

**Public benefits or private?**

**The case of the Canadian**

**Media Research Consortium**

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## ABSTRACT

*Canada exhibits one of the world's highest levels of media ownership concentration, due in part to a failure of regulation. In an attempt to ensure that a portion of the benefits from broadcasting takeovers and acquisitions accrued to the public, the broadcasting regulator Canadian Radio-Television and Telecommunications Commission established the Public Benefits program in the late 1980s. Under the program, a minimum of 10 percent of the value of acquired broadcasting licences was required to be devoted to worthwhile initiatives. In the Cdn \$2.3-billion takeover of television network CTV by Bell Canada Enterprises in 2000, however, a portion of the Cdn\$230 million Public Benefits package was devoted to funding a Canadian Media Research Consortium established between several universities. Mandated to "focus on the development of Canadian data for use in media planning," the CMRC issued its first report in 2003. A Report Card on the Canadian News Media was criticized for flawed methodology and was cited as an example of "administrative" marketing research performed to the benefit of media owners rather than to the benefit of the public. The CMRC issued a five-year retrospective study titled The Credibility Gap: Canadians and their News Media in 2008 that addressed some of the earlier methodological flaws and perhaps as a result reached different conclusions.*

## **Introduction**

Canada has historically been defined by the tension between its British and French heritage and its proximity to the neighboring United States. Canada's broadcasting system developed as a mix of public and private ownership, for example, with a strong Canadian Broadcasting Corporation modeled after the BBC. Journalism education in Canada closely followed the British model until after World War II, with apprenticeship being the typical route into newsrooms and most training confined to two-year colleges. Three university programmes in journalism were established in the late 1940s, all in the dominant eastern province of Ontario. (Johansen *et al.*, 2001) The programmes at Ryerson University, Carleton University, and the University of Western Ontario were all initially modeled after the professionally-oriented curriculum at Columbia University in New York, but the latter two gradually added more theoretical content. (Edge, 2003) Programs in other provinces did not appear until the mid-1970s, and it was not until 1998 that a university school of journalism was established on Canada's west coast. (Edge, 2004a)

The first Canadian scholarly journal in the field, the *Canadian Journal of Communication*, did not begin publishing until 1974. (Robinson, 2000) The first doctoral programme in mass communication was not commenced until 1997, when Carleton began offering a Ph.D. in the subject. (Siegel, Osler, Fouts, & Tate, 2000) The slow acceptance of journalism and media studies as subjects for higher education in Canada hindered the development of academic research into these areas, especially compared to the U.S., where 474 four-year programmes in journalism and mass communication were counted by 2008. (Becker, Vlad, Vogel, Wilcox, & Hanisak, 2008) For most of the 1980s,

the most relevant research into Canadian journalism were eight studies commissioned by the Royal Commission on Newspapers. Its 1981 main report was still being used as a textbook in some media studies courses until the mid-1990s. The paucity of research on journalism in Canada was noted in 1989 by Desbarats, who was then dean of journalism at Western Ontario.

The academic tradition in the United States . . . produces a relatively abundant flow of writing about news media. By contrast, public debate about journalism in Canada suffers from a constant shortage of historical perspective and reliable data. (Desbarats, 1989)

The tenuous place of journalism in the Canadian university curriculum was demonstrated a few years later when the University of Western Ontario senate voted to close its journalism school to cut costs. It was saved when the university's board of governors narrowly overturned the decision, but it was merged with a much larger program in library sciences into a new Faculty of Information and Media Studies. (Lewington, 1993) The chronic under-funding of journalism education in Canada was perhaps best exemplified by the case of the Sing Tao School of Journalism at the University of British Columbia. A journalism school in Canada's westernmost province had been planned since the early 1980s, when the UBC senate approved one in principle. It was planned to open in 1983. (Canada, 1981) Funding cuts brought by the recession of the early 1980s, however, put the school of journalism at UBC in limbo until the mid-1990s, when a corporate donor emerged to fund it. Some faculty protested when the school was named after its benefactor, the Sing Tao corporation of Hong Kong, which published Chinese-language daily newspapers in Vancouver and several other Canadian cities. (Compton, 1998) The controversy turned into an embarrassment a few years later when Sing Tao was convicted of fraud in Hong Kong for inflating its circulation figures

there. Ensuing financial problems forced a sale of its Canadian newspapers and Sing Tao reneged on its commitment to provide operating funds to the journalism school it had founded, so UBC removed the Sing Tao name from its title. (Edge, 2004a)

