

Marc Edge
***Pacific Press: The Unauthorized Story of Vancouver's
Newspaper Monopoly***

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Born in 1957 as a merger—technically illegal yet authorized by the federal government—Pacific Press became, through the processes of capitalist concentration, a one-hundred-per-cent monopoly owning both of Vancouver's daily newspapers. Stranger still, at least by the logic of capitalism, is that this prima donna among monopolies lost money like a sieve. Edge's book takes us only to 1991, when the *Vancouver Sun* went to morning publication. (History attests to the rest: in 1996 Southam was consumed by Conrad Black's Hollinger Inc.; in 2000, Hollinger sold to Israel Asper's CanWest Global.)

Concentrated ownership in the newspaper business is of course a *fait accompli*. It seems unlikely that a new book on the issue could contain anything new. In fact, Edge's book makes a major contribution to the field; it fills in a missing link in that sad story of long ago: the demise of the independent daily newspaper.

The 1957 deal that created Pacific Press merged the market-leading *Vancouver Sun*, then owned by the local Cromie family, with the money-losing *Vancouver Province*, owned by the Southam chain, in a "partnership" of

equally shared profits and losses. In the previous decade, the two dailies had fought an all-out war for readers, a battle it appeared only one paper would survive. (Of course, if the companies had been concerned about preserving competition, they might have kept hands off a third paper, the *Herald*, owned by Thomson. Instead, the newly formed Pacific Press bought and closed the *Herald*, and the *Sun* and *Province* began joint publication on June 17, 1957.)

Why did the federal government allow the clearly anti-competitive merger? The 1960 report of the Restrictive Trade Practices Commission acknowledged that the Pacific Press monopoly would likely operate “to the detriment of the public” (56). It said that through illegal profit pooling, the “earnings of the *Vancouver Sun* are, in effect, subsidizing the operation of the *Province* and ... advertising rates and selling prices of the *Vancouver Sun* have been raised to accomplish this result” (56). But an even greater danger existed, the report maintained, of an even “more complete monopoly.” It concluded: “The continued publication of separate newspapers ... does not immediately represent as serious a danger to the public interest ... as a newspaper monopoly in the hands of a single owner” (62-63).

In the less stolid observations recapped by Edge of the *Globe and Mail*'s Scott Young: “Each paper has assured its readers that it will retain its former character. Since the chief characteristic of each paper was its bitter competitive spirit toward the other, this character-retention will be quite a trick, something like watching a wrestling match between Siamese twins” (47).

In 1963, FP Publications bought the *Sun*, thereby becoming the largest chain in Western Canada (with six dailies and nearly half a million in circulation). Two years later, FP merged with the Toronto *Globe and Mail*, and became the largest chain nationwide. Hundreds of jobs, meanwhile, had been lost since the amalgamation of the *Sun* and *Province*, and “local reaction against now-total Eastern ownership of Vancouver’s daily newspapers had led to a movement to start a third daily in the city” (72).

The *Vancouver Times* was launched at the end of 1964; it lost a lot of money before folding at 11 months. While some critics, including famed radio hotliner Jack Webster, blamed management *naïveté* for the paper’s failure to thrive, *Times* publisher Val Warren blamed the Pacific Press monopoly, which he said discouraged advertisers away from the *Times*. Still others contended that Eastern ownership was failing to elicit the anger it once had in Vancouver, that people cared “less and less that their newspapers were owned in the East” (97).

By the late sixties, FP Publications had helped fuel the rapid expansion of newspaper chains in Canada, a phenomenon that worried many, including Senator Keith Davey, and led to the 1970 Special Senate Committee on Canadian media.

By the end of 1965, the Pacific Press papers were ready to move to their new digs on Granville Street—a four-storey building occupying an entire city

block. “But it was the twelve-foot-high bronze sculpture by Jack Harman of a four-member ‘Newspaper Family,’ comprising mother, father, son and infant daughter, at the front of the building that drew the most comment and even embroiled the two newspapers, according to [*Sun* publisher Stuart] Keate, ‘in a quarrel which set the whole town laughing’ ” (109). The bronze figures were to have been presented naked (a *Vancouver* first) but without sexual organs. At the statue’s unveiling, however, it was discovered that the young boy did indeed sport a penis, which organ “became the object of considerable public outcry ... After a series of clandestine raids, the offending organ became a sort of hitching-post for a variety of ornaments: a glazed doughnut, a garland of buttercups, even a condom” (109-110).

In what Edge describes as “one memorable incident,” believed to have been perpetrated by UBC engineering students, the penis was painted bright red. “The color enhancement soon became compounded, according to Keate, when a maintenance man was dispatched to remove the paint.” The maintenance man used Brillo, so the story goes, and the result was “twofold: the red gave way to a gleaming bronze, and the statue was immediately christened by staff members as ‘Le coq d’or’ ” (110).

