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LA THÈSE A ÉTÉ MICROFILMÉE TELLE QUE NOUS L'AVONS RÉCUE
MCNOPOLY CAPITALISM AND THE PRESS IN CANADA: A MARXIST ANALYSIS

by

Toni Lauriston

A thesis presented to the University of Windsor in partial fulfillment of the thesis requirement for the degree of Master of Arts in Communication Studies

Windsor, Ontario, 1986

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ABSTRACT

Using the perspective of Marxist political economy, this thesis analyses the development of the concentration and centralization of production in the Canadian press. The ideology of press freedom is examined in relation to the changes in the political economy of the press. Originally in the seventeenth century a progressive demand, today the concept of press freedom uses the guise of democracy as a justification for monopoly capitalism. The structure and ownership of the press instead of being defences for the freedom of all Canadians are actually threats to that freedom.

This thesis argues, in chapter 1, that through the perpetuation of the myth of universal access to press freedom, the underlying power and property relations of Canadian capitalist society and the lack of democratic access to the press are both condoned and concealed.

Chapter 2 discusses the Marxist theoretical framework including definition of terms. Chapter 3 is an overview of the historical development of the press from the competitive capitalist period to the present monopoly capitalist era. In chapter 4 the relationship between the press and the Canadian state and the role of the Royal Commissions (relating to media) are examined. The ideology of press freedom and the
social role of the press in relation to property are analyzed in chapter 5. Chapter 6 explores how press freedom works in practice in Canadian society by looking at some historical issues of social and class conflict.
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DEDICATION

A small contribution to the struggle.
To struggle against policies of the monopolies without touching the basis of their economic domination is meaningless talk.

Lenin
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I
INTRODUCTION

1.1 A THREAT TO FREEDOM

This thesis is an examination of the development of the press in Canada as it relates to the development of capitalism, particularly monopoly capitalism. Historically, in the course of its development from the 1800s, the press in Canada has gone through several major changes which have affected its role in society. During this time, the ideology of press freedom arose, with its concern about the role of the state in its relationship to the press. However, as the political economy of the press changed, the ideology of freedom of the press also evolved in an attempt to accommodate the changes in the press.

Originally in the seventeenth century a progressive, democratic demand, today the concept of press freedom uses the guise of democracy as a justification for monopoly capitalism. The structure and ownership of the press instead of being defences for the freedom of all Canadians are actually threats to that freedom. It will be argued that through perpetuation of the myth of universal access to press freedom, the underlying power and property relations of Canadian capitalist society and the lack of democratic access to the press are both condoned and concealed.
It must be clearly understood that this thesis is not an argument against freedom but an argument against an undemocratic structure in which freedom for working people in Canada is restricted because of the unrestricted freedom of the capitalist press owners. Thus freedom becomes, in essence, freedom for a few and "unfreedom" for the majority. As the press has become more highly concentrated, with fewer people owning more newspapers, the implications of the ideology of press freedom have changed. What once was a democratic and progressive concept disguises the far-from-democratic control and ownership of the press under monopoly capitalism.

Freedom of the press in a liberal democracy has long been considered a cornerstone of that democracy — a "central pillar of liberal democracy" (McNaught, 1968:26). Freedom of the press is so essential that without it other fundamental freedoms could not survive. "Liberty of information is the great Enabling Freedom, the franchise of the mind" (Cruikshank, 1949:11). Thus a democratic society must defend the precedents upon which press freedom rests, the right of the public to know (Stevenson, 1983). Consequently some have felt that any attempt to limit press freedom is a greater danger to society than any harm that the press may do.

There must be every freedom to the press even when it oversteps the bounds of decency or responsibility because the chained press is in the long run much more dangerous to the common good than an irresponsible one (Golden, 1940:6).
Another writer has felt that it was possible to "conceive of a single owner of all mass media so conducting his affairs that the basic idea behind the establishment of press freedom would be fully realized" (Ferguson, 1948:6-7). However, when alternative views are expressed in the press, there is a concern that such "radical" ideas are "biased" and, therefore, a threat to press freedom.

In response to the belief that media owners were losing their control and leftist views were being presented in stories, Conrad Black (1983:243) wrote:

Freedom of the press is endangered whenever the interference or negligence of a particular group reduces the press's ability or inclination to report events accurately, record facts, or express opinions... Any group capable of asserting pressure on the media poses a threat to impartiality of information and liberty of expression.

Ken Thomson expressed the opinion that wherever the press was regulated by the government, serious abuses occurred.

The continued existence of an unregulated free press is essential as a counterbalance to preserve the editorial independence of the Government-regulated and supported broadcast media (1981:8).

Roy Thomson viewed amalgamations, consolidations and takeovers as ways to make the press more efficient, therefore any government interference would be a threat to press freedom (1975:217). Thomson, perhaps unintentionally, relates the joy of press freedom as a business: "What we did with our money was to go wide and far, to hunt out opportunities for expansion, to enjoy the real freedom of enterprise" (1975:111).
John Bassett, responding to the O'Leary Report recommendation that Canadian advertisers in foreign-owned magazines not be permitted to deduct the advertising costs from their taxable income, stated that such "legislation is a serious invasion of the freedom of the press.... Freedom of the press without financial independence of the press is a mockery..." (cited in Siggins, 1979:158).

Eugene Hallman, in a background report for the Kent Commission, summed up the concept of press freedom:

Freedom of the press permits a publisher to own and to operate the business of selling information and to publish opinions subject only to the general laws which govern obscenity, slander, libel and sedition. Without such right, without such freedom, the press as we know it could not exist (Hallman, Oliphant, and White, 1981:15).

Furthermore, Hallman believed that critics who say that the press has a responsibility to the public, restrict press freedom because this is an abstract notion. "The press cannot accept obligations of this kind in the abstract, they constitute restrictions on its freedom and independence" (Hallman et al., 1981:15). Thus, it appears that even the suggestion that the press has a duty to serve society is seen as a threat to press freedom. However, this view of freedom of the press under the conditions which have existed during the twentieth century has been challenged by others.

Harold Innis, for instance, suggested that this ideology hides another reality.

Powerful urban newspapers have been concerned with the control of space (i.e., domination of a particular region) and also with domination of
time (they can release information when they choose)... under the guise of democracy freedom of the press has led to the defence of monopoly (Innis, cited in Hamilton and Shields, 1979:732).

McNaught (1968) has argued that we should be more concerned about the dissemination of news and information; that is, we should be more worried about what the press does not print than what it does print. Instead, representatives of the press define press freedom only in terms of a threat to democracy when there is any government interference with the press. McNaught suggests that the press lords have hidden behind eighteenth and nineteenth century "free press" mythology which they are so well placed to define. By obeying the laws of competition which have resulted in monopolies and fewer papers, does that not impinge on freedom of the press? He concludes that "service has been too long excluded from our ideas about freedom of the press". (McNaught, 1968:26-27).

Zwicker (1983c:294) asks an interesting question - "are publishers more in favor of freedom of the press for the people or freedom of the press for themselves?". He concluded that the ultimate concern of owners of the press is that things go their way. Thus freedom of the press is partly a smokescreen for their more basic interests: money, power and privilege (1983c:297).

In brief, freedom of the press means freedom for press owners to increase their power through the concentration and centralization of the press. Thus the fundamental issue of
press freedom under monopoly capitalism in Canada is power. How this power is hidden and legitimized by a particular class is the basic question to answer so that an illusion is unmasked and reality becomes clearer. For as Marx wrote in 1842,

The question is whether freedom of the press is a privilege of particular individuals or whether it is a privilege of the human mind (Marx and Engels, 1975:155).

1.2 METHODOLOGY

The method used in this thesis is dialectical. The analysis is based on the political economy,¹ originally developed by Karl Marx and Frederich Engels² and further developed by Marxists such as Lenin. In conjunction with political econo-

¹ According to Kozlov (1977) political economy is the study of production relations in terms of their interconnection with the development of society (16). Another definition of political economy comes from Clement and Drache (1978). Political economy is the study of the laws and relations of capitalist development either from a Marxist or a liberal view. The task of political economy is to identify and analyze social relations as they relate to the economic system of production. The mode of production is the link to understanding the social relations between the economy and society. Finally, political economy is the study of society as an integrated whole (4-5). For a short historical background on the development of political economy see Kozlov (1977).

² In relating the importance of Marx's political economy, Engels wrote that "economics deals not with things but with relations between persons and in the last resort between classes; these relations are, however, always attached to things and appear as things. This inter-connection, which in isolated cases, it is true, has dawned upon particular economists, was first discovered by Marx as obtaining for all political economy..." (cited in Selsam and Martel, 1963:106-107).
Historical materialism is used to examine the Canadian press in terms of the development of the productive forces and social relations which are catalysts in the struggle for change. This method of analysis marks a return to the original Marxism which rests on the work of the mature Marx (Capital), as well as contributions by Engels and Lenin, and which has often been ignored or criticized by some, such as, the Frankfurt school. This is not to deny the contributions made by other schools. However, the emphasis on the economic or material base is not to the exclusion of other elements, such as ideology, law, and culture which play an important part in understanding social conditions. Marx and Engels certainly did not do this.

According to the material conception of history, the determinining element in history is ultimately the production and reproduction in real life. More than this neither Marx nor I have ever asserted. If therefore somebody twists this into the statement that the economic element is the only determining one, he transforms it into a meaningless, abstract and absurd phrase. The economic situation is the basis, but the various elements of the superstructure—political forms of the class struggle and its consequences, the forms of law, political, legal, philosophical theories, religious ideas also exercise their influence upon the course of the historical struggles and in many cases preponderate in determining their form. There is an interaction of all these elements, in which, amid all the endless host of accidents (ie.

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3 Historical materialism is defined as "that view of the course of history, which seeks the ultimate cause and the great moving power of all important historic events in the economic development of society, in the changes in the modes of production and exchange, in the consequent division of society into distinct classes, and in the struggles of these classes against one another" (Engels, 1975:16).
[sic] ...events, whose inner connection is so remote we regard it as absent and can neglect it), the economic movement finally asserts itself as necessary [Engels, cited in Selsam and Martel, 1963:204].

The works of Bottomore (1984) and Hoffman (1975) are excellent critiques of some schools of Western Marxist thought.

Bottomore (1984) criticized the Frankfurt School for neglecting or excluding, by and large, the history and the economic analysis of the development of capitalism. Both the Frankfurt School and neo-critical theory persisted in the theme of the disappearance of the working class as a revolutionary force. Yet Bottomore argues that such a statement is unsupported by any analysis of class structure or the historical development of classes. Bottomore concludes in his study that research is "being undertaken by Marxists of various persuasions; and its most general characteristic is that it concentrates upon those two spheres of enquiry - the economy and social history - which have been sadly neglected by the Frankfurt School and by neo-critical theory" (1984:81). Hoffman (1975) eloquently summarizes the nature of Marxism which has been forgotten by many who call themselves "Marxists".

[Marxists] speak of their world outlook as scientific on the grounds that Marxism is not some sort of "revealed truth", but is rather a theory which is grounded in "the concrete study of concrete conditions", a theory which continues therefore to develop and grow as it comes into contact with new natural and social facts and must continually adjust itself to a changing historical world. Basic principles ceaselessly enrich their content and strengthen their form as life moves on. Marxism is thus not only the theory of Karl Marx, but it is
the theory of Marx steeled and tempered, enriched and developed, by decades and decades of vital historical experience. To juxtapose Marx to Marxism, the original teachings to the developments which have come out of them, is as meaningless and futile as the attempt to separate the flow of a river from its actual source. For Marxism is the theory of Karl Marx as it has developed over the last hundred years.

Therefore, this thesis attempts to analyze the press from a perspective which is not a dogmatic approach to Marx's theory. Rather, it is an analysis which takes into consideration the developments of Marx's theory, since his time, from the contributions of other Marxist theorists. By using Marxist political economy, the basic tenets of this theory are defined and developed in this study.

The application of Marxist thought in Canada has a long history (Clarke, 1977). The research done in this study makes an important contribution to an area where this kind of analysis of the Canadian experience is sadly lacking - the Canadian mass media, in this case, the press. A Marxist analysis explains the contradictions which are becoming more evident within Canadian society and the press as monopoly capitalism continues to mature.

There are two reasons why the press was chosen for this analysis. First is the fact that the press is more than just another business - it plays a powerful ideological and political role in Canadian society, particularly as a source of detailed information on events. Therefore one must take into account more than just the production of a commodity
and profits but the legitimation and justification of a way of life. Ultimately the press "educates" people to a certain viewpoint. The second reason is the lack of successful implementation of major peacetime press regulations and the furor over any attempts to do so despite the regulation of other forms of mass media and industries. For instance, broadcasting is regulated by the CRTC but any attempt to regulate the press is viewed as an attack on freedom of the press and democracy.

This thesis will examine the major historical stages in the development of the press in Canada as capitalism evolved, from the newsheets of the eighteenth century to the commercial press of the nineteenth century through to the twentieth century press monopolies of Southam and Thomson. The ideology of press freedom will also be examined especially as it concerns the press and the state. The following is a chapter outline of the study. Chapter 2 discusses the Marxist theoretical framework including definition of terms. Chapter 3 is an overview of the historical development of the press from the competitive capitalist period to the monopoly era. Chapter 4 examines the relationship of the press to the Canadian state and the role of the Royal Commissions on the media. Chapter 5 looks at the ideology of press freedom and the social role of the press in relation to property. Finally, Chapter 6 explores how press freedom works in practice in Canadian society by look-
ing at some crucial historical issues of social and class conflict.
II
THE THEORY OF MONOPOLY CAPITALISM

2.1 INTRODUCTION

Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly encountered, given and transmitted from the past — Marx (cited in Selznick et al., 1970:67).

As will be shown, the press in Canada has grown up in capitalism and so it is important to understand certain essentials of the development of capitalism in Canada that have affected the development of the press. The Marxist approach to history views social change as fundamentally the outcome of the struggle between classes. "The history of all hitherto existing society is the history of class struggles" (Marx, cited in Struik, 1971:89). The development of capitalism brought into being two major classes, the bourgeois or capitalist class, and the proletariat or working class, although other classes and groups such as the landlord class and the petty-bourgeoisie also exist. Under capitalism, the struggle between the two major classes is underpinned by the process of capitalist accumulation, including the important tendency towards the concentration and centralization of wealth and power. For the purposes of
this thesis, Dobb's definition of capitalism can be used. Capitalism is

a system in which the instruments and appliances, structures and stocks of goods with which production is carried on—in a word capital—are predominantly in private or individual ownership (including in this individuals grouped together as joint-owners in the form of a joint stock company or business corporation, where each person's ownership is separately distinguished in the form of shares). This is sometimes more loosely described as a system of 'private enterprise'. In slightly more technical language Marx spoke of it as a mode of production in which the means of production are owned by capitalists who constitute a distinct class in society (1958:5-6).

Lenin (1970:60) summed up capitalism very succinctly when he said that it "is commodity production at its highest stage of development, when labour-power itself becomes a commodity". Therefore to understand the development of the press one must understand commodity production and the role of profit in production as of prime importance to the existence of capitalism. It is this profit which is either consumed by the capitalist or reinvested so that growth through continued accumulation is assured.

2.2 THE PRODUCTION OF COMMODITIES

Marx's analysis begins with the study of the production of commodities as distinct from their consumption or exchange. Thus the study of accumulation is the examination of the process of production.

The process of production, considered on the one hand as the unity of the labour-process and the process of creating value, is the production of commodities; considered on the other hand as the
unity of the labour-process and the process of producing surplus-value, it is the capitalist process of production, or capitalist production of commodities (Marx, 1961:191).

A commodity is defined as an object, produced by labour, which is sold or exchanged in the marketplace. According to Marx, all commodities have a use-value, which satisfies some human need or want, and an exchange-value, which is a certain economic value or worth reflected in the price of the commodity for which it is exchanged. In the example of newspapers, the use-value satisfies the social and individual need for information, while the exchange-value is the price of the newspaper.

According to Marx (1961), the labour-process, which is the interaction between people and nature with the intent of satisfying human needs, is a necessary condition of human life and as such, it is independent of the stages in the development of human society. However, under capitalism, the labour-process is under the authority of the capitalist, and the product of labour, or the commodity, is owned by the capitalist. Marx's law of value, or labour theory of value, states that the value of a commodity is determined by the amount of labour-power that is socially necessary to produce that commodity. In other words, exchange value or, simply, value is created by labour. Although prices, the expressions of value, may fluctuate, under competition they tend to hover around the (labour) value. However, under monopoly, prices may deviate from their value.
At the same time that labour creates value, it also creates extra or surplus-value. Surplus-value is value created by the labour of a worker over and above the value of his labour-power. This value of labour-power is expressed by wages which are the exchange-value of labour-power. Thus Marx's theory of surplus-value explains the source of profit under capitalism: it is created by the labour of workers over and above the value of labour-power (their wages) and it is appropriated by capitalists. This act of private appropriation is called exploitation. Again, looking at the price of a newspaper, (and for simplicity, ignoring the role of advertising), if hypothetically the labour needed to produce an individual paper is 1.5 minutes and the paper sells for 30 cents but the labour is paid 20 cents, then the surplus-value is .5 minutes or ten cents a paper. It is through this appropriation of surplus-value that the capi-

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4 It is important that a distinction be made between exploitation and oppression. Exploitation occurs when the surplus-value is privately appropriated from the worker by the capitalist. Marx defines exploitation as the appropriation of the unpaid labour of others (1962:378). Therefore exploitation is a precise, quantifiable term. Oppression, on the other hand, is a more political term denoting political subjugation, arbitrary use of authority, denial of political rights, injustice, etcetera. It appeals to ones sense of social justice and sympathy. It is necessary to keep in mind both the distinction and the relationship between these two. The Commission on Price Spreads (Canada, 1937:143) noted the difference but still referred to both as exploitation.

5 This labour includes both the "living" labour of printers, journalists, editors and so on as well as the "dead" labour embodied in machinery, computers, newsprint, etcetera.
talist or owner can begin to accumulate capital. However, along with commodity production, it is also important to understand Marx's analysis of capitalist accumulation, which can illuminate the basic pattern of capitalism's growth and development.

2.3 Marx's Theory of Capitalist Accumulation

As previously stated, the basis of Marx's theory of capitalist accumulation is the theory of value and the theory of surplus-value. "Employing surplus-value as capital, reconvert ing it into capital is called the accumulation of capital" (Marx, 1961:579). For Marx, accumulation is the investment of surplus-value or profit into more of the means of production and labour. At this point, it is important to distinguish primitive accumulation from capitalist accumulation.

Primitive accumulation is "the historical process of divorcing the producer from the means of production. It appears as primitive, because it forms the pre-historic stage of capital and of the mode of production corresponding with

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* For the purposes of this research the terms profit and surplus-value may be used interchangeably. However there is a difference between these two concepts. The rate of surplus-value is expressed as S over V, where S is surplus-value, V is variable capital and the result is measured in time. The rate of profit is S over C+V, where S is surplus-value, C is constant capital, V is variable capital and the result is measured in cash or money. Surplus-value may be equal to gross profits but not necessarily since surplus-value can appear in the form of interest and rent as well as profit per se.
it" (Marx, 1961:668). With the demise of feudalism, the serf was separated from the land and, thereby, was forced to sell his labour-power, becoming a wage worker since there was no other way to survive. Today, this process is relevant to our understanding of colonialism since a similar method assured the expansion of capitalism by providing a pool of workers in the colonies (Marx, 1961:719-724; Woddis, 1967). This process also applies to excluding Native Peoples from their land, hunting areas, etcetera. The history of primitive accumulation, the expropriation of people from the means of production "is written in the annals of mankind in letters of blood and fire" (Marx, 1961:669). However, this study will be concerned mainly with the process of capitalist accumulation, that is, the accumulation of capital once capitalism has been firmly established.

In treating accumulation, Marx developed the concept of the organic composition of capital. As capital is accumulated, its makeup changes. On the one hand, capital consists of the means of production and labour whose relation makes up the technical composition of capital, for instance, the number of printers to a printing press. On the other hand, the value composition of capital is the technical composition in value terms - the ratio of the value of the means of production or constant capital (C) to the value of labour-power or variable capital (V), in this case the expenditure on printers' labour in relation to the expenditure on print-
ing presses. If we take Southam as an example, the ratio went from 1.16:1 in 1974 to 1.47:1 in 1984, showing an increasing organic composition. In short, non-labour costs (C) to labour costs (V) increase.

Competition compels the growth of the organic composition of capital. Capitalists, to maintain and increase profit, constantly introduce technological changes into their business. This, in turn, spurs further competition. "Competition acts as an external compulsory force, which compels private commodity producers [capitalists] to raise labour productivity at their enterprises, expand production, increase savings, etc." (Volkov, 1981:57). Competition is the struggle between capitalists for the highest profits possible in both the production and sale of commodities.

With the investment in improved means of production or technology which increases labour productivity, the growth in the scale of accumulation is accomplished. This increase in constant capital is accompanied by a relative decrease in variable capital. An increase in productivity generally gives the capitalist more surplus-value or profit to put

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7 To illustrate the calculation of the ratios, the 1974 figures from the annual report will be used. The value for the constant capital \( C = \$102,769 \) was obtained by adding the figures under operating expenses for newsprint, ink and paper \( ($49,953) \), other supplies and services \( ($47,898) \) and depreciation \( ($4,918) \). The value of the variable capital \( V = \$88,420 \) represents the costs under salaries, wages and employee benefits. The same method was used for 1984. Therefore, the ratio of \( C \) to \( V \) is \$102,769:$88,420 or 1.16:1. The variations in the rates are dependent on the price of paper and other commodities which fluctuate more than wages.
back into more means of production to assist in obtaining more profit. According to Marx, the accumulation of capital involves the reproduction of capital and of capitalist relations of production on an increasing scale. This leads to the process of concentration and centralization.

With the increase in capital through accumulation the size of individual capital increases. This means that an individual capitalist acquires more and more - more of the means of production, larger buildings, more labour, etcetera. This increase or concentration for the individual capitalist leads to growth in the total social capital. The growth of a small printing company into a large company under the same ownership, employing more people, running more equipment in a larger building, is an example of concentration. To illustrate this, in 1892 three Vancouver papers together employed 96 people. By 1956 one paper, The Vancouver Sun employed 914 people plus 3,493 sales-related workers (Kesterton, 1967:55, 72-73).

But concentration is followed by centralization, such as in the case of mergers: Thomson’s purchase of P.P. Publications. Centralization is the concentration of capital and production in the hands of fewer and fewer capitalists. It is a process of expanding capital through the unification of several capital funds into one (Volkov, 1981:35). This happens generally in two ways: the first is through the take-over or merger of business in competition while the second
is through their ruin. Centralization, unlike concentration, does not necessarily mean a simultaneous increase in social capital. Centralization alters distribution among capitalists. For instance, when Thomson bought The Globe and Mail, through its takeover of PP Publications, the newspaper changed hands but did not thereby itself increase in size, although it since has done so.

