It is worrisome that CanWest appears to be centralizing control of its news media. This could ultimately affect the range of content that is provided. A new Canadian News Desk is being established at the company's head office in Winnipeg to supply national news to the company's newspapers. This has led to fears that local news staffs and budgets will be cut. The most recent development is that the company is retiring the title of "publisher". Newspapers in future will be run by "general managers", who will likely have less autonomy than their predecessors and less control over what the subscribers in their communities get to read.

The question we are answering also drew a distinction between commercial and ideological matters. A responsible owner should never use his news media to push his own commercial interests. That would be a betrayal of the responsibility to the community to be a disinterested source of fact and opinion. One complication today is that since converged media companies require licenses from government to operate their broadcasting businesses, they may believe that staying on the good side of government is necessary. If so, commercial interests have the potential to affect coverage of politics and government.

It is often said that the news media are a public trust in private hands. This has become a cliché, but like most clichés, it contains some truth. How should the public expect media companies to exercise this great public responsibility? When the Senate of Canada gets around to holding its planned hearings on the state of the Canada media, following are some principles for good media ownership that Senators might wish to consider and put to media proprietors.

First, the primary dedication of good media companies must be to the pursuit of truth on behalf of their readers and viewers. When the pursuit of truth conflicts with business imperatives, truth must prevail.

Second, the primary allegiance of good media companies must be to the citizens of their communities; not to shareholders, advertisers or employees. Keeping the citizens of a democracy informed with facts and opinions is a solemn responsibility that must not take second place to any other claim.

Third, good media companies must fiercely protect the independence of their editors and other journalists. By independence, I mean freedom from pressure of any sort, from government, advertisers and corporate interests. Truth can only be pursued successfully in a climate free from pressure.

Fourth, good media companies must ensure that their media have sufficient resources to cover and reflect their communities. Good journalism requires time for reflection and investigation and, while it can be done efficiently, it cannot be done on the cheap.

Finally, executives of good media companies and their journalists must live the values of truth, independence and commitment to their communities in their own business and personal lives. The news media can only hold elected officials and others with power to high standards if their own proprietors, managers and staffs meet the same standard of integrity.

Have the Journalists Lost Control?

BY LAWRENCE SURTEES

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ABSTRACT

Proponents of multimedia convergence are now fond of declaring that content is king. But is it really? Sound business sense suggests that major media carriers would perform better if left free of the constraints of cross-ownership. That might be what's happening.

Convergence & the News Room: Some Myths and Realities

Billy Holiday sang the lyrics, "Thems that gots shall gets… But it still is news… And God bless the child who's got his own."

That song should be renamed because it seems to be about media convergence! I'd like to make several points, both as a communications industry researcher and former journalist who spent 17 years at *The Globe & Mail* – or, as we now call it, *The Bell News – national edition*. I want to briefly address a few myths about convergence and point out some interesting historical vignettes before offering my perspective on the realities of the converged newsroom.

My first key message is that these so-called convergence deals are really a new form of cross-ownership. Media cross ownership has been confused with convergence by their 'New Media' owners. Since media convergence is a misnomer, de-convergence should come as little surprise.

Second – history teaches us why there are many reasons to be skeptical of New Media cross-ownership deals.

And third, cross-ownership does affect newsrooms and has led to negative impact on news coverage, diversity of opinions – and led to killed stories or distorted coverage. But it always has, so, again, what's new? The question we should ask as a democratic society is, "What model of ownership best promotes a plurality of contending views and opinions?"

Let me first address the question. Why the confusion about the term *convergence*?

How many know that the notion of convergence is actually Canadian-coined? It was explored in this groundbreaking report, titled *Instant World*, published by the

federal Department of Communications (now Industry Canada) in 1971[1]. Yet convergence meant something entirely different 30 years ago – it meant the technical prospect of simultaneously transmitting voice and video down a single network. And for communications firms, it meant the prospect of telephone companies and cable companies going tête-a-tête in each other's monopolies. It is *still* a dream – and one that is over a century old!

