Guidelines, (Part 3: Market Definition), September 2004, paragraphs 3.3 and 3.4. A footnote to the quoted material notes: "A market may consist of a single homogeneous product or a group of differentiated products."

<sup>18</sup> Competition Bureau, Annual Report 2004 - Reviewing Mergers.

<sup>19</sup> See Section 3(1)(d)(ii). The full text of Section 3 of the *Broadcasting Act* is found in Volume II.

encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by **offering information and analysis concerning Canada and other countries from a Canadian point of view.** [emphasis added]

The mention of “information and analysis” comes near the end of the list of objectives, suggesting that it is of lesser importance.

The CRTC’s 1998 Commercial Radio Policy and 1999 Policy Framework for Canadian Television are examples of the low priority placed on news and information programming.

The Radio Policy allows a single owner to hold three stations in a given language in smaller markets — with a maximum of two on the same frequency band; and four — two AM and two FM — in markets with eight or more stations. It has three stated objectives:

1. Ensure a strong, well-financed radio industry,
2. Ensure pride of place for Canadian artists, and
3. Ensure that a French-language presence in radio broadcasting is maintained.<sup>20</sup>

News and information is not a major objective. Diversity of news voices is, however, mentioned as a policy objective in the discussion of ownership issues:

One of the objectives of the Commission's longstanding policy on common ownership has been to preserve the availability of distinct news voices in a community. The Commission notes that, in recent years, there has been a considerable increase in the number of local, regional and national news sources available in most markets, including new conventional radio and television stations, specialty programming services, community radio stations and regional newspapers, as well as emerging alternative sources of information such as the Internet. ... [T]he Commission has sought to strike a reasonable and acceptable balance between its concerns for preserving a diversity of news voices in a market, and the benefits of permitting increased consolidation of ownership within the radio industry. [para. 32]

As for television, the CRTC’s 1999 policy calls for Canadian content regulation only where necessary. With respect to local and regional news programming, the CRTC gave notice that: “At the next licence renewals for conventional, local television stations, the Commission will **not** require applicants to make quantitative commitments with respect

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<sup>20</sup> Public Notice CRTC 1998-41 (Commercial Radio Policy 1998).



to local news programs.”<sup>21</sup> The CRTC did state that applicants would still have to “meet the demands and reflect the particular concerns of their local audiences, whether through local news or other local programming,” but that evaluations would be on a case-by-case basis.

The Commission appears to argue that news can take care of itself:

The Commission believes that, in the new television environment, there are sufficient market incentives to ensure that audiences will continue to receive a variety of local news without regulatory requirements. News programming is a key element in establishing a station's identity and loyalty with viewers and is generally profitable. Further, licencees may not solicit local advertising in a market unless they provide local news or other local programming. [para. 47]

In short, the CRTC's hands-off approach to the regulation of news broadcasting seems to be based on two arguments. The first is that news is profitable, or at least breaks even; in fact, however, profits from original news programming are often limited, thereby prompting certain broadcasters to purchase more profitable programming (e.g., American sitcoms). The second argument is that there are numerous alternative sources of news; yet, as this report shows, the existence of numerous delivery systems does not necessarily mean that there is a diverse range of news sources, particularly in smaller communities.

As for media concentration and cross-media ownership, the current regulatory system offers little protection against particular adverse effects of ownership concentration on the diversity of voices. This absence of regulatory focus has allowed media dominance by individual players in Vancouver, Quebec and New Brunswick and could as easily occur in other Canadian markets; indeed, it has already happened in the community newspaper sector.<sup>22</sup>

To sum up, the CRTC's regulatory approach to news has had consequences for the Canadian media landscape. In particular, less news content is now offered on many Canadian radio stations and few Canadians now list radio as a main source for news.<sup>23</sup>

### **C. The Public Broadcaster is Too Many Things to Too Many People**

Since the earliest days of radio, it has been argued that broadcasting could be used to inform, educate and unite people. These goals led to the creation of a number of public

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<sup>21</sup> Public Notice CRTC 1999-97 (Building on Success – A Policy Framework for Canadian Television) Para. 44, Emphasis added.

<sup>22</sup> Further details are presented in Volume II.

<sup>23</sup> See Volume II for the Committee's research data on Canadians' media use preferences.

broadcasters around the world. The British Broadcasting Corporation (BBC) is widely recognized as the pre-eminent example of a public broadcaster. Canada's national public broadcaster, the CBC, has been an important part of the Canadian broadcasting system for more than 70 years.

## 1) A broad mandate

The mandate of the CBC has been modified and refined over time. The 1991 revisions to the *Broadcasting Act* establish that the Corporation's mandate is to provide programming that should:

- (i) be predominantly and distinctly Canadian,
- (ii) reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions,
- (iii) actively contribute to the flow and exchange of cultural expression,
- (iv) be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities,
- (v) strive to be of equivalent quality in English and in French,
- (vi) contribute to a shared national consciousness and identity,
- (vii) be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose, and
- (viii) reflect the multicultural and multiracial nature of Canada.

According to some observers, the breadth of the CBC's mandate has led to unnecessary competition with the private sector. CBC's English and French television networks, at least since the 1950s, have tried to be full-service networks, providing a wide range of programming – news and information, public affairs, drama and sports. This strategy worked well until the late 1980s, prior to the arrival of a broad range of specialty channels available to most Canadian households. Since that time the CBC's audience shares for its English and French services have witnessed dramatic declines.

CBC national news and information programming, however, has maintained an audience share competitive with those of private broadcasters. For example, in 2004-05, its flagship English-language evening news show, *The National*, which runs on both the main network and Newsworld, averaged a total audience of approximately 1,057,000 viewers, compared to 714,000 for Global National News and 1,480,000 for the CTV Evening News.<sup>24</sup>

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<sup>24</sup> Volume II presents information for newscasts during the day for the period August 30, 2004 to April 3, 2005.

## 2) A limited budget

Although its mandate is broad, the resources made available to the CBC have been reduced over time. The CBC's most recent budget includes a parliamentary appropriation of almost \$1 billion and earned revenue, mostly advertising, of almost \$400 million. This budget is small if compared to some national public broadcasters<sup>25</sup> and seems especially modest when one considers the number of services provided, of which the main ones include: national television and radio networks in English and French, digital television specialty services, and an extensive online news and information web service. Indeed, the British Broadcasting Corporation (BBC) has a budget four times greater to serve a country physically many times smaller and more densely populated than Canada.

As the graph below shows, the current CBC budget is less than what it received in the early 1990s and is far less in constant dollars (after inflation adjustment). CBC budgets have been under sustained pressure for at least two decades. The most severe cuts occurred during the 1990s when the federal government was attempting to bring its budget deficit under control. Although there has been some reinstatement of CBC funding, it is still well below what it was in 1990-91. Also evident in the graph is that CBC budgets have not exhibited extended periods of stability. Since television series can take three years to bring to the screen, unpredictable budgets make the planning and development of new programs or services all the more difficult.

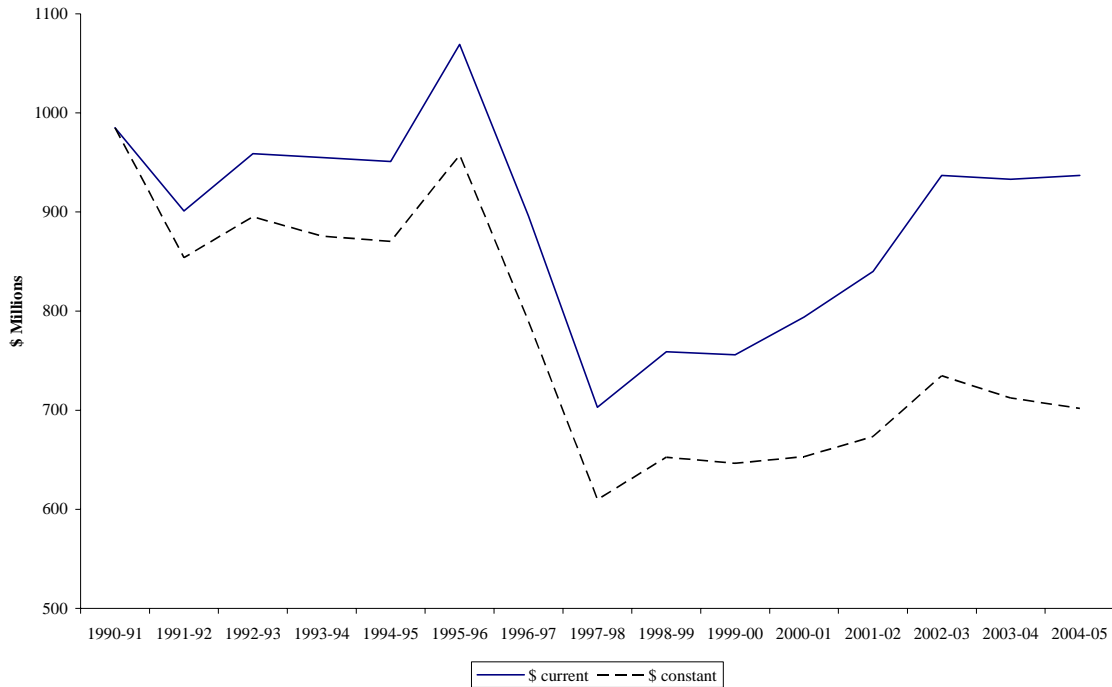
The fall in value of the CBC's parliamentary appropriation (approximately 20 per cent in real dollars) has forced the Corporation to increase its reliance on earned revenue, largely television advertising dollars. This in turn has forced CBC television to focus on ratings rather than on its core mandate, public broadcasting.<sup>26</sup> It has also forced the CBC to make unpopular decisions, such as the decision (now partially reversed) to reduce the quantity of local news and public affairs programming in certain regions.

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<sup>25</sup> In 1999, Canada ranked well below the OECD average for funding of public broadcasters as a percentage of GDP. *Our Cultural Sovereignty*, Second Report of the Standing Committee on Canadian Heritage of the House of Commons, Second Session, Thirty-Seventh Parliament, Clifford Lincoln, M.P., Chair, June 2003, p. 180.

<sup>26</sup> CBC radio has not carried ads since the 1970s.

Figure 1 - Parliamentary Appropriations to CBC



Source: CBC, Annual Reports

Where there is a large range of local news services available (for example, in Toronto) the availability of local CBC news is less important than it is in areas of the country where it is the main, and sometimes only, supplier of news and information. It is, however, important to have sufficient local resources to provide coverage of local and regional news that can be transmitted nationwide. Important news happens in all parts of the country, but if the CBC does not cover it, many Canadians will never know about it. The Committee agrees with the many witnesses who claimed that cutting back on news in more remote areas was a terrible mistake, reflecting a serious misunderstanding of the CBC's essential public service and public interest role.

## **PART III: IN DEFENCE OF THE PUBLIC INTEREST**

Part I of this report noted continuing changes in the way that news and information are gathered and disseminated, as well as the impact of technological change on Canadian news media. Related to these changes are important matters of public interest that need to be carefully addressed. The Committee has considered various options for defending the public interest in ensuring a diversity of news sources; these range from maintaining the status quo to a fundamental realignment of the mandates of both federal regulatory agencies.<sup>27</sup> Four considerations have guided the Committee's approach to devising a workable mechanism that might define and defend the public interest:

1. Any proposed solution must recognize, as a matter of policy and law, that there is a public interest in news media mergers.
2. The public interest should be acknowledged and recognized in a set of institutional arrangements when news media mergers are considered.
3. The mandates of the CRTC and the Competition Bureau should be changed in a manner that allows the first two considerations to be recognized and allowed to flourish.
4. Any solution must address important issues surrounding the *Canadian Charter of Rights and Freedoms* and the public interest.

### **A. Cross-Media Ownership and Concentration**

As this report has already noted, there is a public interest in having a diversity of ownership in the Canadian news media to increase the potential for diversity of sources of news, information, and analysis in particular markets or regions. While many cities in Canada cannot support a large number of owners, the public policy goal of encouraging a diversity of ownership and sources of news is important.

#### **1) Media and the *Charter of Rights***

Media companies in Canada have a privileged position under the *Canadian Charter of Rights and Freedoms*. These companies are quick to make note of their special status when seeking, for example, greater access to information or the protection of sources.

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<sup>27</sup> The Committee's analysis of the various options is discussed in Volume II.

In presentations before this Committee, proprietors and chief executive officers have tended to extend their claim of a special status (that is, independence from government interference in news operations) to a much larger and more contentious claim, that all of their operations should be free from any form of government regulation other than laws of general application (for example, libel, slander, tax and employment law). The Committee believes that this claim goes too far and does not represent an appropriate extension of their *Charter* protections.

This being said, the Committee accepts the principle that the government has no role in the newsrooms of the nation. Nothing that is proposed in this report should be construed as interfering in the news operations of media organizations. The Committee also agrees that proprietors should run their companies as they see fit, producing products ranging from world class, to mediocre or even terrible. They also are free to espouse whatever political position they choose in their opinion pages.

The media's right to be free from government interference does not extend, however, to a conclusion that proprietors should be allowed to own an excessive proportion of media holdings in a particular market, let alone the national market. Yet the current regulatory regime in Canada does little to prevent such an outcome.

## **2) International practices**

The Canadian situation with respect to media mergers or media concentration is atypical among large democracies. French law, for example, restricts the ownership and control of private sector broadcasters. The United Kingdom limits ownership of national newspapers and certain types of broadcast licences. Australia restricts foreign investment, concentration and cross ownership of broadcasting. The United States restricts the number of broadcast stations (radio or television) that a single person or entity can own in a given geographical area. The United States also restricts cross-ownership of multiple media outlets.<sup>28</sup> So does Germany.<sup>29</sup>

## **3) A new mechanism**

One challenge is the complete absence of a review mechanism to consider the public interest in news media mergers. The result has been extremely high levels of news media concentration in particular cities or regions.

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<sup>28</sup> United States and United Kingdom media laws are described in more detail in Volume II.

<sup>29</sup> Recently, the Commission to Investigate Media Concentration prevented the publisher Axel Springer AG from buying the country's biggest television company, saying the merged firm would have "dominant power" over public opinion.

Finding a workable option is not easy. Previously proposed solutions (e.g., establishing a national press council; requiring special protections for editors of chain-owned newspapers) have not been adopted and, in the view of this Committee, do not address the absence of a public interest test for news media mergers. These realities have led the Committee to conclude that an appropriate review mechanism for Canada should include the following characteristics.

The mechanism should:

- 1) In no way interfere in the internal workings of news gathering organizations.
- 2) Be easily understood. The steps that would be taken in consideration of a media merger and the organization(s) responsible for undertaking specific activities should be clearly identified.
- 3) Establish how the organizations involved would bring their particular expertise to the discussion of the public interest. For example, it should include a workable process for the involvement of both the Competition Bureau and the CRTC.
- 4) Allow for an open and transparent process resulting in a public report to a minister (or ministers).
- 5) Include clear accountability for the consideration of the public interest. This is in sharp contrast to the current situation where no regulatory organization is ultimately accountable.
- 6) Not depend on the good will of a particular individual or organization.
- 7) Have clear and definite timelines, be independent and objective and guarantee that the public interest in a free and vigorous system of news organizations can be discussed.

The most effective way to proceed would be to enact a new section of the *Competition Act* to deal with the mergers of news gathering organizations. This new section should include the following assessment criteria:

- Cross-media ownership in particular markets;
- Development of a dominant position in particular advertising, production or distribution markets; or

- Mergers that involve acquiring more than, say, 35 per cent of a particular audience, or subscribers.<sup>30</sup>

The new section should also establish the procedures to be followed in the event of a review of the merger of news and information organizations. It should include provisions for either the Minister of Industry or the Minister of Canadian Heritage, both of whom may have an interest, to order a review of media mergers from the viewpoint of the public interest.

The Committee recommends:

**RECOMMENDATION 1**

That a new section, dealing with mergers of news gathering organizations, be added to the *Competition Act*. This new section should:

- a) trigger automatic review of a proposed media merger if certain thresholds are reached;
- b) allow the appropriate ministers to order a review of proposed mergers;
- c) set out the process that will be followed when a merger is being reviewed, including the appointment of a panel to conduct the review.

The new section should not interfere with the Competition Bureau's current responsibilities under Section 93 of the *Competition Act*, which concerns the factors to be considered regarding the prevention or lessening of competition. However, in the case of cross-media mergers, the CRTC's responsibilities for the Canadian broadcasting system need to be recognized. For this reason, the new section of the *Competition Act* should require the CRTC to be involved in public hearings related to the public interest in a merger involving broadcast organizations.