But centralization furthers the possibilities for concentration which then increases social capital. This process of concentration and centralization is reflected in the Canadian newspaper industry. More and more newspapers are in fewer and fewer hands. Thomson, Southam and Sterling together own 65 dailies out of 117 or 56 per cent of all daily newspapers in Canada (Kent, Spears, and Picard, 1981:90). At the same time, this process of development is not an ever one. Inheritance is one way in which concentration and centralization can be arrested, at least for a while. When the accumulated wealth is broken up and bestowed on the inheritors, concentration and centralization are temporarily limited or even reversed. Eventually this inherited capital will be invested either in the original area (staying within the same family) or in new areas, thus resuming the growth of concentration and centralization.

For Marx, the growth of accumulation necessitated by competition was at the same time accompanied by its concentration and centralization. Contrary to Marx's explanation of
concentration and centralization, which is based on the development of ownership and control of capital, liberal economists tend to view these processes in the more limited terms of the market place. Thus the concentration of an industry is the "degree to which a relatively small number of firms account for a significant proportion of output, employment, etc." (Bannock, Baxter and Bees, 1972:79). Another definition is that the concentration of an industry, called the concentration ratio, is the "fraction of total market sales ... made by a specified number of the industry's largest firms (Lipsey and Steiner, 1975:921). Subsequently, centralization is viewed as "the tendency for decision-making to be concentrated in the corporate head office instead of among subsidiaries, branches and divisions (Crane, 1990:50). Although the emphasis is on the market and the decision-making process related to the market, underlying this is the fact that the basis of the market is production. It stands to reason that if an industry controls a large part of the market then it also controls a large part of production. Its power comes from production (the accumulation of capital through the appropriation of surplus-value), before it reaches the marketplace. But liberal economists, in essence, examine the "cart before the horse". Such an inquiry ignores the basis of power which rests in production. At the same time, the increasing concentration and centralization reveal that the development of
technology affects production and the growth of accumulation. Accordingly, one must turn to analysing the role of technology in the process of capitalist accumulation and the development of capitalism.

2.4 TECHNOLOGY AND ACCUMULATION

"For Marx the basic rhythm of human history is the outcome of the dialectical interaction between the forces and the relations of production" (Eisenberg, 1981:13). Under capitalism a product of this relationship is class struggle. At the same time, technology, which is part of the forces of production, is an indication of the level of development of human society and its social conditions. Therefore, technology is part of the social process, acting as mediator between people and nature. For as Marx wrote,

Technology discloses man's mode of dealing with Nature, the process of production by which he sustains life, and thereby also lays bare the mode of formation of his social relations, and of the mental conceptions that flow from them (1961:352).

The capitalist relationship appeared when "the growth of profit-making opportunities led to an expansion in the size of the productive unit beyond that which was characteristic of the medieval craft workshop" (Rosenberg, 1981:12).

The age of Modern technology began with the Industrial Revolution. The use of technology increased productivity and what Marx referred to as the relative surplus-value, as opposed to increasing the absolute surplus-value, which Marx
explained was accomplished through the lengthening of the working day. Technology increased the surplus-labour time by decreasing the needed labour time to produce a given commodity. While examining the concept of relative surplus-value, Marx identified three stages in the development of productivity within the rising capitalist system: the handicraft system, the manufacturing stage and the stage of modern industry or machinofacture.

During the handicraft stage, where a master craftsman worked with apprentices and journeymen, production was essentially a human activity, generally individual in character, in the sense that the producer worked in his own time and in his own fashion, independently of others, while the tools or simple instruments he used were little more than an extension of his own fingers (Dobr, 1963:259-260).

Under the handicraft system, which relied on human skill and ability, the producer or worker performed all the steps necessary to produce a particular commodity. In Canada, from the 1750s until as late as 1815, newspapers were often produced by a single individual with help from an apprentice or family members. The editor-owner was newsgatherer, writer, compositor, proofreader, printer and distributor. Type was set by hand and printed with a wooden flathed, hand-operated press (Millward, 1939; Kesterton, 1967; Benn, 1978). Gradually, changes in the relationship between individual craftsmen or between craftsmen and merchant, brought about changes in the mode of production. To improve productivity, workers were brought together to perform similar tasks - a form of
co-operation. Although co-operation has always existed throughout human history, under capitalism the workers are supervised and the commodities produced are owned by the capitalist.

A greater number of labourers working together at the same time, in one place ... in order to produce the same sort of commodity under the mastership of one capitalist, constitutes, both historically and logically, the starting point of capitalist production. ... The workshop of the mediaeval master handicraftsman is simply enlarged (Marx, 1961:305).

From this form of organization, that of co-operation, the mode of manufacturing emerged.

The manufacturing system grouped greater numbers of workers under one roof in order to produce the commodity on the principle of the division of labour. Each worker performed a specialized task by hand (using tools). In this way a single commodity is produced by several workers (Engels, 1975:9-10). Marx (1961:318-320) explained that manufacture originated in two ways. In the first instance, workers from various crafts were brought together, under the control of the capitalist, to perform their individual skill on each commodity. Alternatively, a capitalist employed workers who each performed all the appropriate tasks in the production of a single commodity. In this manner manufacturing produced specialization by reducing the process of production into numerous steps performed by workers. Similar to the handicraft stage, manufacturing still relied on human capabilities which had their limitations. But, unlike the handi-
craft era, the manufacturing stage introduced the division of labour which increased productivity. In addition to this, the skills of workers were reduced and hence the value of labour was decreased.

Marx (1961:323-326) identified two forms of manufacture. In heterogeneous manufacture, workers separately carry out specialized tasks which are united to produce the finished commodity. To illustrate this, in the production of a watch, one worker makes screws, another makes dials, still another makes springs and so on. These are assembled to make a watch. In the second form, serial manufacture, each worker works on a specialized task then passes the product on to the next worker who performs another task and who, in turn, passes the product on to another. Thus, the finished product is the result of a series of production steps performed by specialized labour. For example, the production of a needle may require a series of 72 to 92 steps to complete the product.

In the manufacturing stage, commodities are still largely made by hand with tools while machinery plays a subordinate role compared to the division of labour in transforming social production. For instance, during the 1830s printing in Canada was still at the "household" stage of development but by Confederation the application of printing technology had turned a cottage craft into a main industry (Parker, 1985:44,139). But the arrival of mechanization affected only
one area at first—that of presswork. Thus new press technology created specialization by defining the job of the pressman as separate and distinct from that of the typesetter. In response to this pressmen organized their craft separately from typesetters. By 1869 wage scales established special piece rates for presswork while compositors were specialists who did not do presswork (Zerker, 1992:128). Marx explains that

the handicraft period bequeathed to us the great inventions of the compass, of gunpowder, of type-printing, and of the automatic clock. But, on the whole, machinery played that subordinate part which Adam Smith assigns to it in comparison with the division of labour. The sporadic use of machinery in the 17th century was of the greatest importance, because it supplied the great mathematicians of that time with a practical basis and stimulant to the creation of the science of mechanics. The collective labourer, formed by the combination of a number of detail [specialized] labourers, is the machinery specially characteristic of the manufacturing period (1961:329-330).

The historic significance of manufacturing is that it provided the breakdown of the productive process into a series of analyzable stages. The historic importance of the last stage, Modern Industry, is that it incorporated the individual stages into machine processes to which scientific knowledge could be applied (Rosenberg, 1981:16-17). Marx wrote that

Modern Industry has therefore itself to take in hand the machine, its characteristic instrument of production, and to construct machines by machines. It was not till it did this, that it built up for itself a fitting technical foundation, and stood on its own feet (1961:363).
In other words, the full development of Modern Industry is confirmed by the production of machines by machines. Before this, at an earlier stage of Modern Industry, machinery had been produced by hand using tools. Now, tools were converted to machines through mechanization as opposed to the manual operation of tools. With this revolution in technology, modern capitalism was firmly entrenched. The enormous gains in productivity made by technology are evident in the press. In 1896, an average of 635 man-hours produced 10,000 copies of printed and folded 4-page newspaper sections. With the introduction of machines by 1926, 17.4 man-hours produced the same unit. Productivity was increased by 264% (Zerker, 1982:336).

The division of labour coupled with the advance of machines furthered the productivity of labour, and hence, increased the surplus-value from which more capital accumulation could be derived as well as furthering the concentration of production and capital (Dobb, 1963:269). Eventually, this was to result in monopoly capitalism. Marx recognized this trend towards bigness. Through technology, the boundaries of production were becoming almost limitless. But this development of the productive forces, the means of production and the labour, through the use of technology, was not without certain social consequences. Marx dealt with the effects on working people in detail but for this study a summary will be appropriate.
First, more women (and children) were employed for wages that were less than a man's wages. This cheapens the value of labour-power since a whole family can then be hired and paid the same wages as before were paid to a man. Since more individuals are working they are producing more labour for the same or less wages. Second, the use of machines requires capitalists to invest in more constant capital. Thus to get their money's worth, there is an extension of the working day, an increase in absolute surplus-value. However, later when limits are set by law as to the duration of the working day, there is an intensification of labour through the speed-up of machinery. This results in higher productivity and an increase in relative surplus-value since more work is done in the working day (Marx, 1961:372-393).

One major impact of technology is the destruction of original skills through the division of labour. Along with this there is a separation of mental and manual labour (Marx, 1961:394-400). For example, up to the 1830s Canadian printers were craftsmen who had to know all aspects of printing. They were men who were part mechanic, part strongman and part artist (Zerker, 1982:13). But the advent of technology created divisions of labour within the craft. By 1869, the printing craft was separated into autonomous areas. Moreover, the hiring of unskilled and semi-skilled labour had become prevalent (Zerker, 1982). Therefore, the
technological advances encouraged the division of labour. Along with the demise of the apprenticeship system, education and skill were lost and the master printer disappeared. But Marx also explained that higher skills were needed for the positions of supervisor and manager.

The work of supervision, originally the role of the capitalist, is handed over to individual managers or groups of salaried workers, who are a special kind of wage-labour. On the one hand, the supervision of many workers in order to co-ordinate the work is a necessary, productive job. On the other hand, the supervision of work arises from the contradiction between the worker as the producer and the capitalist as the owner of the means of production and therefore has an unproductive element (Marx, 1962:376). Thus labour in management and supervision has a dual nature.

The work of management and supervision ... arising out of the servitude of the direct producers has all too often been quoted to justify this relationship [of servitude]. And exploitation, the appropriation of the unpaid labour of others, has quite as often been represented as the reward justly due to the owner of capital for his work (Marx, 1962:378).

Under capitalism as the work of supervision becomes increasingly divorced from ownership, the capitalist is superfluous to the productive process. For example, in co-operative factories, the "antagonistic nature of the labour of supervision disappears because the manager is paid by the labourers instead of representing capital counterposed to them (Marx, 1962:379-380)."
Lastly, Marx noted that machinery replaced workers when it was cheaper to use machines instead of wage-labour. This could result in unemployment for working people. But for the capitalist, the increases in surplus-value, both relative and absolute, allowed for a greater accumulation of capital and a stronger competitive position in the system. At the same time as the working class began to feel the effects of capitalism and technology, it began to act. In England from 1811 to 1812 the Luddite movement smashed machines as a form of rebellion against social conditions.

But eventually a new and revolutionary charge took shape: the wage workers began to organize themselves as an independent class, with its own forms of struggle, its own budding consciousness, demands, policies and organizations. Trade unions were launched (Struijk, 1972:21).

In Canada, a meeting of 24 journeymen printers in York (now Toronto) in October 1832 marked the beginning of our earliest and still continuing labour union, the Toronto Typographical Union. The impetus for this union was the concern that the journeymen had in regards to their threatened security as changes due to technology in the printing trade were becoming apparent (Zerker, 1982:17-18).

Despite his harsh criticism of the capitalist use of technology, Marx saw a progressive side to technology. For one thing, the need arose to combine labour with education which added to both the efficiency of production and the development of people. Technology made people more conscious of the natural sciences and of how this knowledge could be
applied to technology. Marx also saw that the part played by women in production, outside the home, as well as by young people created an economic base for a new and higher form of the family and of the relations between men and women. "It is obvious that the fact of the collective working group being composed of individuals of both sexes and all ages, must necessarily, under suitable conditions, become a source of human development" (Marx, 1961:460). Marx wrote:

Modern Industry, indeed, compels society under penalty of death, to replace the detail-worker of today, crippled by life-long repetition of one and the same trivial operation, and thus reduced to a mere fragment of a man, by the fully developed individual, fit for a variety of labours, ready to face any change of production, and to whom the different social functions he performs, are but so many modes of giving free scope to his own natural and acquired powers (1961:458).

The basis of Modern Industry or technology is revolutionary because the processes of production are constantly undergoing change. Marx pointed out that a revolutionary change in one industry affects others. In Canada the printing trade was no exception. It shared in the advances made by such industries as pulp and paper, iron and steel and agricultural implements (Farker, 1985:157). Therefore technological revolution in industry and agriculture made "necessary a revolution in the general conditions of the social process of production, i.e.[sic], in the means of communication and transport" (Marx, 1961:362). As we will see, as capitalism was developing within the particular Canadian conditions, the Canadian newspapers also underwent major so-
cial and technological changes. Although Marx did not live to see the full blossoming of monopoly capitalism, it was Lenin who extended Marx's theory to explain the development of monopoly capitalism.

2.5 LENIN'S DEVELOPMENT OF MARX'S THEORY:

2.6 THE THEORY OF MONOPOLY CAPITALISM OR MODERN IMPERIALISM

Lenin's development of the theory of monopoly capitalism rests solidly on the work done by Marx. Although it was only in its initial stages, Engels and Marx (1962) noted the rise of monopoly in industry: "This led in some branches, where the scale of production permitted, to the concentration of the entire production of that branch of industry in one big joint-stock company under single management" (429). This appeared in banking where Marx (1962) noted the development of the financial oligarchy:

It [capitalism] establishes a monopoly in certain spheres and thereby requires state interference. It reproduces a new financial aristocracy, a new variety of parasites in the shape of promoters, speculators and simply nominal directors: a whole system of swindling and cheating by means of corporation promotion, stock issuance and stock speculation. It is private production without control of private property (429).

Marx (1962) was aware of the power of the financial aristocracy or oligarchy as:

absolute control within certain limits over the capital and property of others and thereby over the labour of others. The control over social capital, not the individual capital of his own, gives him control of social labour (429-430).
Marx (1962) also noted, that to counteract the falling rate of profit the export of capital developed: "if capital is sent abroad, this is not done because it absolutely could not be applied at home, but because it can be employed at a higher rate of profit in a foreign country" (251).

Lenin (1970) acknowledged his own work as a continuation of the works of Marx, who, by an analysis of capitalism, had shown that free competition leads to the concentration of production, which must at a certain stage of development give rise to monopoly. When Lenin speaks of monopoly he is also referring to what are now often called oligopolies and multinationals or transnationals or, colloquially, "big business". Lenin's shortest definition of imperialism is that "imperialism is the monopoly stage of capitalism" (1970:85). It is the highest stage of capitalism in which the economy is under the domination of monopolies.

Imperialism existed long before the present stage of capitalism. Lenin (1970:79) made a distinction between old imperialism, such as Rome, which was founded on the slave system and modern imperialism which rests upon the policies and power of finance capital. Thus the fundamental difference between old and modern imperialism rests on the socio-economic formation of the mode of production.

Capitalism is based on free competition. But monopoly is the opposite of free competition. Competition creates monopoly since the need for maintaining and increasing profits
means that industries must become concentrated and centralized. At the same time the monopolies which have resulted from free competition do not eliminate the latter completely but exist with it, making competition more intense and complex by changing its character. For instance, sometimes instead of price competition, there is service or advertising competition. The ad campaign rivalry between Coca-Cola and Pepsi is an example of advertising competition.

The growth of monopoly out of free competition was apparent in four main types of monopoly. The first came out of the concentration of production which led to the development of cartels, trusts and other forms of monopoly associations. The second type has produced a monopoly of the source of raw materials. The third is the creation of banking monopolies. And last, monopoly has sprung from colonial policy, the exploitation of certain regions for the purpose of higher monopoly profits (Lenin, 1970:117-119).

To understand fully Lenin's meaning of monopoly capitalism, one must recognize his treatment of monopoly goes beyond the narrow market-oriented approach of current economics, in which monopoly is defined as "a market structure in which the output of an industry is controlled by a single seller, or a group of sellers making joint decisions" (Lipsey and Steiner, 1975:930). As noted, Lenin's concept of monopoly also includes what is sometimes called "oligopoly" and goes beyond looking at the market in a superficial man-
As will be discussed later, Lenin (1970:45-60) considered the interlocks across different markets and sectors, particularly between industries and the banks which result in control by financial capitalists. When Lenin (1970:45-60) talks of a "financial oligarchy", he refers to those small numbers of capitalists who dominate both industry and banking and ultimately the economy.

Furthermore, Lenin also considered the connection between businesses and the state, the growth of international corporations and their effects and the role of the export of capital in obtaining higher profits. If these elements are omitted then any understanding of monopoly can only be a shallow one. The process of monopoly growth and its effect on the market is only one aspect of the feature of monopoly capitalism as defined by Lenin.

The forms of monopoly, or monopoly practice, include cartels, trusts and groups. A cartel is a "voluntary, potentially impermanent, business relationship among a number of independent, private entrepreneurs, which through coordinated marketing significantly affects the market of a commodity or service" (cited in Mirer and Mauver, 1982:13). In other words, cartels are monopolistic alliances between capitalists in which the market is divided up for the mutual benefit of those involved.

Trusts, on the other hand, place the administration but not the ownership of several competing companies under the
control of a trustee or a group of trustees. By running the companies cooperatively, those who control the trust, in effect, control one large company (Mirow and Mauver, 1982). Yet another form of monopoly, which is based on a "holding system" is now often called a "holding company": here a centralized controlling company secures control over several other companies by owning a major section, though not necessarily a majority, in those companies.

In analyzing the monopolies and the conditions which give rise to them, Lenin identified five characteristics of monopoly capitalism or imperialism:

Imperialism is capitalism at the stage of development at which the dominance of monopolies and finance capital is established; in which the export of capital has acquired pronounced importance; in which the division of the world among the international trusts has begun; in which the division of all territories of the globe among the biggest capitalist powers has been completed (1970:86).

Each of these characteristics will be examined.

2.6.1 Monopolization—the Concentration of Production and Capital

At the time that Marx was developing his theories, he had assumed a competitive system. But he was very aware of the process that would eventually lead to the replacement of free competition by monopoly. By 1900 competitive capitalism had changed into monopoly capitalism. The period in which Lenin studied the changes occurring in capitalism was a violent one. Some of the armed conflicts during this time
were the Spanish-American War in 1898, the Anglo-Boer War, 1899, the Russo-Japanese War, 1904 and World War I, 1914 to 1918. The first major English work on imperialism by the British economist J.A. Hobson (1954) came out in 1902. This was followed in 1910 by the work of the Austrian Marxist Rudolf Hilferding (1981). In 1914 the American journalist and historian Gustavus Myers (1975) also noted the tendencies towards monopoly in the rise of big business. By the time that Lenin was writing *Imperialism* in 1916, concentration of production and the growth of monopolies had taken place to a high degree in many capitalist countries, including Canada. Lenin wrote,

> We have seen the latter [competition] being transformed into monopoly before our eyes, creating large-scale industry and forcing out small industry, replacing large scale by still larger-scale industry and carrying concentration of production and capital to the point where out of it has grown and is growing monopoly (1970:85).

The concentration of production into ever-larger enterprises is one of the main features of capitalism. At a certain stage of development concentration leads to monopoly. In the next chapter we will see that the Canadian press is no exception to this. As free competition becomes transformed into monopoly, production becomes socialized while appropriation remains private. In other words, the social means of production are privately owned by a few. By using the framework of free competition, the monopolists can gouge working people and small businesses by manipulating prices.
Lenin (1970:24-25) used the example of the chemical industry in Germany. By 1908 the concentration of production in this industry had given rise to several major groups which basically constituted monopolies. These monopolies formed alliances and began to approach each other regarding an understanding about, among other things, prices.

Lenin (1970:22) identified the principal stages in the history of the development of monopolies in the world as the following:

1. 1860-70 - the apex of the development of free competition.

2. 1873-90 - cartels still the exception, still a transitory phenomenon.

3. 1890-1900 - cartels become a major force in the economy.

The United States Steel Company was discussed by Lenin (1970:23-24) as an example of a trust. In 1907 this company employed 210,180 people while the largest German enterprise in 1908 employed 46,048 workers. Of the total output of steel in 1901 this company represented 66.3% and in 1908, 56.1%. In terms of ore, the output was 43.9% and 46.3% respectively. Still, the full economic power of monopolies can only be grasped through an understanding of the role of the tanks.
2.6.2 Finance Capital

The concentration of production; the monopolies arising therefrom; the merging or coalescence of the banks with industry—such is the history of the rise of finance capital... (Lenin, 1976:46).

As summarized by Lenin (1970:30-60), in the earlier days of capitalism the main function of banks was to act as middlemen by lending money and collecting the interest as profit. Bankers were distinct from industrialists. But as banks began to concentrate into a handful of monopolists, they had tremendous amounts of capital at their disposal. As industry grew, more capital was needed by many industrial capitalists who then became clients of one or more of the banks. The industrial capitalist often became dependent on banks. On the other hand, there were also successful industrialists with surplus capital who became involved in banking.

This developing "coalescence" was reflected in the appointment of bankers as directors in industry and industrialists as directors in banks—a personal link-up. As capitalism developed, the most powerful people in industry came to overlap with the most powerful people in banking. This group Lenin called the "financial oligarchy", a term used previously by Marx. The alliance of these powerful economic forces gives them greater political power and influence in government.

The merging of banks with industry results in neither banking nor industrial capital but in finance capital. The
whole of society comes under the domination of the financial oligarchy. But it is with the export of capital that the influence of finance capital extends further.

2.6.3 The Export of Capital

Under free competition, the export of commodities is predominant. But under monopoly the export of capital becomes predominant. When the accumulation of capital has grown to a huge proportion the surplus is exported for the purpose of increasing profits:

Surplus capital will be utilized not for the purpose of raising the standard of living of the masses in a given country, for this would mean a decline in profits for the capitalist, but for the purpose of increasing profit by exporting capital ... (Lenin, 1970:61).

The reason for exporting capital is to obtain a higher profit as a means of counteracting what Marx considered to be the tendency of the rate of profit to fall. At the same time monopolies compete for more profit among themselves. Reinvesting profit to increase profit rather than to raise living standards is not a moral question, a matter of right or wrong, good or bad. Capitalists must become bigger and control more means of production and material in order to survive competition. Therefore the need to expand, to accumulate, is crucial to their existence. If individual monopolies cannot compete then they decline, which eventually leads to the demise of the particular capitalist or group of capitalists.
Through the export of capital, either to colonial countries or undeveloped areas within the exporting country, profits are usually very high. This is caused by the fact that capital is scarce, the prices of land and wages are low and raw materials are cheap. According to Lenin (1970:61-62), during his time, the biggest capital exporters were Britain, France and Germany. With the two sections of finance capital (industry and banking) working together to maximize profits and shut out others, there developed a economic division among monopolies in both the home market and the world market.