### **Media in Canada**

Canadian media ownership is among the most highly-concentrated in the world, due in large part to restrictions on foreign ownership that were intended to prevent U.S. domination. By 1980, ownership of Canadian daily newspapers was mostly concentrated in two chains when the simultaneous closure of two long-publishing dailies by those chains prompted a Royal Commission on Newspapers. It found that the Southam and Thomson chains between them published almost 59 percent of national circulation and it recommended measures to increase diversity of ownership. A proposed Canada Newspaper Act was never passed, however, following a change in government from Liberal to Conservative. Concentration of press ownership increased in the 1990s after Conrad Black's international newspaper chain Hollinger Inc. acquired Southam. By 1999, Hollinger published 42 percent of Canada's daily newspapers, with three other chains together accounting for another 45.5 percent. (Canada, 2004)

Canada's media landscape was transformed by multimedia "convergence" in 2000 following the merger of U.S. media giants America Online and Time Warner. Unlike other countries, such as the U.S., which prohibited ownership of a television station and a daily newspaper in the same market, Canada placed no restrictions on cross-media ownership. Such a prohibition had briefly been put in place after being called for by the Royal Commission on Newspapers, but the subsequent Conservative government allowed it to lapse. (Bartley, 1988) By the end of 2000, three major multimedia

transactions saw the country's largest private television broadcasters partner with daily newspapers. Hollinger sold the Southam newspaper chain, Canada's largest, to Canwest Global Communications, which was the country's third television network. Canada's largest private television network, CTV, then partnered with the *Globe and Mail* national newspaper. In the province of Quebec, newspaper publisher Quebecor acquired TVA, the largest French-language television network.

Newspaper ownership by Canwest Global became problematic starting in 2001 as journalists at several Southam dailies protested editorial interference by the company's owning Asper family. Canwest abandoned traditional Southam principles of local editorial independence by ordering its major newspapers to publish "national" editorials written at company headquarters. The editorials were ordered to be run without dissenting opinion, even in letters to the editor. Journalists at two Southam dailies were suspended for removing their bylines in protest of editorial interference, and columnists at several other newspapers quit or were fired. The crisis of confidence in Canadian journalism reached a peak in mid-2002 when Canwest fired the publisher of the *Ottawa Citizen* in the nation's capital after it ran an editorial calling for the resignation of prime minister Jean Chrétien, who was an Asper family friend. A Senate inquiry into Canada's news media commenced in early 2003. (Edge, 2007)

The Asper family aggressively promoted in their newly-acquired newspapers a political agenda that included neoliberal economic policies such as privatization and tax cuts. It also called for dismantling the CBC because it saw the public broadcaster as unfair, taxpayer-subsidized competition for private broadcasters such as Canwest Global. Perhaps its most controversial position was on media coverage of the Middle East

conflict, which it saw as biased against Israel. Company founder Israel “Izzy” Asper, an avowed Zionist, gave a speech criticizing world media and the CBC in particular for what he called “dishonest” reporting that was unfairly sympathetic to the Palestinians. The speech, which was reprinted in numerous Canwest newspapers, blamed the coverage on biased journalists Asper described as “lazy, or sloppy, or stupid.” He called on Canadian Jews to “demand that the journalism schools do a better job of teaching integrity more forcibly.” After Asper’s death in 2003, his son Leonard became CEO of Canwest and reprised his father’s criticism of media coverage of the Middle East. He announced that Canwest had been actively intervening in Canadian journalism education in order to change reporting on issues such as the Middle East conflict. “There is some hope,” he said in 2003, “as we have found in observing the results of various programs to educate journalists.” (Edge, 2007)