To establish the CRTC's role in the new mechanism, the *Broadcasting Act* would also need to be amended to spell out the Commission's responsibilities in the event of a public interest review of a merger of news gathering organizations.

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<sup>30</sup> The 35 per cent threshold for market share is used by the Competition Bureau when examining mergers and possible cases of abuse of dominant position. The Bureau notes that factors other than market share are important and there is not always a direct correlation between market share and dominance, so the 35 per cent figure is not used as a fixed limit. (See the discussion in Competition Bureau, Merger Enforcement Guidelines, Paragraphs 4.12 – 4.13, [www.competitionbureau.gc.ca](http://www.competitionbureau.gc.ca)).



The Committee recommends:

**RECOMMENDATION 2**

That legislation governing the CRTC be amended to require the CRTC to participate, when appropriate, in the panels established by the new section of the *Competition Act*.

Neither the Competition Bureau nor the CRTC is likely to have the expertise on hand to deal with all aspects of the public interest in such mergers. Therefore, the new section of the *Competition Act* should also provide for the appointment of an expert panel to conduct the review. In the view of this Committee, the expert panel should be small, perhaps composed of five persons, and include representatives of the Competition Bureau and, where broadcasting is involved, the CRTC. At least two members should have had working experience in newsgathering operations of the type that are planning to merge. The chair should be a person of recognized impartiality, for example a retired judge or university president.

A review would be automatically triggered if:

- The Minister of Industry or the Minister of Canadian Heritage asked for a review because circumstances suggested that the public interest might be adversely affected by a merger.

Or,

- A proposed merger of news gathering organizations (newspapers, broadcasters or other media) would lead, within a particular region or market, to a possible dominant position that exceeded a certain limit. That limit would focus on ownership within a given medium **and** cross-media ownership. It could use a number of criteria: for example, audience share, number of news outlets in relation to the total number in that market, or total potential audience. What matters most is that the criteria for automatic review be clear and public.

The review of the public interest in the merger would take place during a specified time frame – say, six months – and would follow specified steps, including public consultation. The panel’s report would include recommendations and would be made public at the same time that it was sent to the appropriate minister(s).

The decision to allow the merger or to require changes to its terms (e.g., disposition of certain assets) would be made by the Cabinet upon the advice of the minister(s) in

question. The responsible minister or ministers should appear before committees of both Houses of Parliament to explain the decision.

#### **4) Transparency is key**

An equally crucial element of the merger review process will be transparency through the public consultation, the reporting and parliamentary oversight. The openness of the process will be the safeguard against decisions that might be made, or appear to be made, on grounds other than the public interest.

Furthermore, both for regulatory purposes and to enhance transparency in public debate, it is equally important that current information on the ownership of media outlets be available. The Committee heard testimony that this is not always the case. With this in mind, the Committee recommends:

#### **RECOMMENDATION 3**

That all news media outlets be required to state regularly in their publications or their broadcast programming, the identity of the controlling shareholder(s).

### **B. Policies to Promote News and Information Programming**

As explained in Part II of this volume, the Committee considers the CRTC's current policy approach to be unduly focused on the public interest in cultural and economic aspects of broadcasting, with a corresponding lack of attention to news and information. This is one reason why news programming has disappeared from portions of Canada's private radio system.

The following sections outline some proposals for re-tooling the CRTC's mandate and policies in such a way that diversity issues concerning news and information programming would be properly recognized.

#### **1) Clarify the *Broadcasting Act***

A fundamental problem identified earlier in this report is the fact that Section 3 of the *Broadcasting Act* makes only a passing reference to news and information.<sup>31</sup> Section 3 is important because it lays out the objectives for Canada's broadcasting system. As it stands, the CRTC has had no obligation to consider the impact of certain broadcasting decisions on news and information programming. With this in mind, the Committee has concluded that the *Broadcasting Act* should be amended accordingly and recommends:

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<sup>31</sup> Section 3 of the *Act* is included in Volume II.

**RECOMMENDATION 4**

That Section 3(d) of the *Broadcasting Act* be amended to give a clear priority to news and information programming within the Canadian broadcasting system.

In addition, Section 5(2), which deals with the powers of the CRTC, should be amended to give a higher priority to news and information programming within the Canadian broadcasting system. The Committee recommends

**RECOMMENDATION 5**

That Section 5(2) of the *Broadcasting Act*, which deals with the powers of the CRTC, be amended. The amendment should state that the Canadian broadcasting system “gives a high priority to news and information programming within the Canadian broadcasting system.”

**2) Lower barriers to entry into the market**

The CRTC’s mandate to monitor the economic viability of the broadcasting system has led it to limit the number of new licences issued. For example, even if it is technically feasible to have an additional broadcasting service in a particular market – and someone is willing to offer a new service – the CRTC may find that additional competition would undermine the economic viability of existing licence holders and deny the applicant. This process helps explain why Canada has been comparatively slow to introduce competing 24-hour all-news channels.

Viewing new entrants as having a negative impact on the broadcasting system will lead to decisions that go against the public interest. This is especially true given the low priority given to news and information programming. There will be fewer owners and sources of news and information within Canada’s broadcasting system and the deployment of innovations in their delivery may be slower.

The Committee believes that an alternate approach is required and that the financial health of current licence holders should not be the sole criterion. This would help to ensure that the news and information programming available to Canadians would be as diverse and all encompassing as possible. The Committee recommends:

**RECOMMENDATION 6**

That the CRTC adopt a more open approach to the benefits that may flow from competition within the provision of news and information programming.

### 3) Increase monitoring of conditions of licence

The CRTC imposes conditions of licence on all broadcasters. For example, in recent instances where there has been a consolidation of media ownership, the CRTC has imposed conditions to keep separate the news operations of any cross-owned print and broadcast media.<sup>32</sup> The Commission has also required these organizations to make public service announcements inviting those people with concerns about the news policies of cross-owned media to send their complaints to the Canadian Broadcast Standards Council (CBSC).<sup>33</sup>

In practice, conditions imposed on owners of consolidated media interests are largely un-enforced. In testimony before the Committee, the Chair of the CRTC acknowledged that the Commission had done little to determine whether the requirements for separate newsrooms had been met. Furthermore, the CRTC has more recently indicated that it might delegate monitoring of compliance with these conditions to the CBSC.

In the view of this Committee, such an arrangement is unworkable. Public service announcements are often too vague and technical to convey an understanding of the issues involved.<sup>34</sup> Important matters having to do with media mergers should not be delegated to a secondary body remote from normal accountability mechanisms; moreover, the CBSC's mandate relates only to broadcasting, which precludes comments on important elements of media cross-ownership.

The CRTC should enforce the licensing conditions it imposes with respect to news and information programming as it does other broadcast standards. For example, the CRTC recently removed the licence of a broadcaster (see next section) that it concluded had contravened broadcast standards of appropriate speech. When the CRTC imposes conditions of licence (for example, on the separation of print and broadcast newsrooms as the result of a merger) it should monitor compliance and sanction for non-compliance, as required. The Committee recommends:

#### **RECOMMENDATION 7**

That the CRTC not delegate important matters having to do with media mergers and conditions of licence to the Canadian Broadcast Standards Council (CBSC) or any other body.

<sup>32</sup> See Volume II for examples of CRTC conditions of licence for broadcasters.

<sup>33</sup> The CBSC was created in 1988 by Canada's private broadcasters in consultation with the CRTC. Its principles and responsibilities roughly parallel those of the press councils.

<sup>34</sup> Examples of these announcements are included in Volume II.

Furthermore, the Committee recommends:

**RECOMMENDATION 8**

That the CRTC properly monitor the terms and conditions that it imposes on the news operations of companies involved in cross-media mergers.

**4) A variety of enforcement powers for the CRTC**

To enforce its decisions, the CRTC is limited to two actions: revoking a licence or renewing a licence for a shorter term. The Commission is extremely reluctant to revoke a broadcasting licence, except in the most unusual of circumstances. Renewing an existing licence for a short period (often two years) is the alternative. This has happened in the recent past with Vision TV and with CHOI-FM. Vision TV was required to develop a better system to track and report on Canadian content requirements; thereafter, its licence was renewed for a full term. In the case of CHOI-FM, the CRTC renewed its licence for just two years in 2002; two years later, it denied CHOI's renewal application on the grounds that it had failed to meet its conditions of licence.<sup>35</sup>

Renewing a licence for a short period of time may not be the most efficient or appropriate sanction for a minor licence infraction, especially since the process of licence renewal can cost a broadcaster several hundreds of thousands of dollars each time. With this in mind, the Committee is of the view that the CRTC should have the power to impose fines on broadcasters who fail to meet some part of their conditions of licence (much as the Commission has proposed to do for telecommunications carriers).

The Committee recommends:

**RECOMMENDATION 9**

That the Government of Canada give the CRTC the power to levy fines on broadcasters.

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<sup>35</sup> In July 2004, the CRTC denied the application by Genex Communications Inc. for the licence renewal for its French-language radio station in Quebec City, CHOI-FM. The CRTC action came after years of complaints that the spoken word content that was aired included racist and offensive comments, personal attacks, and harassment. Genex, claiming protection under the *Charter's* freedom of expression, took the case to the Federal Court of Appeal. In September 2005, that court upheld the CRTC decision, noting that freedom of expression was not an unqualified freedom and that freedom of expression certainly did not mean freedom of defamation, freedom of oppression and freedom of opprobrium.

## 5) Community programming

The *Broadcasting Act* recognizes that citizen and community access is important. In this spirit, Canadian radio and television broadcasting policy makes it possible for citizens to develop programming and services that relate to their interests.

Community television is delivered via Canada's cable companies. Community radio is delivered by a range of small operations, operating in French, English, aboriginal and various other languages, scattered across the country.

CRTC regulations require cable companies to contribute what amounts to about \$80 million a year in support of community television services.<sup>36</sup> Various witnesses told the Committee that citizen access to the broadcasting system can be an important source of diversity of opinion and information. The Committee also heard that community radio can make an important and unique contribution to the lives of people in smaller or more remote communities, or those who share particular languages or interests.

The CRTC imposes conditions, requirements or restrictions on both community broadcasters and incumbent broadcasters. While each community broadcaster (television and radio) has different rules and regulations specific to its situation, they are all discouraged from competing with incumbent licence holders in any meaningful way, and are all subject to a number of restrictions (e.g., low power signals) that limit their reach.

There have been longstanding disputes over the role of community television and what types of programming should be available. Cable companies insist on exercising some control since community programming is done largely by volunteers who use the cable company's equipment and studios. Volunteers argue that some cable companies have reduced community access and are more interested in using the community channel as a vehicle to promote the cable company, than as a vehicle to promote community access to the broadcasting system. It is difficult to judge the accuracy of these accusations as there is no monitoring or enforcement of an incumbent's obligation to provide access. The Committee recommends:

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<sup>36</sup> Broadcast Distribution Undertakings are required to contribute 5% of their revenues to some combination of the Canadian Television Fund (CTF) and community television. Cable companies can choose either option or a combination of both (e.g., 2% to community television and 3% to the CTF). Satellite distributors contribute 5% to the CTF and do not contribute to community television.

**RECOMMENDATION 10**

That the CRTC revise its community television and radio regulations to ensure that access to the broadcasting system is encouraged and that a diversity of news and information programming is available through these services.

There is also an absence of information on community broadcasting. While the Committee does not support onerous reporting requirements for broadcasters and distributors, it does believe that the CRTC and the Government of Canada should be required to collect timely and appropriate information on community broadcasting. This could be accomplished through general purpose surveys or a series of case studies. Having such information would allow the public to understand better what is being accomplished and what remains to be done. The Committee recommends:

**RECOMMENDATION 11**

That the CRTC and the Department of Canadian Heritage jointly develop an information system that will provide relevant and timely information on community broadcasting activities in both television and radio.

**C. Back to Basics for the CBC**

In a world of media concentration and cross-media ownership the importance of the CBC as an alternate source of news and information programming is greater than ever. A favourite Canadian pastime is to criticize the CBC, including its news coverage, but in fact the CBC provides news programming that is of a high calibre. This is a national achievement that should be strengthened, not diminished.

The Committee recognizes that the CBC's current mandate far exceeds what the annual appropriation from Parliament covers. Even so, the CBC has done its best to maintain its services, even though some comparable services are available from private broadcasters, or could be provided by private broadcasters.

Scott Stirling, President and CEO of Newfoundland Broadcasting Company, described the CBC's dilemma this way to the Committee:

What are you? Are you taxpayer-supported or are you advertiser-supported? There is a conflict in the decision making. If I were supported by two sources, then I would have to ask: On what am I basing my decision? Will I put on a commercial program so that I can take advantage of advertising or will I do something for the public good? There is a conflict, almost a type of schizophrenia.

## 1) **A revised mandate**

Given the speed with which broadcasting is changing, what was an appropriate mandate for the CBC in the 1950s and 1960s is no longer appropriate today. The challenge is to use a workable method to refine the CBC's mandate so that it reflects current realities and is linked to the budget. One way to do so would be to reorganize the process by which the CBC is authorized to continue operating and the roles of the various players in the process. The current process by which the continued operation of the CBC is authorized is as follows:

- The CBC prepares an annual plan, together with a requested budget, that is approved by the Board of Directors.
- The plan is forwarded to the government, which then accepts or modifies the requested budget.
- Every seven years the CBC applies to the CRTC for a licence renewal and the CRTC usually imposes various licencing conditions.

A more appropriate process would focus on clarity of roles, longer-term consistency and increased accountability. It would work in the following way:

- Two years before licence renewal a series of public hearings and research would be conducted, either by a parliamentary committee or by an independent commission struck by the government. These would result in a report on the current state of the broadcasting system and suggestions for the mandate of the CBC.
- The CBC, through its Board of Directors, would respond with a proposed new mandate, and the government would indicate the budget it is willing to provide for the mandate as recommended by the Board of Directors.
- The package – mandate and budget – would then be approved or amended by Parliament.
- The results of this process would be reported to the CRTC at the time of licence renewal, but the CRTC would not have the power to amend the mandate as approved by Parliament.



Such a process would, if carried out properly, bring clarity to the mandate-setting exercise and the responsibilities of the various parties involved. It would require at least two changes to the current situation: first, there would have to be a **long-term, stable and realistic budget** for the duration of the licence; second, the period for which the licence is given should be longer than seven years – perhaps ten. In this way the mandate would be reviewed publicly, a budget to carry out the mandate provided and an appropriate planning horizon established. An additional benefit would be clarity in the role of the various actors.

Over time, budget allocations should also be sufficient to allow the CBC to remove advertising from its television services. As was the case when ads were dropped from CBC radio, this would free CBC TV from the need to compete head-on with the private sector. It would allow the Corporation to focus on what a public broadcaster is particularly suited to do.

The Committee recommends:

**RECOMMENDATION 12**

That the government establish a more coherent system for refining the mandate of the CBC. This system should include commitment to a long-term planning horizon, a ten-year licence renewal and a long-term budget that provides appropriate stable funding.

**RECOMMENDATION 13**

That the CRTC not have the power to alter the terms of the mandate for the CBC agreed to by Parliament and the Government.

**RECOMMENDATION 14**

That the CBC develop a plan to focus on its core mandate and that the Government of Canada enter into a review process with the CBC to develop an agreement on the budget required to provide distinctive and complementary services to Canadians.

Once a mandate has been determined, the government should make a commitment to provide the realistic and stable funding on a long-term basis. This funding should be sufficient to allow the CBC to remove advertising from its television services.

This system would take several years to implement. In the meantime, the Committee emphasizes that the CBC should focus more of its resources on core elements of its mandate.

## **2) Public broadcasters should complement, not compete with, private broadcasters**

In a large and diverse country such as Canada the CBC should complement the efforts of private broadcasters, not compete with them. As times change, it is vital to be realistic about budget realities and to focus effort on the most important elements of the CBC mandate, such as covering the news and serving regions that are outside of Canada's major metropolitan areas. Not addressing mandate and budget issues simply pushes the CBC, particularly its television services, to chase for ratings and thus to duplicate services offered by the private sector.

At least two areas come to mind: sports programming and commercially successful American movies. This Committee believes that the CBC should greatly reduce its broadcasting of professional sports (e.g., hockey games) and the Olympics since these are activities that will be covered by other broadcasters in both official languages. In addition, broadcasts of professional sports are readily available everywhere in Canada via cable and satellite.