2.6.4 The Internationalization of Monopolies

Monopolies "first divided up the home market among themselves and obtained more or less complete possession of the industry of their own country" (Lenin, 1970:65). At that point it was inevitable, due to the export of capital, that monopolies expanded to the world market and to the development of international cartels. The bigger the monopoly the larger its share of the market. Lenin viewed this development as a new stage in the world concentration of capital and production. Thus, in 1907, to end competition between them, American General Electric "got" the United States and Canada while the German General Electric Company "got" parts of Europe which included Germany, Russia, Turkey and the Balkans (Lenin, 1970:66-67).
The development of cartels reveals the reach of capitalist monopolies and the object of their struggle – monopoly profits. Still, the growth of cartels, especially since 1945, has not gone completely unchecked. With the rise of the Soviet Union and other socialist countries (known, for instance, as low price territories in the electrical industry) and the growing power of Third World nations as demonstrated by the birth of OPEC among those oil rich countries, the power of the cartels has been curtailed to some extent (Mirow and Maurer, 1982). Lenin wrote that

capitalists divide the world, not out of any particular malice but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits. And they divide it "in proportion to capital", "in proportion to strength", because there cannot be any other method of division under commodity production and capitalism. But strength varies with the degree of economic and political development (1970:72).

While the share that a monopoly has in the market is based on an economic division, paralleling this are the political alliances that develop in the struggle for spheres of influences in regions either inside or outside a country.

2.6.5 The Territorial Division of the World

When Lenin studied imperialism it was a powerful colonial force. He tried to explain the role of colonization which involved the division of the world among the major colonial powers, such as Britain, Czarist Russia and France. By 1900, the division of the world had been largely completed,
most of the remaining unconquered areas of Asia and Africa had been "claimed". Lenin concluded his analysis of the monopoly stage of capitalism with the point that once expansion has been completed and there is no other unoccupied territory to gain, then only redivision of occupied areas can take place. This means that not only undeveloped countries but other developed regions could be affected by the drive for expansion. "Territories can only pass from one 'owner' to another, instead of passing as ownerless territory to an 'owner'" (Lenin, 1970:74). That is to say, redivision of the world at the expense of each other produces the tendency to violence and war. Both World War I and the drive of German capitalists during the Nazi period are examples of redivision or attempts at redivision (Dutt, 1936; Earnest, 1972).

One of the dynamic aspects of capitalism is that it develops unevenly in different countries. It is this unevenness of capitalist development, a continuing destabilizing tendency, which leads to imperialist war. Lenin had written, "when the relation of forces is changed, how else, under capitalism, can the solution of contradictions be found, except by resorting to violence?" (1970:96-97).

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8 Evidence for this tendency is the example of Britain. In 1860 this country produced 77 million tons of pig iron while Germany and the United States produced 2.5 and 3.8 million tons respectively. However, by 1913, Britain produced 10.3 million tons while Germany and the United States had shot up to 19.3 and 31 million tons (Eaton, 1949).
The concentration of capital in the hands of monopolies meant that they exerted more and more influence over government decisions. Therefore, in general, the interests of the state are aligned with the interests of the monopolies. "The non-economic superstructure which grows up on the basis of finance capital, its politics and its ideology, 'stimulates the striving for colonial conquest'" (Lenin, 1970:82).

This colonial conquest can be internal to the country or external. Later imperialism played a new role. With the formal independence of colonies, the colonial powers declined. A new situation arose, that of neo-colonialism. The works of Nkrumah (1966) and Woddis (1967) are excellent examinations of this new problem.9

For Lenin the economic essence of imperialism defined it as "capitalism in transition" or moribund capitalism, where the socialization of production, that is, more and more people working collectively under conditions of private ownership, was reaching extraordinary proportions. This marked

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9 Neo-colonialism is an indirect form of rule. Woddis (1967:61) writes that "Neo-colonialism is the survival of the colonial system inspite of formal recognition of political independence in emerging countries which then become the victim's of indirect and subtle forms of domination by political, economic, social, military or technical means...". According to Nkrumah (1966:239) "the methods of neo-colonialism are subtle and varied. They operate not only in the economic field, but also in the political, religious, ideological and cultural spheres". Neo-colonialism is the worst form of imperialism since for some it is power without responsibility but for those under it, it means exploitation without redress (Nkrumah, 1966). Thus imperialism, in the form of neo-colonialism, is not only economic domination but also control over ideas and information."
an historic change in the nature of capitalism, a change
giving new political and economic character to capitalism.
Herein also lies the basis of the class struggle in capital-
ism. "The contradiction between socialised production and
capitalistic appropriation manifested itself as the antago-
nism of proletariat and bourgeoisie" (Engels, 1975:59).
Thus in dying capitalism is cradled the embryo of a new,
historically necessary mode of production. "Monopolies, ol-
igarchy, the striving for domination and not freedom" (Le-
nin, 1970:119), the exploitation of many weak areas or na-
tions by a few powerful nations, results in the
characteristics of monopoly capitalism. As capitalism grows
even more rapidly, its growth becomes more uneven manifest-
ing itself in the decay of countries richest in capital,
such as Britain and the United States. These signs of decay
are seen in the growth of militarism, unemployment, the re-
actionary ideology of racism, chauvinism and sexism and the
use of technology to increase profits rather than to better
the lives of people (Lenin, 1970).

Lenin's analysis of monopoly capitalism, as seen in the
previously discussed characteristics, was the first such
theory attempting a concise, logical explanation based on
the works of Marx and Engels. Since Lenin's work, others
have also contributed to the study of the capitalist mode of
production.
2.7 SUMMARY

There have been numerous debates on the nature of monopoly capitalism since Lenin's work. Some, such as Sweezy (1942), Baran and Sweezy (1966) and Magdoff (1969), although acknowledging Lenin's work, have developed theories which oppose some of Lenin's concepts such as the role of the export of capital. Others, such as Dobb (1963) and Szymanski (1981), maintain the continued relevance of Lenin's theory. "In fact, in many ways these ideas [Lenin's] seem to be more appropriate in the post-1960s world than previously [Szymanski, 1981:4]. Furthermore, new concepts, like that of neo-colonialism, have appeared that are important in understanding the politics of the press.

This chapter has been an outline of the theory of monopoly capitalism as developed by Marx, Engels and Lenin. Capitalism is defined as a system of commodity production in which labour-power itself becomes a commodity. The emergence and growth of capitalism is explained through the law of the social development of classes and the law of capitalist accumulation. Therefore, surplus-value, produced by workers, is appropriated by capitalists and accumulated through reinvestment. This underlines the antagonistic interests of workers who produce commodities and capitalists who own the commodities.

Historically, both the social and technical effects of production were traced from the handicraft stage, to the
manufacturing system and finally to the age of modern Industry as Marx called it. With modern Industry capitalism was firmly entrenched as a social system. But this did not happen without social consequences such as unemployment, the loss of traditional skills and the increased exploitation of people. Despite these drawbacks, the use of technology also led to the rise of unions and the development of knowledge for the use of society as a whole as well as for the individual.

Lenin's theory of monopoly capitalism or imperialism, deriving from Marx's work, summed up the major characteristics that mark this last epoch of capitalism: the monopolization of capital and production; the growth of finance capital; the export of capital over the export of commodities; the formation of international monopolies; and the division of the world into spheres of political influence. With Lenin's theory of imperialism as a guide, one discovers the similarities to the theory as well as the uniqueness of the Canadian experience. An exploration of the Canadian newspaper industry reveals the inevitable tendencies of monopoly capitalism.
III
THE GROWTH OF MONOPOLY CAPITALISM IN THE
CANADIAN PRESS

3.1 THE EMERGENCE OF MONOPOLY

In this chapter, the Canadian newspaper industry is ana-
lyzed in terms of the characteristics of monopoly capitalism
(or imperialism) as presented in the previous chapter. When
looking at the growth of monopoly, an overview of Canadian
industry as well as newspapers is presented. When examining
finance capital, the close relations and interlocks between
newspapers and banks are evident. In the export of capital,
Southam and Thomson took different directions as they did in
the division of economic territories - or markets. Finally,
in terms of the division and redivision of global spheres of
influence, Canada's main expansion was originally in inter-
nal colonization; later it was allied with the main imperi-
alist powers, first Britain then the United States. Begin-
nning with monopolization, the history of Canadian
development shows a similarity between monopoly in Canadian
industry and monopoly in Canadian newspapers.

The years between the 1840s and the 1890s were a time in
which the Canadian economy underwent changes resulting in
capitalist growth. It was a period when Canada experienced
its own Industrial Revolution (Pentland, 1955; Byerson, 1968; Langdon, 1975; Pomfret, 1981; Cross and Realey, 1982; Leadbeater, 1984). By the early 1900s the growth of concentration and centralization of production and capital in Canada were well underway. Already ordinary people were expressing anti-monopoly sentiments. In the 1880s the consolidation of the railroad in central Canada produced an outpouring of protest by both farmers and shippers over the power of the CPR to establish rates (Bliss, 1974:40-41). W.K. McNaught, a Toronto jeweller, wrote in reference to the CPR and the Grand Trunk:

Corporations are said to be soulless, and these are not exceptions to the rule, as anyone may judge from the past record, either of the Grand Trunk or the Canadian Pacific. They have lied the public... These railroads are like huge vampires, slowly sucking the life-blood of this country's commerce. They charge the extreme limit the law allows, and in many cases go beyond it, and the sufferers from their legalized tyranny have no chance of redress (cited in Bliss, 1974:41).

The growth of monopoly in Canadian history was recognized by several people. One of the earliest writers to document this was Gustavus Myers (1975) (original work printed in 1914), an American journalist and historian whose work on the accumulation of Canadian wealth was unique for its time. In fact, Lenin was aware of at least some of Myers' work. Commenting on monopolization of the Canadian economy, on the eve of the First World War, Lenin paraphrased Myers as saying that "today forty-two men actually control more than a third of the country's [Canada's] total wealth" (1968:593).
A Canadian writer, Watt Hugh McCollum (1935), in his research in the 1930s asked the question: "Who owns Canada?", and concluded that one hundred corporations dominate Canadian industry and that the fifty men who control these corporations control the lives of millions of people. Other writers who, early on, wrote about the development of monopoly in Canada include Forritt (1911) and Scott (1914). More recently, Park and Park (1973), Naylor (1975a, 1975b, 1975c), Clement (1975, 1977), Micsi (1978, 1981, 1985) and Cross and Kealey (1982, 1983, 1984) have done work that has examined some aspects of the historical rise of monopoly capitalism in Canada.

Until the 1930s, Canada's industrial structure was basically a competitive capitalist one. Mergers were few and smaller although there were attempts to limit competition through cartels and price-fixing associations (Naylor, 1975b). Examples of attempts to curb competition were the development of associations such as the Retail Jewellers' Association and the Wholesale Grocers' Guild. Open competition was attacked as destructive to profits, security and business morality. Members of these combines always asked what was unfair about ensuring one another a "living profit" when they were attacked by those who objected to prices charged by them (Fliss, 1974:43-44). Despite the fact that cartels were not important in the Canadian economy before 1890, both capitalists and anti-monopoly forces began to an-
ticipate the direction the economy was taking, that is, the tendency towards monopoly. Finally, the period between the late 1890s and World War I witnessed the unfolding of the next stage in the Canadian economy — monopoly capitalism.

The growing concentration of production, the centralization of capital and credit — in fact, to the growth of monopoly — began to assume importance in Canada in the early 1900s. The completion of the Canadian Pacific Railway in 1886 and the later period of railway building in the early years of the century and the fortunes amassed by the railway builders formed a "new starting point" for Canadian capitalists, one that they vigorously took advantage of to develop large-scale industry at home through mergers and re-organizations, and to export capital to exploit profitable concessions and franchises in other countries (Park and Park, 1973:136).

Thus the process of capitalist accumulation is reflected in the concentration and centralization of production and capital which underscores capitalist development in Canada. An overview of Canadian industry reveals this trend.

3.1.1 The Appearance of Monopoly Capitalism in Canadian Industry

The period between 1900 and 1914 saw the development of monopolization in the formation of major firms such as Canada Cement, Amalgamated Asbestos, Canadian Car and Foundry, Dominion Steel and the Steel Company of Canada. There were also mergers in such industries as textiles, tobacco, brewing, milling and paper (Canada, 1978). Between 1908 and 1912, 58 industrial mergers included approximately 275 firms with a total capital of $490 million (Leadbeater, 1984:32).
For example, since 1904 the textile industry has been dominated by Dominion Textiles (Niosi, 1981:26). And by 1910, Canada Leather controlled 75% of the market, the Canadian Car and Foundry produced 85% of the total Canadian production and Dominion Canners accounted for 95% of the Canadian total (Naylor, 1975b:150). The history of Canadian Canners Limited illustrates this process of monopolization.

In 1893, 9 canning companies formed Canada Packers Association and a few years later established a Dominion Syndicate. Then, in 1903 Canadian Canners Consolidated amalgamated the Dominion Syndicate and most independents for a total of 30 firms. Between 1904 and 1914, 17 more independents were absorbed with the name changed to Dominion Canners. The increased competition from independents in 1915 made it necessary to form Canadian Canners Limited which was controlled by Dominion Canners. Finally, in 1923 Canadian Canners purchased the assets of Dominion Canners and 29 other independent firms, thereby controlling 75% to 90% of the market (Traves, 1983:22,31).

In 1902, there were 26 independent producers of newsprint but by 1931 5 companies produced 75% of the newsprint. In iron and steel, up to 1900 there were several dozen producers and by 1917 only 4 major producers and a few smaller ones. Thus, by the end of 1914, finance, industry, trade and transportation were highly concentrated (Niosi, 1991:19,25). The last 5 years of the 1920s also saw the
number of mergers account for 40% of all such activity between 1900 and 1948 (Traves, 1983:22). Therefore in the 1930s parts of the Canadian economy operated under monopoly or oligopoly conditions. This was an extraordinary concentration of power in Canadian business (Finkel, 1979). The monopolization of industry during this decade is marked by the following examples. One company, Imperial Tobacco, accounted for 70% of production while in the agricultural implement industry 4 companies of which 2 were parent and subsidiary accounted for 75% of all sales. These 4 employed 3,500 workers while 10 smaller companies employed 392 people (Canada, 1937:50,60,61). Table 1 further illustrates this situation.

TABLE 1

Concentration in Selected Manufacturing Industries, 1933

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Firms</th>
<th>% Controlled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ammunition, ammonia, and chlorine</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>Cement</td>
<td>1</td>
<td>90%</td>
</tr>
<tr>
<td>Lead</td>
<td>1</td>
<td>90%</td>
</tr>
<tr>
<td>Silk (artificial)</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>Meat packing</td>
<td>2</td>
<td>85%</td>
</tr>
<tr>
<td>Electrical equipment (heavy)</td>
<td>3</td>
<td>100%</td>
</tr>
<tr>
<td>Copper</td>
<td>4</td>
<td>93%</td>
</tr>
<tr>
<td>Pulp and paper</td>
<td>5</td>
<td>90%</td>
</tr>
</tbody>
</table>

Source: Bynolds (1940:5).
Although banks will be discussed in the next section of this chapter, mention should be made that the financial area in general was also highly concentrated. In the 1930s, 10 banks operated where 40 had existed in the past. Of those 10, the 3 biggest controlled 70% of the business. Out of 40 trust companies, 4 had 77% of all business. Regarding loan companies, 3 out of 36 accounted for 82% of the money loaned (Forsey, 1933:9).

A government study (Canada, 1971:5) compared the assets of 54 of the largest manufacturing corporations in the 1950s and 1960s. In 1958, these assets were 38% of all manufacturing. By 1965, this had become 40.1%. A later study done on concentration in the Canadian economy (Canada, 1978) pointed out that concentration in Canada is generally higher than in other industrial countries such as West Germany, France, Japan and Sweden. Canadian manufacturing is also more monopolized than that of the United States (Canada, 1971; Moore and Wells, 1975; Canada, 1978). To complete this brief summary of the process of concentration and centralization, a look at manufacturing exemplifies this situation as shown in Table 2.

In Table 2, the concentration of production is evident. In 1890 there were about 2.9 workers per establishment, whereas in 1930 this had risen to 23.5 workers and by 1975 to 42.3 workers per establishment. In turn, the value added in manufacturing per worker was $1721 in 1890, $2793 in 1930,
### TABLE 2

Manufacturing Industries in Canada, 1870-1975

*(based on 1971 constant $)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Establishments (numbers)</th>
<th>Production workers (numbers)</th>
<th>Worker/establishment</th>
<th>Value added by manufacture per worker ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1870</td>
<td>38,899</td>
<td>181,679</td>
<td>4.7</td>
<td>93,944</td>
</tr>
<tr>
<td>1890</td>
<td>69,716</td>
<td>203,989</td>
<td>2.9</td>
<td>351,139</td>
</tr>
<tr>
<td>1900</td>
<td>n.a.</td>
<td>245,388</td>
<td>n.a.</td>
<td>422,824</td>
</tr>
<tr>
<td>1910</td>
<td>n.a.</td>
<td>465,029</td>
<td>n.a.</td>
<td>550,075</td>
</tr>
<tr>
<td>1920</td>
<td>22,376</td>
<td>499,063</td>
<td>22.3</td>
<td>1,492,722</td>
</tr>
<tr>
<td>1930</td>
<td>22,586</td>
<td>529,740</td>
<td>23.5</td>
<td>1,479,642</td>
</tr>
<tr>
<td>1940</td>
<td>25,471</td>
<td>625,593</td>
<td>24.6</td>
<td>1,941,282</td>
</tr>
<tr>
<td>1950</td>
<td>35,942</td>
<td>952,244</td>
<td>26.5</td>
<td>5,942,058</td>
</tr>
<tr>
<td>1960</td>
<td>32,852</td>
<td>971,610</td>
<td>29.6</td>
<td>10,371,284</td>
</tr>
<tr>
<td>1970</td>
<td>31,929</td>
<td>1,167,063</td>
<td>36.6</td>
<td>20,047,801</td>
</tr>
<tr>
<td>1975</td>
<td>30,100</td>
<td>1,272,051</td>
<td>42.3</td>
<td>36,139,301</td>
</tr>
</tbody>
</table>

Source: Leacy *(1983:R1-22, R12-36)*.

While by 1975 the amount was $28,410. Since 1926 manufacturing has been approximately 6% or just over one fifth of the Gross Domestic Product *(Leacy, 1981:56-65)*. It is pointed out that the number of establishments is not indicative of the number of companies in this area. An establishment is defined by Leacy *(1983)* as a factory, mill or plant mainly engaged in manufacturing production. An establishment may be a firm, but many firms have more than one establishment. Also, no figures for establishments were available for 1900 and 1910 but in 1905 the number was 15,197, a figure which shows the effect of concentration and centralization during the time from 1890 *(69,716)* to 1905 *(15,197)*.
The previous survey of the growth of concentration and centralization of Canada's economy traces the development of monopoly capitalism in Canada. A study of the Canadian newspaper industry also suggests that it is no exception to the general process, that the need to accumulate capital in order to survive competition is just as necessary.

3.2 MONOPOLIZATION IN CANADIAN NEWSPAPERS

In Canada, Halifax had the first printing press in 1752, and the first paper, the Halifax Gazette. The Montreal Gazette, the first bilingual paper, was established in 1785. But it was not until 1833 that Canada had its first daily, the Daily Advertiser in Montreal (Rutherford, 1979:9).

As Canada grew during the end of the nineteenth century, so did the newspapers. In 1864, 23 dailies were in existence with this number increasing to 61 and 91 in 1881 and 1891 respectively (Kesterton, 1967:39). By 1900, there were 121 dailies with a peak of 138 by 1913 (Kesterton, 1967:25,39,71). The greatest growth in papers, in terms of the number of papers and publishers, occurred during the height of competition, that is between the 1870s and the 1890s. Although newspapers were a little slower than other industries to reach their maximum numbers, by 1930 monopolization had appeared with 116 dailies controlled by 99 publishers. In 1953, 89 dailies were owned by 57 publishers. By 1966, 63 publishers put out 110 dailies, but 54 of these
were controlled by only seven publishers (Clement, 1975:299). The Kent Commission noted that in 1960 out of the 117 dailies, 89 were controlled by 12 publishers (Kent et al., 1981:90).

These numbers, however, hide the fact that although there were 138 publishers in 1913, there were actually fewer than 138 owners. For instance, by 1912 Southam owned 4 of the 138 papers and by the 1930s, 6 in all. Southam began acquiring dailies in the period from the 1870s to 1913, more specifically, 1877, 1897, 1908 and 1912 (Kesterton, 1967:78). Kesterton, the Davey Report and Clement have not taken this fact into account, implying that 138 represents independent newspapers when monopolization had begun earlier. Thus concentration and centralization had occurred earlier than the usual figures indicate.

Looking briefly at circulation in the daily press, in 1958 three groups, Southam, Thomson, and PP, controlled 20 per cent and by 1970, they controlled 47 per cent of the total circulation (cited in Clement, 1975:299). At the time of the Kent Commission in 1980, Southam and Thomson controlled 50 per cent of Canadian circulation and 60% of English circulation (Kent et al., 1991). Today these two chains combined with Torstar control 70% of the English circulation. But the appearance of one or two newspaper towns is perhaps the most noticeable evidence of the tendencies of monopolization.
At the turn of the century, when competition had reached its zenith, there were 66 dailies in 13 urban centres with more than two daily papers. At the same time, 17 towns and cities had two daily papers for a total of 35 multiple newspaper towns. In 1931, there were 40 single daily urban centres (Rutherford, 1978). But by 1966, only nine towns and cities had two dailies and 75 centres had only one daily newspaper (cited in Kesterton, 1966:73). The most current figure, for 1983, as shown in Table 3, is that 90 centres of a 100 have only one daily paper while 10 centres have 2 or more.

<table>
<thead>
<tr>
<th>Single Daily Centres, 1983</th>
</tr>
</thead>
<tbody>
<tr>
<td>100 centres</td>
</tr>
<tr>
<td>90 centres</td>
</tr>
<tr>
<td>10 centres</td>
</tr>
<tr>
<td>113 dailies</td>
</tr>
<tr>
<td>1 daily only</td>
</tr>
<tr>
<td>2 or more dailies</td>
</tr>
</tbody>
</table>

Of these 10 centres:

| 8 centres                  |
| 2 daily only               |
| 2 centres                  |
| 2 or more than 2 daily     |

Note: These figures take into account AM/PM editions, same ownership and French/English editions. Although Zwicker and MacDonald originally included the ethnic daily press, this table does not.

Both the Thomson and Southam corporations, as we will see later, are evidence of the growth of concentration and centralization.
But the simple numerical facts of monopolization must be seen in terms of the capital accumulation and technological advances that were made in the industry. Under the impetus of various changes, the capital accumulation in the industry gives rise to higher levels of expenditure in capital equipment and material inputs relative to expenditure on labour (that is, an increased ratio of constant to variable capital, as defined earlier). The following historical review shows the dialectical relationship between the development of press technology and the growth of concentration and centralization accompanied with the increasing class struggle within the newspaper industry.