Convergence was actually envisaged soon after the invention of the telephone by Alexander Graham Bell, as a cartoon from the British magazine *PUNCH* in December 1879 demonstrated. It shows a couple sitting in their living room, not only talking to their daughter half-way around the world in Australia on a phone, but watching a broadcast image of her on their living room wall[2]!

A century later, the Internet spawned the notion that content was King, propelling deals like the AOL & Time Warner merger and its emulation by other communication titans such as BCE Inc. All of which has subverted the notion of convergence.

A vignette of early Canadiana worthy of a *Canada Post Heritage Minute* reveals an irony behind BCE's acquisition of *The Globe and Mail* – and provides historical cause for skepticism. Shortly after Alexander Graham Bell developed a working telephone in late 1875, the young inventor offered the world rights to his invention to Toronto publisher and *Globe* founder George Brown. Bell's offer would have given Brown the rights in every country outside the United States to the most lucrative patent in the history of invention, as well as given *The Globe* a chance to be the founding owner of Bell Canada[3].

But for reasons that Mr. Brown did not fully explain – to either Bell or in a letter to his wife written two days after Valentine's Day in 1876 – the publisher declined the offer, putting multimedia convergence on hold in Canada for the next 125 years[4].

There were many other reasons to be skeptical of BCE's convergence foray and its much-proclaimed promise of rich synergies – not the least of which is BCE's sorry track record of many failed acquisitions. After all, investors were also promised benefits and new found riches would flow from BCE's diversification bids into energy, real estate and financial services in the 1980s.

Looking back into history to the Brown vignette, skeptics may also be excused for asking whether BCE had it all wrong when it bought CTV and The Globe, since the math didn't add up: the numbers reveal that the telecom business is still much larger than media.

Yet BCE gambled that multimedia convergence would replace the future earnings of Nortel Networks Corp., which it divested earlier that year. Elsewhere, though, BCE astutely remarked that size does matter. Although all three companies – Bell, CTV and *The Globe* – enjoy strong national brands and are at the top of the game in their respective fields, they also share a common woe: They are each a dominant player besieged by newcomers. Which begged the question: Why did BCE want to incur more grief by taking on another intensely competitive business – much less one he did not yet fully understand?

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The statement that BCE planned to leverage its new holdings by forging closer ties between the CTV and Globe newsrooms revealed just how much BCE had to learn about the media world – and the distinct solitudes of print and broadcast journalism, not to mention the painful lesson that simply buying two old media companies does not instantly make a New Media company.

Rather than finding illusive synergies, BCE, I wrote three years ago, was more likely to come up against a host of operational problems exacerbated by integration woes[5]. Other proponents of multimedia convergence, including America OnLine, Edgar Bronfman Jr., Rupert Murdoch and Ted Turner, faced similar woes.

What of the converged newsroom? BCE's proclamation that it would steadfastly maintain the independence of each of its media units and avoid interfering in their newsrooms was at variance with the new owner's quest to exploit the synergies from the combination of those units. The need for newsroom independence also conflicted with BCE's plan to make CTV the cornerstone of its new media holdings. The thorny issue of journalistic freedom, a long-standing risk of media cross-ownership and a contentious public policy issue, already reared its head following Jean Monty's statement that he would "repurpose" some reporting jobs in the organizations. Fusing print, broadcast and interactive content may appear simple to accountants, yet BCE had to learn that those products are created by distinctive media organizations with divergent cultures and audiences. Despite the corporate desire to do *more* with *fewer* converged reporters, integrating print and broadcast is like trying to cram a square peg into a round hole.

Diversity of opinion has also been impacted. Three days after the BCE-Globe deal broke, a *Report on Business* feature on the purchase was spiked by the publisher after intervention by BCE corporate counsel. One month later, I know of a guest column that was critical of the deal, which was also spiked by the ROB editor.