Sport is, of course, part of Canadian culture. Professional sports are increasingly carried by specialty channels and this trend will continue. This tendency, evident in the United States, is also occurring in Canada. It has already had an impact on the CBC French language service, which has lost its rights to NHL hockey to a specialty channel (RDS). Similarly, the CBC lost its bid for the 2010 and 2012 Olympics. In the near future, the CBC may well lose the English-language rights for the NHL to a private sector service. This reality needs to be recognized and dealt with in a way that does not interfere with the mandate of Canada's national public broadcaster.

The same comments apply to movies. During the winter of 2004-05 when National Hockey League games were not available due to a lockout, the CBC offered "Movie Night in Canada" on its English network. Nearly all of the films broadcast were commercially successful American movies, easily available elsewhere. While this was done to attract viewers and advertisers, the Committee does not think that it is the proper role for Canada's public broadcaster. The CBC should focus on the core elements of its mandate and withdraw from less essential elements. The Committee recommends:

### **RECOMMENDATION 15**

That CBC television focus its efforts on providing a range of services that do not inappropriately duplicate those of the private sector. In particular, the CBC should leave coverage of professional sports and the Olympics to the private sector.

Complementarity should not, however, be taken to mean that the CBC will withdraw entirely from all services that are provided by private broadcasters. News is one area where private and public broadcasters both play an important role. In some aspects of news coverage the public broadcaster can do things that private broadcasters cannot. Michael J. Carter, President and CEO of TQS and Cogeco Diffusion, told the Committee:

[I]t is impossible for private broadcasters to provide international news coverage. TQS cannot afford to provide that kind of coverage, but SRC, the French CBC, can and does.

The Committee is aware that eliminating professional sports coverage and commercially successful American movies will require replacements for a great deal of programming – perhaps hundreds of hours a year. The Committee is also aware that this will lead to the loss of advertising revenues that have traditionally been generated by sports and transferred to other programming areas.<sup>37</sup> Therefore, the transition will require some planning but the Committee is convinced it needs to be done.

Specifically, it will require:

- Recognition by the management of the CBC that the core mandate needs to reflect a greatly changed reality and that there is little to be gained from acting as if the CBC is the only Canadian network capable of delivering sports;
- Alliances with other public broadcasters to replace the lost programming.

### **3) Governance**

The Committee's study has led it to conclude that the CBC's system of governance is confusing and lacks accountability. The CBC has a Board of Directors, a chair and a president, all appointed by the Government of Canada. The Board is responsible for important matters related to the CBC's future and long-term strategy, and provides oversight of its management. The CBC reports to Parliament through the Minister of Canadian Heritage. Although the CBC is funded by an annual parliamentary appropriation and is responsible to Parliament, its work and plans are also reviewed by the CRTC since it, like other broadcasters, must have a broadcast licence to operate. The CRTC often imposes conditions of licence on the CBC that deal with matters that under

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<sup>37</sup> According to the CRTC Broadcasting Policy Monitoring Report, 2005, about 42 per cent of viewership hours for the English-language CBC were directed at sports programs in 2003/2004 (for Radio-Canada, the figure was about 11 per cent). Revenue from advertising and program sales in that year was \$282 million. The precise amount of advertising revenue tied to sports programming is not available, but it is presumably substantial.

ordinary circumstances would be the responsibility of Parliament (the funder), or the Board and management of the CBC.

One area for improvement is in appointments to the Board of the CBC. The appointment process should be non-partisan and appointees should include people who have worked as journalists and have experience with broadcasting and the development of programming. The appointment process also should be more open and involve a review process that includes parliamentarians. The Committee recommends:

**RECOMMENDATION 16**

That the Board of Directors of the CBC include people who have had experience as working journalists, broadcasters, or program developers.

**RECOMMENDATION 17**

That appointments to the Board of Directors be reviewed by an appropriate parliamentary committee.

No single appointment is more important than that of the President. Once the Board and the Chair have been appointed, they should prepare a list of potential candidates for the President and the government should select the President from this list. Such an arrangement would make it clear that the President is directly responsible to the Board. This would clarify governance matters. The Committee recommends:

**RECOMMENDATION 18**

That the appointment of the President of the CBC be made by the government from a list of candidates prepared by the Board of Directors of the Corporation.

#### **4) Budget issues**

Good management and accountability will also require sound, stable budgets for the CBC. The CBC lacks the resources to do everything, yet there are people who expect it to do everything and are critical if it falls short. The situation is further complicated by the proliferation of private television services, many of which provide services similar to those offered by a public broadcaster (i.e., programs that “enlighten and inform”).

CBC television should be more like CBC radio. It should provide:

- Services that are not available elsewhere;
- Distinctive services of high quality in news and information programming; and
- Services to all regions of the country particularly those regions where there is a relative absence of different sources of news and information programming.

The Committee is convinced that if considerable improvement is not made, the *raison d'être* for the national public broadcaster will be lost. The changes recommended here would require an increase in the CBC's parliamentary appropriation to offset the lost advertising revenues from sports and commercially successful American movies.

## **5) Accountability**

With long-term stable funding and agreement on its mandate, the CBC would be more clearly accountable to Parliament. For Parliament to decide whether the Corporation is fulfilling its mandate, CBC annual reports should provide more information about the corporation's activities and audiences. Since the Corporation depends on the parliamentary appropriation, more candour about success and failures will be essential. The Committee recommends:

### **RECOMMENDATION 19**

That the Corporation be required to prepare annual reports that provide adequate information so that Canadians and their parliamentarians can determine what progress is being made in meeting the CBC's mandate.

## **PART IV: RELATED FEDERAL POLICIES TO CONSIDER**

This part of the report makes recommendations concerning a number of federal policies that have consequences for the business environment of the Canadian news media, the legal environment for journalists and the availability of minority language news and information. These recommendations seek to update longstanding federal policies, many of which are no longer responsive to changes in the competitive landscape or 21<sup>st</sup> century methods.

### **A. Direct Support**

The Canada Magazine Fund (CMF) and the Publications Assistance Program (PAP) are two sources of direct federal support for producers of media in Canada that were mentioned by witnesses before the Committee.

#### **1) Magazine Support**

The magazine industry brings important diversity to the Canadian news media. There are currently more than 2,300 magazines published in Canada; in 1960, there were 660 and in the mid-1990s about 1,500. This growth reflects several factors: entrepreneurial behaviour, low barriers to entry, and government support for the industry, such as the Canada Magazine Fund.

According to one witness, profit margins in the magazine industry average 6 to 8 per cent, which is low relative to other media.<sup>38</sup> These margins leave Canadian magazine publishers vulnerable to downturns in the advertising market or changes in government support, and less able to compete with publishers from outside Canada (overwhelmingly from the United States).

The Department of Canadian Heritage oversees the Canada Magazine Fund (CMF). The Fund was announced in 1999 as a \$150 million program over three years; its budget peaked at just over \$30 million in 2001-2002. The greatest portion of the budget goes to content creation: participating magazines report expenses for content creation and receive funding based on each participant's relative spending. An adjustment is made for smaller publishers, to ensure that they receive proportionately more than the larger publishers.

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<sup>38</sup> John L. Thomson, Chief Executive Officer and Publisher, *Canadian Geographic*, Magazines Canada, October 18, 2005.

The part of the CMF not geared to content focuses on attempts to improve the marketing and the market share of Canadian magazines.

An executive with Magazines Canada commented on CMF funding levels:

The Canada Magazine Fund has been at many different levels over its short life. It started, on paper, at a \$50 million level but never achieved that level of funding in its lifetime. It achieved approximately \$35 million at one point. It is now a \$16 million program, \$10 million of which is an editorial content program. The remainder is dedicated to small magazine business development and to infrastructure improvement.<sup>39</sup>

For more than a century Canadian programs have supported the production, distribution and promotion of Canadian books, magazines and newspapers. The Committee recognizes the value of these programs, but sees a pressing need to make them more responsive to the changing global economy, as well as the introduction of new technologies.

The Committee also believes that the existing regulatory structure and program support tends to favour incumbents, with the unintended consequence of creating barriers to entry for additional sources of news and information.

A balance needs to be struck between support for incumbents and traditional distribution systems and support for new entrants and innovative initiatives. Some of the funds in existing support programs could be redirected to deal with changes in the world of news and information. The Committee believes that the best solution would be to develop mechanisms (direct or indirect) to provide incentives and support for start-ups and innovative approaches to news gathering. The Committee recommends:

**RECOMMENDATION 20**

That the Department of Canadian Heritage develop a component within the Canada Magazine Fund that would provide support for the start-up of magazines and recognize Canadian editorial content distributed via mechanisms such as the Internet.

**2) Postal subsidies**

The Publications Assistance Program (PAP), a postal subsidy for periodicals, has existed in one form or another since Confederation. It helps to connect Canadians by offsetting the cost of reaching readers so that subscription costs are the same throughout the

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<sup>39</sup> Jim Everson, Executive Director, Public Affairs Magazines Canada, on October 18, 2005.

country. The Department of Canadian Heritage, in collaboration with Canada Post Corporation (CPC), supports the mailing costs of eligible publications, which include magazines and small community newspapers. This funding, which was \$49.4 million in 2004-2005, goes to magazines (roughly 80 per cent) and small community newspapers (roughly 20 per cent).

John Thomson of Magazines Canada told the Committee that the postal subsidies are one of Canada's most efficient cultural policies. He explained:

The Publications Assistance Program is a market-driven program that helps to create a stronger and more competitive industry. Based on the design of the program, a publisher must have a prepaid subscription contract with a reader before the magazine can be delivered. Subsidies are drawn only once revenue has been secured, which means every penny of subsidy goes toward the affordability of a subscription a Canadian has first chosen to purchase with their own money. From an economic and productivity standpoint, the Publications Assistance Program is highly efficient and helps the magazine sector drive its own performance and pursue increased circulation revenues.

He noted, however, that the program was in crisis.

The budget for that program has been at \$49 million for a number of years. It was slated to drop to \$45 million this year (2005). That drop has been postponed for one year. Even so, we learned on September 2 of this year ... that there was not enough money in the fund even for this fiscal year.

For example, at *Canadian Geographic* for the second half of the year, on 60 days' notice we have a 35 per cent increase in our cost of mailing magazines. That will rise to 52 per cent next April 1 as compared to the prior year.

In the space of 12 months, we have a 52 per cent increase in the cost of mailing our magazines...For most Canadian magazines, this really is a crisis. We have nothing like those kinds of profit margins or the ability to cut costs when we are already hard pressed.

Mr. Thomson said that the increased distribution costs represented "more than we spend on all the contributors to the magazine – all the freelance writers, photographers, artists and illustrators that contribute to *Canadian Geographic* – in a year." The short notices given for the cuts in the subsidy, moreover, destroy the predictability of funding. The Committee recommends:

**RECOMMENDATION 21**

That realistic and stable funding be made available for the Publications Assistance Program.



Some witnesses suggested that relaxing some of the criteria for receiving the postal subsidy would help start-up publications. Currently, for example, publications must have been in operation for one financial year and have paid circulation of at least 50 per cent of total circulation. The Committee recommends:

**RECOMMENDATION 22**

That the Publications Assistance Program be amended to provide more efficient support for small and start-up publications (allowing publications to be eligible after, for example, four issues or four months rather than after one year).

**3) Broadband access**

In the coming years virtually all news and information programming will be available in a digital format, meaning that media consumers will require broadband access to high speed digital communications networks.

Broadband access to the Internet is currently available to most Canadian households via telephone, cable and satellite systems. For Canadians living in or around large metropolitan areas, acquiring broadband access is not a problem. It is a problem for Canadians living in smaller, rural and remote communities.

Since access to such a system will be a necessity for citizens who want to be informed or have access to a host of services, the Government of Canada has supported a series of initiatives to bring broadband access to rural and remote regions of the country. There have been two main strategies: a subsidy for satellite services and the installation of equipment to bring wireless broadband services to a community.

On November 14, 2005 the (then) Minister of Finance announced that “to better connect rural, remote and aboriginal communities to global networks, [the Government of Canada] will invest \$100 million to extend broadband services.”<sup>40</sup> The Committee believes that these initiatives should be continued so that all communities in Canada can have access to broadband services. Therefore, the Committee recommends:

**RECOMMENDATION 23**

That the government of Canada continue program support to assist smaller and more remote communities to acquire broadband access to Canada’s telecommunications network in areas where the private sector does not provide its services.

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<sup>40</sup> Economic and Fiscal Update by the Minister of Finance, November 14, 2005.

## **B. An Appropriate Tax Regime**

Numerous witnesses and submissions to the Committee made suggestions about how the federal tax system could be used to assist the Canadian media sector.

### **1) A more inclusive definition of charitable foundations**

Incentives to encourage philanthropic support of the media were mentioned by several witnesses. An amendment to the definition of charitable foundations in the *Income Tax Act* could increase funding for certain media undertakings such as a media research centre or not-for-profit periodicals. Such foundations exist in the United States, where charitable money helps *Harper's Magazine* and others continue publishing, and the U.K., where charitable money assists the *Manchester Guardian*.

The Canada Revenue Agency has criteria for charitable foundations. In general, the organization benefiting from charitable giving must not be operating a for-profit business. If, as several witnesses suggested, independent periodicals do not make profits and would be willing to accept a not-for-profit designation, there should be scope for well-crafted criteria to channel charitable giving to these periodicals, without government involvement in content.

In the Committee's view, charitable foundations could be an important source of support that encourages the growth and survival of not-for-profit independent news media. Charitable foundations could also support the growth and development of research centres that focus on important issues related to journalism and news media. The Committee recommends:

#### **RECOMMENDATION 24**

That the Ministers of Finance and Canadian Heritage enable the use of charitable foundations to support independent not-for-profit Canadian media and media research centres.

### **2) Enforcing foreign ownership rules**

The Canada Revenue Agency (CRA), with the advice of the Department of Canadian Heritage, monitors tax provisions that apply to cultural industries. Section 19 of the *Income Tax Act* allows firms to deduct the cost of advertisements placed in Canadian newspapers. The Agency, however, does not maintain a list of Canadian newspapers the way it maintains a register for authorized charities (and provides approved charities with a registration number).

The CRA could detect violations of this provision during audits of businesses that had claimed a deduction for advertising in a Canadian newspaper. To do so, it would have to

require the newspaper in question to demonstrate that it was Canadian according to requirements under the *Income Tax Act*. The Committee has seen no evidence that the CRA does this, nor is there any trigger mechanism that would oblige the CRA to pursue such an investigation. There exists a possibility, however, that some Canadian publications are, in fact, controlled by non-Canadians.

The Committee notes, for example, the recent growth of third language publications – what one witness described as an explosion. Many of these publications have links to media outside Canada. This is good in terms of increased diversity of news and information available to Canadians. Still, a number of publications carry a great deal of wire copy from foreign associates. For the sake of fairness to those publications that meet the Canadian ownership requirements, it is necessary to find a better way to identify those that may not meet the requirements. The Committee recommends:

**RECOMMENDATION 25**

That the CRA strengthen its procedures for determining whether a periodical is Canadian.

**3) Tax treatment of inherited media businesses**

The editor-in-chief of one paper argued that the current application of the *Income Tax Act* leads to the sale of family-owned newspapers, because capital gains tax must be paid when the newspaper is transferred to the next generation.<sup>41</sup> Few independent papers remain in Canada and there are barriers to the establishment of others. Eliminating the capital gains tax, or limiting its burden, for independent community or daily newspapers could help support independent voices in some communities.

The suggestion that the transfer of ownership of an enterprise within a family receive special capital gains treatment under the *Income Tax Act* is not without precedent. For example, due to concerns over the disappearance of the family farm, there are special rollover rules for the transfer of farm property within a family. These rules allow the deferral of capital gains taxation on the sale or transfer of property used in a farming business to a child, grandchild or great-grandchild (including a spouse of a child or child of a spouse). The property covered by the rules includes land, buildings and equipment located in Canada; shares of a family farm corporation; or shares in a family farm partnership. Farm inventory is not included. The rollover can also be used with the capital gains exemption, but if the property is sold within three years of the transfer, the gain

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<sup>41</sup> Bob Howse, Editor-in-chief, the *Halifax Chronicle Herald*, Follow-up letter to the Committee, May 9, 2005.

realized on the property is attributed back to the related person who transferred the property.

Over recent decades, the great majority of Canada's independent newspapers have either closed or been purchased by large groups. Rules for the transfer of ownership of newspapers within a family would help to preserve the independent newspapers that remain. This, in turn, would help to preserve diversity of news and information. The Committee recommends:

**RECOMMENDATION 26**

That the Minister of Finance defer capital gains taxes paid on the transfer of family-owned newspapers from generation to generation.