3.2.1 The Development of Press Technology

During the pre-capitalist or handicraft stage of the press, from the 1750s to the 1820s-30s, press technology was limited to manual operations. A wooden flat-bed, hand-operated press could print approximately 60 copies, on one side per hour (Kesterton, 1867:8). Other sources (Parker, 1985:45-46) indicate that the "old English" press, hand-operated by 2 men printed 100 to 150 sheets per hour while later presses could, in theory, print 240 sheets per hour on one side. More to the point, the maximum output of newspapers was limited.

The production of a newspaper was often a one-person operation or a situation in which family members contributed
their labour. From 1752 until 1761, John Bushell, in Halifax, was assisted by his daughter, Elizabeth (Duff, 1937:229). Yet in 1793, Louie Boy in Upper Canada printed his newspaper on an eighteenth century press. He did not have an assistant (Benn, 1978), but this did not preclude the hiring of others.

In 1776, Fleurie Mesplet arrived in Montreal with five wagon loads of equipment plus his wife (who was a printer), an editor, two journeyman printers, and a manservant (Duff, 1937). In Lower Canada in 1807, Miles and Mower produced a newspaper employing a number of journeymen (Benn, 1978:101). The Quebec Gazette, produced by Brown and Gilmore in 1764, employed journeymen, printers, apprentices, printer's devils as well as translators and a boy (black slave) for cleaning (Gundy, 1957:4). However, as late as 1915, the owner, publisher, editor, printer and distributor were often one and the same person (Duff, 1978:102; Kesterton, 1967). Then, from the 1830s through to the 1860s, as capitalism was evolving, the introduction of mechanization began to change press conditions.

The mechanization of the Canadian press took place during the 1840s and early 1850s, after British and American inventors perfected the hand-operated and the power-driven cylinder presses (Rutherford, 1978). The capacity of producing sheets went from 200 to 1,250 copies per hour. By 1860, a two double-cylinder press could print 3,000 copies in one
hour (Rutherford, 1978). Steam power was first applied to a press in 1840 in Halifax. In only 10 years, steam power and cylinder presses were found across the country. The cylindrical power press was used by the Fredericton Loyalist in 1845. The Montreal Gazette had a cylinder press powered by 2 men until 1853 when a steam engine was installed. In that same year, the Globe became a daily and used a Taylor double-cylinder power press powered by a steam engine. In 1867 the Globe purchased a Hoe Lightning Press able to print 10,000 impressions in one hour (Farker, 1985:157).

Also in that year, the largest printing plant in the country, John Lovell's, employed 150 people and had 12 steam printing presses, 9 steam machines, 6 hydraulic and hand presses and machines for ruling, hacking and paging. Yet, in 1835, Lovell had had a small traditional business. "This transformation to larger factory-style printing firms was common in Montreal and Toronto (and, indeed, in Halifax and Saint John) ..." (Farker, 1985:157). Thus this period witnessed increased production in printing techniques while, conversely, typesetting remained unchanged (typeset by hand) until the 1890s. Meanwhile, developments in other industries affected the press.

At the same time the process of papermaking (previously made from used cloth rags) was being advanced. By the 1830s there were papermills in both Upper and Lower Canada, with a total of nine by 1846 (Brown, 1967). The first commercial
newsprint made from wood fiber came from Germany in the 1850s. By the 1860s, John Thompson of Napanee, Ontario was one of the first in the world to make newsprint from wood-pulp, while Alex Buntin prepared the first commercial mechanical pulp in North America (Brown, 1967:175). The result was an increase in cheap newsprint available for an increased print run of the newspaper. Thus by 1870, the technological basis necessary for a mass press was in place in Canada (Sutherland, 1978). Moreover, it was during this period that the telegraph was developing across North America thereby giving people information about events more quickly than in the past. However, the introduction of technology formed the basis of conflicts between workers and employers.

During the handicraft period an individual knew all aspects of producing a newspaper. Within the printing trade itself, a masterprinter with the help of an apprentice did all the work. But with the introduction of steam and the cylinder presses, specialization of skills began to develop. Technology affected press work first. This resulted in the pressmen organizing their craft separately from typesetters. Hence, pressmen defined their function in relation to technology (Zerker, 1982:13-14).

The impetus for the founding of Canada's oldest union, the Toronto Typographical Union (TTU), was the concern with the “impact of long-run changes, with technological develop-
ments that threatened the security of craftsmen" (Zerker, 1992:18). Technological change threatened to decrease wages while allowing for the hiring of unskilled or semi-skilled workers. The surplus supply of unskilled labour coincided with the breakdown of the apprenticeship system (Zerker, 1982). The strike at George Brown's Globe in 1845 was over the introduction of a cylinder press which led to the firing of 2 skilled union workers who were replaced by scabs and boys (Parker, 1885:160).

The TTU originally represented multi-function printers and not specialists. But as technology made itself felt, the work of the pressman became distinct from that of the compositor and the printing craft separated into specialized unions. In 1869 wage scales established different rates for presswork and compositing (Zerker, 1992:123). Thus, the mechanization of presswork represented a growth of 900% over hand technology, going from 250 impressions per hour to 2000 impressions per hour (Zerker, 1982:13). Still, the handsetting of type held up the potential progress of production in the press until the 1890s when typesetting was mechanized.

Slug-casting of type was first used in the United States in 1886 and improved in 1889. Of this method, the linotype was the most successful. The Ottawa Journal used linotype in the 1890s but it was not fully used in Canada until after 1900. This process was 5 or 6 times faster than hand-type, setting a continuous line of copy and automatically justify-
ing each line (Kesterton, 1967:51-52). Meanwhile, improvements in the press continued. In 1880, the Globe installed a press which could print, cut, paste and fold 29,000 copies of an 8-page paper in one hour (Parker, 1982:159). In 1888 electricity was introduced although steam and gas driven presses were still widely used (Kesterton, 1967:50).

At Confederation, newspapers were 2 sheets, hand-fed into the press but by 1900, 16-page papers were common in Montreal and Toronto due to the development of the Bullock Web press which fed a continuous roll of newsprint, printed on both sides and folded as the paper came off the press (Parker, 1985:159). One observer (Clark, 1896:102) wrote that newspapers were cheaper because paper was cheaper, type was set by machinery, and presses printed 20,000 papers in the time that it had taken to print 10,000 10 years earlier.

In contrast to the cheapness of the individual newspaper was the fact that the technological developments in typesetting and printing had a major disadvantage—high cost. For instance, the Hoe Company in 1889 produced a press which did 49,000 12-page papers in one hour. But few Canadian papers could afford the $80,000 cost (Kesterton, 1967:51). Millward believed that it was this fact of high cost that

converted the publication of newspapers from an artistic and intellectual into a business undertaking and was largely responsible for a tendency for the business office to dominate the editorial and news desk (1939:752).
Yet, even as technological change swept across a growing Canada, there were pockets that were not affected as quickly. The Saskatchewan Herald appeared in 1878 but for most of its first 25 years the compositor, the pressman and the reporter were the same person (Farkas, 1985:145).

During the late 1860s and early 1870s there were radical changes in the methods of combining print and photographs. A Canadian, George Desbarats, invented half-tone reproduction of photos. The Canadian Illustrated News was the first published news magazine in the world to use letter press half tone reproductions of photos (Brown, 1967). The period between 1900 and the First World War was an era of inventions in lithography. William C. Heubner developed a system of using photo-composing equipment in lithography which was so financially successful that it led to the founding of one of Canada's largest printing firms (Brown, 1967:148).

In the 1920s the teletype was introduced. It had a "multiplier effect", that is, one transmitter could serve many receivers (Kesterton, 1967:120-121). By 1926, 25 workers employed 7 hours on machines produced as much as 71 workers employed 9 hours in 1896 (Zerker, 1982:336). During the 1950s, the use of the teletypesetter meant an operator in one city could produce his/her work in another city (Kesterton, 1967).

Basically, despite these changes, until the 1960s there was little further major innovation in newspaper production.
But with the advent of the "technological revolution" in electronics, particularly the use of computers and laser photo transmission, the industry has gone through rapid changes. Bert Chapman, editor of Graphic Arts Monthly, the journal of the printing industry, has stated:

With the advent in our industry of the laser, as well as other sophisticated electronic computers, satellites and even robots, we are part of a continuing technological revolution...[cited in Griffin, 1981:19].

Unfortunately, this technological revolution coupled with newspaper closings has resulted in the loss of jobs for hundreds of unionized workers. Both the 1960s and the 1970s saw a number of bitter labour struggles in places such as Vancouver, Toronto, Ottawa and Quebec City (Kent et al., 1981:79-80).

Many crafts have already all but disappeared, such as those of the typographers, proofreaders, photoengravers and stereotypers. These former craftsmen are still employed to do the new jobs, but they remain fearful of losing even these jobs to other new machines, or less-skilled employees, because the new machines call for fewer skills. Employment security had thus become a major problem (Hebert, Fraser, Angel, Patterson, Kervin, Swartz, Swimmer, Proulx, et al., 1981:185).

This historical survey underlines the fact that a contributing condition for the rapid advances in technology has been the concentration and centralization of capital. "Concentration in the industry has proceeded in step with technological innovation partly because of the huge capital outlays required to install and maintain 'state-of-the-art' equipment" (Griffin, 1981:19). In this, the dialectical
process is clear — concentration and centralization have encouraged new technology while new technology has furthered concentration and centralization. This process is also mirrored in other features of the press.

3.2.2 Other Features of Monopoly Capitalism in the Press

Concentration and centralization have also been reflected in relation to the growth of labour. As can be seen by the figures in Table 4, labour in printing, publishing and allied industries in the last 50 years has increased significantly.

<table>
<thead>
<tr>
<th>Year</th>
<th>Labour Force</th>
<th>Absolute Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1931</td>
<td>36,694</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>1941</td>
<td>37,197</td>
<td>503</td>
<td>1.4</td>
</tr>
<tr>
<td>1951</td>
<td>62,968</td>
<td>25,771</td>
<td>41.6</td>
</tr>
<tr>
<td>1961</td>
<td>84,239</td>
<td>21,271</td>
<td>25.3</td>
</tr>
<tr>
<td>1971</td>
<td>103,480</td>
<td>19,241</td>
<td>18.6</td>
</tr>
<tr>
<td>1981</td>
<td>136,425</td>
<td>32,945</td>
<td>24.1</td>
</tr>
</tbody>
</table>


Table 5 shows the growth, in the last 40 years, of the publishing and printing industry, which includes the newspaper industry.
TABLE 5


<table>
<thead>
<tr>
<th>Year</th>
<th>Experienced Labour Force</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Male Female</td>
<td>Total Male Female</td>
</tr>
<tr>
<td>1951</td>
<td>32,733 24,501 8,232</td>
<td>31,672 23,538 8,134</td>
</tr>
<tr>
<td>1961</td>
<td>44,477 32,838 11,643</td>
<td>43,543 32,052 11,490</td>
</tr>
<tr>
<td>1971</td>
<td>50,780 34,970 15,810</td>
<td>50,030 34,595 15,635</td>
</tr>
<tr>
<td>1981</td>
<td>58,610 30,860 27,730</td>
<td>57,745 30,410 27,335</td>
</tr>
</tbody>
</table>

For an explanation of what the figures in Table 5 include refer to the Standard Industrial Classification manuals. For 1951 use SIC no. 305; 1960, no. 285; 1970, no. 288, no. 289; 1980, no. 283, no. 284.

In these 4 decades, both the experienced labour force (including owners and managers), and the employees (wage and salary workers only) have increased in number. These figures interestingly point out the growing participation of women in this industry. Between 1951 to 1971 there were 2 to 3 times more men. From 1971 to 1981, a mere 10 years, the number of women grew to almost 50% of the workforce.

Exact figures for newspapers are difficult to find, but in 1981, through a survey of its own, the Kert Commission said that there were 22,000 employees in the industry as a whole. Table 6 shows the growth of labour over a six-year period, 1974 to 1980, in Canadian newspapers.

Overall, there was an increase in the number of workers. However, looking internally at the different departments,
TABLE 6

The Growth of Labour in Canadian Newspapers, 1974-1980

Employees by department in Canadian newspapers

<table>
<thead>
<tr>
<th>Department</th>
<th>Employees in 1974</th>
<th>1980</th>
<th>% 1974</th>
<th>% 1980</th>
<th>Annual Compound Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Editorial</td>
<td>3,509</td>
<td>4,250</td>
<td>20.3</td>
<td>22.3</td>
<td>+2.6%</td>
</tr>
<tr>
<td>Production</td>
<td>6,115</td>
<td>5,950</td>
<td>35.7</td>
<td>30.6</td>
<td>-2.2%</td>
</tr>
<tr>
<td>Marketing</td>
<td>5,008</td>
<td>5,650</td>
<td>31.2</td>
<td>33.8</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Administration/ others</td>
<td>2,355</td>
<td>1,875</td>
<td>09.7</td>
<td>09.3</td>
<td>+1.0%</td>
</tr>
<tr>
<td>Not classified admin.</td>
<td></td>
<td>600</td>
<td>03.1</td>
<td>03.5</td>
<td>+2.6%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-total</td>
<td>16,987</td>
<td>15,075</td>
<td>100.0</td>
<td>100.0</td>
<td>+1.0</td>
</tr>
<tr>
<td>Full-time equivalent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of part-time employees</td>
<td>1,132</td>
<td>1,800</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18,117</td>
<td>20,875</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


The editorial area, which includes such positions as court reporter, entertainment critic, travel writer, as well as the editorial positions of the various newspaper sections, has increased. Conversely, production, which includes jobs like that of the pressman, photo-engraver and stereotypist, has decreased. This reflects the need to have more people gathering information whereas the effects of technology have led to a loss of jobs in the production area.

The overall growth of employment during this period in the newspaper industry reflects the growth of the market.
For instance total daily circulation in 1975 was 4,954,000, increasing to 5,409,000 by 1980 (Kent et al., 1981:65).

However, the effect of new technology, increased productivity and, therefore, increased profits for owners, has also meant a decrease of labour in the production area, a loss of jobs for some workers. The strike in Toronto from 1964 to 1971 is a major example of workers' reaction to the threat of job loss which came with the introduction of new technology in the production area (Zerker, 1982). This underlines the conflicting interests of workers and owners in the industry.

As we will see later, the growth of concentration and centralization has also meant an increased rate of exploitation of workers or more profit per worker. With more profits per worker due to increased productivity resulting from new technology, there has been a corresponding increase in union activities such as strike action.

The results of the technological revolution, combined with newspaper closings, were that hundreds of unionized employees were thrown out of work ... the increase in average wages has failed to keep pace with inflation (Kent et al., 1981:79-80).

Competition leads to monopolization with a greater number of workers, to more use of new technology producing more profit per worker while decreasing jobs in the technological areas and, finally, to more exploitation or more profits per worker.
The overall effect of monopoly today has meant that starting up a paper requires an enormous amount of capital. By contrast, in 1869, for just a few hundred dollars and some old equipment the daily Montreal Star was launched. Sales figures for the end of the century show that papers could be bought cheaply, ranging from $16,500 for the Halifax Chronicle and its two associated papers, to $32,000 for the Toronto Star (Rutherford, 1978).

The cost of starting a paper, with the help of a wealthy patron or banker, remained relatively inexpensive. In 1869, the Montreal Star was started for only $1,100; in 1980, L'Électeur cost $5,000; in 1890, the Winnipeg Tribune started for $7,000 (Rutherford, 1978:88-99). Translating these costs into today's dollars, or at least 1971 dollars using Leacy (1983:K33-43), the amounts are, respectively, $4,126, $21,679 and $31,573.

Machinery and equipment prices, although increasing, tended to remain steady due to competition. A steam-driven press cost about 600 pounds (or $2982) in 1950 but by the 1970's, the eight-cylinder Hoe power press cost $30,000 (Rutherford, 1978). At the same time the cost of newsprint and buildings was relatively inexpensive. In 1890 newsprint sold for $3.70 per 100 pounds; by the end of the decade, 1899, the price decreased to a range of $1.70 to

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10 Rutherford does not give the equivalent of pounds and dollars in his study. But according to McCullough (1984:291) 1 pound, at this time, was equal to $4.866 or $4.87.
$2.10 for the same amount. The *Mail* paid $4,666 for rent, taxes, fuel and light in 1875. The *Ottawa Journal*, in 1892, paid only $800 rent while in 1900, the *Ottawa Citizen* paid $1,200 for rent (Butherland, 1982). Today the needed capital to start a paper would be an exorbitant amount. One source (Freiberg, 1981:viii) estimates the cost of starting a daily paper at $10 million!

In the era of competition, prices had a tendency to remain steady and wages were a larger proportion of cost. Therefore, the organic composition, the ratio of constant capital to variable, tended to be lower. As technology and other advances, such as increased education, affected the value of constant and variable capital, the need to compete to make more profit meant that this ratio would widen. The necessity for new technology and machinery would mean that relatively more money would go into the means of production and other materials while relatively less would be spent on labour. Today, for papers as a whole, a growing percent is spent on things other than wages. In 1974, 48.7 percent of expenses were wages. By 1980, this had dropped to 44 percent (Kent *et al.*, 1991:67). At the same time, the improved technology means increased labour productivity and increased exploitation as reflected in profits produced per worker.

In 1984, it was estimated that each Thomson employee contributed $20,498 to operating profit and the Southam worker, $10,922 (Westell, 1984:11). Thomson and Southam are
the major monopolies in the English Canadian newspaper industry, with Quebecor the major monopoly in French Canada, each is evidence of the tendencies of monopoly capitalism.

The history of Southam Press started in 1877 when William Southam together with William Carey purchased the Hamilton Spectator for only $6,000. By the end of the 1890s, it was making a profit of over $10,000 a year (Rutherford, 1978:108). In 1883 and 1889, two printing firms were established in Toronto and Montreal respectively. Both were showing net profits very soon: in Montreal, $30,000 in 1900; in Toronto, $20,000 in 1902. In 1897, Southam purchased the Ottawa Citizen for only $9,000. Within three years, the Citizen was showing a profit. Between 1904 and 1923, the Southams bought four more dailies and at the same time invested in companies outside of newspapers, such as Hamilton Steel and Iron (Rutherford, 1978).

Southam had grown to a major monopoly by 1980. Besides publishing 14 dailies, Southam concerns include bookstores (Coles Bookstores Ltd.), 39 business publications, 24 annuals and directories, as well as a major interest in Selkirk Communications, which has radio, television and cable interests in Canada and abroad (Kent et al., 1981). Southam Press is a product of the competitive era of capitalism. In order to survive it became bigger until it is today the second major monopoly in Canada's newspaper industry.
Unlike Southam, Roy Thomson was a late-comer into the newspaper industry. The Thomson empire started in 1931, with a radio station in North Bay, Ontario. In 1934, he bought his first newspaper, the Timmins Press. By 1943, with the help of loans from banks, Thomson had acquired eight radio stations and four more newspapers (Bradden, 1965). With the purchase of a paper in Florida and a group of Edinburgh papers, Thomson became international in 1953. By the mid 1960s he was recognized as the biggest newspaper publisher in history, owning 124 papers in eight countries (Encyclopedia Canadiana, Vol. 10, 1977;74). Today, the Thomson chain is the major newspaper monopoly in Canada with 39 dailies (Thomson Newspapers Ltd., 1985).

With the incorporation of the Thomson International Organization in 1959, the holdings of this multinational corporation include more than newspapers. It ranks among the largest multinationals in the world as Goldenberg (1984) has documented. Within this organization there are five main divisions: Thomson Newspapers runs papers in Canada and the United States, the Hudson's Bay Company oversees retailing operations, International Thomson Organization looks after newspapers in the United Kingdom and the worldwide operations of magazines, book-publishing information services, travel and oil and gas, Scottish and York Insurance Ltd. take care of the insurance business, and Dominico-Consolidated Truck Lines manages the trucking operation in Canada.
When Roy Thomson moved to the U.K., sales were 30 million pounds. At the time of his death in 1976, they were 285 million pounds, climbing to 1.5 billion pounds by 1993 (Goldenberg, 1984:6). Thomson Newspaper revenue has more than tripled since 1976 (Goldenberg, 1984). Ken Thomson said to the Kent Commission, "I believe in growing in the newspaper business ... I like my family's investment to grow ... Newspapers I like very, very much" (Kent et al., 1981:91). Indeed he would, with the type of profits that the newspapers provide. Thomson has recognized that the newspapers are the basis for what his family has today, as well as in the future (Kent et al., 1981).

Another major media conglomerate which should be mentioned is Torstar. Although it owns only one daily, the Toronto Star, this company also controls enterprises such as Harlequin Enterprises Limited, Comac Communications, Metroplan Printing and Publishing and Neilson-Ferns International. In 1985, Torstar and Southam swapped shares, ostensibly in an attempt to protect Southam from a possible take over by non-newspaper companies (Wood Gundy Inc. and Gordon Capital Corp.). This "almost merger" combines Canada's largest newspaper chain, Southam, with Canada's largest circulation, the Toronto Star (Campbell, 1985). Southam now has a 30% interest in Torstar while Torstar gained 20% of Southam (Enchin, 1985a). Torstar later bought another 5% interest in Southam from private sellers (Kidd, 1985). Each company has two seats on the other's board of directors (Campbell, 1985).
Although Thomson and Southam are the major newspaper monopolies in Canada, we are a country of two nations in one state, English and French Canada (Ayerson, 1968). The English Canadian capitalists may dominate the industry, but the interests of the French Canadian capitalists are represented by such corporations as Quebecor.

Incorporated in 1965, by 1970, Quebecor, whose principal shareholder is Pierre Peladeau, had 11 per cent of the French language circulation (daily and weekly). By 1990, this had risen to 46.5 per cent (Kent et al., 1981:3). In 1977, an attempt was made to become established in the U.S. newspaper industry. As it turned out, the purchase of the Philadelphia Journal was not a successful venture. Following its closing in 1981, the company entered the Winnipeg market in 1983 by purchasing the Winnipeg Sun in competition with Thomson's Winnipeg Free Press. Along with the three daily papers it owns, Quebecor's acquisitions include printing and publishing companies (magazines, books and newspapers) as well as record, video and photographic stores.

The figures in Table 7 show the growth of accumulation in Southam, Thomson and, on a lesser scale, Quebecor. The Southam figures show the increase in profit and surplus-value. The effect of the recession beginning in 1981, can be seen in 1982-1983 with figures that set the trend back a bit over the period examined. The figures for Thomson are

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11 The figures given here and by Westell (1984) do not correspond. This is due to the fact that he does not state
proof that, indeed, newspapers are very profitable for this
case. They are also evidence of Thomson being the capital-
ist par excellence in the Canadian newspaper industry (and
perhaps industry in general). However, more recent figures
show that Thomson is 1 of 6 billionaires in Canada (Camp-
bell, 1986). Quebecor, a younger company representing
French-Canadian capitalists, is further proof that the in-
crease in profit accompanies the increasing exploitation of
workers.

The figures for surplus-value and profit per worker are
only estimates since it was not possible to separate the
number of productive workers (journalists, printers and so
on) from the number of unproductive workers (sales and fi-
nance workers).12 These figures, then, exclude the surplus-
value expended on unproductive labour. If one could take
into account the relatively slower growth of productive to
unproductive labour, then the possible trend could be a
marked increase in exploitation per worker. Still, the com-
parisons of profit per worker within the 3 companies show

how his figures were obtained. But what is more impor-
tant is the fact that both sets of figures are evidence
that workers are exploited. Looking at Westell’s figures
suggest that Southam and Thomson workers are more ex-
ploited than the figures in Table 7 show.