Despite elements of comic relief, relations between the *Sun* and *Province* worsened steadily and early in 1970 the company cancelled its remaining union contracts and suspended publication, a move that “put 1,100 workers out on the street and left about a million Greater Vancouverites without their daily newspapers” (138). Residents went into “information withdrawal” and every other available paper in town (and some from south of the border) cashed in. The next week, the unions started publishing a strike paper, the *Express*. When the *Sun* and *Province* went back to publishing three months later, Pacific Press had lost \$7.5 million, not to mention former readers, and likely for good. By 1975 technological changes had transformed newsrooms, creating more bitter jurisdictional disputes among union members. (The new technology—computers—eroded the work and bargaining clout of printers: compositors were no longer needed to re-key reporters’ stories; reporters now typed their own stories on computer terminals.)

In 1978-1979, another strike/lockout (the fifth in little more than a decade) closed Pacific Press for eight months and the unions published the *Express* again. This time, though, the *Express* was faster off the mark, brimming with ads from the get, and much more widely distributed; in fact, it was successful enough that two business groups organized against it (245). Bill Hamilton, president of the Employers’ Council of B.C. at the time, commented: “Rarely does it happen that striking or locked out union members [are] in a position whereby they can manufacture their previous employer’s product” (245).

The shutdown of the *Sun* and the *Province* meant a financial windfall for electronic media, especially BCTV. It also “unwittingly” solved the compa-

ny's Doug Collins problem: "Collins took his column elsewhere and controversy continued to follow him and his increasingly poisonous diatribes for decades" (238). But the *Sun* also lost its best columnists, including Allan Fotheringham, "as the 'King of Vancouver' went into exile in the East he despised so intensely" (238).

In 1980, Thomson took over FP Publications, and so acquired the *Sun*, which it promptly sold to Southam, finally giving the latter the "newspaper monopoly in the hands of a single owner" warned of at the deal's 1957 inception. In Montreal, Thomson inherited the folded *Montreal Star* and an option to buy one-third ownership of the *Gazette* for \$13 million. "When Thomson exercised its new option," Edge writes, "the urgency increased for Southam to disentangle itself from its new partner and provided the impetus for the greatest upheaval ever seen in the Canadian newspaper industry" (288).

Black Wednesday was Aug. 27, 1980, when Southam and Thomson cut a deal to close Southam's 90-year-old *Winnipeg Tribune* and Thomson's 94-year-old *Ottawa Journal*, giving both chains monopolies in the now one-newspaper towns, and sparking a second royal commission on the press as well as criminal charges against the chains. (The transaction left the two chains controlling 59 per cent of daily newspaper circulation and put 800 people out of work.)

For this alone—this addition to the litany of sins Black Wednesday has come to represent—Edge's book is invaluable. For in public memory, the 1980 events in Vancouver were overshadowed by those in Ottawa and Winnipeg (perhaps because of an Eastern media bias; perhaps only because the dealings were too Byzantine to arouse the close attention of any but the monopoly-gainers themselves). According to at least one reporter cited in *Pacific Press* (CP's Chrisholm Macdonald), Black Wednesday's origins can be traced to the 1957 formation of Pacific Press.

The royal commission rendered its report in 1981, but none of its recommendations was ever enacted and none even addressed the situation in Vancouver. In 1983, Southam and Thomson were acquitted on charges of criminal conspiracy, fraud and merger. Also in 1983, the *Province* converted to tabloid format, a move that raked in money and stoked the paper's rise, making it Canada's fastest growing by 1985. But it also angered *Province* journalists, who saw the paper as trading on a once-deserved reputation to pander to lower standards in the name of higher profits.

At the *Sun*, the year 1983 saw the departure of Clark Davey (the Ayatollah of Edge's Chapter 17), who "never fit in on the West Coast," and whose management style "did not go over well at the *Vancouver Sun*" (293). Davey had arrived in 1978 (on the eve of the *Sun*'s eight-month strike) from the *Globe and Mail*, where he'd been managing editor for the previous fifteen years. Staff blamed Davey for overseeing the attempted "disco-ization" of the *Sun*,

and for chasing away the paper's best columnists. Davey spent five years at the *Sun*, and then returned to Eastern Canada as publisher of the *Montreal Gazette*. If he wasn't missed at the *Sun* (and he wasn't) the feelings were at least mutual: Davey told *Media* magazine a couple of years later that Vancouver had "an undeserved reputation for friendliness" (310).

Yet even an iron-clad monopoly and initial tabloid success could not save Pacific Press—racked by perpetual labour trouble and unions that "ate steroids for breakfast," as one reviewer put it¹—from losing millions every year. In 1984, a seven-week strike cost Southam another \$5 million while fattening the Lower Mainland's community newspapers, which happily cashed in on a bonanza of ad revenues. And while the strike bolstered union morale, the reality-based question had become "whether Southam could afford to continue publishing two newspapers in Vancouver" (329).

A 1986 redesign of the *Sun* raised the ire of its staff, who like their *Province* colleagues also objected to what they called the cheapening of the paper in the name of profits. Unhappy staffers began meeting to discuss strategy at a downtown café (named Cheesecake, etc.) in what became known as the Cheesecake Rebellion. But the damage was done, and by late 1987, the *Sun* had lost at least nine star columnists because of its cuddling up to "disco journalism."