**C. Protecting Freedom of the Press**

In a society with a truly free press, awkward facts, whether awkward to government or industry or influential individuals, cannot be suppressed. Citizens' right to know is, of course, tempered by considerations of privacy and national security.

Several witnesses argued that the current system does not reflect the open society that Canada is assumed to be. There have been two prominent cases in which the system seemed to be battling the journalists, making investigative journalism less effective. In one, a reporter for the *Hamilton Spectator*, Ken Peters, was found guilty of contempt of court for refusing to divulge a source. In the other, a team of RCMP officers raided the home of Juliet O'Neill, a reporter for the *Ottawa Citizen*, searching for documents she may have used in a story.

**1) Protecting sources and material**

There is a long tradition of journalists protecting their sources, refusing to disclose the names of sources or the conditions under which information was obtained. This offers a source the protection of anonymity; it also improves the flow of information to the public as others recognize that they, too, will have this protection. Despite current and historic practices, there is no constitutional, *Charter* or legal protection for journalists who refuse to give the names of sources.

The case of Mr. Peters revived the discussion about shield laws that allow journalists to protect their sources. A shield law poses a problem, however, as it necessitates defining and deciding who is a journalist, a role for government that most agree is undesirable. An alternative to specific legislation would be to rely on the courts to protect journalists on a case-by-case basis.

In the case of Juliet O’Neill, the RCMP invoked Section 4 of the *Security of Information Act* to obtain a warrant for the search of her home and office. This section, which finds its origins in the 1939 *Official Secrets Act*, creates an offence for the wrongful communication of information. The section is also known as the anti-leakage of government information provision.

A journalist charged under Section 4 cannot argue that it was in the public interest to possess or disclose the information.<sup>42</sup> Other sections of the Act, such as Sections 13 and 14, which cover offences for unauthorized communication of special operational information by “Every person permanently bound to secrecy,” do offer the possibility of a public interest defence. The Committee recommends:

**RECOMMENDATION 27**

That the *Security of Information Act* be amended to provide for a public interest defence in Section 4.

Another useful improvement would be to require greater ministerial responsibility in the issuance of search warrants. The Committee recommends:

**RECOMMENDATION 28**

That applications to judges for search warrants for journalists’ notes and similar material have a higher level of accountability; they should be signed personally by a minister.

## 2) Access to information

Citizens in a democracy need to see how the government is operating to judge it and to make informed choices at election time. Providing transparency is one key rationale behind the *Access to Information Act*.

Several witnesses argued that the way the *Act* is currently applied can be an impediment to journalists. In May 2005, the Canadian Newspaper Association (CNA) released a national audit of Canada’s freedom of information systems, which gave 75 per cent of federal departments a failing grade for compliance with freedom of information laws. This led to calls for amendments to the *Access to Information Act*.

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<sup>42</sup> There is no specific and overriding definition of “public interest” in law. Generally, as in Section 15 of the *Security of Information Act*, the definition is vague and involves a balancing test: the benefits to the public from disclosure exceed the benefits to the public from non-disclosure. Public interest thus involves more than simple interest or curiosity on the part of the public.

There has also been considerable criticism of the costs attached to requests for information. A witness before the Special Senate Committee on the Anti-Terrorism Act told of receiving a bill for \$25,000 for a request to the Department of Environment.<sup>43</sup> In May 2005, the *Ottawa Citizen* reported that a woman in Toronto who sought information on city spending on playground repairs was sent a bill for \$12,960.<sup>44</sup> The CNA has argued that fees should not be set on a cost recovery basis, but that the government's costs should be viewed as part of the price of ensuring effective democracy.<sup>45</sup>

The former federal government promised to table legislation to improve the *Act*. The present government has included some proposals for change in Bill C-2, the proposed Federal Accountability Act, introduced on April 11, 2006.<sup>46</sup>

In the opinion of this Committee, improvements should simplify and speed up access, expand coverage and ensure that costs are reasonable. A limited, costly and slow system constitutes a barrier to the flow of information. The Committee recommends:

**RECOMMENDATION 29**

That the access to information system be:

- a) simplified to be more transparent and accessible;
- b) expanded to include crown corporations; and
- c) monitored so that costs for searches are reasonable and searches are conducted with reasonable dispatch.

**3) Whistleblower legislation**

The CNA study on Freedom of Information also led to related calls for whistleblower legislation. Such legislation gives protection to government employees from reprisals for reporting on government wrongdoing and financial abuses. Parliament passed such legislation in 2005, and presented further changes in this field with the introduction of the proposed Federal Accountability Act.

Government departments have concerns, as the potential release of all information related to a department – something not envisaged by the 2005 law – could inhibit policymaking.

<sup>43</sup> Joan Russow, Special Senate Committee on the Anti-Terrorism Act, October 17, 2005.

<sup>44</sup> Robert Cribb and Fred Valence-Jones, "A 'Culture of Secrecy' Blocks Public Access to Information: Government Data Released in Just One-third of Cases, Audit Finds," *Ottawa Citizen*, May 28, 2005.

<sup>45</sup> CNA, "In Pursuit of Meaningful Access to Information Reform," Brief submitted to Justice Minister Cotler and Treasury Board President Alcock, February 2005.

<sup>46</sup> One proposal would extend the *Access to Information Act* to cover some Crown corporations, including the CBC; information related to journalistic, creative or programming activities would be excluded. The government also tabled a discussion paper entitled "Strengthening the *Access to Information Act* – A Discussion of Ideas Intrinsic to the Reform of the Access to Information Act" on April 11, 2006. The

The Committee believes that these concerns can be met, however. A larger problem could be that civil servants may not understand the protection they are being given. The provisions of the whistleblower legislation should be widely distributed and explained, especially to anyone covered by the law. The Committee recommends:

**RECOMMENDATION 30**

That all departments and agencies ensure that their employees are made aware of the existence of any whistleblower legislation and its provisions.

**4) Copyright**

Freelancers have always been a significant part of the news business; they provide coverage of topics or areas where the news media cannot afford to hire full-time staff. At Committee hearings, several witnesses raised concerns with “universal rights” contracts that newspapers sometimes impose on freelancers. These contracts require freelancers to give up all rights for all time, with negative consequences for the freelancer’s economic well-being. In the past, a freelancer could resell a story to several media, thus managing to earn a living by building on what might have been a modest payment for its first use. With some large media groups now asking for universal rights, the freelancer’s capacity to earn income has been sharply diminished.

Witnesses also noted that some contracts require that they relinquish their moral rights, thus enabling the media proprietor to reuse, cut or alter the work in any way it judges appropriate.

The Committee heard suggestions that the *Copyright Act* should be amended to preserve long-run rights over sales and to prevent the relinquishing of moral rights. Copyright, as the name indicates, was developed as a way to ensure that artists had the rights to determine who could copy their work. This was to prevent unauthorized copying, which provided no income to the artist, and which proved a disincentive for artistic work.

Over time, copyright law has become extremely complicated, in part because of changes in technology. Freelancers argued that they should not be forced to give away rights to reuse their work or moral rights to control how it is altered. Other witnesses, notably representatives of newspaper owners, argued that the universal rights contract was common in some fields, such as entertainment, while still others suggested that the contract with freelancers should be negotiated. The Committee recommends:

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government plans to have the matter studied in committee before adopting a more comprehensive reform package.

**RECOMMENDATION 31**

That the Competition Bureau examine universal contracts with freelance journalists to determine whether they involve an abuse of dominance by one of the parties to the contract.

**RECOMMENDATION 32**

That the Minister of Canadian Heritage examine whether there is any abuse of authors' rights in the requirements imposed by universal contracts and, if so, explore amendments to the *Copyright Act*.

**D. Diversity**

An important aspect of diversity in the media is that all citizens can see themselves fairly and accurately represented in the media. The mainstream media produce news and information in one of Canada's two official languages. For other minorities, an important source of diversity comes from the Canadian ethnic media. Most of these publications are small and have only limited sources of revenue.

Witnesses noted that official language minorities are not always well served by the mainstream media. They also noted that official language minorities and ethnic publications do not always get their fair share of government advertising

**1) Access for Minority Language Communities**

For minority language communities to survive and prosper in this country, those who speak one of the official languages, wherever they reside in Canada, should have access to news and information in the official language of their choice. This is supported by Canada's official languages policy, which is reflected throughout Canada's laws. To cite an important law for this report, Section 3 of the *Broadcasting Act* states that the Canadian broadcasting system is to serve the linguistic duality of Canada. To adopt policies that treat linguistic diversity as meaning French in Quebec and English elsewhere promotes the assimilation of official language minorities and, ultimately, their demise.

As several witnesses pointed out, there are a number of ways the CRTC could promote the concept of linguistic diversity. Some suggest the licensing of more community radio stations aimed directly at official language minorities.<sup>47</sup> This proposal has merit, but the resources of these stations are almost always limited. Another suggestion from witnesses was that the CRTC ensure the carriage of more programming in both official languages.

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<sup>47</sup> In 2004, for example, the CRTC approved two new French-language community radio stations in New Brunswick. A witness before the committee noted that this added to a network of community stations that reached three-quarters of the francophones in the province and allowed the "Acadian community to listen to itself and what it has to say for the first time in its history." (Professor Marie-Linda Lord, April 22, 2005).



Digital technology has increased the capacity of cable and satellite systems. These systems are now able to offer hundreds of channels, making possible the provision of channels to serve official language minority groups. The Committee recognizes that certain smaller distribution systems are not able to provide a full range of services; this is an issue of timing and is not insurmountable. Once they have the technology, increasing the amount of official minority language programming becomes possible. The Committee recommends:

**RECOMMENDATION 33**

That the CRTC require cable and satellite systems, as technology permits, to expand the offering of official minority language programming, phasing in the requirements for the smaller distribution systems.

In addition, the Committee recommends:

**RECOMMENDATION 34**

That, as technology permits, the CRTC encourage the national distribution of English and French provincial educational broadcasters.

Some representatives of official language minority media argued that the government should ensure that they receive a fair share of any government advertising that is going to newspapers and other periodicals. These issues are discussed in the next section, below.

## **2) Government Advertising**

Section 11 of the *Official Languages Act* requires that the government place advertisements in both English and French media wherever possible. As witnesses told the Committee, some departments fail to meet this obligation.<sup>48</sup>

The Official Languages Commissioner has reported that year after year, 15 per cent of all the complaints received by her office are related to failure to use the minority language press. In 2002, the Commissioner made 18 recommendations on this point, including 17 aimed at four specific government departments. In 2005, she reported that only five of the 18 recommendations had been fully implemented.<sup>49</sup>

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<sup>48</sup> See, for example, the testimony of Denise Comeau Desautels of *Le Courrier de la Nouvelle-Écosse* on April 20, 2005.

<sup>49</sup> “The Use of the Official Language Minority Press by Federal Institutions - Follow-up.” Office of the Commissioner of Official Languages, January 2005. (The four departments were: Treasury Board Secretariat, Communication Canada, Public Works and Government Services and Canadian Heritage.)

The law must be obeyed and any appeal process in the face of a lack of compliance by federal departments must be streamlined. The Committee recommends:

**RECOMMENDATION 35**

That all federal departments be ordered to comply with the law relating to advertising in both official languages.

**RECOMMENDATION 36**

That the Treasury Board ensure that the system for handling complaints with respect to government advertising in both official languages is streamlined.

Witnesses representing the ethnic media also argued for a greater share of government advertising. The federal government has made efforts to explain the criteria it uses in allocating its advertising budget, but there appears to be slippage between stated policy and the actual practices followed.

Government advertising should reach the intended audience. One witness in Vancouver observed that gun registry ads had been placed in the major city dailies rather than in the rural community newspapers whose readers are more likely to own firearms.<sup>50</sup> The Committee recommends:

**RECOMMENDATION 37**

That the system of government advertising in the media be modified to ensure that:

- a) criteria for placing advertising are transparent and
- b) ethnic media have the criteria for the placement of advertising in their media explained to them. Government departments dealing with Canada's ethnic community should examine whether the increased use of ethnic periodicals would be a more efficient way of reaching this audience.

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<sup>50</sup> Peter Kvarnstrom, President of the Canadian Community Newspapers Association, on January 31, 2005.

## **PART V: AND FOR THE RECORD...**

Canada is fortunate to have strong newspaper organizations and a robust broadcasting system. Almost all of the privately owned companies (newspapers and broadcasting) are profitable, which contributes to the preservation of media independence.

In the view of this Committee, the Canadian news media system would be a stronger one if more attention were paid to four elements of the system over which the federal government has little or no jurisdiction.

### **A. Wire Services**

Today, about one-third to one-half of news and editorial content found in Canadian newspapers comes from news agencies, wire services or press associations. Canadian Press (CP) is the main wire service in Canada, although United Press International, a U.S.-based private company, maintains a small subscriber list and staff in Canada. Stories from the news services of large U.S. newspapers are also circulated in Canada and some international services have exchange agreements with CP.<sup>51</sup> The availability of wire services facilitates covering a country as large as Canada, which is sparsely populated in the vast majority of its territory.

This Committee believes that one way to foster the diversity of news voices in Canada is to have economically viable and well functioning wire services. They give readers of local papers of all sizes news from around the country, from other newspapers that belong to the wire service. Even large newspapers such as the *Toronto Star* and the *Globe and Mail* told the Committee that they could not cover everything themselves.

As an example, CP (with its broadcasting division, Broadcast News) has its own network of journalists, photographers and bureaus across the country. The co-operative structure of CP also allows it to benefit from the shared contributions from its members of news and pictures. This cross-country network of news organisations provides diverse news sources to all its members. In particular, and in contrast to other news bureaus, it does so in both official languages. CP also has taken significant steps to be present on the Internet.

This Committee is concerned that the economic viability of CP may be under threat, which could have consequences on the universal accessibility of a diversity of news and information in Canada. In recent decades, some members have indicated that they might

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<sup>51</sup> A number of large media groups also exchange information among their own members.

pull out of the co-operative and, perhaps, establish a rival, for-profit news service. Given the importance of these newspapers, the resulting loss of revenue and material could have a major impact on CP's ability to continue.

If CP or comparable wire services no longer existed, small, independent news organisations would be less able to cover international, national and, at times, even regional stories. This would be detrimental to the existing diversity of news voices in Canada. The Committee urges subscriber shareholders to continue support for Canada's only national news service, Canadian Press.

## **B. Self Regulation**

News organizations have developed a number of practices that amount to forms of self-regulation. For example, news organizations will publish (or, more rarely, broadcast) corrections of mistakes that have appeared in news copy. Newspapers also publish letters to the editor and many of these are about errors of fact or dispute the interpretation given in a story.

These practices create incentives for news organizations to strive for complete accuracy. A newspaper or broadcaster that becomes known for "getting the story wrong" risks losing readers, listeners or viewers to more reliable sources of information. Nonetheless, there have been complaints about the efficacy of these practices; the Committee's research shows that there is a widespread sense that journalists are reluctant to admit their errors and slow to do so.<sup>52</sup> Partly in response to these perceptions, the news media have developed additional mechanisms for self-regulation. These include: public editors (ombudsmen); press councils; the Canadian Broadcast Standards Council; statements of principle.

### **1) Public editors**

Although the idea of a public editor (or ombudsman) is not new and such mechanisms exist in other countries, Canada has only one public editor (at the *Toronto Star*) and two ombudsmen (at CBC/Radio-Canada). In principle, the public editor is a person to whom members of the public can complain about the practices of a newspaper or broadcaster. The public editor, an experienced journalist, reviews the complaint, or complaints, and writes a commentary that is published on a prominent page of the newspaper. The CBC's ombudsmen appear only rarely on-air, although they respond to audience complaints and work with news staff to develop standards of conduct.

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<sup>52</sup> See Volume II.

As a full-time public editor would represent a considerable expense, many newspapers are of the view that the paper would benefit more by having an extra journalist. Many smaller papers have so few journalists that having a public editor would be unmanageable. It might be possible, however, to pool a media company's resources in a given region so that one public editor could serve several of its properties. The Committee suggests:

**SUGGESTION 1**

That the news media make efforts to establish Public Editor positions.

**2) Press councils**

Press councils are voluntary bodies established by newspapers to consider complaints from members of the public.<sup>53</sup> They can make a valuable contribution to the practice of journalism. In addition, since the council is not affiliated with a particular newspaper, a citizen is more likely to feel that the complaint was judged impartially, particularly in those cases where council members include representatives of the public.