### **Public Benefits**

The country’s broadcasting regulator, the Canadian Radio-Television and Telecommunications Commission, proved ineffective at preventing consolidation of electronic media ownership. In the late 1980s, however, it enacted a scheme to at least ensure that a portion of the cost of corporate takeovers of media companies went toward worthwhile media projects. Under a programme called “Public Benefits,” the CRTC required that 10 percent of the value of acquired broadcasters be devoted to Canadian media development before it would approve a transfer of license. The Public Benefits program was subject to abuse almost from the beginning, however. In 1994, cable television giant Rogers Communications took over magazine publisher Maclean Hunter, which had recently acquired the Selkirk Communications, a broadcasting chain with

fourteen radio stations and six television stations. More than half of the required Cdn\$101.9 million Public Benefits package, however, went to upgrading the cable infrastructure of Rogers. That expenditure, some critics pointed out, benefited Rogers most of all and was money it would likely have spent anyway. (Austen, 1994) More significantly for Canadian journalism education and research, however, some of the corporate takeover money began finding its way into schools of journalism. One 2001 study referred to the Public Benefits endowments as “greenmail.”

A number of endowed professorships have resulted. Examples of this so-called “greenmail” are chairs at Ryerson, King’s College, and Regina that were funded by Maclean Hunter in 1988; one at Western [Ontario] established by Rogers Communications in 1995; and chairs endowed in 2000 by the largest private television network, CTV, at Laval and Carleton. (Johansen *et al.*, 2001, p. 476)

Desbarats experienced first-hand the dilemma of corporate endowment after the University of Western Ontario accepted a Cdn\$1-million donation from Rogers to fund a named chair. “When journalists subsequently asked me to comment on the Rogers takeover of Maclean Hunter, all I could do was draw their attention to the donation,” he noted. “They understood right away that I had been, to express it crudely, bought.” (Desbarats, 1998) Murray described the Public Benefits process as “unwieldy, secret, and subject to the whim of the private broadcasters’ largesse. . . . There are no systems to monitor the performance of the public benefits.” (Murray, 2001, p. 48, *fn.* 12)

Its takeover of the CTV network in 2000 cost telecom giant Bell Canada Enterprises Cdn\$2.3 billion and thus required a Public Benefits package of Cdn\$230 million. Of that, Cdn\$2.5 million went to fund an endowed chair in media convergence at Ryerson University, contingent on CRTC approval of the takeover. (Sekeris, 2000) BCE provided another Cdn\$3.5 million to fund a Canadian Media Research Consortium

established at several universities, including Ryerson, UBC, York University, and Université de Laval. The CMRC's stated mandate was to "focus on the development of Canadian data for use in media planning." (Anonymous, 2000) The CMRC was originally planned to be affiliated with the Canadian Journalism Foundation, an industry group that hosted an annual awards banquet. The *National Post* newspaper, however, revealed in 2001 that principals of the CMRC had written to the CRTC in support of the CTV takeover. A letter written by the executive director of The Canadian Journalism Foundation pointed to the "lamentable" lack of media research in Canada in endorsing the takeover.

This benefits package is providing a long-overdue opportunity to conduct ground-breaking research into media issues in a Canadian context. The CJF is convinced that findings disseminated from this collaboration will provide not only invaluable information and material for use by the media elites and decision makers to provide improved news and public affairs programming, but will also foster an unprecedented constructive debate among the general public as to the media's role, now and in the future. (Wilton, 2001)

That letter and one written by Desbarats, in his dual capacities as the CJF's research chair and the Maclean Hunter Chair of Communications Ethics at Ryerson, were reprinted in the *National Post*. "It was partly at my insistence that the Canadian Journalism Foundation included media research in its mandate when it was formed 10 years ago," wrote Desbarats. "The Canadian Media Research Consortium would add significantly to the resources available in Canada for media research." (Desbarats, 2000) A *National Post* column accompanying the letters described the CMRC as "a hitherto unknown group founded for the sole purpose of skimming a graft off the CTV takeover." The research funding, it pointed out, essentially recycled Public Benefits payments back to private corporate interests. "If the major corporations . . . want research into the media,

then surely they can spend their own money up front rather than cash extorted . . . via a regulator.” (Corcoran, 2001) It urged the CJF to “leave the academics to wallow in their own petty corruptions” and drop out of the CMRC.

