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Thomson

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The Thomson family of Canada controls a web of media businesses, which has grown and evolved from extremely modest origins in the 1930s to become one of the world's largest news and information empires. Now in a third generation of family ownership, their media holdings include the global Reuters news agency, The Globe and Mail national newspaper, many U.S. publishing companies, and several online databases. The corporate form of the family's holdings has also changed over the years from Thomson Newspapers and the Thomson Organization to the International Thomson Organization to the Thomson Corporation and now to Thomson Reuters. The family's privately held Woodbridge Company owns 62% of the shares of publicly traded Thomson Reuters, one third of the Canadian Press news agency, and 100% of The Globe and Mail. The hereditary peerage Baron Thomson of Fleet of Northbridge in the City of Edinburgh, which is often referred to as Lord Thomson of Fleet, was bestowed upon company founder Roy Thomson in 1964. It passed on his death in 1976 to his son Kenneth and in 2005 to his grandson David.

Company Origins

Roy Thomson was a serial entrepreneur who went broke selling auto parts in the 1920s but late in life founded an international media empire from the humblest of beginnings as a traveling radio salesman in the 1930s. His territory was in remote northern Ontario, far from his home in Toronto, but the business college graduate showed a knack for making money from media. To sell more radios, he founded North Bay station CFCH in 1931, which shared a building with the local newspaper. When Thomson learned how profitable newspapers were, even during the Great Depression, he decided to expand into that business. He bought the Timmins Daily Press in 1934 for \$6,000, paying \$200 down and the rest as installments of \$200 a month. Thomson hired Jack Kent Cooke to sell advertising in 1936. The charismatic Cooke later took over management of Thomson's growing network of radio stations before branching out into professional sports, owning the NFL Washington Redskins, NBA Los Angeles Lakers, and NHL Los Angeles Kings. Thomson focused on newspaper acquisitions and eventually built one of the largest chains in Canada and the world.

Thomson Newspapers became notorious for penny pinching, paying low salaries, doling out pencils individually, and requiring reporters to use scrap paper instead of issuing them notebooks. Its titles as a result were not known for quality. Thomson once quipped that news was what separated the ads. He owned 19 newspapers in Canada by 1953, when he bought The Scotsman in Edinburgh. He moved to Edinburgh and bid successfully for a commercial television license there in 1957. He famously described Scottish Television on its opening as "like having a licence to print your own money" (Crisell, 2002, p. 108). He formed the Thomson Organization in 1959 to buy the Kemsley group, which was the largest newspaper chain in Britain. It included The Sunday Times, firmly establishing Thomson as a leading Fleet Street mogul at age 65. He bought The Times in 1966 from the Astor family and merged it with The Sunday Times as Times Newspapers.

Thomson was a new type of newspaper owner in Britain because he focused on profit, not on politics. He once famously said: "I buy newspapers to make money, to buy more newspapers to make more money. As for editorial content, that's the stuff you separate the ads with" (Anonymous, 1965). He branched out into the travel business in 1965, founding Thomson Travel and adding UK charter airline Britannia Airways in 1971. His most lucrative investment, however, was made in the early 1970s when he joined a consortium that struck oil in the North Sea. Those profits, which soon comprised most of the Thomson Organization's income, were mostly used to buy highly profitable small-town newspapers in the United States, where by the late 1970s Thomson had built one of the country's largest chains. The newspapers were inevitably squeezed for even more profits by cost controls, staff cuts, and steep advertising rate increases. Thomson Newspapers broke a long-standing taboo in American journalism by running front-page ads, perhaps as a result of its top executives being from Britain, where the practice was common. By the time Roy Thomson died of a stroke in 1976, the company he founded owned more than 200 newspapers in Canada, the United States, and the United Kingdom. The architecturally unique Roy Thomson Hall in Toronto, which opened in 1982, is named in his memory.

The Second Generation

Thomson's son Kenneth was Canada's first billionaire as a result of the fortune he inherited, but he was as

private as his father was outspoken. He seemed to share only his father's frugality, reportedly waiting until a parking meter expired before feeding it, sorting through bargain bins for his socks, and even shopping for his own groceries to compare prices. He preferred to spend his riches on his extensive art collection. One of three children, he worked his way up in the family business, apprenticing as a reporter at the company's original Timmins Daily Press in 1947 and then selling ads for the Galt Daily Reporter before serving as its general manager from 1950 to 1953. He then took over as head of Thomson Newspapers when his father moved to the United Kingdom.