12 Simply defined, productive labour is labour that produces
surplus-value, that is, labour that directly affects the
commodity (and is exchanged for capital). Conversely, un-
productive labour is labour that does not produce sur-
plus-value (and is exchanged for revenue) (Leadbeater,
discussion of Marx’s concept of productive and unproduc-
tive labour.
that Thomson workers are more exploited, producing more profit per worker.

Canada now has the most monopolized daily press in the capitalist world (Griffin, 1981). Thus, it appears that competition is not an advantageous situation in terms of profit. But according to Lenin (1970:30) we will have "a very insufficient, incomplete and poor notion of the real power and the significance of modern monopolies if we do not take into consideration the part played by the banks". It is with the development of the financial oligarchy that the true extent of the economic and political power of monopoly capital can be seen.
TABLE 7
Capial Accumulation - Southam, Thomson, Quebecor, 1974-1984

(based on 1971 constant $)

<table>
<thead>
<tr>
<th>Year</th>
<th>Southam Profit</th>
<th>Surplus-value</th>
<th>Rate of surplus-value</th>
<th>Surplus-value/worker $</th>
<th>Profit/worker $</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>26.2</td>
<td>35.9</td>
<td>27.4%</td>
<td>2,795</td>
<td>2,040</td>
</tr>
<tr>
<td>1983</td>
<td>24.9</td>
<td>31.4</td>
<td>27.3%</td>
<td>2,601</td>
<td>2,063</td>
</tr>
<tr>
<td>1982</td>
<td>12.0</td>
<td>23.3</td>
<td>21.5%</td>
<td>2,115</td>
<td>1,116</td>
</tr>
<tr>
<td>1981</td>
<td>30.2</td>
<td>37.8</td>
<td>35.4%</td>
<td>3,258</td>
<td>2,603</td>
</tr>
<tr>
<td>1980</td>
<td>25.9</td>
<td>30.1</td>
<td>33.1%</td>
<td>2,789</td>
<td>2,399</td>
</tr>
<tr>
<td>1979</td>
<td>25.9</td>
<td>28.0</td>
<td>33.9%</td>
<td>2,926</td>
<td>2,706</td>
</tr>
<tr>
<td>1978</td>
<td>23.8</td>
<td>24.8</td>
<td>33.2%</td>
<td>2,914</td>
<td>2,700</td>
</tr>
<tr>
<td>1977</td>
<td>19.5</td>
<td>19.8</td>
<td>27.9%</td>
<td>2,749</td>
<td>2,707</td>
</tr>
<tr>
<td>1976</td>
<td>19.9</td>
<td>20.5</td>
<td>28.4%</td>
<td>2,903</td>
<td>2,721</td>
</tr>
<tr>
<td>1975</td>
<td>18.9</td>
<td>19.5</td>
<td>27.5%</td>
<td>2,632</td>
<td>2,551</td>
</tr>
<tr>
<td>1974</td>
<td>21.5</td>
<td>22.3</td>
<td>33.3%</td>
<td>3,218</td>
<td>3,102</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Thomson Profit</th>
<th>Profit/worker</th>
<th>Quebecor Profit</th>
<th>Profit/worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>90.7</td>
<td>8,892</td>
<td>5.9</td>
<td>2,025</td>
</tr>
<tr>
<td>1983</td>
<td>78.3</td>
<td>7,990</td>
<td>4.8</td>
<td>1,958</td>
</tr>
<tr>
<td>1982</td>
<td>63.5</td>
<td>6,480</td>
<td>4.4</td>
<td>1,817</td>
</tr>
<tr>
<td>1981</td>
<td>72.7</td>
<td>9,749</td>
<td>4.0</td>
<td>---</td>
</tr>
<tr>
<td>1980</td>
<td>65.4</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1979</td>
<td>60.7</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1978</td>
<td>59.6</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1977</td>
<td>52.9</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1976</td>
<td>47.6</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1975</td>
<td>45.4</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1974</td>
<td>43.7</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>

Source: Various Annual Reports of the 3 companies and the Financial Post 500; Department of Finance, 1985:117.
Note: The Southam figures include not only the Southam newspapers but their holdings in bookstores, printing plants and communications. The Thomson figures are for Thomson Newspapers Ltd. only. The figures in the three profit columns are before tax profits since taxes taken by the government are part of the surplus-value produced by workers. The calculations of surplus-value include operating income before income taxes plus the interest on long term debt.
3.3 **Finance Capital**

The first Canadian bank was the Bank of Montreal, established in 1817. Originally, the Canadian chartered banks acted as middlemen, providing short-term credit for the movement of staples exports from Canada. But as both industry and banks became more concentrated, industry's need for long-term credit and huge capital outlays changed the role of banks (Naylor, 1975a).

The period from 1870 to 1914 was one of tremendous growth for banks. Between 1867 and 1900, competition for charters was at its height. Mergers were difficult because of existing government regulations. But from 1900 to 1914, after the expansion of the west and the completion of the CPR, regulations were relaxed. This was the period of the merging of banks, the rapid expansion and monopolization of the Canadian banking system (Naylor, 1975a).

As previously mentioned, in the 1930s three banks out of the existing ten controlled 70% of banking assets. By 1975, five banks controlled 90 per cent of all Canadian banking assets and 91 per cent of the revenue (Clement, 1975:400). Newman (1975) was very clear on the power of the banks and industry together:

> The executive board meetings of the five largest banks represent the greatest source of non-governmental power in the country. The corporations represented on each bank's board of directors trace the bloodlines of big business power in Canada (96).

Table 8 shows the development of banks from 1820 to 1960.
TABLE 8

Bank Concentration, 1824-1960

<table>
<thead>
<tr>
<th>Year</th>
<th>Banks</th>
<th>Mergers</th>
<th>Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1874</td>
<td>.51</td>
<td>---</td>
<td>230</td>
</tr>
<tr>
<td>1875-99</td>
<td>50 decreased to 36</td>
<td>4</td>
<td>230 increased to 630</td>
</tr>
<tr>
<td>1900-14</td>
<td>35 decreased to 22</td>
<td>17</td>
<td>708 increased to 3049</td>
</tr>
<tr>
<td>1915-25</td>
<td>22 decreased to 11</td>
<td>10</td>
<td>3159 increased to 3840</td>
</tr>
<tr>
<td>1925-60</td>
<td>11 decreased to 9</td>
<td>4</td>
<td>3849 increased to 5051</td>
</tr>
</tbody>
</table>


It is beyond the scope of this paper to go into great detail about the connections between banks and industry generally. This has been well documented by such people as Porter (1965), Clement (1975), Newman (1975) and Miosi (1978). But it is interesting to mention that in 1935, Watt Hugh McCollum and the Saskatchewan C.C.F. Research Bureau found that bank monopoly was pervasive.

Through interlocking directories the nine largest Canadian chartered banks control practically every trust and loan company, insurance company and major investment trust in Canada and form what is virtually a credit monopoly (McCollum, 1935:57). They also noted the relationship between industry and banks when "forty-seven out of the fifty 'big shots' are directors of eight of Canada's chartered banks" (57). The point of all this is not whether banks dominate industry or vice versa, but the fact that the same group of finance capitalists dominate both (Park and Park, 1973). Thus industrial capitalists sit on boards of banks and other financial institutions while bankers have directorships in various indus-
tries. With this major type of link-up the result is that finance capitalists dominate both banking and industry.

Wherever there is capital to control there is a link-up with the banks. Park and Park (1973) summed up this interlocking in Canadian society.

The most important bank directors hold directorships in the big trust companies, in the life insurance companies, in the important investment trusts. They appear on the boards of mining and industrial enterprises, transportation companies, utilities, department store chains; they are members of the boards of governors of universities and they own newspapers and radio stations (73).

The best example of the financial capitalist in newspapers is Thomson.

The relationship of Thomson with the banks goes back to 1925, when he and a partner borrowed money from the Bank of Nova Scotia to launch a business in North Bay, Ontario. With another loan from the same bank he bought a radio station in Timmins which he used as collateral to buy his first newspaper in 1934 — The Timmins Press. To update the printing equipment he got a loan from the Dominion Bank. "Thomson reflected that he now had two banks, two potential sources of credit" (Bradden, 1965:87).

Today, Ken Thomson is a director of the Toronto-Dominion Bank, the Caribbean Trust and several insurance companies. Up until his death, Roy Thomson had been a director of the Royal Bank. Back in 1965, Royal Bank director J. S. D. Tory sat on the board at Thomson. Today his son, John A. Tory sits on the board of the Royal Bank, Sun Life Assurance Company and Thomson Newspapers (Simpson, 1985). Other directors in the Thomson empire include John Coleman, a director of the Royal Bank and George Richardson, a director of the Canadian Imperial Bank of Commerce (Goldenberg, 1984).

The relationship between the Southam group and the banks is similar to Thomson. Originally, the $6,000 needed to buy the Hamilton Spectator was aided by a group of local capitalists (Rutherford, 1978). However, the Southams are a product of an era of large profits combined with available pools of capital. These were obtained not only from banks but from other capitalists who held shares in the company until the Southam family could buy them out.

The company grew through building up its own properties. This also is in line with the tradition of the company to maintain the directorate within the family and the company management (Bruce, 1968). But this is not to say that there was no involvement with the banks. Bruce (1968) in his history of the Southams has mentioned connections but does not detail this to any extent.
Currently Southam has directorships in the Canadian Imperial Bank of Commerce, the Continental Bank of Canada and the Toronto-Dominion Bank. It also has directorships in other financial institutions such as the National Victoria and Grey Trust Company, the North American Life Assurance Company and the Royal Insurance Company of Canada (Canadian Newspaper Services International, 1985; The Financial Post, 1986). Furthermore, Gordon Fisher, president of the company, until his death, was married to the daughter of William A. Arbuckle who was a director of the Bank of Montreal and Standard Life in 1975 (Clement, 1975). St. Clair Balfour, chairman of the board, sits on the board of governors for the Toronto Stock Exchange (Who's Who in Canada, 1980-81), and in 1975 was a director of Canada Trust (Clement, 1975: 313). Interestingly, Southam has a rule that officers or senior officials of the company do not serve as directors of firms in which they have no financial interest. At the same time, it also does not invest outside the area of communications (Parry, 1977:12).

It can be seen that Thomson and Southam have taken different roads for finance, but these paths have both led to similar places. As part of the financial oligarchy, whether in the forefront, like Thomson, or more quietly in the background, like Southam, newspaper owners have power and influence in our economy. With the expansion of accumulation, the export of capital, externally as in the case of Thomson or
mainly internally, like Southam, was necessary to maximize profits.

3.4 Export of Capital

With the growth of capitalist accumulation, "Canadian investments abroad are based on the export of capital from Canada, that is, the export of capital accumulation in Canada from profits produced by Canadian workers" (Park and Park, 1973:122). Capital export arises from the surplus capital at home which has less profitable fields for investment. Exporting capital promotes the export of commodities. For instance, Canada requires up to 80% of loans (public and private foreign aid) to be used to purchase Canadian products (Moore and Wells, 1975:16). The purpose of foreign investment is to maximize profit. No financial group has exported capital for any purpose but profit (Park and Park, 1973:123). Canadian foreign investments in the past have been mainly in the Caribbean and Latin America (Chodos, 1977; Park and Park, 1973). Towards the end of the nineteenth century, there began the large scale movements of Canadian capital into Latin America, first in the form of direct investments in branches of financial institutions, and after the turn of the century, via activities of the utility and railroad promoters. It was a period of consolidation and expansion of the British empire in which Canada sought its own.

13 Recently Southam has moved into the U.S. through its purchase of Dittler Brothers. This company mainly prints lottery tickets and North American airline schedules (Southam Ltd., 1985).
resource hinterlands (Naylor, 1975c:8).

There was also Canadian investment in the United States but the long term capital flow to the U.S. and the payment on interest on British investments resulted in the main profit coming from the Latin American and Caribbean investments (Naylor, 1975c).

In more recent times groups such as the E.I. Taylor and the Thomson interests (as well as the Bronfmens and the Reichmans) have challenged other capitalists for a share of the U.S. and British markets (Park and Park, 1973; Newman, 1975). Under the growth of monopolies in Canada, the export of capital to other areas became as important as the export of commodities or staples in the earlier stage of Canadian capitalist development. According to Naylor (1975c), this export of capital, a north-south flow, was at the expense of the development of the Canadian east-west economy.

However, Canadian internal colonization or internal Canadian imperialism (Zlotkin and Colborne, 1977; Cross and Kealey, 1982; Leadbeater, 1984), the "opening of the Canadian West", is related to the export of capital. Although there may not be as much export of capital outside Canada when compared to other countries, with the process of internal colonization, particularly with the development of the North-West Territories, a considerable amount was in this sense exported.

To boast ... that Canada has no colonies, is to make a formally correct political statement. But to think of colonies and colonialism only in po-
itical terms is to disregard the economic facts...[is to ignore] the profit coming into Canada from the exploitation of less advanced economies...the plight of Newfoundlanders, politically equal, economically colonized...the position of Canada's Indian and Arctic people (Park and Park, 1973:161).

With the completion of the Canadian Pacific Railway in 1886, followed by a later period of railway building in the early 1900s, and with the vast wealth accumulated by railway builders, a new "beginning" for capitalists was formed (Park and Park, 1975). The CPR, which has consistently been in the top five of the Financial Post 500, is a good example of big business and the export of capital. In an area (railroads) that was notoriously unprofitable (small lines, short-lived and always on the verge of bankruptcy), the CPR was highly successful. Westward expansion contributed to this success (Chodos, 1973).

With the emergence of capitalism, central Canadian capitalists looked to the north and the west for expansion. Internal colonization presented opportunities to further capital accumulation. The need to stimulate industries in central Canada, to turn the west into a market for industrial products and a resource base for central Canada and Britain and the desire to realize the goal of a route to the Orient for the British empire, resulted in central Canada being a junior partner in this imperialist design (Chodos, 1973:21).
The era of internal imperialism began in the early 1970s. By 1885 Canadian state power and central authority had been established. The system of treaties and reserves was typical of European colonialization. Eventually the native population became, in effect, an oppressed people (Leadbeater, 1984). These treaties and reserves helped to facilitate non-native settlement which created the markets in the colony for manufactured commodities from the centre. In addition, imperialist exploitation of natural resources was more easily accomplished when legal impediments were removed (Zlotkin and Colborne, 1977).

With the building of the CPR, the transportation and communication system was consolidated for Canadian imperialist interests while the development of the internal market was under the control of Canadian industry and banking (Leadbeater, 1984). Thus, with the export of capital out west hand in hand with political-economic relationships, central Canadian capital was able to structure development to suit its own drive for accumulation. This meant, in practice, that despite some significant popular resistance there was a virtually complete subordination of the prairie regional economy to the Central Canadian capitalist interests and state (Leadbeater, 1984:20).

Consequently, the growth of newspapers in the west similarly follows the export of capital in the internal colonization of this area.

The first paper in the west was in British Columbia in 1958. Manitoba's first paper was in 1959; Saskatchewan's
1878; and Alberta's 1880. During the period of colonization of the west, the number of newspapers in Canada grew from 20 in 1858 to 121 dailies by 1900. As stated earlier newspaper growth was slower than in other industries, such as banks, in monopolizing. But after the peak in 1913, from 1914 to 1922, 40 dailies disappeared, mainly through mergers (Rutherford, 1978:51). Due to wartime inflation, rising production costs and lagging advertising, those papers that were larger had to expand in order to accumulate and survive. It was around this period that the Southam fortune began to grow more quickly. The first purchase of a western paper by Southam was the *Calgary Herald* in 1908. This was followed by the *Edmonton Journal* in 1912, the *Winnipeg Tribune* in 1920, and the *Vancouver Province* in 1923.

Another round of expansion took place after World War II. From 1948 until the mid 1970s, eight more companies were bought. By 1981, the Southams, remaining basically in communications in Canada, either owned or had investments in: 14 daily newspapers, the *Financial Times*, 39 business publications, 24 annuals and directories, 13 newsletters and looseleaf services, 10 printing plants, 53 trade shows, bookstores, video production as well as major interest in Selkirk Communications which has interests in radio, television and cable. From 1973 to 1979, in all but one year, Southam reported increased profits and dividends to shareholders (Kent et al., 1981:93).
In contrast, the Thomson group has taken the export of capital mainly into the international arena. Although Thomson did not acquire his first paper until 1934, by 1985 the company owned 39 dailies in Canada. To maximize profits, Thomson went international with the purchase of the Scotsman in Edinburgh in 1953. Since that time, Thomson has bought newspapers in the U.S., Britain, Africa and the Caribbean. In 1959, the International Thomson Organization was founded to oversee newspaper and television interests (Goldenberg, 1984). This multinational is engaged in many other businesses besides newspapers. These include retail (Hudson's Bay Company) and wholesale businesses, real estate (Thomson Land and Properties Ltd.), oil (Thomson North Sea Ltd.), insurance, travel (Unitours Inc.) and so on.

In contrast, Quebecor has not been as successful as Thomson in the United States. After the closing of the Philadelphia Journal in 1981, Quebecor purchased a newspaper printing plant near New York City in 1985 to complement a Michigan-based printing operation purchased in January of the same year (Enchin, 1985b). Quebecor attempted to buy the Boston Herald American but was not successful. According to one report (Enchin, 1985b), despite its failure in Philadelphia, the company is intent on strengthening its presence in the U.S.

Through the export of capital, either internally or externally, both the Southam and Thomson companies have maxim-
ized profits. Therefore, the historical expansion of these newspapers into monopolies can be compared to the export of capital by Canadian capitalists in general. An interesting event is the recent entrance of Canadian capitalist Conrad Black into the British newspaper industry through the purchase of 14% of the *Daily Telegraph* (Handelman, 1985). Thomson and Southam are the major newspaper monopolies in Canada. Thomson is the largest publisher, in terms of the number of papers, in the capitalist world. This is evidence of the expansive drive of monopoly capital. Both companies have become more concentrated with more means of production and materials in their control. At the same time, the close ties with the banks or other finance institutions have helped to ensure the goals of profit maximization by assuring a source of funding to improve the profitability of newspapers (for instance, funds to purchase new technology). Paralleling the export of capital and the growth of monopoly in the newspaper industry has been the economic division of markets.

3.5 INTERNATIONALIZATION OF MONOPOLIES

"The epoch of the latest stage of capitalism shows us that certain relations between capitalist associations grow up based on the economic division of the world" (Lenin, 1970:73). Monopoly capitalists share the home market then, under the stimulus of the export of capital, expand to the
world market. The economic division of the market in the Canadian newspaper industry, with its own particular features, is evident. Since 1980, with the closing of the Winnipeg Tribune and the Ottawa Journal there is no city or town where a Thomson paper competes with a Southam daily. When looking at the Thomson and Southam papers, most Thomson papers tend to be in smaller centres while Southam's are mainly in larger cities.

In the case of Southam, keeping in mind its specific historical development, the world market has remained largely in Canada. In addition to newspapers, the company has expanded into other forms of communication such as magazines, the Coles book store chain and cable television. Thomson, on the other hand, has become a major multinational corporation extending to 14 countries on 4 continents. A brief look at the Thomson International organization confirms the extent of control of this monopoly.

In 1959, Roy Thomson, Lord Thomson of Fleet, founded the International Thomson Group through a merger of British newspapers and of Scottish Television Limited. With a policy of diversification begun in 1961, the next 20 years saw the interests of the group expand into other forms of information and publishing as well as tourism and natural resources. In 1978, the Group was restructured financially and International Thomson Organization was formed with headquarters in Toronto (International Thomson Organization,
Currently the major growth for newspaper activity is in the United States. Thomson Newspapers, from a recent article in the *Globe and Mail*, owns more than 80 papers in the United States. "The company expects 'several new additions' this year" ("Thomson Newspapers", 1984). But the company is not going to buy just any papers, "we're going to save that for opportunities" ("Thomson Newspapers", 1984). In the past "opportunities" have meant greater profits.

To understand the magnitude of the Thomson multinational, it can be compared to other corporate giants. In terms of revenue, it is on par with such U.S. firms as Xerox, PepsiCo, and General Foods. But it outdistances such firms as Coca-Cola, General Mills and Gulf and Western. In the United Kingdom, Thomson's revenue is equal to that of the General Electric Company and ahead of that of British Airways and British Steel. Around the world it employs 100,000 people, making it the second largest Canadian employer, albeit globally, after the CPR which employs 127,000 Canadians. It employs one and a half times as many people as does Proctor and Gamble, twice as many as Marks and Spencer and five times as many as British Petroleum (Goldenberg, 1984:4-5).

In terms of the number of papers, it is the first in Canada and the second in the U.S. after Gannett. Moreover, it is the largest magazine publisher in Australia and South Africa, the second in the U.K. and the fourth in the U.S. Seeking "high profit margins like a cat chases a mouse"
(Goldenberg, 1984:7), the Thomson multinational has moved into high-technology electronic information services for professionals where profit margins are as high as 75%. Ken Thomson is Canada's only billionaire on par with the richest man in the U.S., Gordon Getty, son of the late Jean Paul Getty, and a partner in Thomson's North Sea oil development (Goldenberg, 1984:6-7). However, a recent study by Diane Francis (Campbell, 1986:67) reveals that there are now 6 billionaires in Canada led by K.C. Irving with a net worth of $8 billion. According to the Forbes 400 (Bloch, Donahue and Newcomb, 1985:106), the richest man in the United States is Sam Walton with a net worth of $2.8 billion.

The international connections of Thomson are further consolidated by the shares which it holds in the British news service, Reuters. Although a recent article in the Globe and Mail stated that Thomson is planning to sell 12.4 million B shares, "International Thomson will retain a significant interest in Reuters through its Press Association holdings, which in turn owns Reuters A shares, which carry four times the vote of B shares" ("Thomson to sell", 1984).

But most papers in Canada, including Thomson's, rely on AP news service for their information. This is the major link for the Canadian Press news service. It is through this connection with the American monopoly news service that Canadian newspapers are tied to international monopoly as is illustrated by the history of CP.
The Canadian Press (CP), founded in 1917, is a co-operative owned by 110 daily papers. Although there are two other smaller Canadian news services, United Press Canada, an offspring of UPI, and Southam News, neither one has the coverage of Canadian Press. The dominant influence in CP belongs to the two major monopolies, reflecting the power of concentration in the industry. Independent publishers have attested to this power within the organization. "They have to agree. Otherwise it doesn't matter what the rest of us want" (cited in Kent et al., 1981:127). With Thomson and Southam having the largest number of papers, 57 altogether, they have substantial influence since each paper has one vote. Canadian Press also serves broadcasting and television stations (Kent et al., 1981). As Rutherford (1978) reports, the progress of monopolization in the newspapers was strengthened by CP in the 1920s:

CP could and did deny franchise rights to prospective newcomers on the grounds their competition would threaten profits of existing newspapers. That made it difficult for any entrepreneur to break into a city already served by a daily newspaper (52).