That leaves the foundation, set up by major corporations to raise ethical standards in the media, in the position of having participated in the extortion of money from BCE in return for providing a fawning defense of its takeover of CTV. Lining up for part of the payoff are some of Canada’s leading journalism academics. All of this should make good fodder for the next foundation educational session to help raise the standards of journalistic ethics and reporting. (Corcoran, 2001)

The CJF announced the next day that it was dropping out of the CMRC “to make sure that everything is on the up and up and to make sure that there is not even a possibility of a perception of conflict of interest.” (Whyte, 2001)

### **Academic intervention**

The question of convergence had been the subject of CRTC hearings the previous month into the licence renewal applications of CTV and Canwest Global. Some consumer advocates suggested the network licences be renewed for shorter than the normal seven-year period in order to monitor the effects of convergence. To protect what diversity remained in Canadian news media, the CRTC demanded that the networks erect an editorial “firewall” of separation between their television and newspaper newsrooms. Such a “code of conduct” had already been agreed to by Quebecor, which promised that its newspaper journalists would not communicate with those at its newly-acquired TVA network. Several academics, however, argued against any mandated separation between news operations, testifying that convergence would be in the public interest. Fred Fletcher of York University, who was then chair of the CMRC, told the CRTC hearings that rather than decreasing the diversity of voices, convergence provided the “potential

for greater journalistic competition” through collaboration. (Anonymous, 2001) Donna Logan, director of the school of journalism at UBC, testified that if the CRTC imposed a code of separation on the networks “the consequences for those companies and for journalism in this country will be dire.” According to Logan, if the CRTC blocked convergence, it would “leave Canadian media companies at a competitive disadvantage in the international race for audiences.” She said it would also prevent Canadian journalists from “using new storytelling techniques” and would prevent “genuine new voices from developing as a result of a convergence.” (Canada, 2001) Allowing convergence, on the other hand, could cure what ailed Canadian journalism, testified Logan.

One of the things that has always disturbed me about journalism in Canada is that there were too many reporters chasing so few stories. . . . Converged journalism offers an opportunity to break out of that mould by freeing up reporters to do stories that are not being done and are vital to democratic discourse. (Canada, 2001)

Desbarats also testified against the mandated separation of news gathering operations. His arguments were published in a *Globe and Mail* column that described as “an exercise in futility” any attempt to impose a separation between print and TV newsrooms. “There is no way, short of placing secret agents in newsrooms, that any system can effectively monitor all forms of communication between journalists working for the same organization.” (Desbarats, 2001) One month after the hearings concluded, Canwest Global Communications announced a Cdn\$500,000 endowment to the School of Journalism at UBC. CEO Leonard Asper added that the company would be making more than thirty similar gifts to post-secondary institutions over the next five years “to assist media studies in Canada.” (Luba, 2001) The donation was part of a Cdn\$84-million

Public Benefits package the CRTC had approved following the acquisition of a chain of television stations by Canwest Global the previous year. The BCE and Canwest Global broadcasting licenses were subsequently extended by the CRTC for the usual seven-year term without the “firewall” of separation the regulator originally sought. The networks agreed only to a separation of the “management structures” of their television and newspaper newsrooms.

### **CMRC activities**

In 2002, the CMRC sponsored the first in a planned annual series of CTVglobemedia Lectures on “The Future of Journalism,” which was held in Toronto. The following year the annual lecture was held in Vancouver on “The Conflict between Journalism and Patriotism: Should journalists take sides?” In 2004, Québec City was the site of “Media, Freedom and Public Interest/Les médias, libertés et intérêt public.” The CMRC subsequently decided to shift resources to conferences, seminars and other public events. (Canadian Media Research Consortium, 2008a) Conferences sponsored by the CMRC began in Montréal in 2002 with “Convergence: Foolish Expectations and Dashed Hopes/La convergence: Des promesses folles aux espoirs déçus.” The next year it held a conference in Toronto on “Educating Journalists in the 21st Century.” In 2004, Québec City was the site of a conference on “Liberties and Public Interest in Broadcasting/Libertés et intérêt public en radiodiffusion.” (Canadian Media Research Consortium, 2008a)