Frequent complaints about press councils, however, are that they are not well known, that they tend to react to complaints rather than acting on their own initiative, and that they are under-funded. Another problem is that their procedures and processes vary, and a council's members may not include practising journalists. Finally, the mandate of press councils covers only newspapers.

Most provinces have press councils, but there are no councils in the Territories or in Saskatchewan. There is an Atlantic Press Council but it has been inactive for the past few years. Still, the Committee agrees with Stephen Ward of the School of Journalism at the University of British Columbia, who suggested that "we need to think about improving press councils and media councils in general."<sup>54</sup> Press councils are an important element of Canada's news and information system and they can make a significant contribution to the quality of journalism in Canada. Therefore:

**SUGGESTION 2**

We strongly support the creation and ongoing support of press and media councils in Canada. While a national press council, in the view of the Committee is unworkable, we suggest that members of the press and other interested bodies should work to establish a press council in Saskatchewan and revitalize the Atlantic Press Council.

<sup>53</sup> Press councils are financed by the industry; in Quebec, the provincial government also contributes financing.

<sup>54</sup> February 1, 2005.

**SUGGESTION 3**

We suggest that members of the press and other interested organizations work to strengthen and enhance the work of existing press and media councils. Council members should include experienced journalists.

**3) Statements of principle and codes of ethics**

Many news gathering organizations have, or are developing, statements of principle. These differ from newsroom guides to style or journalistic practice in that they set out the organization's broader philosophy about its journalists' responsibility. A useful feature of some statements is the commitment that the news organization will cover the affairs of its proprietors in exactly the same way that it covers any other organization. Some organizations argue, however, that the same message is conveyed if a statement of principle pledges that coverage will be without fear of or favour to anyone. Brunswick News, which unveiled its new statement of principle when it appeared before the Committee, took that position. On balance, it seems likely that an explicit assurance would be a stronger signal to both the journalists and the public that news coverage will not be biased in favour of the proprietor's interests.<sup>55</sup>

Not all Canadian news organizations have statements of principle. Of those that do, some make the statements widely available, for example by posting them on a web site, while others make them available only to senior personnel in the organization. The Committee suggests:

**SUGGESTION 4**

That news organizations that have not done so develop statements of principles that apply to their news gathering activities, and include explicit pledges that the interests of the proprietors will be treated in exactly the same way as all other news coverage.

We further suggest that the statement of principles be made public and be widely distributed within the organization, in particular to its journalists.

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<sup>55</sup> For example, the *Washington Post* statement of principle says: "The newspaper's duty is to its readers and to the public at large, and not to the private interests of the owner." Volume II includes examples of statements of principle.

#### **4) Canadian Broadcast Standards Council**

As noted in Part IV of this report, the CRTC has indicated that it might give the CBSC the responsibility to monitor compliance with conditions of licence regarding the separation of newsrooms. In the view of this Committee (see Recommendation 7), such an arrangement is neither workable nor desirable.

The Canadian Broadcast Standards Council (CBSC) is maintained by Canadian broadcasters as a mechanism to review complaints about the practices of broadcasters or specific coverage of an issue. In the past, the CRTC reviewed such complaints but they are now dealt with by the CBSC. For example, the CBSC has established codes for adult content or offensive content. It is also working on a cross-ownership code with members of the industry. These codes reflect conditions established by the CRTC when granting broadcast licences. The Committee has the following suggestion for the CBSC:

##### **SUGGESTION 5**

That the Canadian Broadcast Standards Council make transparent its complaint mechanism and that it add people with paid experience in journalism to its review processes.

### **C. The Role of Education and Research**

The quality of news and information available to Canadians would be improved by initiatives such as offering life-long learning opportunities to working journalists, and establishing more educational institutions for journalists in training.

#### **1) Education of journalists**

The Davey Report in 1970 suggested that most newsrooms were “bone yards of broken dreams.”<sup>56</sup> Eleven years later, the Kent Commission quoted Davey and argued that concentration and conglomerate ownership had increased the frustration, confusion and malaise affecting journalists.<sup>57</sup> Today, the 24-hour news day and the need for multi-tasking have added to the pressures on journalists.

One way to mitigate journalists’ burn-out would be to build significant education experiences into their careers. As universities recognized long ago, such sabbatical leaves can ensure that the creative mind remains alert and responsive to new challenges. Another benefit of allowing for opportunities for formal or informal study to the quality

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<sup>56</sup> “The Uncertain Mirror,” Report of the Special Senate Committee on Mass Media (The Davey Report), Ottawa: Queen’s Printer, 1970, p. 66.

<sup>57</sup> Royal Commission on Newspapers (The Kent Commission), Ottawa, 1981, p. 218.

of journalism in Canada is that journalists would be better able to keep current on the body of literature and policy proposals.

Employers can benefit from having journalists produce better reporting and analysis because a better news product is more likely to retain and attract audiences. As such, most companies have some formal or informal training programs. The formal programs can include bringing in experts to train employees (for example, on how to use a new computer program) or sending employees to colleges and universities to attend relevant courses. Informal training can include having a senior employee mentor a newcomer. Many news organizations, particularly the larger newspapers, also have intern programs that give students experience in a newsroom. Some media companies provide opportunities for journalists to further their studies. Furthermore, there are fellowships available to journalists in Canada through the Atkinson Charitable Foundation,<sup>58</sup> the Canadian Journalism Foundation,<sup>59</sup> and the Jack Webster Foundation.<sup>60</sup>

One witness<sup>61</sup> suggested that federal departments should devote part of their communications budgets to provide some support to mid-career journalists in the form of fellowships or internships. The Committee canvassed various government departments and found that only a few offered such opportunities. Of the few that did, the Journalism and Development Initiative at the Canadian International Development Agency was the program that most closely reflected what the witness was suggesting. Journalists with more than 3 years experience with Canadian news outlets can apply.

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<sup>58</sup> The Atkinson Charitable Foundation was established in 1942 by Joseph E. Atkinson, former publisher of the *Toronto Star*. The one-year fellowship of \$75,000 includes compensation for research expenses. All full-time Canadian journalists in print or broadcast media are eligible to apply for the annual competition, but those who have achieved distinction in reporting on policy issues will be preferred.

<sup>59</sup> The CJF, a non-profit organization founded in 1990 to support and reward excellence in Canadian journalism, awards three or more Canadian Journalism Fellowships per year at the University of Toronto. It is funded by arm's length support from media companies and other corporate donors and foundations. The fellowship covers the fellow's regular salary during the eight-month university year, plus university fees and travel expenses. These fellowships are open to journalists having at least five years' experience and who are currently full-time employees of Canadian newspapers, news services, radio, television or magazines. Freelancers who have been working for a continuous five-year period also qualify.

<sup>60</sup> The Jack Webster Foundation was founded in 1986 to promote the achievements of reporters based in British Columbia. The fellowship was established in 2000 and was made possible by a donation from Standard Broadcasting Co. and is valued at up to \$10,000 for research-based submissions and up to \$6,000 for skills-enhancement submissions. The competition is open to all B.C. broadcast journalists who have been practising for at least three years with a B.C. radio or television station or news service. Freelancers may also apply.

<sup>61</sup> Allan Thompson, December 1, 2004.



The Committee believes that more broadly-focused programs should be established to ensure that all journalists have access to mid-career educational opportunities. The Committee suggests:

**SUGGESTION 6**

That news organizations provide more, and more regular, opportunities for mid-career training for journalists.

The Committee also recommends:

**RECOMMENDATION 38**

That federal departments and agencies explore arm's length partnerships with recognized non-profit or professional journalists' associations to provide fellowships for mid-career journalists, with the fellows being chosen by journalists or independent third parties.

**2) Support for journalism schools and other training**

Large firms are major donors to schools of journalism; their contributions finance academic chairs and scholarships. Some contributions are purely philanthropic, others are offsets required by the CRTC as a condition of licence following a transfer of ownership.

The School of Journalism at the University of British Columbia, for example, has received substantial support from BellGlobe Media and CanWest Global, while the Sing Tao group contributed the original building. CanWest Global's annual report lists over 20 colleges and universities receiving support from the company, including major grants such as the \$150,000 recently awarded to the Carleton School of Journalism to establish the Don McGillivray scholarship in business journalism. The list of Major Gift Donors at Ryerson University includes BellGlobe Media, CHIN, Fairchild, Quebecor, Rogers, Standard Broadcasting, Toronto Star and Transcontinental. The Irving family in New Brunswick has donated \$1 million each to St. Thomas University and the University of Moncton to establish chairs in journalism. The Committee suggests:

**SUGGESTION 7**

That large media firms continue, and indeed increase, support to Canadian schools of journalism.

The Committee recognizes that government must tread carefully in these matters to avoid influencing, or appearing to influence, the news media. A potential role for the federal government, however, would be via arm's length partnerships. Examples of such

collaborations are the CAJ-CIDA Fellowship and the Jack Webster Foundation-CIDA Fellowship.

### **3) Research**

There are periodic polls and studies of the Canadian media. Some of these are carried out by university schools of journalism or departments of communication while others are produced by federal task forces or parliamentary committees. The Committee notes that these are not a substitute for a permanent, full-time research centre devoted to the study of the Canadian news media that produces regular reports on its findings.

Several witnesses pointed to research centres in the United States, such as the Pew Center and the Poynter Institute, as a model for Canada. Other research centres in the United States are associated with universities. For example, the Project for Excellence in Journalism is an institute associated with the School of Journalism at Columbia University. It publishes *The State of the News Media*, an annual report on American journalism. Mechanisms that might help fund such a research centre include offset provisions required by the CRTC at the time of a media merger, tax concessions and donations from private sector media companies. The Committee suggests:

**SUGGESTION 8**

That Canada develop its own independent media research centre.

Another option would be a network of centres of excellence. The federal government has supported a number of networks of centres of excellence in medicine, engineering, and the social sciences. There is no reason why a similar network could not be created to fund research on the news media in Canada, building on the admirable strengths that already exist in universities across the country.<sup>62</sup> The Committee recommends:

**RECOMMENDATION 39**

That a network of centres of excellence for research on journalism and the state of the Canadian news media be established.

Centres of excellence could fund researchers in the university community with support from private sector partners and the Social Sciences and Humanities Research Council (SSHRC).

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<sup>62</sup> Canada currently has the Canadian Media Research Consortium which is a partnership of three universities: the UBC School of Journalism, the York Ryerson Graduate Program in Culture and Communications and Centre d'études sur les médias at Université Laval. CTV is currently financing it, providing \$500,000 per year, as part of the benefits package that CTV was required to provide when the CRTC approved BCE's takeover of the CTV stations; this seven-year benefits package, however, extends only until the middle of 2008.

There is another desirable federal government contribution. As this report has pointed out, a number of government programs support, directly or indirectly, the work of journalists or the viability of important elements of Canada's news and information system. Evaluation and review of these regulations and programs, however, are not timely. Therefore, the Committee recommends:

**RECOMMENDATION 40**

That the Government of Canada require its departments and agencies to carry out timely evaluations and reviews of legislation and programs that have an impact on the health and vitality of Canada's news and information system. These studies should be conducted in an open and transparent manner and the results made publicly available.

**4) Media literacy**

Although education is a provincial responsibility, some witnesses urged the federal government to find a way to support media literacy. News and information become more useful when its consumers – readers, listeners and viewers – can distinguish between high and low quality reporting and recognize the role that news can play in a well-functioning democracy. The Committee suggests:

**SUGGESTION 9**

That secondary schools include courses in media literacy.

**D. Diversity in the Newsroom**

Several representatives of racial and ethnic minorities told the Committee that they were concerned about how they are represented by the mainstream media and the roles that they play in Canada's newsrooms.

Professor John Miller of the School of Journalism at Ryerson University studied the situation of minorities in 96 mainstream newspapers and presented his findings to the Committee. Professor Miller found that: "Approximately 59 per cent of the papers that responded to the survey have entirely white staffs."<sup>63</sup> Aboriginal journalists were the most underrepresented; of 2,000 employees at the papers surveyed, just one was Aboriginal.

Since 1994 there has been some progress, but "mostly in the part-time area more than in the full-time area," Professor Miller said. Patrick Hunter of the Canadian Race Relations Foundation agreed that some progress was being made, but:

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<sup>63</sup> John Miller, December 7, 2004.

The question is, are they [minority journalists] getting absorbed into the process and being allowed to develop, to train, and to be mentored. I am not sure. I do not want to say categorically that they are not given the same attention, but it is a difficult thing, when the news organization is trying to trim, and they do not have enough time and personnel to be mentors as well to people coming in.

Ensuring progress in the employment of minority journalists in the mainstream media benefits all Canadians. It helps to increase the available diversity of views and unifies communities by making minority groups an integral part of Canadian society. The Committee suggests:

**SUGGESTION 10**

That news and information organizations, in their hiring decisions, attempt to obtain a demographic balance reflective of the larger society.

## **PART VI: TO SUM UP**

The Committee has learned a great deal about the current state of the Canadian news media. While there is much that is working well, there are also some serious causes for concern.

In general, the Committee has found that Canadians remain well served by their news gathering organizations. There are, however, areas where the concentration of ownership has reached levels that few other countries would consider acceptable. There are also regions that are not well served, either by the private sector or by Canada's national public broadcaster.

The Committee notes that uses of new communications technologies have significantly affected and will continue to affect the way Canadians produce, obtain and consume news and information. This being said, it is convinced that the contributions of the long-established news gathering organizations will remain of fundamental importance for many years to come.

The challenges facing Canada's news media would be less worrisome if Canada had a stronger national public broadcaster that focused on delivering news and information to all citizens. Regrettably, ongoing budgetary restraints, coupled with ill-advised programming cuts to local and regional news programming, have shifted the CBC away from its core mandate.

While Canada has a number of regulations and programs designed to prevent foreign ownership of Canadian media, corresponding rules to prevent high levels of concentration of ownership of media properties, either in particular regions or within the country as a whole, do not exist. The Committee has also found compelling evidence that the responsible authorities have not used the processes available to them to limit media concentration.

The current situation, with its strengths and weaknesses, is the result of a long and often difficult history of efforts by individuals to build strong and profitable news organizations, and the efforts of officials to deal with complex situations that do not lend themselves to one easy solution.

After more than three and a half years of study, the Committee has developed a strong sense of how federal policy could be amended to protect and further strengthen Canada's

news gathering organizations. *Implementing this vision does not involve interference in the editorial or internal working of news gathering organizations.* Canadians can use their freedom of expression and freedom of the press – subject to normal constraints such as those on libel or hate propaganda – to take care of content.

The Committee came to several key conclusions. News and information and the discussion of opinion are fundamental to the successful workings of democracy within modern complex societies. The critical factor is not that everyone should agree with everyone else, but that there be a variety of mechanisms through which people can find news and information to participate effectively in the important debates of the larger society. For the last one hundred years newspapers and broadcasters have been important to this ongoing debate.

As this report has pointed out several times, an important element of a free press is that there be a variety of different sources of news and opinion. This can only be guaranteed if there is a plurality of owners. The country will be poorly served if as few as one, two or three groups control substantial portions of the news and information media in particular markets or within the country as a whole.

In simple terms there is a public interest in having a plurality of owners. There is also a public interest in complementing private sector news organizations with a national public broadcaster.

Unfortunately, Canada does not have a forum within which the public interest in mergers of news media organizations is openly addressed. The existing capabilities of the Competition Bureau and the CRTC do not provide such a forum. Indeed, this report argues that the current legislation guiding these two organizations and the way that they have interpreted their mandates inhibits a discussion of the public interest in mergers of news media organizations.

Canada is unique among developed countries in not having such a forum. The United Kingdom, France, Germany and the United States all have legislation aimed at limiting dominant ownership positions within individual markets.

As for the roles and responsibilities of Canada's national public broadcaster, inadequate attention is being paid to the relationship between the mandate of the CBC and the budget it has to implement that mandate. This is why this report recommends that a more transparent, open and responsible method be developed for establishing the mandate of the national public broadcaster.

There are very high levels of concentration of ownership or outright market domination in certain Canadian media markets. These situations pose special problems. Excessive levels of concentration and the domination of particular markets by one media group engender distrust in the very institutions that Canadians rely upon for their news and information.

The Committee's vision covers what might be called the architecture of the system. Without interfering with content, the government can help foster an environment that supports the production of high quality news and information and a wide diversity of viewpoints.