Dating from 1917, the Associated Press (AP) and CP have an arrangement on the exchange of news. Canadian Press pays AP to distribute world news in Canada. In return, CP supplies AP with Canadian news. "With its comparatively small size and limited resources, CP would be unable to cover the world adequately without such an agreement" (Thompson, 1978:3). Thus CP produces Canadian news but foreign coverage
comes mainly from the larger U.S.-owned American Press. The relationship between AP and CP is marked by a close ideological harmony which assures the use of more AP material in general compared to the use of information from other sources (Robinson, 1981: 194–195).

With the exception of Thomson, Canadian newspapers, for various historical reasons beyond the scope of this study, have mainly remained at home. Traditionally there has been virtually no foreign ownership of Canadian newspapers. The one exception is the British control of the Red Deer Advocate in Alberta (Kent et al., 1981: 6). To date, there is no legislation in Canada regarding foreign ownership of the press. However, in 1963, Southam owners raised the issue of legislating against foreign ownership of the press. The press was split on this. Most felt that Canadian ownership was desirable but they did not want legislation (Parry, 1977).

The share of the world market has gone to the bigger monopoly newspapers and news services. The same is true of the Canadian market. The particular relation between monopolies, such as Southam and Thompson, is based on what Lenin called the economic division of the world, yet, paralleling with and connecting to this situation is the political support the newspapers give in alliances between states in the struggle for spheres of influence. In other words, it is important to examine the alliances between the press and the
state. As Militand (1969) points out, the press has an important role to play in reinforcing a system of domination within the framework of political alliances.

3.6 Territorial Division

As mentioned, Lenin discussed the period of colonization that had been completed by 1900. Arriving too late on the world scene, Canada had no colonies outside but did have its internal colonies in the West and later, the North. Therefore Canada did not partake in the division of the world in the sense of possessing colonies outside its domain. Instead it became the supporter of imperialist powers such as Britain during the Anglo-South African War and the First World War and, in more recent decades, of the United States. Indeed, Canada occupies a unique position within the capitalist world as to its status—a dependency or a weaker imperialist power?

Lenin pointed out that the division of the world along economic and political lines gives rise to a number of transitional forms of state dependence. These "forms of dependent countries which, politically, are formally independent, but in fact are enmeshed in a net of financial and diplomatic dependence, are typical of this epoch" (Lenin, 1970:82). Lenin gave the examples of Argentina, in which foreign investment creates a dependent sector of the bourgeoisie, and Portugal, which had independent imperial interests while be-
ing a British protectorate. Canada, too has had aspects of this transitional phase.

Like Portugal, it [Canada] has independent imperial interests but there is also Canada's role as a "protectorate" of the U.S. from a military and diplomatic standpoint. Like Argentina, there is a substantial foreign investment, which creates a comprador mentality among sections of the bourgeoisie (Moore and Wells, 1975:17-18).

There is an ongoing debate on the issue of characterizing Canada as a dependent capitalist state versus its role as a weaker imperialist nation. (Moore and Wells, 1975; Heron, 1977; Smythe, 1981; Hicsi, 1983; Laxer, 1985).

For the position of Canada is far more ambiguous than that of many other countries. Certainly the reality of the powerful American grip on the Canadian economy and culture seems to make us look a lot like a dependency. Yet, at the same time, we lack the most obvious attributes of underdevelopment, and possess classes and a state which resemble those of the most advanced capitalist nations and which participate eagerly in various "central" schemes designed further to subordinate the "Third World" (Heron, 1977:10).

Today some would define Canada as an advanced capitalist country with specific features such as the major role of the United States in the Canadian economy, therefore considering it a weaker imperialist power.

The growth of Thomson into a giant, worldwide multinational symbolizes Canadian imperialist interests. In contrast, Southam represents the aspirations of the national bourgeoisie, expressing the importance in maintaining Canadian ownership of the press because of the "importance of newspapers to Canada's social fabric" (Goldenberg, 1984:130).
When looking at this last characteristic of monopoly capitalism in Canada, it is important to consider the connections between the role of the government and the monopolies as noted by Park and Park (1973:53):

When the financial groups are not in agreement, the governments hesitate and stumble. When the financial groups are in agreement, then the decisions of government, no matter how attractively presented, reflect the interests of the oligarchy as directly as possible, having in mind the state of public opinion, itself subject to pressure through the mass media over which the tycoons also exercise strong influence.

In other words, the state is generally aligned with the interests of the monopolies. Thus the goals of newspaper owners are aided or supported in some way by the government. Government actions, such as the various commissions and investigations into the press and media, will not damage the basic power of the strongest newspaper monopolies. A case in point: in 1983 Thomson and Southam were acquitted of conspiracy and merger charges relating to their closure of papers in Ottawa, Winnipeg and Vancouver which ended competition between them in these cities. The proposal for a federal newspaper act was not implemented. Put a closer look at the Canadian state and newspapers will be taken in the next chapter. The response of the press to the idea of a New World Information Order further illustrates the political alliances of the press.

The antagonistic reaction of the developed capitalist world to UNESCO's suggested New World Information Order
(NWIO) is a reaction to the threat of curtailing the interests of Western corporations which include the media (Nor-denstreng, 1982). Third World leaders and experts have attacked the power of the international media monopolies as a form of neo-colonial cultural domination (Singh and Gross, 1981:105-106). But this criticism is called a threat to press freedom by those capitalist nations which oppose the concept of the NWIO. Any suggestion of government influence in the news process of the "free world" is seen as a threat to people's freedom. Paddy Sherman, the chairman of the Canadian Section of the International Press Institute and publisher of the Ottawa Citizen, a Southam paper, wrote that the UNESCO program could wipe "out freedom of the press and of information exchange as it is known in Western countries" (cited in CDNPA-CMRC Bulletin, 1983). Hence, the Canadian newspapers are part of the neo-colonialist pressure against the independence of the developing countries of the Third World. With the monopoly on communications flow and technology under the control of the capitalist countries, one can only suggest that perhaps such a reaction is the result of a threat to the freedom of monopoly capitalism to continue its expansion.
3.7 SUMMARY

Therefore, in summary, free competition, the basic feature of capitalism and the basis for the growth of newspapers, has given rise to monopoly, the opposite of competition. So, too, has the press developed along lines similar to other capitalist commodity industries such as those in manufacturing. On the other hand, this does not deny the fact that the press has features distinctly its own which define its role in capitalist development. This chapter has traced the development of the monopoly stage of capitalism, or imperialism, in terms of the development of the five characteristics the press shares with other capitalist industries.

First, the process of capitalist accumulation led to the concentration and centralization of production and capital both in Canadian industry and Canadian newspapers. Unlike Southam, the Thomson chain was not a product of the era of competitive capitalism. However, both are now the major monopolies in Canada's newspaper industry. Second, in the area of financial capital both monopolies have relationships with financial institutions but Southam's connection is not as direct as Thomson's. Again, this difference lies in the fact that Southam developed at a different stage of capitalism. That is, Southam grew during a period of more available capital, while Thomson developed during monopoly capitalism and therefore relied more on banks to survive.
In terms of the export of capital, Southam followed the internal colonization of the west in order to maximize profits. Thomson entered the international field, expanding beyond newspapers and communications, and into other areas such as oil, tourism and the retail industry. These two monopolies have also divided the market with Southam, remaining basically in Canada, mainly in larger cities while Thomson has become a major multinational. Finally, Southam has displayed a more nationalist tendency than has Thomson. Still, it is this area of political alliances which must be examined in closer detail since owners of newspapers have claimed to be separate and independent of state interests. Thus the role of the Canadian state and the various commissions will be analyzed next.
IV

THE PRESS AND THE CANADIAN STATE

4.1 INTRODUCTION

Because of the powerful position that the press occupies in Canadian society, any examination of the press must include a look at the relationship between the Canadian state and the press. Part of this examination will centre around the role of the various commissions which have, to varying degrees, investigated the situation of the press. It is, therefore, important to look at what these commissions have done, who has run them and whose interests have been served.

The relation between the press and the state in Canada has gone through several stages. In the pre-capitalist era, the press represented the interests of the colonial state. As capitalism began to emerge, the press began to break away from the colonial state and to support the state of the rising bourgeoisie. After Confederation, with the flowering of competitive capitalism, the reform press marked the growing concept of a press free from state alliances – an autonomous press free of class interests. With the appearance of monopoly capitalism after 1900, there developed the idea of the press as a champion of the interests of the people and a
critic of the state. But the relationship between the press and the state is cast in another light when this connection is examined through the role of the commissions.

In reviewing the results of the commissions, one can only conclude that at best they have been very weak responses to the increasing monopolization of the press. Recommendations, when made at all, are weak and the government has not even implemented these. At the same time, those who sit on these commissions, as members or supporters of the capitalist class, thereby have a class allegiance which assures that recommendations are not threatening to the capitalist system. Thus the illusion is created that something is being done but in reality nothing has really been changed to create a more democratic press. Commissions, such as these, fulfill an ideological role by maintaining the illusion of serving the public good, as will be shown later.

To understand interconnections between the Canadian state, the commissions and the press, an understanding of the Marxist theory of the state will be examined. In his comprehensive article, Stevenson (1983) outlines the debates and controversies in the development of Marxist theory in this area. However this study cannot go into this area to a great extent and must, of necessity, be constrained to looking at the essentials of the theory as originally presented by Marx, Engels and Lenin. Modern developments will be analyzed through the work of Hoffman, Panitch and Clement.
4.2 THE MARXIST THEORY OF THE STATE

Marx sums up the modern State in capitalist society as a "committee for managing the common affairs of the whole bourgeoisie" (Struik, 1971:91). In other words, Marx explained that the state was an instrument which worked on behalf of a class. At times that meant that excesses of individual capitalists had to be censored or controlled for the common good or the best interests of the capitalist class as a whole. Society had to have social harmony between classes to retain stability. Thus the state presents itself to us as the first ideological power over mankind. Society created for itself an organ for the safeguarding of its general interests against internal and external attacks (Engels, cited in Selsam et al., 1975:341).

However, Engels also recognized that the power of the state comes from the "special bodies of armed men", such as the army and the police, which have weapons, prisons and other coercive measures for their use. "This public power exists in every state; it consists not merely of armed men, but of material appendages, prisons and coercive institutions of all kinds..." (Engels, cited in Lenin, 1947:145-146). Thus the ideological element of the state, as well as other elements, is built on control of the means of physical coercion.

In his study on the political economy of capitalism, Marx also examined the relationship between the state and the economy, for instance, in looking at the English Factory
Acts which governed the length of the working day. With the state intervening to curb the abuses that were prevalent in the factories, the state sanctioned the right of capitalists to expropriate surplus value but restrained the abusive conditions in which this surplus value or profit was extracted. Marx wrote that when capital began to grow it secured "the right of absorbing a quantum sufficit of surplus-labour, not merely by the force of economic relations but by the help of the State" (1961:258). Thus the development of capitalist production also develops the state as "the shape of external coercive laws having power over every individual capitalist" (Marx, 1961:257). Through legislation of the Factory Acts, the class struggle between working people and the capitalists was contained while the inhumanity of individual capitalists was checked. In this way the common interests of the bourgeoisie were protected, that is, the capitalist system remained unchallenged.

According to Marx and Engels, the historical development of the state originates in the emergence of class society and class antagonisms. Hence, the state represents the most economically powerful class who are also the most politically powerful (Lenin, 1947). Although the state is on the one hand a tool for the oppression of one class by another, on the other hand it at times appears as a mediator between classes, acquiring an independence relative to both classes (Lenin, 1947:148). Lenin (1947:148) quotes Engels on
this, "...periods occur when the warring classes are so nearly balanced that the state power, ostensibly appearing as a mediator, acquires for the moment, a certain independence in relation to both...". Lenin (1947:148) pointed out that, historically, the absolute monarchies of the 17th and 18th centuries and the Bismarck regime in Germany were examples of the "relative independence" of the state.

Lenin's main concern in his writings on the state was to expose any idea that the capitalist state could change its basic class orientation. The capitalist state could only be a machine for the rule or control of one class, the majority, by another, the minority. Therefore democracy was limited to the framework of capitalist exploitation (Lenin, 1947:200-202). Ultimately as the state appears to become more independent from society, it further enforces the dominance of the ruling class. This independence produces an ideology in which the relation between the political struggle against the bourgeoisie and the economic roots of this struggle against a system of exploitation is dulled or lost (Engels, cited in Selsam et al., 1975:341-342).

Marx, Engels and Lenin did not see the state only in terms of a repressive or coercive tool of the ruling class. By its appearance of autonomy, it produced an ideology which itself is used as a special kind of coercion. The British Marxist Hoffman (1984) explains that the Marxist theory of the state sees the state as a class instrument of coercion,
defending the interests of a particular class in the name of the common good - "a special coercion which commands consent" (Hoffman, 1984:32). This ideological coercion obtains consent by claiming to act in the interests of society as a whole and, in turn, it receives the support of people in general. Appearing as an autonomous area of society, it represents an illusory community operating for everyone. Therefore coercion is political, that is, it involves a "physical force with an ideological character", when all classes in society consent to support the state (Hoffman, 1984:32). In short, consent results from the ideological coercion of the state (ruling for all society) which is a special kind of coercion.

The work of the Italian Marxist Gramsci furthered the development of the Marxist theory of the state. Gramsci extended the concept of hegemony, used by Lenin, Marx and Engels in referring to the leadership role of the working class and its cultural organizations, to include the role played by the bourgeoisie in capitalism (Hoffman, 1984:55-58). Thus hegemony is tied to consent in that a class maintains its dominance not only through coercion but because of the cultural, intellectual and moral leadership it creates through the institutions, ideas and compromises it supports in society (Hoffman, 1984). The view of one class is imposed on society by appearing to benefit all. But this concept of coercion and consent in the ideological arena rests upon a material or economic level.
Marx studied capitalist production, the material conditions in which the state exists. When a worker sells his labour-power to a capitalist, it appears as a mutual contract based on equal rights. But workers consent to sell their labour-power because they do not own the means of production to sustain themselves. In this way the coercion of the necessity to survive and capitalist exploitation appears as consent (Hoffman, 1984:83).

Under capitalist production, economic coercion, the need for workers to sell their labour-power in order to survive, appears as consent between an equal buyer and seller. The ideological coercion of the state, the representation of the generalized interests of the capitalist class as the interests of the whole society, appears as rule by consent. By creating the illusion that individuals govern themselves, the state conceals the economic servitude of the working class (Hoffman, 1983:75-76). Hoffman's work on the Marxist theory of the state synthesizes and clarifies the basic concept of the state. Within the Canadian context both Panitch and Clement have analyzed the features of the Canadian state.

Panitch (1977) identifies three elements of the state. The first consists of institutions which include political parties and the media. Although autonomous from the state, institutions play a role in the system of power by political socialization, recruitment and social control. The next el-
ement, the link-ups between the state and classes, reveals
the close personal ties between the Canadian state and the
bourgeoisie. A review of some of the connections between
prime ministers and corporations illustrates this close in-
terlocking.

Robert Borden, prime minister from 1911 to 1920, was a
corporation lawyer, a director of the Bank of Nova Scotia
and co-founder of Crown Life Insurance Company. Arthur
Meighen was a lawyer allied with the Toronto financial com-
munity. W.L.M. King served as an adviser to John D. Rocker-
feller. Owner of the F.B. Eddy Match Company and a director
of Imperial Oil, Bennett also was a lawyer. St-Laurent was a
financier and a director of Metropolitan Life and the Bank
of Montreal. Although Diefenbaker, Pearson and Trudeau did
not have extensive corporate careers, they were closely con-
ected to the business class (Clement, 1983:90-91). John
Turner was a corporate lawyer while the current prime minis-
ter, Brian Mulroney, was a lawyer and later president and
director of the Iron Ore Company of Canada (Simpson,
1985:904,1253). Later, the connections between the press
and the state will be shown. Further documentation of the
ties between the state and business have been done by such
people as Forter (1965), Eyerson (1968), Acheson (1972,
1973) as well as Clement (1975, 1977). Finally, the last ele-
ment examines the functions of the state - the accumulation
of capital, the use of coercion and the legitimation of cap-
italist society.
By promoting a favourable climate for capitalist enterprise, creating a labour market and developing resources such as railways and airports and by covering private risks at public expense (grants and subsidies), the state assists in the accumulation of capital (Panitch, 1977:56). Through the use of coercion or repression, the state maintains social order. The suppression of the Winnipeg general strike of 1919 and the exercise of the War Measures Act in 1970 are examples of the use of coercion (Panitch, 1977:100). Lastly, the function of legitimation is used as an agent for social control. Activities and policies of the state which promote social harmony also contain the class struggle (Panitch, 1977:101). For example, Finkel (1979) looked at social reforms in the 1930s (unemployment insurance, combines legislation, marketing boards) and concluded that actions taken by the Canadian state were done in the belief that they would satisfy demands of the working class and farmers while preserving the capitalist system. The state also legitimizes the rights of private property, thus justifying the privilege of the capitalist class to control others (Clement, 1983:67).

Clement (1983) maintains, similarly to Panitch, that to uphold its legitimacy and that of capital, the state portrays itself as representing the common interests of all citizens. "That is, the state does not act at the command of capitalists but for its interests or, more correctly, in
its general interest" (Clement, 1983:89). To preserve the right of capital to exploit labour and to provide the conditions for accumulation, the state must promote social harmony. In response to those who claim that the state is an unbiased manager of society for the benefit of all, Clement's work on the close ties between the state and the capitalist class in Canada leads him to conclude that such evidence suggests that the state is not independent of the capitalist class (1983:93).

Unlike Hoffman and Fanitch, much of Clement's (1975) early work and all of Porter's work rests to a great extent on elite theory. While Marxist theory is based on concepts of class in terms of the relationship to the means of production, elite theory rests within a pluralist framework. Thus elites exist with various other groups in society - the economic elite, political elite, media elite and so on. For Porter, the economic elite is defined as "those who occupy the major decision-making positions in the corporate institutions of Canadian society" (1965:264). This elite consisted of the directors of 170 corporations plus the financial institutions. But Porter fails to connect the economic power of this elite with political or state power. Thus, according to Nicosi (1978:126), in Porter's analysis the economic elite does not rule and does not control the production and diffusion of ideology.
Clement's concept of the elite is more integrated and concrete than Porter's (Niosi, 1978:130). Clement (1975) defined the elite as the people who hold the uppermost positions within dominant corporations that are arranged hierarchically. Clement defined the corporate elite, which includes the economic and media elite, as "that set of positions known as senior management and directors within the dominant corporations" (1975:5). However, Niosi points out that elite theory (used by Porter and Clement) inadequately links the economic elites to other elites while ignoring the role of the ownership class in dominating these elite groups (1978:133).

Both Porter and Clement have made important contributions to the study of the Canadian capitalist system. However, as elite theorists, they ignored the questions of the ownership of the means of production: the power that accompanies ownership and the lack of power that accompanies non-ownership, having only one's labour-power to sell and suffering the exploitation that accompanies such a social status. Elite theorists regard the struggle between owners and non-owners of the means of production as one of the variety of conflicts possible in a larger capitalist-democratic consensus (Finkel, 1979:24).

Elite theory presents a static view of political life, denying the dynamic quality of politics. Since it assumes that a recognizable group of people can impose their will on the political process, almost all political life is a conspiracy.

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14 To be fair to Clement, in his more recent work (1983) he appears to have moved away, to some extent, from elite theory and closer to a Marxist concept of class.
(Freeman and Hewitt, 1979:10). An excellent summary of elite theory and a critique of Porter and Clement is done by Miosi (1978) who concludes that the "economic elite is nothing more than the big bourgeoisie, poorly delineated and just as poorly conceptualized" (169).

To sum up the Marxist theory, the state is a power which works on behalf of the ruling class for the common interests of that class. Through various forms of institutions, personal linkups and its functions of accumulation, coercion and legitimation the state preserves and justifies capitalist production and exploitation. The ideological essence of the state lies in the dialectical relationship of coercion and consent. By appearing to be autonomous, the state has a special or ideological coercion, ruling by the consent it obtains from society through presenting the illusion of operating for everyone. This political coercion and consent rests upon the economic coercion of workers who must consent to sell their labour-power to live and which is represented as a contract between equals. The Canadian press and its historical relationship to the state will be traced briefly in light of the Marxist theory of the state and its relevance to the press.
4.3 **The Relationship Between the Press and the State in Canadian History**

I run the paper purely for the purpose of propaganda and with no other motive - Canadian capitalist and British politician Lord Beaverbrook (cited in Cudlipp, 1950:299).

In the pre-capitalist stage of Canada's development "the government's primary interest in printing was as a means of promulgating its different proclamations or of publishing its laws" (Pauteux, 1930:52). John Simcoe, the governor of Upper Canada in 1791, saw the press as an absolute necessity to legitimize Upper Canada as a bastion of Tory British power (Rutherford, 1978:2). Therefore, it was difficult for the press to exist without government patronage (Pauteux, 1930; Kesterton, 1967). This patronage could prove, financially, very fruitful. Gilmore, printer of the *Quebec Gazette*, left his heirs $15,000 in 1789, a large sum in those days, which was due to government patronage (Duff, 1937:230).

However, this is not to say there was no opposition to government views. The *Halifax Gazette* criticized the government's Stamp Act in 1766 with the result that the publisher was replaced as King's Printer and government patronage stopped (Tremaine, 1940; Kesterton, 1967). From 1798 to 1793 Moore's *Quebec Herald* published the conflicting views of French and English, merchants and farmers and received very little government patronage (Tremaine, 1930:31). But overall, during the 1750s to the early 1800s, the press had little autonomy from the state.
Its role was to act as an agent of the colonial government, informing a small, literate elite. The press was an instrument of the state, serving its needs rather than fulfilling a more popular need. It was not until after the War of 1912 that newspapers started to appear that challenged the colonial state and expressed another view.

As capitalism was developing in the pre-Confederation period, the emerging Canadian bourgeoisie became the architect of the Canadian state. The men who shaped the state, the political spokesmen of banking, trading and railway interests, the rising Canadian capitalist class, were men of property (Ryerson, 1968:355). These men came from a coalition of two key sectors of Anglo-Canadian business. The Montreal wing, which included Galt, Macdonald, Ross and Cartier, represented the general interests of the English-Canadian community connected to London and the Grand Trunk. Cartier represented the French-Canadian bourgeoisie and the church. This section was Conservative. The Toronto sector, under Brown, represented the industrial and commercial classes and was Liberal (Ryerson, 1968:342-344).

During this period, the press began to challenge the right of the colonial government to dictate what it could publish. The successful acquittal of Joseph Howe, charged with libel, is the most famous case (Kesterton, 1967:20-21). The press began to support the call for popular government, that is, the call for the political authority by the bour-
geoisie (Rutherford, 1978:33). In Central Canada, both The Globe and The Leader supported a wide, popular electorate whose franchise would be limited by property rights, endorsed the concept of free trade, and expressed the belief that labour unions were not to impinge on the right of a free contract (Careless, 1950:226-227). Thus the press began to legitimize the ideals and dominance of the emerging capitalist class.