The first major study conducted by the CMRC was *A Report Card on the Canadian Media*, which was released in 2004. More than 3,000 Canadians were surveyed in late 2003 on their news consumption habits and on the credibility they lent the news

they received. CMRC director Donna Logan attributed the “disturbing” findings on news media credibility to almost everyone except media owners. “I think the media has to do a much better job of demonstrating its independence. Canadians . . . feel that reporters are influenced by government officials, by bureaucrats, by powerful groups and people with money.” (Monchuk, 2004) She told the Senate news media hearings the following year that the study showed Canadians were “quite cynical” about the news. “A surprising number of Canadians do not think the news is impartial. Almost 80 per cent of Canadians think that reporter’s bias influences news often or sometimes. The finding of reporter bias is very similar to results in the United States.” (Canada, 2005) The international comparison, on the contrary, was a classic case of “apples and oranges.” The U.S. survey had asked whether “news organizations” were politically biased in their reporting. The CMRC survey question instead attributed any possible bias to individual journalists, asking: “How often do you think reporters let their own political preferences influence the way they report the news?” (Canadian Media Research Consortium, 2004, p. 17) CMRC chair Fred Fletcher noted that “identical or functionally equivalent questions would have been preferable for some purposes but when you are working with two surveys you must take what you can get.” (F. Fletcher, personal communication, December 26, 2006)

Another question in the *Report Card on the Canadian Media* focused on the behavior of news organizations and asked: “In general, do you think news organizations are mostly independent, or are they often influenced by powerful people and organizations?” Answers to that question found that 76 percent of Canadians felt their news media were not independent, compared to 70 percent of Americans. (Canadian

Media Research Consortium, 2004, p. 26) A follow-up question asked: “Apart from journalists and editors, what outside groups, if any, do you think influence the news?”

The most powerful outside influences on the news named by respondents were political (42 per cent) and economic (27 per cent). (Canadian Media Research Consortium, 2004, p. 27) The results of this questions were also presented to the Senate news media hearings when they visited Vancouver in early 2005. “It is noteworthy that here only 12 per cent mentioned media ownership,” noted Mary Lynn Young, an assistant professor in the UBC School of Journalism. (Canada, 2005) The way the question was framed, however, inquiring as it did about “outside groups,” may have influenced the low percentage naming media ownership, which might more reasonably be considered an “inside” influence. A question about consolidation and media ownership, Young added, found that like most Americans, a majority of Canadians tended to discount the credibility they lent to concentrated media sources.

Some commentators have said that they believe that Canadians are not concerned about who owns their media. Our results show clearly that this is not the case. Fifty-six per cent of Canadians see consolidation of media ownership as having a negative impact on their trust in the media. (Canada, 2005)

The Senate news media hearings produced a report in 2006 that, like a Senate report in 1970 and the report of the Royal Commission on Newspapers in 1981, proposed measures to slow the increasing concentration of media ownership in Canada. Its recommendations were dismissed out of hand, however, by the Conservative government that had been elected earlier that year. The new minister responsible for broadcasting, who was a former executive of CTV, Canwest and Rogers, issued a policy response to the Senate report that deemed convergence “an essential business strategy for media

organizations to stay competitive in a highly competitive and diverse marketplace.” (Canada, 2006, p. 13) In the wake of the failure of government to address the problem of concentrated media ownership, the *Report Card on the Canadian Media* was criticized as a survey that “would be valuable most of all to media outlets, their owners, and marketers.” (Edge, 2007, p. 257) The CMRC was seen as a corporate creation designed to advocate for private interests over those of the public.

The study . . . fulfilled the CMRC’s stated mandate to “focus on the development of Canadian data for use in media planning.” It did not, however, ease the shortage of ‘historical perspective and reliable data’ from which Desbarats noted debate about media in Canada had long suffered. (Edge, 2007, p. 257)

### **Subsequent studies**

Following its 2004 Report Card, the CMRC conducted several studies of Internet usage among Canadians. *Canada Online!* was a comparative analysis of Internet users and non-users in Canada and other countries that was based on telephone interviews of 3,014 adults (aged 18+) conducted in 2004. The research was replicated three years later for *Canada Online Revisited*, which was based on telephone interviews of 3,037 youth (aged 12-17) and adults. (Canadian Media Research Consortium, 2008a) Another Internet study published a year later was based on an online survey of 1,000 respondents. It found that the average “online Canadian” adult spent 2.3 hours per day consuming news and information and got 24 percent of it from television. Another 22 percent came from each of the Internet and newspapers. The Internet was found to be the most important source for younger Canadians (aged 18-29), accounting for 32 percent of their total time spent consuming news and information. (Canadian Media Research Consortium, 2008b)