The Committee's 40 recommendations are guided by the conviction that the more owners, the better. In the Committee's view it is imperative that the *Broadcasting Act* and the *Competition Act* be amended. Without changes to these two pieces of legislation, it will be impossible to develop a mechanism that allows discussion of the public interest in media mergers. It is also crucial to establish a more effective mechanism for setting the mandate of the CBC.

This report also makes 10 suggestions on matters largely outside of federal jurisdiction that would complement the Committee's recommendations to the federal government. These suggestions could do much to help improve the supply and quality of news available to the Canadian public.

**It is impossible to have democracy without citizens and impossible to exercise meaningful citizenship without access to news, information, analysis and opinion. The core of this report addresses crucial factors related to the exercise of citizenship. The public interest in healthy and vibrant news media is as important as the public interest in the rights and freedoms of individual citizens. It is time to recognize this interest and develop, in Canada, mechanisms similar to those in other developed democracies.**

## **APPENDIX A: THE STUDY PROCESS, WITNESSES AND SELECTED BRIEFS**

The Senate first authorized the Committee to undertake this study on March 19, 2003, during the Second Session of the Thirty-Seventh Parliament. The Committee's hearings began on Tuesday, April 29, 2003, and continued, with an interruption due to a prorogation of Parliament, until the tabling of the *Interim Report on the Canadian News Media* on April 1, 2004. By that time, the Committee had heard from 68 witnesses.

Since tabling the *Interim Report*, the Committee has heard from 236 more witnesses. In particular, during the First Session of the Thirty-Eighth Parliament the Committee travelled across the country, holding meetings in Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal, St. John's, Moncton, and Halifax. The Committee also conducted fact-finding work in Washington, D.C. in March 2005, where it met with various individuals, including officials from the Federal Communications Commission, and journalists with the Washington Post and National Public Radio. The Committee's hearings in Ottawa included a teleconference meeting with Professor Damian Tambini of Oxford University, an expert on recent developments and changes to the regulation of broadcasting and media within the United Kingdom.

During the course of its work, the Committee commissioned a number of studies: (i) a review of the CRTC by Professor Richard Shultz; (ii) a survey of Canadians' use of and attitudes about Canadian media; (iii) a brief content analysis of selected community newspapers; (iv) a study from the Carleton University Survey Centre providing a preliminary content analysis on the extent to which newspaper reporting at four Canadian dailies has changed over a period of 10 years; and (v) an analysis by the Centre d'études sur les médias on cross-media ownership of information sources in Montreal's English-language and French-language markets, and in the Vancouver market. The Committee also received considerable input from Canadians in the form of written submissions and briefs, as well as collecting a large quantity of relevant information.

The following is the full list of the Committee's 304 witnesses, as well as an indication of the individuals met with during fact-finding work. This list is followed by a selection of the briefs and documents received during the Committee's work.



## WITNESSES

### **Second Session, Thirty-Seventh Parliament**

#### **Tuesday, 29 April 2003**

*As Individuals:*

Tom Kent, Fellow, School of Policy Studies, Queen's University;  
Mark Starowicz, Executive Producer, CBC CineNorth.

#### **Thursday, 1 May 2003**

*As Individuals:*

Patrick Watson, former Chair of the CBC;  
Russell Mills, Neiman Fellow, Harvard University;  
Gerald Caplan, former Co-Chair, Task Force on Broadcasting Policy;  
Florian Sauvageau, Director, Centre for Media Studies, Laval University and former Co-Chair, Task Force on Broadcasting Policy.

#### **Tuesday, 6 May 2003**

*As Individuals:*

Christopher Dornan, Director, School of Journalism and Communication, Carleton University;  
Denise Bombardier, journalist and author.

#### **Thursday, 8 May 2003**

*As Individuals:*

Marc-François Bernier, Professor, Department of Communication, University of Ottawa;  
Gaëtan Tremblay, Professor, Department of Communications, and Co-Director of the Interdisciplinary Research Group on Communication, Information, and Society, Université du Québec à Montréal.

#### **Tuesday, 13 May 2003**

*As Individuals:*

Vince Carlin, Chair and Associate Professor, School of Journalism, Ryerson University;  
Carolyn Newman, Independent Producer;  
Charly Smith, Independent Producer.

#### **Thursday, 15 May 2003**

*As an Individual:*

Roger D. Landry, Former Publisher of La Presse.

#### **Tuesday, 27 May 2003**

*As an Individual:*

Donna Logan, Director, School of Journalism, University of British Columbia.

*Fraser Institute:*

Neil Seeman, Senior Policy Analyst, Fraser Institute and Director, Canadian Statistical Assessment Service;

Patrick Luciani, Senior Fellow, Fraser Institute.

**Thursday, 29 May 2003**

*As Individuals:*

Jamie Cameron, Professor, Osgoode Hall Law School, York University;

Pierre Trudel, Professor, L.R. Wilson Chair in Information Technology and Electronic Commerce Law, Public Law Research Centre, University of Montreal.

**Tuesday, 3 June 2003**

*As Individuals:*

Brian MacLeod Rogers, Lawyer;

Christopher Maule, Distinguished Research Professor, Department of Economics and Norman Paterson School of International Affairs, Carleton University.

**Tuesday, 10 June 2003**

*As an Individual:*

Kirk LaPointe.

**Thursday, 12 June 2003**

*As Individuals:*

Tim Casey, Managing Director, Media and Entertainment, BMO Nesbitt Burns;

Andrea Horan, Communications and Media Analyst, Westwind Partners Inc.

**Tuesday, 17 June 2003**

*Canadian Newspaper Association:*

Anne Kothawala, President and Chief Executive Officer.

*As an Individual:*

Peter Kohl.

**Thursday, 19 June 2003**

*As Individuals:*

Clark Davey, former newspaper publisher;

Hamilton Southam, former Director of Southam Inc.;

Wilson Southam, former Director of Southam Inc. and Southam Newspapers;

James Travers.

**Tuesday, 23 September 2003**

*Competition Bureau:*

Gaston Jorré, Acting Commissioner of Competition;

Peter Sagar, Deputy Commissioner of Competition.

**Thursday, 25 September 2003**

*Canadian Radio-Television and Telecommunications Commission:*

Charles Dalfen, Chairperson;

Andrée P. Wylie, Vice-Chairperson, Broadcasting;

Marc O'Sullivan, Executive Director, Broadcasting Directorate.

**Tuesday, 7 October 2003**

*Rogers Communications Inc.:*

Philip B. Lind, Vice-Chairman;

Ken Engelhart, Vice-President, Regulatory Law;

Alain Strati, Director, Regulatory Affairs.

*Rogers Media Inc.:*

Anthony P. Viner, President.

*Rogers Publishing Limited:*

Brian Segal, President and Chief Executive Officer.

**Thursday, 9 October 2003**

*Our Public Airwaves:*

Arthur Lewis, Executive Director;

Sheila Petzold, Chair of the Coordinating Committee;

Doug Willard, Past President of the Canadian Teachers' Federation.

**Tuesday, 21 October 2003**

*As an Individual:*

Armande Saint-Jean, Professor, Department of Literature and Communications,  
University of Sherbrooke.

**Thursday, 23 October 2003**

*Canadian Broadcasting Corporation:*

Carole Taylor, Chair, Board of Directors;

Robert Rabinovitch, President and Chief Executive Officer;

Tony Burman, Editor in Chief, CBC News, Current Affairs and Newsworld, CBC Radio,  
TV and cbc.ca;

Claude Saint-Laurent, Special Advisor to the President and Chair, Journalistic Standards  
and Practices;

Alain Saulnier, General Director of Information, French Radio.

**Tuesday, 28 October 2003**

*Quebecor Inc.:*

Luc Lavoie, Executive Vice-President, Corporate Affairs.

**Thursday, 30 October 2003**

*Transcontinental Media Inc.:*

André Préfontaine, President.

**Tuesday, 4 November 2003**

*Corus Entertainment Inc.:*

John M. Cassaday, President and Chief Executive Officer;  
Paul Robertson, President, Corus Television and Nelvana;  
John P. Hayes, President, Corus Radio;  
Kathleen McNair, Vice President, Corporate and Regulatory Affairs, General Counsel.

**Thursday, 6 November 2003**

*CHUM Ltd.:*

Jay Switzer, President and Chief Executive Officer;  
Sarah Crawford, Vice-President, Public Affairs;  
Peter Miller, Vice-President, Planning and Regulatory Affairs.

**Third Session, Thirty-Seventh Parliament**

**Thursday, 26 February 2004**

*Council on American-Islamic Relations Canada:*

Sheema Khan, Chair;  
Riad Saloojee, Executive Director.

*As an Individual:*

Clifford Lincoln, M.P.

**Tuesday, 9 March 2004**

*Canadian Media Guild:*

Lise Lareau, President;  
Scott Edmonds, Vice-President, Canadian Press Branch.

*Periodical Writers Association of Canada:*

Michael O'Reilly, President;  
Doreen Pendgracs, Past Member, National Executive.

**Thursday, 11 March 2004**

*National Guild of Canadian Media, Manufacturing, Professional and Service  
Workers/Communications Workers of America:*

Arnold Amber, Director.

*Montreal Newspaper Guild/Communications Workers of America:*

Jan Ravensbergen, President.

*Ottawa Newspaper Guild/Communications Workers of America:*

Lois Kirkup, President.

**Tuesday, 27 April 2004**

*Le Devoir:*

Bernard Descôteaux, Director.

**Tuesday, 4 May 2004**

*Association de la presse francophone:*

Francis Potié, Director General;

Annick Schulz, Director of Communications and Government Relations.

*Canadian University Press:*

Chris Wilson-Smith, National Bureau Chief.

**Thursday, 13 May 2004**

*Friends of Canadian Broadcasting:*

Ian Morrison, Spokesperson;

Noreen Golfman, Chair of the Steering Committee.

**First Session, Thirty-Eighth Parliament**

**Tuesday, 16 November 2004**

*National Ethnic Press and Media Council of Canada:*

Thomas S. Saras, President;

Mashadi Massood, Vice-President, Press.

**Wednesday, 17 November 2004**

*Canadian Federation of University Women:*

Susan Russell, Executive Director;

Sheila Clarke, Director of Legislation.

*The Walrus:*

Ken Alexander, Publisher.

**Tuesday, 23 November 2004**

*As an Individual:*

Ben Chin, Toronto One.

*Western Standard:*

Ezra Levant, Publisher.

**Wednesday, 24 November 2004**

*Communications, Energy and Paperworkers Union of Canada:*

Peter Murdoch, Vice-President;

Joe Matyas, President, Toronto CEP; Journalist, London Free Press;

John Spears, Journalist, Toronto Star.

*As an Individual:*

Christopher Waddell, Carty Chair in Business and Financial Journalism, Carleton University.

**Wednesday, 1 December 2004**

*As an Individual:*

Allan Thompson, Professor, Carleton University.

**Tuesday, 7 December 2004**

*As Individuals:*

John Miller, Professor, Ryerson University;

Kim Kierans, Director, School of Journalism, University of King's College.

**Monday, 13 December 2004**

*TVN Niagara Inc.:*

Wendell G. Wilks, Chief Executive Officer.

*REAL Women of Canada:*

Lorraine McNamara, National President;

Gwen Landolt, National Vice-President.

*As an Individual:*

Paul Winkler.

*Corriere Canadese:*

Angelo Persichilli, Political Editor.

*As Individuals:*

Peter G. Reynolds, Deaf TV;

D. Peter Reynolds, Deaf TV;

Hasanat Ahmad Syed, South Asian Journalists Club;

M. Sultan Qureshi, South Asian Journalists Club;

Derek Luis, Executive Director, Canadian Diversity Producers' Association.

**Tuesday, 14 December 2004**

*TVOntario:*

Isabel Bassett, Chair and Chief Executive Officer;

Blair Dimock, Director Strategic Planning;

Ingrid McKhool, Senior Advisor, Strategic Planning and Regulatory Affairs.

*Association of Canadian Advertisers:*

Ron Lund, President and Chief Executive Officer;

Bob Reaume, Vice-President, Policy and Research.

*Canadian Race Relations Foundation:*  
Karen Mock, Executive Director;  
Patrick G. Hunter, Director of Communications.

*Ontario Press Council:*  
Doris Anderson, Chair;  
Mel Sufrin, Executive Secretary.

*As Individuals:*  
June Callwood;  
Terence Corcoran.

**Wednesday, 15 December 2004**

*As Individuals:*  
Will Straw, Department of Art History and Communication, McGill University;  
Enn Raudsepp, Director, Journalism Department, Concordia University.

*Syndicat des travailleurs de l'information du Journal de Montréal:*  
M. Martin Leclerc, President;  
Jérôme Dussault, Vice-President.

*Association des radiodiffuseurs communautaires du Québec:*  
Lucie Gagnon, Secretary General;  
Magalie Paré, Director General of Radio Centre-Ville and Member of the Board of Directors of ARCQ.

*Quebec Community Newspapers Association:*  
George Bakoyannis, Past President of the Quebec Community Newspapers Association, and Publisher of The Chomedy News;  
Debbie Dore, Board Member, Quebec Community Newspapers Association, and Office Manager of The Chronicle and of The Westmount Examiner;  
Greg Duncan, Executive Director.

*Association of Quebec Advertising Agencies:*  
Yves St-Amand, Director General;  
Gregor Angus, President BBDO Montreal, and President of the Association of Quebec Advertising Agencies;  
François Vary, Consultant and President of the Quebec Council of Media Directors.

*As Individuals:*  
Deepak Awasti, Greater Quebec Movement;  
Charles Shannon, Montreal Newspaper Guild;  
Andre Seleanu, freelance journalist;  
Del Hushley.

**Thursday, 16 December 2004**

*Regroupement des syndicats de Gesca:*

Monique Prince, Desk Journalist at La Presse, and Co-ordinator of the Regroupement  
Louis Larivière, Publicity Representative at La Presse, President of the Syndicat des  
travailleurs de l'information de la Presse;

Charles Coté, Journalist at La Presse and First Vice-President of the Syndicat des  
travailleurs de l'information de La Presse;

Fernand Bélanger, Journalist at La Voix de l'Est and President of the Syndicat national  
des employés de La Voix de l'Est;

Stéphane Gousse, Desk Employee at Le Soleil and President of the Syndicat des  
employés de bureau du Soleil.

*Fédération nationale des communications:*

Chantale Larouche, President;

Pierre Roger, Secretary-General.

*Télé-Québec:*

Paule Beaugrand-Champagne, President and General Manager;

Denis Bélisle, Secretary-General and General Manager of Legal Affairs;

Jacques Lagacé, General Manager of Corporate Affairs.

*Fédération professionnelle des journalistes du Québec:*

Alain Gravel, President;

Claude Robillard, Secretary-General.

*Association des journalistes indépendants du Québec:*

Fabienne Cabado, independent journalist and Secretary of the AJIQ;

Jean-Sébastien Marsan, independent journalist and President of the AJIQ.

*Conseil de presse du Québec:*

Raymond Corriveau, President;

Robert Maltais, Secretary-General.

**Monday, 31 January 2005**

*Media Union of British Columbia:*

Janet Ingram-Johnson, Secretary-Treasurer.

*As Individuals:*

Patrick Nagle;

Ian Mulgrew.

*Canadian Association of Journalists, Vancouver Chapter:*

Deborah Campbell, President;

Deborah Jones, Member.



*As an Individual:*

Catherine Murray, Associate Professor of Communications, Simon Fraser University.

*Canadian Community Newspapers Association:*

John Hinds, Executive Director;

Peter Kvarnstrom, President.

*Ming Pao Daily News:*

George Ho, Deputy Editor.

*The Knowledge Network:*

Wayne Robert, General Manager;

Sarah MacDonald, Director of Programming, Television and New Media.

*The Tye:*

David Beers, Editor;

Charles Campbell, Contributing Editor.

*As an Individual:*

Paul R. Willcocks.

*City of Burnaby:*

Nick Volkow, City Councillor.

*As Individuals:*

Pedro Mora, Vancouver Community Television Association;

James MacKinnon, Campaign for Press and Broadcast Freedom;

Bob Hackett, School of Communication, Simon Fraser University;

Rafeh Holays, Canadian Arab Federation;

Riadh Muslih, Adala - Canadian Arab Justice Committee;

Brian Campbell, B.C. Library Association;

Barbara Joe May, B.C. Library Association;

Donald G. MacKenzie;

Ralsab Ward, Professor and Director, Institute for Computing;

Richard Ward, Community Media Education Society;

Kevin Potvin, Republic of East Vancouver Newspaper;

Joan Jenny, Northern Comfort Productions;

Chris Budgell;

Isabel Minty;

Sid Chow Tan.