So I know first-hand that cross-ownership impacts newsrooms and the diversity of opinions that are published or broadcast, proving correct the view of correspondent A. J. Liebling, who wrote, "Freedom of the press is guaranteed to those who own one."

I can also tell you that the most detrimental impact of ownership concentration often comes from within the newsroom, from decisions on story coverage and play made either by over-eager, or frightened, managers. Either way, distorted news coverage results.

I have seen the enemy and he is us.

It is worth recalling the words of that great jurist and defender of freedom of the press, former U.S. Supreme Court Justice Hugo Black, who wrote in the 1945 case of *Associated Press v.United States*, "the widest possible dissemination of information from diverse and antagonistic sources is essential to the welfare of the public… Freedom of the press from government interference under the First Amendment does not sanction repression of that freedom by private interests[6]." Ironically, Justice Black made those comments in an anti-trust ruling!

Yet proponents of multimedia convergence are now fond of declaring that content is King. The record suggests, however, that the Emperor has no clothes. Instead, I would suggest that pipes rule. Experience and business common sense suggests that carriers like Bell Canada, Rogers or CanWest would be in a position to deliver more content at more competitive prices if left free of the constraints of cross-ownership.

So I, for one, am not surprised by recent headlines that suggest BCE's current CEO Michael Sabia is poised to undo BCE's convergence strategy[7]. It is ironic, however, that as BCE rethinks convergence, U.S. Federal Communications Commission chairman Michael Powell is set to launch a debate on whether to relax rules on media ownership and telecom network access, as the *New York Times* reported earlier this month[8].

In conclusion, I believe that despite regulatory changes of the past decade, the logic of previous restrictions that kept carriage distinct from content still makes sound business sense. As George Gilder wrote in *Telecosm*, "The dumber the network the more intelligence it can carry[9]."

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[1] Canada. Department of Communications. *Instant World: A Report on Telecommunications in Canada.* Ottawa: Information Canada, 1971. See also: Lawrence Surtees, *Wire Wars: The Canadian Fight for Competition in Telecommunications,* Toronto: Prentice-Hall Canada Inc., 1994, pp. 52-5.

[2] *Punch's Almanack for 1879,* London: December 9, 1879.

[3] See: Lawrence Surtees, Pa Bell: *A. Jean de Grandpré and the Meteoric Rise of Bell Canada Enterprises,* Toronto: Random House of Canada, Toronto: 1992, pp. 60-2; and: J.M.S. Careless, *Brown of the Globe,* Toronto: The Macmillan Co., 1963, Vol. 2: *Statesman of Confederation, 1860-1880,* pp. 343-45.

[4] Public Archives of Canada. *George Brown Papers,* MG 24, B40. Vol. 10, Reel C-1603, p. 2416, "George to Anne Brown," February 16, 1876.

[5] Lawrence Surtees, "King Content's New Clothes: BCE & Thomson Create Convergence Colossus," *IDC Canada Bulletin,* 00009TEL, Toronto: September 2000.

[6] *Associated Press v. United States,* 326 U.S. 1,20 [1945]

[7] Sean Silcoff, "Convergence Dream Dead, BCE Admits," *National Post,* Dec. 19, 2002, FP1.

[8] See also: Center for Digital Democracy. "Media Ownership: Future of Public Interest in the Digital Age at Stake as FCC Proceeds with Plans to End Longstanding Safeguards," January 2003 http://www.democraticmedia.org/issues/mediaownership/

[9] George Gilder, *Telecosm: How Infinite Bandwidth Will Revolutionize Our World,* NY: The Free Press, 2000, p. 269.

Some Faces of the Conference / Quelques visages de la conférence





Ed Greenspon, Editor-in-chief, *The Globe & Mail;* Robert Rabinovitch, President and CEO, Canadian Broadcasting Corporation



Alain Dubuc and Antonia Maioni at the 2002-2003 James Mallory Lecture



Peter Mansbridge and Alex Jones



Terry Mosher, aka Aislin