In 2006, the CMRC commissioned a researcher to undertake a literature review in an attempt to “place CMRC reports in the context of published Canadian and international media research.” It found that Canadian scholarly references comprised only 2-3 percent of peer-reviewed published sources in three key areas of media research. The researcher also interviewed 34 people for their perceptions of gaps in Canadian media research. Interviewees fell into four categories: media executives and consultants (14), public opinion researchers (8), government appointees (5), and academics (7). They identified five areas of research need: 1) changing media usage in a digital era; 2) media ownership and consolidation; 3) new media forms; 4) media and diversity; and 5) media policy. (Savage, 2008)

### **The Credibility Gap**

Four years after issuing its *Report Card on Canadian News Media*, the CMRC conducted a replication of the research that found “significant, largely negative” changes in the relationship between Canadians and their news media. *The Credibility Gap* was based on telephone interviews with 2,011 adults (aged 19+) conducted in February 2008. (Canadian Media Research Consortium, 2008a) It found two main problems for media outlets – declining interest and increasing cynicism among audience members, whom it described as “very sophisticated and fussy.” On the other hand, it found among young Canadians an “increasing engagement and novel news habits,” which it concluded “offers perhaps the greatest hope for conventional media in the future of news.” (Canadian Media Research Consortium, 2008c, p. 2) On the subject of political bias, the 2004 question was rephrased from inquiring about reporter bias to ask: “Would you say that news organizations are politically biased in their reporting?” A majority (53 percent)

answered in the affirmative, compared with 60 percent of Americans who were asked the same question three years earlier. (Canadian Media Research Consortium, 2008c, p. 9)

Another new question asked respondents if they agreed that journalists were able to report the news “freely, without interference from owners,” to which only 37 percent answered in the affirmative. (Canadian Media Research Consortium, 2008c, p. 10) That compared to 45 percent of Britons, 38 percent of Americans, and 33 percent of Germans asked the same question in 2006. (Canadian Media Research Consortium, 2008c, p. 12)

The CMRC’s two 2008 Internet studies were combined into a report titled *The State of the Media in Canada: A Work in Progress* that was released at an invitation-only “Future of News Summit” held in Toronto in May 2009. Also included in the report was research into the quality of journalism in Quebec and economic data gathered by a media consultant. Missing, however, was any mention of the *Credibility Gap* research. By the time the “summit” of media executives, bureaucrats, and academics was held, the picture had changed considerably both for Canadian media and for the CMRC. The stock market crash the previous year had dropped advertising revenues sharply and Canwest Global Communications, which was highly-leveraged with debt, neared bankruptcy after missing several interest payments.<sup>1</sup> Both it and CTV threatened to close several of their television stations in smaller markets if the CRTC did not provide regulatory relief. Layoffs at newspapers and broadcasters across Canada led many to question the advertising-based business model for media that had predominated for a century. (Canadian Media Research Consortium, 2009)

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<sup>1</sup> Canwest Global subsequently filed for court-ordered protection from its creditors as part of a corporate restructuring.

The outlook was uncertain for the CMRC because its seven-year Public Benefits grant had lapsed a year earlier. The CMRC sought a continuation of its funding in 2006 following CTVglobemedia's Cdn\$1.4-billion purchase of thirty-three radio stations, twelve television stations, and twenty-one cable television channels from CHUM Ltd. Instead of going through the acquiring corporation to seek inclusion in its Public Benefits proposal, however, the CMRC approached the CRTC directly. The CMRC asked the CRTC to earmark a minimum level of funding for its research from future Public Benefits payments "so that researchers would not have to seek corporate support on a case-by-case basis, as is now standard procedure." (Sauvageau, *et al.*, 2006)

Under the current policy, funding for research depends on the goodwill of corporations [and] creates doubts in the minds of some about the independence of researchers whose funding is associated with a particular transaction. . . . Some could see our involvement in the matter as support for the transaction and a favourable stance on media concentration. (Sauvageau, *et al.*, 2006)