He reorganized the family's holdings soon after his dad died, and by the millennium had transformed the business from news and advertising to subscription information services. He sold Scottish Television in 1977 and the following year converted the Thomson Organization into the publicly traded International Thomson Organization Limited (ITOL) based in Toronto. He outbid George Weston Limited in 1979 for the Hudson's Bay Company, acquiring 75% of the historic Canadian department store chain for \$400 million. A labor dispute at Times Newspapers prompted Thomson to lock out workers and cease publishing *The Times* and *The Sunday Times* for almost a year starting in late 1978, after which the newspapers were sold to Rupert Murdoch's News International in 1981.

Thomson Newspapers became Canada's second-largest chain in 1980 when it acquired FP Publications, which owned major dailies across the country, including *The Globe and Mail*, which it soon expanded into a national daily via satellite transmission. It prompted a Royal Commission on Newspapers later that year when it closed the *Ottawa Journal* and laid off 375 workers on the same day that rival chain Southam Inc. closed its *Winnipeg Tribune*. Thomson simultaneously sold the *Vancouver Sun* to Southam, which already owned the *Vancouver Province*, creating a third new local monopoly. The chains were charged with conspiracy to reduce competition but were acquitted in 1983 after a judge ruled the transactions were instead good business sense.

The 1981 Royal Commission on Newspapers report was harshly critical of Thomson's focus on the bottom line at the expense of journalism, noting that its spending on news and editorial content was 24% below the industry average. The report recommended that the chain be broken up by selling either *The Globe and Mail* or its other Canadian newspapers. Pointedly, it did not recommend breaking up the larger Southam, which it found published higher quality journalism. It recommended legislation to limit chain ownership, but none was enacted after the Liberal government of Prime Minister Pierre Trudeau fell. Perhaps as a result of the criticism Thomson received, the company never acquired another newspaper in Canada and instead bought U.S. titles and made non-newspaper acquisitions, increasingly adding specialized book, magazine, and business publishers.

ITOL bought textbook publisher Wadsworth in 1978 and renamed it Thomson Learning in 2000. The 1980s saw the company expand into a range of publishing areas. It acquired the publishing operations of U.S. defense contractor Litton Industries in 1981, and then bought a string of publishers including Warren, Gorham & Lamont (business); Delmar (educational); Callaghan & Company (legal); Clark Boardman (legal); Ward's (automotive); Gale (educational); Sweet & Maxwell (legal); Routledge (academic); Lawyers Cooperative Publishing; American Banker and Bond Buyer; MicroMedex Healthcare Series; Macmillan Professional and Business Reference; Medstat; the Institute for Scientific Information (Web of Science); Peterson's (educational); and Jane's. ITOL merged with Thomson Newspapers in 1989 to form the U.S.-based Thomson Corporation with headquarters in Stamford, Connecticut. It gradually divested its holdings in travel, oil, department stores, and even newspapers in favor of specialized online information services. It paid \$3.4 billion in 1995 for Minnesota-based West Publishing, which owned 10,000 legal databases including the widely used Westlaw. By buying dozens more database companies, the Thomson Corporation expanded into one of the world's largest financial, taxation, scientific, and medical information providers. While other publishers posted their content on the open World Wide Web for all to access for free, it focused on buying specialized subscription databases, transforming itself into what its CEO described in 2005 as a Google for high-end professional users.

The corporate transformation may have been prompted less by foresight than by falling profits. From margins in excess of 30% in the 1980s, a recession in the early 1990s dropped the company's newspaper profits into the teens. They stayed there as a result of a drop in national advertising and structural changes in retailing, which moved from department stores to big-box stores such as Walmart that advertised less. By early in the

millennium, the Thomson family had sold off its entire newspaper empire, which at its height included 233 titles in North America and 151 in the United Kingdom, except for their hometown *The Globe and Mail*. As a result, it avoided a financial catastrophe when the newspaper industry collapsed during the 2008–2009 recession as most classified advertising migrated to websites.