**Tuesday, 1 February 2005**

*As Individuals:*

Donna Logan, Director, School of Journalism, University of British Columbia;

Mary Lynn Young, Professor, School of Journalism, University of British Columbia;

Stephen J. A. Ward, Professor, School of Journalism, University of British Columbia.

*Fairchild Television Ltd.:*

Winnie Hwo, News and Current Affairs Controller, Western Canada.

*As Individuals:*

Jhenifer Pabillano, Student, School of Journalism;  
Richard Warnica, Student, School of Journalism;  
Kesten Broughten, CITR Radio;  
Brad Badelt, Student, School of Journalism;  
Darcy-Anne Wintonyk, Student, School of Journalism;  
Meeha Mann;  
James Weldon, Student, School of Journalism;  
Carrie May Siggins, Student, School of Journalism;  
Robert Annandale, Student, School of Journalism;  
Dustin Pirillo.

**Wednesday, 2 February 2005**

*Alberta Press Council:*

Bruce W. Hogle, Chair;  
Colleen Wilson, Vice-Chair;  
Robert Ardiel, Executive Secretary-Treasurer.

*Alberta Weekly Newspaper Association:*

Dennis Merrell, Executive Director;  
Roger W. Holmes, President, AWWNA and Publisher, Wainwright Star Chronicle.

*Access Television:*

Ross Mayot, Vice-President, Administration and Business Affairs.

*As Individuals:*

Rebecca Aizenman;  
Oscar Fech.

**Thursday, 3 February 2005**

*As Individuals:*

Patricia Bell, Head, School of Journalism, University of Regina;  
Gillian Stewart, Visiting Professor, School of Journalism, University of Regina;  
Sharon Butala;  
Mary Thomson;  
Donald Johnson;  
Kashif Ahmed, Communications Director, Muslims for Peace and Justice;  
Connie Deiter, Saskatchewan Aboriginal Women's Circle.

**Friday, 4 February 2005**

*Farmers' Independent Weekly:*

Anders Bruun, Co-owner, Corporate Secretary, and Legal Counsel;  
Lynda Tityk, Co-owner and Vice-President;  
Conrad MacMillan, Associate Publisher.

*Canadian Broadcasting Corporation:*

René Fontaine, Director of French Radio, Prairies;  
Gilles Fréchette, Broadcasting Manager, French Radio (Manitoba);  
Lionel Bonneville, Director, French Television for the West.

*Société franco-manitobaine:*

Daniel Boucher, Chairman and Chief Executive Officer.

*La Radio communautaire du Manitoba, Envol 91 FM (CKXL):*

Annie Bédard, Director General;  
Jacob Atangana-Abé, Treasurer.

*La Liberté:*

Sylviane Lanthier, Director and Editor in Chief.

*Winnipeg Free Press:*

Murdoch Davis, Publisher.

*Aboriginal Peoples Television Network:*

Jean LaRose, Chief Executive Officer;  
Wayne McKenzie, Director of Operations;  
Wilf Blondé, Chief Financial Officer;  
Rita S. Deverell, Director of News and Current Affairs;  
Tim Kist, Director of Marketing;  
Kent Brown, Director of Human Resources.

*As Individuals:*

Kristjan Anderson;  
Lesley Hughes.

**Wednesday, 16 February 2005**

*Torstar Corporation:*

Robert Prichard, President and Chief Executive Officer, Torstar Corporation;  
Pat Collins, Executive Vice President, Newspapers, Torstar Corporation;  
Michael Goldbloom, Publisher, Toronto Star;  
Jagoda Pike, President, CityMedia and Publisher, Hamilton Spectator;  
Murray Skinner, President, Metroland, Printing, Publishing and Distributing;  
Sue Gaudi, Assistant General Counsel and Chief Privacy Officer, Newspapers, Torstar Corporation.

**Tuesday, 22 February 2005**

*Shaw Communications Inc:*

Ken Stein, Senior Vice President, Corporate and Regulatory Affairs.

**Wednesday, 23 February 2005**

*Canadian Association of Broadcasters:*

Glenn O'Farrell, President and Chief Executive Officer.

**Tuesday, 8 March 2005**

*Gesca Ltée:*

Guy Crevier, President.

**Tuesday, 12 April 2005**

*Cogeco Inc.:*

Michel J. Carter, President and Chief Executive Officer, TQS and Cogeco Diffusion;

Yves Mayrand, Vice-President, Corporate Affairs.

**Wednesday, 13 April 2005**

*CanWest Global Communications Corporation:*

Richard C. Camilleri, President, CanWest MediaWorks;

Steve Wyatt, Vice President and Editor-in-Chief, Global Television News;

Gerry Nott, Editor-in-Chief, Canadian News Desk, CanWest News Service, CanWest MediaWorks Publications;

Scott Anderson, Editor-in-Chief, Ottawa Citizen, and Vice President and Editor-in-Chief, CanWest MediaWorks Publications;

Geoffrey Elliot, Vice-President, Corporate Affairs;

Charlotte Bell, Vice-President, Regulatory Affairs, CanWest Media Works Television and Radio.

**Monday, 18 April 2005**

*Newfoundland Broadcasting Company:*

Scott Stirling, President and Chief Executive Officer;

Douglas W. Neal, Senior Vice-President;

Jim Furlong, Director of News;

Jesse Stirling, Vice-President, Sales and Marketing.

*As an Individual:*

Ivan Emke, Professor, Department of Social Science, Memorial University of Newfoundland.

*Le Gaboteur:*

Steven Watt, Director General.

*As Individuals:*

David V. Jones;  
Craig Westcott, Current Affairs Editor, The Express;  
Patrick J. K. Hanlon, Member, Catholic Civil Rights League of Canada.

**Tuesday, 19 April 2005**

*Canadian Association of Journalists:*

Paul Schneiderei, National President;  
Murray Brewster, Nova Scotia Chapter Representative, National Board of Directors.

*The Chronicle Herald:*

Sarah Dennis, Vice-President, Brand and Content, The Halifax Herald Limited;  
Bob Howse, Editor-in-Chief;  
Terry O'Neil, Managing Editor.

*Shunpiking Magazine:*

Tony Seed, Editor and Publisher;  
Gary Zatzman.

*As Individuals:*

Bruce Wark, Associate Professor of Journalism, School of Journalism, University of  
King's College;  
Kevin Cox, Allnovascotia.com;  
Racquel Reid; Allnovascotia.com;  
Philip Bruce McLean;  
Shalom Mandaville, Soil and Water Conservation Society, Metro Halifax;  
Alison Tofflemire.

**Wednesday, 20 April 2005**

*As Individuals:*

Michael Cobden, Maclean Hunter Professor of Journalism, School of Journalism,  
University of King's College;  
Brian Warshick;  
Tim Currie, School of Journalism, University of King's College.

*Le Courrier de la Nouvelle-Écosse:*

Denise Comeau Desautels, Director General.

*As Individuals:*

Raymond Plourde;  
Jason Lawrence.

**Thursday, 21 April 2005**

*As an Individual:*

Erin Steuter, Associate Professor, Department of Sociology, Mount Allison University.

*Charlottetown Guardian:*  
Gary MacDougall, Managing Editor.

*As Individuals:*  
Philip Lee, Director of Journalism, St. Thomas University;  
Jackie Webster;  
Robert Pichette.  
David Henley;  
Jack MacAndrew.

*L'Acadie Nouvelle:*  
Clarence LeBreton, President of the Board of Directors;  
Jean St-Cyr, Managing Editor;  
Gilles F. Haché, Director of Sales and Marketing.

*As Individuals:*  
John Steeves;  
David Cadogan, Past President, Canadian Community Newspapers Association;  
Jonathan Franklin;  
Bernard Robichaud, Agence de presse atlantique inc.;  
Bethany Thorne-Dykstra;  
Eric Tobin;  
Charles LeBlanc;  
Gilles Haché, Le Moniteur Acadien;  
Claude Bourque;  
Kevin Matthews, Max Media Ltd.;  
Maurice Rainville;  
Jean-Marie Nadeau, New Brunswick Federation of Labour;  
John Murphy, New Brunswick Federation of Labour.

**Friday, 22 April 2005**

*As an Individual:*  
Marie-Linda Lord, Professor, Information-Communication Programme, University of  
Moncton.

*La Voix Acadienne:*  
Marcia Enman, General Director.

*Brunswick News:*  
Victor Mlodecki, Vice-President and General Manager.

**Tuesday, 10 May 2005**

*As an Individual:*  
Damian Tambini, Head, Programme in Comparative Media Law and Policy, Centre for  
Socio-Legal Studies, University of Oxford.

**Wednesday, 11 May 2005**

*The Globe and Mail:*

Edward Greenspon, Editor-in-Chief;  
Sylvia Stead, Deputy Editor;  
Patrick Martin, Comment Editor.

**Tuesday, 14 June 2005**

*CTV News.*

Robert G. Hurst, President;  
Tom Haberstroh, Vice-President;  
Joanne MacDonald, Vice-President.

**Tuesday 18 October 2005**

*Magazines Canada:*

John L. Thomson, Chief Executive Officer, and Publisher, Canadian Geographic;  
Jim Everson, Executive Director, Public Affairs;  
Sylvaine Gombert, Former Board Member.

**Wednesday 19 October 2005**

*Canadian Broadcast Standards Council:*

Ronald I Cohen, National Chair;  
John MacNab, Executive Director;  
Teisha Gaylard, Director of Policy.

*As an individual:*

Lydia Miljan, Professor, Political Science, University of Windsor.

**SELECTED PERSONS MET DURING FACT-FINDING WORK**

**Toronto (December 13, 2004)**

Cynthia Kinch, Director of Programming, English Network Television News (“The National”).

**Vancouver (February 1, 2005)**

Donna Logan, Director, School of Journalism, University of British Columbia;  
Claude Adams, Instructor, Broadcast Journalism, School of Journalism, University of British Columbia;  
Gabriela Perdomo;  
Darcy-Anne Wintonyk, Student, School of Journalism, University of British Columbia;  
Jhenifer Pabillano, Student, School of Journalism, University of British Columbia;  
Glenda Conrad, Student, School of Journalism, University of British Columbia.

### **Washington, D.C. (March 1 and 2, 2005)**

Kenneth Ferree, Federal Communications Commission;  
Erin Dozier, Federal Communications Commission;  
Scott Keeter, Pew Research Centre;  
James Gattuso, Heritage Foundation;  
Gregory Sidak, American Enterprise Institute;  
Cecilia Wexler, Vice-President, Common Cause;  
Mark Lloyd, Senior Fellow, Centre for American Progress;  
Chuck Goldfarb, Library of Congress;  
Angie Welborn, Library of Congress;  
Mike Getler, Ombudsman, Washington Post;  
Jeffrey Dvorkin, Ombudsman, National Public Radio;  
Chantal de la Rionda, National Public Radio;  
Neil Fried, Counsel, Committee on Energy and Commerce, House of Representatives;  
Rachel Welch, Democratic Counsel, Committee on Commerce, United States Senate;  
Lee Carosi, Office of Senator John McCain;  
Daphna Peled, Office of Senator Byron Dorgan;  
Steve Miller, Office of Senator Conrad Burns;  
The Honourable Frank McKenna, Ambassador of Canada to the United States.

### **SELECTED DOCUMENTS AND BRIEFS RECEIVED DURING STUDY**

#### **Second Session, Thirty-Seventh Parliament**

1. Marc-François Bernier – Brief for appearance
2. CBC/Radio-Canada – Various documents and background material for appearance
3. Canadia Newspaper Association – Various documents and background material for appearance
4. CRTC – Opening remarks for appearance and follow-up correspondence
5. Vince Carlin – Extracts of draft chapters of a book
6. CHUM, Ltd – Opening remarks and other documents for appearance
7. Competition Bureau – Opening remarks for appearance and follow-up material
8. Corus Entertainment – Opening remarks for appearance and follow-up material
9. Clark Davey – Speech to the Canadian Club, Kingston, 8 mai 2003
10. Christopher Dornan – Brief for appearance and follow-up information
11. Marc Edge – “The Press We Deserve: A Legacy of Unheeded Warnings”
12. Fraser Institute – Opening remarks and other materials
13. Andrea Horan – Brief for appearance before the Committee and “Advertising Spending: Insights from the Field (March 18, 2003)”
14. Tom Kent – Brief for appearance
15. Peter Kohl – Submission to the Committee
16. Donna Logan – Brief for appearance and other documents
17. Roger Landry – Opening remarks for appearance and “Définition du journal *La Presse* et de son orientation idéologique”
18. Médias Transcontinental – Brief, list of newspapers, annual report, and other information



19. Russell Mills – Speaking notes for appearance, remarks for conference at McGill on 14 February 2003, and other documents
20. Our Public Airwaves – Brief and copy of “Public Service Broadcasters around the World” (January 1999, McKinsey and Company for the BBC)
21. Public Interest Advocacy Centre – “Give Me that old Time Religion: The Return of Vertical Integration,” by Michael Janigan
22. Quebecor – Opening remarks for an appearance and other information
23. Enn Raudsepp – “Rethinking Institutional Media Ethnics,” “Media Accountability and Responsibility,” and “Why We Need an Inquiry”
24. Brian MacLeod Rogers – Course Outline (JRN 243, Ryerson University) and “Cold Winds from the North: Free Speech and Canadian laws of Libel and Contempt of Court”
25. Rogers Communications – Opening remarks and brief
26. Wilson Southam and Hamilton Southam – “A Diversity of Voices at Risk?” and other documents
27. Erin Steuter – “Freedom of the Press Is for Those Who Own One: Monopoly Media in New Brunswick”
28. Syndicat des communications de Radio-Canada – “Changes in Sports Coverage on the Première chaîne of Radio-Canada Before and After Cancellation of the Late-Evening Sports News”
29. Gaëtan Tremblay – “Should the Rules Governing Foreign Ownership of Canadian Media Be Reviewed?”
30. Pierre Trudel – “Memorandum on Freedom of the Press and Editorial Freedom in Canadian Law”
31. Anthony Westell – Various articles
32. Correspondence from Robert Pulsford, dated 7 September 2003
33. Correspondence and documents from Anne Vespry, dated 12 September 2003
34. Dwayne Winseck, “Netscapes of Power: Convergence, Consolidation and Power in the Canadian Mediascape,” from *Media, Culture and Society*, 2002, Vol. 24
35. Transcripts of a 13 May 2003 interview with Donna Logan on “Sounds Like Canada”
36. Press release from the Task Force on Broadcasting Policy dated 22 September 1986
37. Excerpts from a comments on a case before the Federal Communications Commission (US) dated 2 January 2003
38. Library of Parliament – “Some Media Issues,” 27 January 2003
39. Council of Europe – “Media Diversity in Europe,” December 2002
40. Alain Dubuc – “Who controls Canada’s Media? Nobody, ” Notes for a presentation on 28 November 2002
41. Mark Starowicz – “The Great Media Shift,” 10 February 2000
42. Adam Finn, Stuart McFadyen, and Colin Hoskins – “Valuing the Canadian Broadcasting Corporation,” 2003
43. Maurice E. Stucke and Allen P. Grunes – “Antitrust and the Marketplace of Ideas,” *Antitrust Law Journal*, Vol. 69, 2001
44. Various documents from the Annual conference of the McGill Institute for the Study of Canada, 2003

45. Excerpts from *CRTC Broadcasting Policy Monitoring Report, 2002*
46. Competition Bureau, Media Advisory, “Why Media Concentration Is Not a Bureau Concern,” June 29, 1999
47. Competition Bureau and CRTC (Interface), News Release of November 22, 1999 with Backgrounder
48. Documents from Culture and Communications Quebec on Quebec Media and Publicity
49. Press Releases from Culture and Communications Quebec dealing with Advisory Committee on Information Quality and Diversity (September 6 and 27, 2002), including text of Belgium’s *Loi relative à la reconnaissance et à la protection du titre de journaliste professionnel*; including article from *Le Devoir* providing most recent information on the subjects contained in the press releases
50. Progressive-Conservative Roundtable on Media Concentration, July 31, 2002
51. “Not in the Newsroom! CanWest Global, Chain Editorials and Freedom of Expression in Canada,” Canadian Journalists for Free Expression, April 2002
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53. Excerpts from the 2001-2002 Annual Report of the CBC
54. Matthew Fraser, “The CBC’s Choice: Constellations or Core Competencies?,” *Policy Options*, September 2000
55. Colin Hoskins, Stuart McFadyen, and Adam Finn, “Refocusing the CBC,” *Canadian Journal of Communication*, Winter 2001, Vol. 26
56. P. Finlay, *Concentration of Ownership in the Media: A Review of the Principal Issues*, November 1999, Canadian Heritage Media Studies
57. Dennis Price, *Ownership of Cultural Businesses: An International Comparative Profile*, December 2001, Canadian Heritage Media Studies
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### **Third Session, Thirty-Seventh Parliament**