The CRTC declined the CMRC's request. "Such proposals are already eligible for benefits contribution," it noted. "The Commission is satisfied that its approach to eligible initiatives . . . remains appropriate." (Canada, 2007, pp. 116-117) The CRTC did, however, decide the following year to continue the Public Benefits programme, despite the submissions of several large broadcasting companies that described it as a "tax" and questioned its fairness and relevance. The regulator said it decided to continue the program in the public interest. "The benefits policy makes it possible for the market to govern changes in effective control of broadcasting licences while simultaneously ensuring that the public interest is still served." (Canada, 2008, p. 123)

## **Discussion**

Paul Lazarsfeld is widely considered the father of empirical social scientific research in communication. (Chafee & Rogers, 1997) He drew a useful distinction in 1941 after fruitlessly attempting a wartime collaboration with members of the exiled Frankfurt School. Theodor Adorno of the Frankfurt School had criticized the quantitative research practiced by Lazarsfeld and his colleagues at Columbia University as “administrative” marketing research. Lazarsfeld responded by labeling the research done by members of the Frankfurt School as “critical” because it studied “the general role of our media of communication in the present social system.” (Lazarsfeld, 1941, p. 9) This distinction has been used ever since by critical scholars to explain the seemingly irreconcilable differences between their research and methods and those of the dominant empirical school. Never has the distinction been made more clear than in the seminal 1983 “Ferment in the Field” issue of the *Journal of Communication*. In it, two teams of critical Canadian researchers drew the lines between the established empirical school and the emerging critical paradigm. Administrative researchers who used mostly survey research methods usually failed to consider “crucial issues of institutional structure and power relations,” noted Melody and Mansell, yet many critical theorists were equally at fault (1983, p. 110).

For most administrative research, the existing power structure can do no wrong; for most critical research, it can do no right. The disappointing aspect for communication research is the tendency for both sides to spend insufficient effort examining the specific structural relations of the relevant institutions involved in a particular research problem. (Melody & Mansell, 1983, p. 110).

Institutions, Melody and Mansell noted, were “not about to knowingly finance research into matters that could undermine their power.” (p. 111) They urged policy researchers to first “examine the structure of power relations, if for no other reason than

to know what vested interests are subtly nurturing research in what directions to achieve what ends.” (p. 112) In the special issue’s following article, Smythe and Van Dinh (1983, p. 123) saw the cutting edge of critical theory in the “sharp critical analysis of communications phenomena in their *systemic* content.”<sup>2</sup> They also usefully added another dimension to Lazarsfeld’s administrative-critical dichotomy.

We suggest that a third factor is also involved – the ideological orientation of the researcher. All of us have our predispositions, either to criticize and try to change the existing political-economic order, or to defend and strengthen it. The frequent pretense of scientific ‘neutrality’ on this score is a delusion. (Smythe & Van Dinh, 1983, p. 117)

The ideological orientation of the Canadian Media Research Consortium can be inferred from the writings and public statements of one of its founders, Donna Logan, who was also the founding director of the School of Journalism at the University of British Columbia where it is headquartered. Logan made no secret of her ideological opposition to critics of media ownership concentration. “What gets me upset is when people automatically say concentration of ownership is bad and divestiture is good,” she told the *Vancouver Sun* in a 2000 interview as the CMRC was taking shape. (Sieberg, 2000) Logan regularly downplayed the high level of media ownership concentration in Vancouver, where Canwest Global Communications owned both English-language daily newspapers, one of the two national newspapers, the dominant television station, and almost all of the non-daily newspapers. “If the dangers of media ownership concentration were as dire as some critics would have us believe, the people of Vancouver would be rioting in the streets,” Logan wrote after Canwest acquired most of the area’s newspapers as part of its purchase of Southam in 2000. (Logan, 2000) The following year, she dismissed concentration concerns in a letter to the Canadian Radio-

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<sup>2</sup> Emphasis in original.

television and Telecommunications Commission supporting the license renewal of CTV following its merger with the *Globe and Mail*.