Newspapers then were aligned to one of the other of the parties, Conservative or Liberal. Patronage or favours was a common and expected occurrence (Kesterton, 1967). Since this was also a difficult period for press survival, political patronage was very important. From 1840 to 1967 in Nova Scotia alone, 80 newspapers were published but only 6 had a continuous existence in this period (Harvey, 1945:280). Figures in a government financial report show the growing importance of the press politically. In 1852, $2812 was spent on newspapers and advertising, with this rising to $20,756 by 1862 (Hill, 1969:57).

In this era, the role of the paper was to develop political consciousness for the goals of the emerging capitalist class. The connection between the press and the state was obvious. Editors were politicians and vice versa (Kerr, 1930). Such people as George Brown, Francis Hickey and William Lyon Mackenzie depict this relationship. But it was in the post-Confederation period that the relationship between the press and the state took on another form.
The 1870s to 1900 was an era of railway building and westward expansion. Capitalism forged ahead in Canada with state support under the goals of the National Policy. This was the high point of party journalism but also the period of the development of the idea of an autonomous, non-political press. Goldwin Smith, speaking at a banquet, stated that the Tory lion can lie down with the Grit tiger "while the lamb of independent journalism remains unhurt between them" ("Press Banquet", 1881:102).

During this period, the press was openly partisan. Some examples of this partisan press are the Toronto Globe, the Toronto Empire, the Halifax Chronicle, and the Halifax Herald. Owned by wealthy people, these papers were used as political tools (Buthford, 1975). By 1892, out of 42 dailies in Ontario, 36 openly identified with the Liberals or the Conservatives (Beaven, 1983:322). But it was at this stage that the reform or "people's press" began to develop. The reform press, started by people who were business people as well as journalists, condemned the use of the press as a tool for politicians to espouse their views rather than those of the public (Buthford, 1975:175). The Montreal Star, the Toronto Star, and the Ottawa Journal are examples of reform papers started at this time. While fighting for more liberal attitudes, they also changed the content and style of newspapers.
The emphasis was on news and not comment. More variety of news developed with less emphasis on political news and more information on business and local events with reports on crimes, scandals and gossip (Rutherford, 1975:177). The reform press crusaded against the party system and the rise of big business and championed working people, the poor and other social concerns. While being critical of aspects of Canadian society, they supported nationalism and anti-Americanism while supporting Britain. For example, the Montreal Star implored Canadians to participate in the Boer War (Rutherford, 1975:180-182).

Basically, though, these papers supported the capitalist system, calling for reform and not radical change. As business enterprises they argued for bourgeois ideals and goals. By the 1890s, all the reform papers except the Ottawa Journal were receiving some form of government patronage. La Presse became a pro-government paper, while the Toronto Mail's Billy Maclean took a seat in the Commons as a Conservative candidate (Rutherford, 1975:185-186). By 1900, with the party press adopting the innovations in style and content of the "people's press", the reform papers had been absorbed.

It has been argued (Feaven, 1983) that patronage and partisan political positions were a market strategy. In other words, the position of the press, identifying with a party and a particular political interest, changed to a more
independent position because it was more profitable (due to the influences of circulation, advertising, urban growth and technology). Similarly, patronage was allotted on the basis of a paper's commercial success and circulation size. "The party press was essentially a commercial press that maintained bourgeois party identities as a market strategy" (Beaven, 1983:350). Both Beaven (1983) and Rutherford (1975) conclude that the party press died while the idea of a paper representing the opinions of an elite or the bourgeoisie was destroyed. However, although such a conclusion is correct in an obvious sense, like the "emperor's new clothes", there arose the illusion of an autonomous press representing the interests of the masses as opposed to the interests of classes. But evidence of a small, radical labour press suggests that not everyone accepted the "new clothes".

In 1872, the *Ontario Workman* appeared. It was a weekly, whose main concerns were the immediate goals of working people such as higher wages and the 9-hour working day. It only lasted until the middle 1870s and did not have a revolutionary outlook (Watt, 1959:314). In 1883, the *Labour Union* came out which was the predecessor of the *Palladium of Labor*. Then in 1890 the *Labor Advocate* was published. These papers aimed at encouraging class-consciousness among working people. They put class interests above party politics, supporting a revolutionary ideology, that is, the capitalist system could not be patched up but must be changed (Watt,
1959:10,17). This awareness of the class interests of the press was not only noted among the working class press.

One writer (Norris, 1881) protested the fact that he could not get his anti-colonial opinions, protesting Canadian's being governed by British-made laws, published in either the Globe or the Mail. Another writer, (Clark, 1896) complained that the press was an instrument of the wealthy used to deceive the public. Clark (1896:104) felt that any reasoning reader could see that the newspaper was not an arbitrator but an interested partisan. But with the emergence of monopoly capitalism, there was a further de-emphasizing of the partisan interest of the press.

Under the new feudalism the Canadian people derived no advantage from protection and were under the authority of trusts and combines which owed their monopoly power to the control of government, parties and press by privileged interests who are the "new feudalism" (Porritt, 1911:3).

Such was one writer's description of the power of monopoly capitalism in Canada - a "new feudalism" which was much less powerful in 1896 than it was in 1910. And after 1896, according to Porritt, papers had become subservient to the government. Therefore the Laurier government did not bestow advantages on editors, but on the exploiters of Canadian industry or politicians who own and control a subservient press (Porritt, 1911:14-15). For example, in 1905, the Laurier government listed what papers the King's Printer could deal with (Ward, 1963:8). Clifford Sifton, a Laurier minister and attorney-general of Manitoba bought the Manitoba Free Press from the CPR (Finkel, 1979:7).
Cabinet positions and senatorships have also a frequent connection with the control of newspapers and generally in Canada it is quite worthwhile for a capitalist who is interested in industries on which the government bestows largesse to include a daily newspaper or two among his enterprises. It is not necessary that he should know anything about newspaper production (Porritt, 1911:14).

By the First World War in 1914, the division of labour between ownership and management, between management and editorial jobs had been completed (Beaven, 1983:345-346). State subsidies to the press were given in several ways—advertising, subscriptions, special postal rates. During the war, Western papers petitioned the government to assume the cost of a telegraph line from Ottawa to Winnipeg. Until 1931, the sales tax on printer's supplies was reduced by 50%, saving publishers over $1,500,000 (Ward, 1963:4-7). The Canadian Press (CP) news service received an annual government subsidy of $8,000 for a cable service from Britain (Cumming, Cardinal, and Johansen, 1981:6).

During the First World War, the ideas of imperialism were strongly reflected in the reporting of the press. Generally, the English-language and French-language dailies vigorously supported the Canadian state's involvement in this war, with the notable exception being Le Devoir (Kesterton, 1967:183-189).

The 1920s, in Rutherford's words, were "the age of everybody's newspaper" (1978:53). "For its preoccupation with the transitory, the trivial and the unimportant to the neglect of the enduring, the serious and important, it might
be described as the 'carefree age'" (Kesterton, 1967:194). The main guiding principle was that of neutrality or "objectivity", with political events reported in a non-partisan manner. George Graham, a journalist and Liberal senator, said that the strength of Canadian journalism was its impersonal character (Rutherford, 1978:58). Connections between the press and the state are illustrated by the publishers who were called to the Senate: in 1906, Jaffray of the Toronto Globe; in 1917, White of the Montreal Gazette; in 1928, Buchanan of the Lethbridge Herald; and in 1932, Dennis of the Halifax Herald (Rutherford, 1978:70). Besides this connection, owners of the press such as the Southams and the Siftons, were also members of big business, having interests in other enterprises (Rutherford, 1978).

Papers were owned by the bourgeoisie and their class interest, its values and causes, was supported by the press. The businessman was glorified, acquisition was a public good and competition a progressive force. The press urged industrial harmony and called on the state to impose class peace (Rutherford, 1578:74). At the same time, critics of the press were attacking its class position.

One cynical critic suggested that the "newspaper signify by its name that its contents are not to be taken too seriously - fiction is very popular and sales would not suffer" (Woodhead, 1920:22). Fairfax (1936) wrote that the bias of the newspapers was obvious. Since political parties
do not question the underlying basis of competition, newspapers can call themselves Conservative or Liberal without any risk to their existence. But what none can afford to do is "attack the whole basis upon which our profit-economy rests" (Fairfax, 1936:8). Fairfax concludes that we "can change the character of our press as we can change the character of our schools, only by changing the character of our government and of our society" (1936:9).

When the Globe and the Mail amalgamated in 1937, one editorial stated that this served as an example showing there was no political difference between the two papers and, in turn, there was no difference between the parties they represented, that is, the Tories and the Grits. It went on to say that since the main issues of society are class issues, and since newspaper owners and advertisers belong to the same class, the idea that a paper presents all sides of class issues fairly is ludicrous ("Your Morning Paper", 1937:6-7).

The newspapers applauded the Canadian government's decision to enter the Second World War. Most of the French-language papers were supportive to some extent (again, the exception being Le Devoir) while the English-language press unconditionally supported the war effort (Kesterton, 1967:201). During the war, the press worked closely with the government.
By the 1950s, the press had assumed the role of the "public watchdog", looking for faults in politicians and parties, a role that arose from the debates on the Pipeline issue in 1956 (Butherford, 1978:107). Yet, Roy Thomson ran as a Conservative candidate in 1952 (Goldenberg, 1984) and during the election in 1957, most papers were aligned with either the Conservatives or the Liberals. In Quebec, most papers supported the Liberals. The papers in the Southam and Thomson chains, for the most part, supported the Conservatives while the Sifton chain was mainly Liberal (Stevenson, 1957).

It was in 1951 that the first federal commission dealing with media and to some extent, the press, the Massey Report, was held. Ten years later, in 1961, the O'Leary Report came out. But it was not until the Davey Report in 1970 that a royal commission dealt extensively with the press.

Porter (1965) noted that the newspapers support the status quo over a wide range of policies, supporting either the Liberals or the Conservatives and switching whenever it appeared to be in their best interests to do so. "No newspaper has ever supported the social democratic CCF nor its successor, the NDP. Nor do newspapers do very much to bring about the progressive-conservative dialogue of creative politics" (Porter, 1965:484). However, in more recent times the Windsor Star and the Toronto Star have supported the NDP in their editorials. Clement's (1975:34C) study found that
over one-third of the media elite or their relatives have held or did hold political positions, giving support to the idea that the media and the state are very close.

Although an in-depth analysis is beyond the scope of this thesis, it is important to remember that since its appearance in the 1970s, the working class press has continued to express the interests and goals of Canadian working people in contrast to the capitalist-owned press. Issues dealt with in the working class press range from strictly union matters and topics of general interest to those which are political and radical (Logan, 1948:604).

Between 1900 and 1917, some of the papers representing the views of the working class included the Industrial Banner, the Western Labour News, the organ of the Winnipeg Trades and Labour Council and the British Columbia Federationist, the paper of the Vancouver Trades and Labour Council, the Western Clarion, the organ of the Socialist Party of Canada and the Grain Growers' Guide, the paper of the radical farmer's movement (Logan, 1948; Penner, 1977). This press opposed imperialism and condemned monopolies and the growing power of the banks and the railroads (Penner, 1977). Currently, the working class press continues represented by publications such as the Canadian Tribune and the various organs of the trade unions.15

15 It is also important to mention that within Canadian society, the progressive press representing the concerns of such groups as feminists, gays, environmentalists and radical artists also plays an important role in opposi-
This summary review of the historical relationship between the press and the state reveals that this relationship has been more obvious in the past than it is currently under monopoly capitalism. Also, in general, in the earlier period of the press, progressive views expressed in the press tended to be suppressed directly by the state. But with the emergence of monopoly capitalism, the tendency is for the corporate press to suppress progressive views. To define this relationship between the press and the state more clearly under monopoly capitalism, it is important to look at the role of the Royal commissions.

4.4 THE ROLE OF THE ROYAL COMMISSIONS

The 1951 Massey Report or The Royal Commission on National Development in the Arts, Letters and Sciences, was produced under the Liberal government of Prime Minister Louis St. Laurent. The government wanted a survey made "of institutions, agencies and organizations which express national feeling, promote common understanding and add to the variety and richness of Canadian life" (Massey, 1963:450). Thus the scope of the commission was to examine the cultural resources of Canada. It was under the chairmanship of Vincent Massey who was connected to government (High Commissioner to the UK and Governor-General of Canada), big business (formerly president of the Massey-Harris Company) and
the banks (at one time director of the Canadian Bank of Commerce and the Mutual Life Assurance Company).

Although the concerns of this commission were not with the press, it was felt that the press could not be ignored because of its importance as a source of Canadian knowledge and national understanding (Canada, 1951:42). The growing concentration and centralization of the press was dealt with briefly, with the report supporting the view of the British Royal Commission on the press which found that the then present degree of press concentration was not against the interests of the public.

Newspaper chains are undesirable not in themselves, but only if they are so large or so few that they unduly limit the number and variety of the voices speaking to the public through the press. We should not be alarmed by an increase in the number of relatively small chains; but we should deplore any tendency on the part of larger chains to expand [cited in Canada, 1951:46].

In supporting this view, the Massey Commission felt that the usual practice of permitting editorial freedom among members of a chain reduced any influence of monopoly practice towards standardization of news. In fact, the very nature of the industry compels owners to regard the public trust as a major criterion of their responsibility. Thus owners viewed the press as more than just a commercial venture (Canada, 1951:46). Government intervention, only to the extent of clearing "the playing field" for the healthy competition of private enterprise, was acceptable. Any further government intervention such as subsidization was not accep-
table. By ensuring healthy competition the press would continue to serve the needs of Canada's national life (Canada, 1951:52-53). This is a theme which appeared in later commissions.

Ten years later, in 1961, the Royal Commission on Publications or the C'leary Report came out under the Conservative government of Diefenbaker. The thrust of this inquiry was to examine the state of the Canadian periodical industry. The concern was with the economic impact of foreign and foreign-controlled publications on Canadian periodicals. The commission concluded that Canadian publications were subjected to unfair, unjust and crippling competition from so-called Canadian editions of American publications (O’Leary, 1977:139). The head of this inquiry was Grattan O’Leary, a former publisher of the Ottawa Journal and later a senator who had run for the Conservative party in Quebec in 1925.

As with the Massey Report, this investigation was not mainly concerned with the press, although it did endorse the idea of a distinctly Canadian press (Kerr, 1980:57). In terms of the growing monopolization of the press, a concern was expressed that the power of a minority could lead to a decrease in the rights of others. The possibility of government subsidies to help faltering publications was suggested, but it was feared that newspapers might become the mouthpiece of government.
In 1970, under the Trudeau government, the Special Senate Committee on Mass Media or the Davey Report, was the first commission to deal extensively with the newspaper industry. Under the chairmanship of Liberal senator Keith Davey, the mandate of the committee was to probe the concentration of ownership and control in the mass media and its influence on Canadians. Regarding the concentration of ownership, the concern was voiced that it could reach a point where it collided with the public interest. "The committee believes it to be in the national interest to ensure that that point is not reached" (Canada, 1970:8). The report looked at the information on concentration and warned of the dangers -- then turned around to praise both the content and management of the media. It believed that the press was, by and large, responsible and that there was little the government should do to improve it. Only owners and professionals could do that job (Swaney, 1971:17-18).

Despite the weaknesses of this commission, it was the first to supply valuable information on concentration of the media in Canada. It also expressed concern over the growing influence of the US in advertising in Canada. The committee recommended that a press ownership board and press councils be established but these were not taken up. In anti-trust action, resulting from the Davey Report, was taken against the Irving media interests in New Brunswick but it was overturned by the New Brunswick court and the Supreme Court of Canada (Clement, 1983:101).
The issue of concentration was the main reason for the establishment of the Royal Commission on Corporate Concentration or the Bryce Commission in 1977. This commission was not directly concerned with media or the newspaper industry. It was looking generally at the effect of concentration in industry on Canada's economy, more specifically, an evaluation of the effect of a merger of the Power and Argus Corporations. The members of this commission were lawyers, economists, in the service of capital, as well as capitalists themselves (Clement, 1983:108). It noted that Canadians were concerned with the influence that corporations had on government decisions and public opinion. But the report concluded that there was little evidence to justify this fear. "While we have recommended a number of improvements, we conclude that no radical changes in the laws governing corporate activity are necessary at this time to protect the public interest" (Canada, 1978:413). Clement has aptly called this commission "an exercise in legitimation" (1983:107).

In their specific study of the newspaper, La Presse, the commission concluded that there appears to be little intervention of owners into the content of the paper. Yet, in apparent contradiction, the study stated that the structure of the newspaper industry did not encourage sufficient ideological and economic competition and, consequently, there was less variety of published views (Canada, 1978:89). The
commission showed little interest in the question of the connection between media and other industry. Basically it side-stepped the issues.

The latest commission to investigate the newspaper industry was the Royal Commission on Newspapers or the Kent Commission in 1981. Under Trudeau's Liberal government, Thomas Kent was appointed to chair the commission. He was a former newspaper editor and deputy minister under Pearson and Trudeau and president of Cape Breton Development Corporation and Sydney Steel (Goldenberg, 1984:128). The impetus for this commission had been the ending of competition between Thomson and Southam by the closing of newspapers in Winnipeg and Ottawa.

The commission lambasted the concentration of ownership, yet not one recommendation, including one prohibiting further concentration or ownership of newspapers by those with outside interests and one which called for Thomson to divest itself of either the Gile and Mail or the rest of its Canadian newspapers, was implemented. In fact, proposals were suggested that would have challenged the basis of the newspaper monopolies' power and which the Commission rejected.

Of the proposal to strengthen the anti-corruption legislation, the Commission believed it was not relevant to newspapers and that, anyway it was too late. "We do not see how it could now be more than marginally relevant to newspapers
... It is, in any event now too late" (Kent et al., 1981:228). Another suggestion, that of breaking up the chains to eventually have one owner for one paper, would mean "disruption of structures that have developed entirely legally and in accordance with widespread business practices, as the law and practice have been and are" (Kent et al., 1981:228). In essence, this meant that nothing would be done to change existing monopolies and, ultimately, to prevent further monopolization since this situation was a property right recognized by the law.

Perhaps the most interesting rejection was of the proposal regarding the establishment of a government-owned newspaper. "It would compete with existing private enterprises, if it gained significant readership, it could well put some out of business" (Kent et al., 1981:231). Thus it appears that competition of a certain kind is a threat to the monopolies. And, finally, the proposal submitted by labour was a concrete suggestion that could possibly have helped democratize the monopoly situation in the industry by allowing other views to be represented. It was suggested that through government-owned plants or the renting of private printing plants, more papers could publish. In this way the exorbitant cost of technology would no longer be a prohibiting factor. This hinted at subsidies, hence the Commission felt that "the risks of manipulation of the press through subsidies make them ... too high a price to pay for more newspaper competition" (Kent et al., 1981:232).
Eventually, a proposal was put forth for a federal newspaper act, limiting chain ownership and establishing a national press council for research on the industry. This was at first accepted then killed by the Trudeau government. Furthermore, in 1983, Thomson and Southam were acquitted of conspiracy and merger charges in connection with the closings of papers in Ottawa and Winnipeg. Similar to the Davey Report, nothing was done to deal with concentration and its effects in the press.

All is quiet now within the industry, and rightly so since nothing has been done. Recently in Quebec, Power Corporation, which owns four daily papers including La Presse in Montreal, made an unsuccessful bid to buy Tele-Metropole Inc., owner of two television companies in Montreal. At CRTC hearings, the major dissenting voice was the unions, most of which felt that Power Corp. should be forced to choose between owning newspapers or television stations. However, the four-man CRTC panel does not include any commissioners who have disagreed with recent CRTC decisions increasing concentration and cross-ownership (Greenspan, 1986). Although referring to the Bryce and Davey commissions, Clement's comment summarizes the results of the commissions to date:

"the history of government investigations into such matters is one of inaction and inadequate response to the conditions uncovered. Only recommendations the government is predisposed towards are carried out, and the investigators themselves are carefully selected to work within the framework of capitalism for their solutions (1983:102)."
4.5 **SUMMARY**

In capitalist society, the state rules on behalf of the capitalist class, protecting its general interests. By representing the general interests of capitalists as the interests of all people in society, the state produces a special coercion, an ideology, which commands consent. This consent is tied to the hegemonic role that various bourgeois institutions, such as the press, play in capitalist society. The affinity of the press and the Canadian state is illustrated in their historical relationship.

During the pre-capitalist era, the colonial press represented the interests of the colonial government. The success or failure of a particular newspaper was often related to its receiving government approval, often in the form of government patronage. As capitalism began to develop in Canada, the emerging Canadian capitalist state was built by the rising capitalist class. In this pre-Confederation stage, the press began to break away from the confines of the colonial state and began to support the bourgeoisie and the call for popular government. At this time, papers were aligned to either one of the bourgeois parties, Conservative or Liberal. The class interests of the paper and the state were mutually supportive. But in the post-Confederation period, after 1870, the relationship appears to change as competitive capitalism surged forward.
Although many newspapers were still obviously partisan, the birth of the reform press marked a new idea in the relationship of state and press—that of an autonomous, non-political press. This was a progressive element in press development since the abuses of the party press and those of the capitalist system were condemned. The reform press played an important role in liberalizing attitudes. But any change must come within the framework of capitalism. Thus basically this press applauded the goals and ideals of capitalism. Fortunately, not everyone accepted that this "non-political" approach was the end of class interests in the press. To the contrary, the emergence of the working class press is evidence that working people needed a press to represent their interests. By 1900, with the appearance of monopoly capitalism, the concept of a non-partisan press, representing everyone's interests in society, was entrenched. The press appeared as an arbitrator rather than as a partisan.

From the 1920s to the 1950s, the concept of the press developed from "everybody's paper" to the "watchdog" for the public good. The ideology of an autonomous press representing the interests of society was in place. But the link-ups between the press and the state belie the idea that the two are independent of each other in terms of their interests. At the same time the common interests of the press and business reveal their common interest in the accumulation of
capital. As will be shown later, when the state uses coercion to resolve class conflicts, the press generally sides with the state. By supporting the goals of capitalism, the press contributes to the legitimization of capitalist society. Finally, it is the relationship between the government-appointed Royal commissions and the press which reveals the affinity between the press and the Canadian state.

Commissions represent the general concerns of the capitalist class over the abuse or potential abuse of capitalists in the press. By appearing to mediate the criticism from other groups in society, the commissions create the illusion of doing something. Thus public resentment and criticism is countered and absorbed. The rejection and lack of attention to any serious recommendations underscores the ideological affinity between the press and the state.

Therefore, the state, through the commissions, has assured that the tendency towards the concentration and centralization of capital within the Canadian press continues with the resulting monopolization then becoming greater in the industry. As the contradictions sharpen in capitalism (fewer people own more newspapers) then the role of the state in capitalism (or state-monopoly capitalism) becomes more important as a means to regulate the excesses of particular capitalists such as those in the press while assuring that the dominance of this class is maintained. Although the relationship between the press and the state may at
times appear antagonistic, the reality is that they have common class interests. The dominance of the press monopolies is strengthened behind the state's attempts at regulation.