As the narrative reaches its close, we see Southam in 1989 begin to digest in earnest the competing community papers that had for so long thrived on its labour woes. (For example, on May 8, 1990, Southam acquired 75% ownership of the *Courier* in a complex \$6-million deal.) Finally in 1991, the *Sun* moved to morning publication, but the strategy backfired, leading to further losses and weakening the company (ultimately for the 1996 Hollinger takeover, though that event exceeds the timeframe of this book).

Almost as interesting as the book—with its important themes of press freedom and economic coercion, its filling in of the (Western) historical narrative, its pepper of newsroom tales and personalities, and its sure-footed insider's romp through the wildflower world of Vancouver newspapering—is the butting variety of response to it².

Peter Desbarats, (former dean of the graduate school of journalism at the University of Western Ontario) wrote a certifiably cranky review for the *Vancouver Sun*.³ It complained that readers "might be led, by the subtitle's mention of 'the unauthorized story' and Pierre Berton's enthusiastic foreword, to assume that this is a real book." They will soon find, Desbarats advises, that they are "in the coils of a doctoral dissertation," from which there is "a real book struggling to get out." (Desbarats nevertheless deemed the book a "must-read" for students and a "fascinating" one for "anyone who loves newspapers.")

Daniel Francis, editor of the *Encyclopedia of B.C.*, argued just the opposite: "Edge and his editors at New Star have accomplished one of the most

difficult feats in book publishing: transforming an academic thesis into a bona fide page-turner.”⁴ Similarly, Devin Crawley in *Quill and Quire*, lauded the former *Province* staffer, who “... has turned his PhD dissertation on Pacific Press into that rarest form of scholarship: a compelling read.”^v

In his foreword to *Pacific Press*, Pierre Berton (“the great man,” as Professor Edge invariably refers to him), praised the book for its history of B.C. and Canadian journalism, and also because it provides “a case study of that flawed concept the business world calls ‘synergy.’” Leave it to the great man to put his finger on one of the most important and likely least-appreciated aspects of this book’s considerable worth.⁶

This “synergy” is after all a large part of the business-solvency rationale that Southam used to persuade the federal government to allow the Pacific Press merger. But it must have been of a rather mysterious kind: even with a single-owner monopoly, even by perennially cutting staff and scrimping on quality, Pac Press just kept losing money.

But perhaps the best evidence that Edge has introduced a new angle on the old concentrated-ownership debate is the justification offered for the Pacific Press deal by the chains’ lawyer. When Southam and Thomson went to trial in the fall of 1983 on criminal charges of merger, monopoly and conspiracy, Thomson lawyer, Lorne Morphy, argued that a corporate monopoly is: “... a valid business goal and not necessarily detrimental to the public” (323). In a free enterprise system, Morphy said, trying to eat the competition is only playing by the rules. Here’s the kicker: When defence lawyers moved for a dismissal of the charges, they claimed “a key element of the alleged offences—detriment to the public—had not been proven” (323).

Original, thorough and provocative, *Pacific Press* sets a high standard for Canadian journalism-scholars (East or West). In fact, with its even-handed analysis of the emotion-arousing issues, the book may well have pioneered a new vein of research into Canadian journalism. For those with a less professional interest, the book offers an informative, insightful and entertaining read.

Notes

- 1 Frank Moher, in the *Georgia Straight*.
- 2 Edge’s book has been widely reviewed, though I have cited only several reviews here. For more, and to gauge the range of contradictory response, see the following reviews: a strangely dismissive review by UBC’s Stephen Ward in *Journalism History* 28:2 (Summer 2002): 97-98; David Spencer’s excellent review in *Journalism and Mass Communication Quarterly* 79.2 (Summer 2002): 503; and Denny Boyd’s insider’s appraisal, entitled “Lament for a daily: why the Sun no longer sets in the west” in *B.C. Business* (February 2002): 15.
- 3 Peter Desbarats, “Half a great news story: A sometimes lively, sometimes academic account of newsroom personalities and practices.” *Vancouver Sun* 29 Dec. 2001. Final ed. C13.

Review of *Pacific Press: The Unauthorized Story of Vancouver's Newspaper Monopoly*

- 4 Daniel Francis, in the *Encyclopedia of B.C.*, January 2002.
<http://www.knowbc.com/primer_bookshelf.asp>
- 5 Devin Crawley in *Quill and Quire*, January 2002.
<<http://www.quillandquire.com/QQJanaury02>>
- 6 I refer to Edge's economic analyses, and in particular to the idea, borrowed from Ben Bagdikian, that since modern newspapers are companies publicly traded on the stock exchange, the market (the need to expand to maintain a position on the stock exchange) represents a third master (in addition to the traditional and much vaunted market of the reader and the not so lauded market represented by the advertiser). For more in this vein, see: Ben Bagdikian, "Conglomeration, Concentration and the Media," *Journal of Communication* (Spring 1980): 64, as well as Marc Edge's "Taking Stock: Journalism and the Publicly Traded Newspaper Company," *Newspaper Research Journal* 23.2/3 (Spring 2002): 153.