59. Canadian Federation of University Women – Report to the Committee, 2004
60. CRTC – Correspondence from the Commission
61. Canadian Council on American-Islamic Relations – “Today’s Media: Covering Islam and Canadian Muslims,” 26 February 2004
62. Friends of Canadian Broadcasting – Correspondence and follow-up information
63. Green Party of Canada – Correspondence
64. Extracts from *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*, June 2003, Report of the House of Commons Standing Committee on Canadian Heritage and government response
65. *Le Devoir* – Follow-up information to appearance
66. Viggo Lewis – Correspondence
67. Montreal Newspaper Guild – General information
68. TNG Canada – Results of survey of journalists

69. Periodical Writers Association of Canada – Sample contracts, “Freelancing in Canada: Vulnerable or Viable?,” October 1996, and Presentation to the Committee (March 2004, Exhibit 5900-3.37/T1-SS-1,2 “1”)
70. Doris Baltruschat, “Television and Canada’s Aboriginal Communities,” *Canadian Journal of Communications*, Vol. 29, 2004
71. Centre d’études sur les medias – *Médias et vie démocratique*, 1 November 2002
72. Information on journalism schools in Canada (20 October 2003)

**First Session, Thirty-Eighth Parliament**

73. Aboriginal Peoples Television Network – Presentation to the Committee
74. Access Media Group – Presentation to the Committee
75. Alberta Press Council – Code of Practice, presentation to the Committee, and annual report
76. Alberta Weekly Newspapers Association – Presentation to the Committee and readership survey
77. Association des journalistes indépendants du Québec – “Toward Union Representation for Independent Journalists”
78. Association des radiodiffuseurs communautaires du Québec – Brief to the Committee
79. Association of Canadian Advertisers – Presentation to the Committee
80. Association of Quebec Advertising Agencies – “Opinion of the Association...on the Impacts of Media Convergence on the Publications Industry”
81. Patricia Bell – Presentation to the Committee
82. British Columbia Press Council – Submission to the Committee
83. Brunswick News – Submission to the Committee and follow-up correspondence
84. David Cadogan – Presentation to the Committee
85. Campaign for Press and Broadcast Freedom – BC Chapter – Presentation to the Committee and follow-up correspondence
86. Canadian Association of Broadcasters – Presentation to the Committee and general information
87. Canadian Broadcast Standards Council – Presentation to the Committee and general information
88. Canadian Community Newspapers Association – Presentation to the Committee
89. Canadian Ethnic Journalists’ and Writers’ Club – Report to the Committee
90. Canadian Federation of University Women – Brief to the Committee
91. Canadian Press – Information on the CP
92. Canadian Race Relations Foundation – Presentation to the Committee and general information
93. CanWest Global Communications – Presentation materials and follow-up correspondence
94. Cogeco – Presentation to the Committee and general information
95. Halifax Chronicle-Herald – Presentation to the Committee, “The Herald Newsroom Ethnic,” and follow-up correspondence

96. Media Union of British Columbia – Submission to the Committee and “What Makes News? A Citizens’ Forum on Media Democracy in a Time of Ownership Concentration”
97. Communicaitons, Energy, and Paperworkers’ Union – Various documents, including “For Democratic Canadian Media,” “Journalistic Standards in Monopolized Media,” “Media Policy,” and general information
98. Conseil de presse du Québec – “Rapport d’activités 2003-2004,” “The Press and Aboriginal Reality,” and decision on case number D2003-06-067
99. Terence Corcoran – Various articles and speeches
100. Courrier de la Nouvelle-Écosse – Text of speech at the Congrès mondial acadien 2004
101. CTV News – Presentation material, “Policy Handbook,” and follow-up correspondence
102. Bob Davies – “One Trues Story of How the System Actually Did Not Work”
103. Deaftv – Presentation material and background information
104. Ivan Emke – Presentation to the Committee, “Community Newspapers and Community Identity,” “Survey of Community Newspaper Editors in Canada,” “Media as Resource: Using Media to Manage Change in Rural Households,” and “Report on a Community Survey of Bay ST. George South, Newfoundland”
105. Farmers’ Independent Weekly – Submission to the Committee
106. Fédération professionnelle des journalistes du Québec – Brief to the Committee
107. Robert G. Gauthier – Submission to the Committee
108. Gesca – Brief to the Committee and follow-up correspondence
109. *Globe and Mail* – “Code of Conduct”
110. Bob Hackett – Submission to the Committee and *The Missing News: Filters and Blind Spots in Canada’s Press*
111. Robert Hajaly – “Democracy, Freedom of Expression, and the Control of Newspapers”
112. Kime Kierans – *Endangered Weeklies: A Case Study of Three Maritime Community Newspapers*
113. The Knowledge Network – Presentation and brief to the Committee
114. *L’Acadie Nouvelle* – Presentation to the Committee
115. *La Voix acadienne* – Examples of various advertisements
116. *The Western Standard* – Presentation material
117. Donna Logan – Canadian Media Research Consortium, Computer Tabulations
118. Marie-Linda Lord – “Challenges for Acadian Media: The Press Monopoly and Speaking Out – The Situation in New Brunswick”
119. Magazines Canada – Submission to the Committee
120. Manitoba Press Council – Brief to the Committee
121. Lydia Miljan and Barry Cooper – “The Canadian ‘Garrison Mentality’ and Anti-Americanism at the CBC,” *Studies in Defence and Foreign Policy*, May 2005
122. John Miller – “Who’s Telling the News? Race and Gender in Canada’s Daily Newspaper Newsrooms”
123. Catherine Murray – “The Media,” in *Policy Analysis in Canada*, 2005
124. Patrick Nagle – Submission

125. National Ethnic Press and Media Council – “Working to Make Canada a True Community of Communities,” and follow-up material
126. TNG Canada – Brief to the Committee
127. Alexander Norris – Brief to the Committee
128. Ontario Press Council – 2003 Annual Report
129. Quebec Community Newspapers Association – Brief to the Committee
130. Radio communautaire du Manitoba – Presentation to the Committee
131. Enn Raudsepp – Follow-up material
132. REAL Women of Canada – Brief to the Committee
133. Vic Roschkov – Brief to the Committee
134. Shaw Communications – “A Presentation by the Strategic Counsel: Consumers and the Future of Household/Personal Technologies,” “Shaw Annual General Meeting, January 13, 2005,” and “Cabled Canada”
135. Société franco-manitobaine – Brief to the Committee
136. South Asian Journalists Club – Brief to the Committee
137. John Steeves – Follow-up correspondence
138. Erin Steuter – “Freedom of the Press if for Those Who Own One: The Irving Media Monopoly in New Brunswick,” *Shunpiking*, Vol. 1
139. Tristan Stewart-Robertson – Submission to the Committee
140. Syndicat des travailleurs de l’information du *Journal de Montréal* – “Le Journal de Montréal et la propriété croisée”
141. Télé-Québec – Presentation to the Committee
142. Torstar – Brief to the Committee and follow-up correspondence
143. TV Niagara – Presentation and follow-up correspondence
144. Christopher Waddell – “Newspaper Cutbacks and Falling Voter Turnout – Is there a Link?”
145. Stephen Ward – “The Future of Journalism Ethics Amid Revolution”
146. Megan Wennberg – “Judging Democracy by Its Weakest Link: When *Here* Becomes Their”
147. Quebecor – Correspondence from Mr. Luc Lavoie with the Chair (16 December 2004)
148. Transcontinental Media – Correspondence from Mr. André Préfontaine with the Chair (15 June 2005)
149. Association de la presse francophone – Follow-up correspondence
150. Canadian Media Research Consortium – “Report Card on Canadian News Media”

## **APPENDIX B: LIST OF RECOMMENDATIONS AND SUGGESTIONS**

**The Committee recommends:**

### **RECOMMENDATION 1**

That a new section, dealing with mergers of news gathering organizations, be added to the *Competition Act*. This new section should:

d) trigger automatic review of a proposed media merger if certain thresholds are reached;

e) allow the appropriate ministers to order a review of proposed mergers; set out the process that will be followed when a merger is being reviewed, including the appointment of a panel to conduct the review.

### **RECOMMENDATION 2**

That legislation governing the CRTC be amended to require the CRTC to participate, when appropriate, in the panels established by the new section of the *Competition Act*.

### **RECOMMENDATION 3**

That all news media outlets be required to state regularly in their publications or their broadcast programming, the identity of the controlling shareholder(s).

### **RECOMMENDATION 4**

That Section 3(d) of the *Broadcasting Act* be amended to give a clear priority to news and information programming within the Canadian broadcasting system.

### **RECOMMENDATION 5**

That Section 5(2) of the *Broadcasting Act*, which deals with the powers of the CRTC, be amended. The amendment should state that the Canadian broadcasting system “gives a high priority to news and information programming within the Canadian broadcasting system.”

### **RECOMMENDATION 6**

That the CRTC adopt a more open approach to the benefits that may flow from competition within the provision of news and information programming.

### **RECOMMENDATION 7**

That the CRTC not delegate important matters having to do with media mergers and conditions of licence to the Canadian Broadcast Standards Council (CBSC) or any other body.

### **RECOMMENDATION 8**

That the CRTC properly monitor the terms and conditions that it imposes on the news operations of companies involved in cross-media mergers.

**RECOMMENDATION 9**

That the Government of Canada give the CRTC the power to levy fines on broadcasters.

**RECOMMENDATION 10**

That the CRTC revise its community television and radio regulations to ensure that access to the broadcasting system is encouraged and that a diversity of news and information programming is available through these services.

**RECOMMENDATION 11**

That the CRTC and the Department of Canadian Heritage jointly develop an information system that will provide relevant and timely information on community broadcasting activities in both television and radio.

**RECOMMENDATION 12**

That the government establish a more coherent system for refining the mandate of the CBC. This system should include commitment to a long-term planning horizon, a ten-year licence renewal and a long-term budget that provides appropriate stable funding.

**RECOMMENDATION 13**

That the CRTC not have the power to alter the terms of the mandate for the CBC agreed to by Parliament and the Government.

**RECOMMENDATION 14**

That the CBC develop a plan to focus on its core mandate and that the Government of Canada enter into a review process with the CBC to develop an agreement on the budget required to provide distinctive and complementary services to Canadians.

Once a mandate has been determined, the government should make a commitment to provide the realistic and stable funding on a long-term basis. This funding should be sufficient to allow the CBC to remove advertising from its television services.

**RECOMMENDATION 15**

That CBC television focus its efforts on providing a range of services that do not inappropriately duplicate those of the private sector. In particular, the CBC should leave coverage of professional sports and the Olympics to the private sector.

**RECOMMENDATION 16**

That the Board of Directors of the CBC include people who have had experience as working journalists, broadcasters, or program developers.

**RECOMMENDATION 17**

That appointments to the Board of Directors be reviewed by an appropriate parliamentary committee.

**RECOMMENDATION 18**

That the appointment of the President of the CBC be made by the government from a list of candidates prepared by the Board of Directors of the Corporation.

**RECOMMENDATION 19**

That the Corporation be required to prepare annual reports that provide adequate information so that Canadians and their parliamentarians can determine what progress is being made in meeting the CBC's mandate.

**RECOMMENDATION 20**

That the Department of Canadian Heritage develop a component within the Canada Magazine Fund that would provide support for the start-up of magazines and recognize Canadian editorial content distributed via mechanisms such as the Internet.

**RECOMMENDATION 21**

That realistic and stable funding be made available for the Publications Assistance Program.

**RECOMMENDATION 22**

That the Publications Assistance Program be amended to provide more efficient support for small and start-up publications (allowing publications to be eligible after, for example, four issues or four months rather than after one year).

**RECOMMENDATION 23**

That the government of Canada continue program support to assist smaller and more remote communities to acquire broadband access to Canada's telecommunications network in areas where the private sector does not provide its services.

**RECOMMENDATION 24**

That the Ministers of Finance and Canadian Heritage enable the use of charitable foundations to support independent not-for-profit Canadian media and media research centres.

**RECOMMENDATION 25**

That the CRA strengthen its procedures for determining whether a periodical is Canadian.

**RECOMMENDATION 26**

That the Minister of Finance defer capital gains taxes paid on the transfer of family-owned newspapers from generation to generation.

**RECOMMENDATION 27**

That the *Security of Information Act* be amended to provide for a public interest defence in Section 4.



**RECOMMENDATION 28**

That applications to judges for search warrants for journalists' notes and similar material have a higher level of accountability; they should be signed personally by a minister.

**RECOMMENDATION 29**

That the access to information system be:

- d) simplified to be more transparent and accessible;
- e) expanded to include crown corporations; and
- f) monitored so that costs for searches are reasonable and searches are conducted with reasonable dispatch.

**RECOMMENDATION 30**

That all departments and agencies ensure that their employees are made aware of the existence of any whistleblower legislation and its provisions.

**RECOMMENDATION 31**

That the Competition Bureau examine universal contracts with freelance journalists to determine whether they involve an abuse of dominance by one of the parties to the contract.

**RECOMMENDATION 32**

That the Minister of Canadian Heritage examine whether there is any abuse of authors' rights in the requirements imposed by universal contracts and, if so, explore amendments to the *Copyright Act*.

**RECOMMENDATION 33**

That the CRTC require cable and satellite systems, as technology permits, to expand the offering of official minority language programming, phasing in the requirements for the smaller distribution systems.

**RECOMMENDATION 34**

That, as technology permits, the CRTC encourage the national distribution of English and French provincial educational broadcasters.

**RECOMMENDATION 35**

That all federal departments be ordered to comply with the law relating to advertising in both official languages.

**RECOMMENDATION 36**

That the Treasury Board ensure that the system for handling complaints with respect to government advertising in both official languages is streamlined.

**RECOMMENDATION 37**

That the system of government advertising in the media be modified to ensure that:

- c) criteria for placing advertising are transparent and
- d) ethnic media have the criteria for the placement of advertising in their media explained to them. Government departments dealing with Canada's ethnic community should examine whether the increased use of ethnic periodicals would be a more efficient way of reaching this audience.

**RECOMMENDATION 38**

That federal departments and agencies explore arm's length partnerships with recognized non-profit or professional journalists' associations to provide fellowships for mid-career journalists, with the fellows being chosen by journalists or independent third parties.

**RECOMMENDATION 39**

That a network of centres of excellence for research on journalism and the state of the Canadian news media be established.

**RECOMMENDATION 40**

That the Government of Canada require its departments and agencies to carry out timely evaluations and reviews of legislation and programs that have an impact on the health and vitality of Canada's news and information system. These studies should be conducted in an open and transparent manner and the results made publicly available.

**The Committee suggests:****SUGGESTION 1**

That the news media make efforts to establish Public Editor positions.

**SUGGESTION 2**

We strongly support the creation and ongoing support of press and media councils in Canada. While a national press council, in the view of the Committee is unworkable, we suggest that members of the press and other interested bodies should work to establish a press council in Saskatchewan and revitalize the Atlantic Press Council.

**SUGGESTION 3**

We suggest that members of the press and other interested organizations work to strengthen and enhance the work of existing press and media councils. Council members should include experienced journalists.

**SUGGESTION 4**

That news organizations that have not done so develop statements of principles that apply to their news gathering activities, and include explicit pledges that the interests of the proprietors will be treated in exactly the same way as all other news coverage.

We further suggest that the statement of principles be made public and be widely distributed within the organization, in particular to its journalists.

**SUGGESTION 5**

That the Canadian Broadcast Standards Council make transparent its complaint mechanism and that it add people with paid experience in journalism to its review processes.

**SUGGESTION 6**

That news organizations provide more, and more regular, opportunities for mid-career training for journalists.

**SUGGESTION 7**

That large media firms continue, and indeed increase, support to Canadian schools of journalism.

**SUGGESTION 8**

That Canada develop its own independent media research centre.

**SUGGESTION 9**

That secondary schools include courses in media literacy.

**SUGGESTION 10**

That news and information organizations, in their hiring decisions, attempt to obtain a demographic balance reflective of the larger society.