I am particularly concerned by questions that have been raised by the Commission with respect to a potential reduction in diversity of editorial voices arising from media cross-ownership. The claim that media mergers result in fewer voices is largely a myth perpetrated by the critics of joint ownership. (Logan, 2001)

In 2002, Logan went on a Vancouver radio call-in programme to allay fears of increased media concentration after Canwest fired the publisher of the *Ottawa Citizen*. “I think the situation in Vancouver is one of the things that gets overblown,” she said after a caller mentioned the high level of local media ownership concentration. “We actually are in a very competitive situation here.” (Edge, 2007, p. 168) When the host pointed out that Logan’s journalism school had recently received a \$500,000 endowment from Canwest, she refused to admit any connection with her opposition to critics of concentration. “It’s not going to influence us,” she said. (Edge, 2007, p. 169)

## **Conclusions**

Regulatory “capture,” according to Horwitz (1989, p. 29), occurs when a regulatory agency “*systematically* favors the private interests of regulated parties and *systematically* ignores the public interest.”<sup>3</sup> The public interest thus becomes “perverted” as a regulator matures through several phases. “As the agency hits old age, it becomes a bureaucratic morass which, because of precedent, serves to protect its industry.” (Horwitz, 1989, p. 30) According to Fraser, a professor of communication at Ryerson who also wrote a media column for the *National Post*, the CRTC was a classic example of regulatory capture.

It would take formidable powers of self-delusion to deny that the CRTC’s evolution has followed the capture theory with alarming fidelity. Created

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<sup>3</sup> Emphasis in the original.

in 1968, the commission was already slipping into complicity with industry interests by the late 1970s. A decade later, it was totally captured. (Fraser, 2000)

The Public Benefits program is one obvious example of regulatory capture of the CRTC by Canadian broadcasters. The Canadian Media Research Consortium was a product of this systemic capture and was driven by the ideology of at least one of its founders to downplay corporate influence as an apparent *quid pro quo* for its funding. The “blame the journalists” mantra espoused by Donna Logan in exculpating ownership from exercising undue influence over Canadian media content was similar to that promulgated by a pair of Canadian political scientists in a 2003 book. *Hidden Agendas: How Journalists Influence the News* tortured logic to purport that it was a left-wing bias of journalists, not any influence exercised by ownership, that resulted in the news being slanted.

Owners do not provide the labour for the product, therefore the product does not necessarily reflect the owners’ values. Instead, because journalism is in essence a human endeavour, it must reflect the values and political orientations of those who do it.” (Miljan & Cooper, 2003, p. 175)

The authors, however, were ideologues engaged in the same project as Logan – to shift the blame for falling media credibility onto individual journalists and away from owners who were threatened at the time with regulation. One was the former director of the National Media Archive, a division of the Vancouver-based “think tank” the Fraser Institute and the other was an outspoken critic of the CBC. The survey research they relied on was based on loaded questions, and the literature they surveyed was selective. The lone authority they referred to on the effects of totalitarian propaganda in the 1930s was not Lasswell but Hitler, whose *Mein Kampf* was cited not as an example, but as an authority. (Edge, 2004b) Both *Hidden Agendas* and the CMRC’s *Report Card on*

*Canadian News Media* may have been part of an organized effort, influenced and funded by Canadian media ownership, to avoid regulation. In the end, that effort was successful.

In its 2008 study *The Credibility Gap*, the CMRC reported what it presented as a change in public perceptions of media in Canada since its 2004 report. The findings of the original *Report Card on Canadian News Media*, it admitted, had been counter-intuitive. “The relationship between Canadians and their news media wasn’t as bad as we thought. Canadians . . . were slightly more positive in general than Americans around key measures of media credibility.” (Canadian Media Research Consortium, 2008c, p. 10)

Given the turbulent state of Canadian media at the time, it indeed defied reason that only 12 percent of survey respondents would list ownership as a worrisome influence on news organizations. But rather than detecting a change from its 2003 survey data, *The Credibility Gap* likely only just began to measure the level of distrust many Canadians harbored for their news media. Perhaps in response to criticism of its flawed 2004 study, which reflected more on the credibility of the CMRC than on that of the journalists it impugned, its survey questions were more comparable to those asked in other countries and as a result tended to be less exculpatory of media ownership.

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