The *Globe and Mail* faced new competition in 1998 when Conrad Black founded the *National Post* after taking over the Southam chain, prompting a newspaper war between Toronto's four dailies. The Thomsons partnered *The Globe and Mail* with the CTV network in 2000 to form CTVglobemedia as part of the ill-fated "convergence" experiment in cross-media ownership. It lasted a decade, after which the Thomsons dissolved the joint venture as unworkable. By the time Kenneth Thomson died of a heart attack at his office in 2006, he was the world's ninth-richest person and had turned a family business worth \$500 million into one worth an estimated \$29.3 billion.

The Third Generation

The ever-growing Thomson family became increasingly secretive in its third generation. Its crowning media acquisition came in 2008, when it bought a controlling interest in the historic Reuters news agency, which was one of the world's oldest and largest with more than 200 bureaus in almost 100 countries. It had been founded in 1851 by Paul Julius Reuter, who got his start by sending stock quotes from Aachen, Germany, to Brussels by carrier pigeon. He soon moved his financial information business to London and expanded worldwide via undersea cable in the late 19th century. Reuter built a reputation for scoops, including the first European report of U.S. President Abraham Lincoln's 1865 assassination. He thus soon added news to his subscriber services. His company Reuters was acquired in the 1920s by the domestic UK news agency Press Association but was restructured in 1941 as the private Reuters Trust to resist government pressure to transmit wartime propaganda. It later expanded into radio and television news, then in 1973 began to provide foreign-exchange rates to clients via computer. Reuters began facilitating electronic transactions in 1981 and later added electronic brokerage and trading services. It was floated as the public company Reuters Group plc in 1984 and its share price rose during the late-1990s dot-com boom but fell during recessions in 2001 and 2008.

The Thomsons acquired Reuters for \$17 billion in 2008, merged it with the Thomson Corporation to form publicly traded Thomson Reuters, and moved its headquarters to Toronto. The new company had combined revenues estimated at more than \$13 billion, making it one of the world's largest media conglomerates. The purchase was controversial because under the Reuters Principles, no entity was allowed to own more than 15% of its shares, but this was waived due to the news agency's precarious financial situation. According to the chairman of the Reuters Founders Share Company, he received assurances that the Thomsons would vote with the trustees on anything that might infringe on Reuters Trust principles. The exemption for majority ownership by Woodbridge would only be allowed, he added, as long as it was controlled by the Thomsons. Their takeover reportedly worried Reuters journalists, who feared they might be marginalized by the company's financial data business and that their reputation for unbiased journalism could be threatened by the influence of a majority shareholder. The purchase was reviewed by antitrust regulators in the United States and the European Union, which required the divestment of some competing divisions. Thomson Reuters, which sold a controlling interest in its Financial and Risk unit in 2018 for \$17 billion, made \$1.49 billion in profit in 2019 on \$5.9 billion in revenues, for a 25.3% profit margin. In 2010, Woodbridge took over the faltering Canadian Press news agency in a joint venture with the Torstar Corporation, publisher of the *Toronto Star*, and Power Corporation, publisher of the Montreal newspaper *La Presse*. Established in 1917 as a co-operative owned by member newspapers across the country, the Canadian Press restructured as a for-profit company to focus less on news and more on subscription information services.

The private lives of the third-generation Thomsons are closely guarded by lawyers with nondisclosure agreements, lawsuits, and prenups. Their affairs sometimes leak out into the tabloid press but are rarely reported in Canada's mainstream media. David is the current Woodbridge chairman and 3rd Baron Thomson of Fleet. Like his father, David owns an extensive art collection and started as a reporter at the *Timmins Daily Press*, later managing a Bay department store. He was listed in 2019 as the wealthiest person in Canada with a net worth estimated at \$37.8 billion. His sister Taylor (née Lynne) is a former actor and aspiring filmmaker. Peter, who is deputy chairman of Woodbridge, was a photographer for the *Brampton Times* and *The Globe*

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and Mail but made his name as a race car driver, winning the 2005 Canadian Rally Championship.

Articles about the third-generation Thomsons that are available in print are said to be missing from newspaper databases. The Globe and Mail reportedly refuses to sell photographs of the family, referring inquiries to Woodbridge. Otherwise the family is reported to have a hands-off approach to the media they own, allowing professional managers to run them.

See also [British Newspapers](#); [Business Magazines](#); [Convergence](#); [Media Conglomerates](#); [Media Ownership](#); [Newspaper Chains](#); [Ownership of](#); [North America](#); [Reuters](#)

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- newspapers

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