The press, like the state, is portrayed as an autonomous, above-class force whose role is purely one of disinterested information and communication. Therefore, as will be discussed, the rights of private property are preserved and the right of the capitalist class to ideological control is sanctioned. The dialectical relation of coercion and consent is extended to the press through the ideology of freedom of the press as the next chapter will illustrate.
THE IDEOLOGY OF "FREEDOM OF THE PRESS"

5.1 INTRODUCTION

[The press practised] that semblance of freedom by which men are most effectively enslaved - William Cobbett (cited in Harrison, 1974:7).

It is possible that people need to believe they are unmanaged if they are to be managed effectively - John Galbraith (cited in Clement, 1975:276).

The ideology of press freedom is an ideology in which is organized the consent of people to a particular property and, therefore, power, relationship. Since consent is also linked to hegemony, this ideology condones the power of the ruling class in capitalist society. Throughout press history, concepts of press freedom have been linked to concepts of freedom in general, which, in turn, have changed as the historical conditions of the press itself have changed.

Press freedom, then, is historically and class specific. It has always been freedom with particular conditions attached to it. The question is what are the conditions and for whom is press freedom, freedom?

As the Canadian press continues towards greater concentration and centralization, the question of press freedom takes on greater urgency. Press freedom is always a class question. The very concept of freedom has always implied
freedom for some and unfreedom for others. Caudwell (1977:56) argued

What to the proletarian, is liberty - the extermination of those bourgeois institutions and relations which hold them in captivity - is necessarily compulsion and restraint to the bourgeois, just as the old bourgeois liberty generated non-liberty for the worker. The two notions of liberty are irreconcilable.

Therefore, claims of press freedom must be judged in their particular historical context. At this point, the changing concept of press freedom will be examined in an attempt to analyze the nature of that freedom in monopoly capitalism. This will be done by looking at the historical development of the ideology of press freedom and its relationship to property.

5.2 THE HISTORICAL DEVELOPMENT OF PRESS FREEDOM IDEOLOGY

The printing press was invented in 1450 by Gutenberg during the period of the early rise of capitalism and the decline of feudalism. This era, which preceded the Industrial Revolution, saw the emergence of several absolutist regimes in the transition from feudalism to capitalism. It was in this period that the first press theory, the authoritarian, or a better name, the absolutist concept of press freedom arose.

The concept of absolutism rests in the idea that absolute power belongs to the state.

The state, the highest expression of group organization, superseded the individual in a scale of values since without the state the individual was
helpless in developing the attributes of a civilized man. ... In and through the state, man achieves his ends; without the state, man remains a primitive being (Siebert, Peterson and Schramm, 1956:11).

The role of the press was to support and promote the policies of the state, in other words, to serve the absolutist state. Private ownership of the press was granted as a patent or permission to those who supported the government (Siebert et al., 1956:19-20). The press was controlled by this licensing system as well as through the use of censorship and prosecution by the law for anti-government statements. Thus criticism of the absolutist state and its officials was not allowed.

Since authority rests in the state and since responsibility for the solution of public issues follows authority, the first duty of the press is to avoid interference with objectives of the state. These objectives are determined by a ruler... (Siebert et al., 1956:29).

Press freedom was the domain of the absolutist class and its defenders. In Canada, from 1752 until the early 1800s, press freedom was the prerogative of the chosen few. It was those in power who decided what was true and what people should know. Kesterton gave the following examples:


But as capitalism developed, particularly after the Industrial Revolution, which began in England in the latter half
of the eighteenth century, the libertarian concept of press freedom appeared.

The libertarian, or small-scale, competitive capitalist concept of press freedom spread as the commercial press was developing in the 1800s. In the libertarian concept, the main purpose of the press was to act as a check on the state and to help people discover the truth. This was the opposite to the state controlled press of the absolutist period. Since this was also the period of the rise of the press as a commodity, its most important role was that of profit making for its owner. Other roles of the press were to inform, to entertain and to sell. Anyone who could afford it could own or use the press. Control of the press was assured through the self-correcting process of the free marketplace of ideas where the truth could be discovered. The courts placed limits on the press by not permitting it to publish defamatory remarks, obscene material and, during wartime, the press could be put under government censorship. (Siebert et al., 1956). In Canada, from the libel trial of Howe in 1835 through to the end of that century, freedom of the press was defined in terms of the defense of truth. The growing freedom of the press from the authority of the state was matched with the development of laws which defined the freedoms and licence of Canadian journalism (Kesterton, 1967:23,57). But the basic principle of press freedom was the greatest number of voices to be heard with the least amount of restriction.
With the control of the press under individual, private ownership, profit became the determining factor for survival. But the increasing competition for profit and with it, the growing concentration and centralization of capital, saw the nature of capitalism change towards monopolistic features by the 1900s. Under monopoly capitalism, with the increased concentration and centralization of the press, concern grew over the lack of the diversity of views due to ownership being in fewer and fewer hands. The idea appeared that newspapers are more than commodities, that the press has an obligation to society. This resulted in the social responsibility theory of the press.

The social responsibility (or the "monopoly capitalist") theory of the press found its major endorsers in the American Commission on Freedom of the Press (Futchins Commission) and media critics of the 1940s (Sietert et al., 1956:75). The basic goal of the press, aside from entertaining and selling, was to inform people fully of important issues that affect them and society so that discussion could be based on this information. Consequently, the use of the press as a right to free expression must be balanced against the rights of others and against important social interests. Freedom carries concomitant obligations; and the press, which enjoys a privileged position under our government, is obliged to be responsible to society for carrying out certain essential functions of mass communication in contemporary society. To the extent that the press does not assume its responsibilities, some other agency must see that the essential functions of mass communication are carried out (Sietert et al., 1956:74).
The commitment of the press to its social duty would be monitored by community groups and the professional ethics of the press itself. Press councils are examples of the practice of this theory. Therefore limitations on press freedom were defined in terms of the interests of society and the rights of individuals.

The Commission on Freedom of the Press (Hutchins) stated that freedom of the press is an empty phrase for those who lack access to a press which carries their point of view. Since a free press is based on private enterprise, any government intervention should be cautiously undertaken while aimed at not competing with the privately-owned press (Siebert et al., 1956:94-95). Canadian journalist George Ferguson, former editor of the *Montreal Star* and a member of the UN Commission on Freedom of the Press, wrote

> I do not favour state intervention for obvious reasons, and I do not believe that the industry is capable of self-discipline. But the individualists who control the press have already shown that they are subject, and to some extent amenable, to broad social pressures (1955:23).

Ferguson supported the idea of an independent agency monitoring the press.

But the trend towards press monopolization, as evidenced in Canada, has continued unabated despite the warnings of press critics and the establishment of government commissions. This has led to a re-evaluation of press freedom in terms of the nature of the society of which it is a part. The social democratic theory of the press has been a response to the undemocratic nature of the capitalist press.
The social democratic or reform theory of the press is concerned with the need for more democratic participation of people in the social decision-making process that affects them. In order to make decisions and participate people must have access to the press and, in turn, the press must be diverse. Therefore, the press must be able to disseminate diverse information, ideas and opinions unhampered by government and economic constraints (Picard, 1982). The press must serve the common good.

Since everyone should have the right of access to the press, this right must be guaranteed through government support and the breakup of monopolies.

Economic, political and social forces have reduced and will continue to reduce the opportunity for diverse ideas and opinions to be introduced into the marketplace, a result threatening the very basis of democracy — informed citizen participation — unless government intervenes (Picard, 1985:26).

There must also be a separation of ownership from control, with control under the direction of the people who work in the press (Picard, 1982). Yet, to assure a more democratic press a more democratic society must be developed which involves people in the decision-making process in the areas of production and distribution of products. Ownership is no longer a divine right, instead it must be for the benefit of all people (James, 1981). In the social democratic view press freedom, based on a more democratic society, can only be ensured through plurality of expression and access for everyone.
Whereas in the past freedom of the press meant the protection given to publishers and editors from interference and retributive measures by the state, in current discussion it often refers to a social right, the right of readers and other serious audiences to encounter a broad spectrum of ideas. The enemies of freedom of expression may have been the state in the past...in modern highly industrialized economies based on private enterprise, it is more often the economic elites who present a problem (McCormack, 1983:467).

Each of these theories of press freedom is an ideological response to the particular historical situation of press development under capitalism. To understand press freedom and its relation with freedom, one must analyze the interaction of ideology and material conditions and of ideology with ideology.

5.2.1 Critique of Press Freedom Ideologies

Each stage of press freedom is a result of restrictions placed on the press by a definite system of class rule. The absolutist concept of press freedom openly stated that freedom of the press was for the absolutist state and its defenders. If an individual supported the ruling class then one could operate a press. In 1651, Hobbes summed up the ideology of the absolutist concept of press freedom:

It is annexed to the sovereignty to be judge of what opinions and doctrines are averse and what conducing to peace, and consequently, on what occasions, how far, and what men are to be trusted withal, in speaking to multitudes of people, and who shall examine the doctrines of all books before they are published. For actions of men proceed from their opinions, and in the well governing of opinions consisteth the well governing of men's actions, in order to their peace and concord (cited in Widmer, 1970:10).
This ideology of press freedom justified the class rule of the absolutist state by giving this class the power of censorship for the purpose of maintaining peace. Of course, what this did was to attempt to censor dissent and control any threats to the dominance of this class while subjugating the other classes.

What is interesting to note is that while it was a concept which sought to suppress certain views, at the same time, it was explicit about who had press freedom and what the limits to this freedom were. For this reason, the explicit class nature of press freedom in the absolutist concept, made it a more honest ideology even though it has an ideology that legitimized the oppression of people. This is not to advocate a return to absolutism, but to help make a comparison to the capitalist concept. With the rise of capitalism, this historical stage brought with it a new ideology, that of liberalism.

Liberal ideology was a progressive step in reaction to the former absolutist ideology.

The "freedom of the press" slogan became a great world slogan at the close of the Middle Ages and remained so up to the nineteenth century. Why? Because it expressed the ideas of the progressive bourgeoisie, i.e., its struggle against kings and priests, feudal lords and landowners (Lenin, cited in International Organization of Journalists [I.O.J.], 1972:198).

The liberal ideology of freedom, developed in the writings of John Milton, John Locke and John Stuart Mill, expressed a belief in the rationalism of people and the "natural rights
of man". As an indictment of the limitations on freedom by the absolutist class, Milton argued for the expression of all opinions:

the peculiar evil of silencing the expression of an opinion is, that it is robbing the human race; posterity as well as the existing generations; those who dissent from the opinion, still more than those who hold it. If the opinion is right, they are deprived of the opportunity of exchanging error for the truth: if wrong they lose what is almost as great a benefit, a clearer perception and livelier impression of truth, produced by its collision with error (cited in Widmer, 1970:11-12).

This demand, that everyone had the right to be heard, was a more democratic demand for press freedom. Therefore, "freedom" meant freedom from the restrictions of the state.

The American George Haynes believed that "if the words freedom of the press have any meaning at all they mean a total exemption from any law making any publication whatever criminal" (cited in Widmer, 1970:18). This demand for freedom was a call to loosen the restraints of the old system. But such freedom can actually be the most unfree since it is freedom without responsibility. Absolute freedom does not exist since it is always tied to the conditions in which people must exist. In reality, the press could not publish injurious remarks about individuals or print obscene material. Thomas Jefferson wrote that "printing presses shall be subject to no other restraint than liableness to legal prosecution for false facts printed and published" (cited in Widmer, 1970:16). By insisting that the press was free for
everyone, as progressive a development as this was, the fact that it was only free for anyone who could afford it (as price increases for technology in Chapter 3 point out) was neatly hidden beneath this ideology. As one class began to own more of the means of production, those who did not were only free to move, to sell their labour power or to starve if they did not find work. The condition of working people materially worsened relatively and sometimes absolutely, (Engels, 1968) while the wealth of the bourgeoisie grew. The rule of the capitalist class was hidden underneath the liberal expression of everyone having equal rights. Press freedom was freedom for anyone who could buy and maintain a press.

As the twentieth century began, a new era of capitalism appeared, that of monopoly capitalism. The freedom of competition changed into its opposite, monopoly. With more and more newspapers being owned by fewer people, a concern was expressed about the responsibility that a newspaper has to society. Newspapers are more than commodities that make a profit for their owners. The press has a duty to fulfill its social responsibility of presenting diverse views.

With the monopolization of the press into fewer and fewer hands, a reaction set in to the corporate control of the industry. The social responsibility theory was an attempt to give monopoly capitalism a more caring appearance although it did recognize the actual abuse and potential
abuse of freedom and its danger to a liberal democratic society. According to the Kent Commission, "freedom of the press is not a property right of owners. It is a right of people. It is part of their right of free expression, inseparable from their right to inform themselves (Kent et al., 1981:1).

Although the idea of the press having a social responsibility to society places needed pressure on the press to open up more avenues of opinion, it does not question the right of the individual to own the press. It still remains a commodity rather than a necessary service for society. Private ownership is still seen as guaranteeing the freedom of the press. It is this rationale which legitimizes the rule of the capitalist class. Robbins has written

The so-called Social Responsibility Theory of the press and business, supposed to be different in kind from Libertarianism, has not so much changed the philosophical assumptions of the older theory as tempered them with statements regarding personal obligations attached to the classical rights (1967:429).

Freedom of the press coexists with the maintenance of capitalist relations of production and exploitation in the economy and with the maintenance of a system of class relations in its social and political life. Therefore, this ideology implies the coexistence of formal freedoms with real relations of class domination and exploitation (Hall, 1978:40). But the attempt to protect the freedom of those without a press, as admirable as it may be, can create an
illusion of freedom unless there are challenges to the ownership of the monopoly press. As monopoly strengthens its hold, the social democratic ideology of press freedom recognizes a free press needs a more democratic society.

In the social democratic theory, the state must reduce the various restrictions placed on a free press, both political and economic. Since monopoly restricts freedom by restricting access to the press by people and thereby hampers the expression of diverse opinions, then the power of monopoly must be broken. A more open and competitive situation must exist which allows for more expression. The state on the one hand must curb monopoly power while on the other hand, it must not interfere with the right of expression. Picard (1985) calls for the elimination of the private press to be replaced by a public-run press (similar to CBC).

The press's purposes are to provide an avenue for expression of the public's view...the state acts both to ensure the ability of citizens to use the press and to preserve and promote media plurality (Picard, 1985:67).

While the recognition of the undemocratic nature of monopoly is important and a situation which is of great concern, a suggestion to return to a more competitive stage is ignoring historical fact and the nature of capitalism itself which leads to monopoly. There is no class analysis of the state when the assumption is accepted that the interests of the state are above class interests and that it operates in the interests of all people and not in the interests of the
ruling class. Certainly there is a call for state regulation which is important but it is a reform that does not change the basic property relations that maintain exploitation.

For the social democratic theory, since access is a social right, who owns the press is less of a concern than who has a right to access. What is not questioned strongly enough is the underlying power relation that exists when someone owns a press or any other means of production and others do not. One class has power while others are powerless. In a similar vein, to suggest that separation of ownership from control would permit a more democratic society at the economic level, still does not change the fact that someone owns the means of production while those who work there do not. Ultimately the power is still in the hands of the capitalist class and any regulations that go beyond this will be resisted strenuously by the capitalist class, including by force.

The social democratic concept of press freedom is linked to the realization of the need for a more democratic society. The rights of people are subservient to those of monopoly capital. This is a progressive recognition which deserves support; however, there is here also a utopian outlook which fails to use a class analysis or to understand the conditions that have led to undemocratic conditions in capitalist society. Such an outlook leads to an inability to
see material reality as the source of events (Hoffman, 1983:83). Therefore the social democratic concept of freedom still tends to justify the rule of the bourgeoisie even though it is a more critical theory than the others. This ideology uses bourgeois values to interpret the norms of democratic perfection (Mattelart, 1980). From this perspective, it can be suggested that the libertarian (small-scale, competitive capitalist), the social responsibility (monopoly capitalist) and the social democratic (reformist) ideologies are stages in the development of the liberal capitalist theory of the press, evolving in response to the changes in the material conditions of the press under monopoly capitalism.

With the exception of the absolutist (and to a limited extent, the social democratic) ideology of press freedom which declared its class interests, the liberal concept of press freedom tends to hide the fact that this ideology as typically used by the capitalist press is freedom for the capitalist class. This diverts attention away from conflicts of class interests and accepts the bourgeois notions of freedom as valid. This ideology distances itself from its class roots (Mattelart, 1980:35-36). Lenin stated that the capitalists call freedom of the press a situation in which censorship has been abolished and all parties freely publish all kinds of papers. In reality it is not freedom of the press, but freedom for the rich, for the bourgeoisie, to deceive the oppressed and exploited mass of the people (1964:vcl.22, 375).
Consequently, the issue is not "freedom of the press but the explicitors' sacrosanct ownership of the printing presses and stocks of newsprint..." (Lenin, 1964: vol. 25, 378). Thus the ideology of press freedom is ultimately connected to the right of property. The underlying ideas of press freedom in each theory will be examined from the perspective of property rights as freedom.

5.3 PRESS FREEDOM AND PROPERTY

The recommendations in the report [Kent Commission] that would require certain newspaper groups to divest themselves of some of their existing interests, including the recommendations regarding the divestment of the Globe and Mail by Thomson Newspapers Ltd. would, if implemented, constitute an unwarranted and retroactive interference with legitimate property rights - Ken Thomson (1981).

According to Clement (1983:211) "property is a set of rights that determine relationships among and between people and things". Property as a relationship inherently has both political and ideological dimensions.

The struggles over the benefits or uses of property rights constitute the political dimension; the justification of interests by those controlling or excluded from property rights constitutes the ideological dimension (Clement, 1983:224).

Press freedom is related to property rights. Since the concept of property is a man-made device establishing a relationship between people, to maintain property there must be the support of the ruling class and the agreement of most people. In turn, this support requires a belief that the concept of property fulfills a need. Therefore, ideology ex-
plains and justifies property in terms of the needs it fulfills. And as the needs change so will the ideology (Macpherson, 1973:121).

In such a way, the ownership of the press establishes a relation between people. To justify a particular type of ownership of the press, an ideology of press freedom is put forth which has the support of the ruling class since it fulfills the need to sanction a particular system of class power relations. At the same time, this ideology helps to modify dissent by appearing to be something other than it is.

The property right of private ownership is the freedom to exclude others from its use. Under capitalism, this property right, unlike the control of property in the absolutist era, was not just a right to revenue but a right to a material thing. It became a possessive right, that is, a right because of "my" labour. However, as stated earlier, as needs change so do ideas, and freedom as a property right changed to a right to access. Thus the concept of property from an individual right to exclude others is broadened to include the right of access not to be excluded by others. Finally, property as a right of access must mean the right to political power to control social production and the resources of society, a right to power relations which creates a more democratic society (Macpherson, 1973:122-123). Each concept of press freedom is affected by the concept of property rights.
During the transition period from feudalism to capitalism, the right to own the press was limited to the supporters of the absolutist class. Consequently, freedom as a property right was for the absolutist class. As suggested earlier in this discussion, this freedom was justified by the belief that to ensure peace and stability in society, all authority and power must be with the rulers. But as the needs of the rising capitalist economy changed, so too did the property relations.

The right to own property, to own the press became a right of anyone who could afford it. This meant that the press owner had the right to exclude opinions that were different from his own. Still, the fact that the ideology stated that everyone had a right to this material thing because of the individual's labour justified the individualism of the period and the rising bourgeoisie class and the attendant freedoms they had. This concept of press freedom legitimized the right of the bourgeoisie class to own the press while hiding the fact that freedom for that class means the unfreedom of owning no property for the working class.

Nonetheless, the abuses of property rights are recognized as needing some form of limitation. The concept of press freedom takes on the ideology of a moral obligation or social responsibility of the property owners. But the sacred property right of the capitalist class is not questioned, indeed, it is reiterated that private property guarantees a
free press. At this point the right to property as the right to exclude the access of others to the press is challenged. With the social democratic theory of the press, the right of property is broadened to include the right of access not to be excluded. Instead, with the break up of monopoly property, the right to property would be extended to more areas of society. Rather than examining how property rights have come to be the freedom of fewer people, the concept of press freedom and property rights is based on an ideology of how things should be and not how they are and can be changed. There is no discussion of property as the right of access to political power.

In brief, the ideology of press freedom has generally legitimized the property rights of the capitalist class particularly since the rise of the commercial press and the libertarian concept of the press. Through private ownership of property, the social relations between the class that owns and the one that does not is maintained. The ideology has changed as the material conditions of property have changed. Ideologies of press freedom are always limited by the freedom of the property owning class, since freedom is always conditioned by the objective material reality in which it is a part. Marxists have not been the only ones to notice the hollowness of the capitalist concept of freedom of the press. Although commenting on the Bill of Rights in the United States, Innis (1978:47) suggested that "freedom
of the press ... has become the great bulwark of monopolies of time. In other words, freedom of the press is a defence of monopoly power. Thus a freedom which subjugates people to the capitalist press is unfreedom, that is, the illusion that we are free, that we have a free press.

5.3.1 Capitalist "Press Freedom" As Unfreedom

"The primary freedom of the press lies in it not being a trade" (Marx and Engels, 1975:173). If the press is only a commodity like any other, then its freedom is limited by the interests of profit-making and advertising. This kind of freedom of the press produces an oligarchy in the sphere of intellectual life (Marx and Engels, 1975:177). Thus, to make freedom of the press a trade right raises the issue of whether it is a property right of a particular class or a right for all people.

Under the growth of monopoly capitalism, dissent can become more difficult but not impossible. To maintain its legitimacy, the ruling class must maintain democratic appearances by giving in to popular demands and thereby putting limitations on capitalist oppression. The existence of alternative ideas and forces (press, radio, political parties, art and so on) are evidence that only so much of reality can be manipulated (Parenti, 1985:10-11). However, generally, people are pressured to make decisions based on the values of the dominant class since it is that view which is
represented. Marx (Marx and Engels, 1970) pointed out that the ideas of the society are the ideas of its ruling class (as did John Stuart Mill in a less precise way). Therefore, a mentality is created in which right and wrong, true and false are predefined by certain interests (Marcuse, 1965:94-95). This supposed tolerance for all views is used to manipulate people. It is a tolerance which suppresses other alternatives since tolerance is defined by class structure. In this manner, tolerance appears as freedom when in reality it is unfreedom, it enslaves people. Consequently, the struggle for freedom is partly a fight against an ideology of freedom and tolerance which in reality is an illusion. It supports capitalist inequality, oppression and exploitation (Marcuse, 1965).

Concretely, in the capitalist-owned press which appears as an autonomous, classless entity, people are manipulated to support capitalist conditions. News or views which challenge capitalism are distorted or suppressed. Thus important issues concerning labour, peace, and national liberation struggles among others, are either ignored or distorted (Swankey, 1971:18-19). In practice, the ideology of pluralism, an alleged tolerance for all views, hides the unfreedom of the controls exercised by the hegemony which the dominant class achieves through the capitalist press.

The ideology of press freedom has a class background and a class significance. Since freedom and unfreedom are
always that of a particular class, different classes have different ideas on what constitutes freedom (Cronforth, 1955:198). For the bourgeoisie freedom is freedom to own property such as the press. But this freedom is a restraint on those who do not own. The ending of bourgeois institutions and relations is freedom for workers but unfreedom for the bourgeoisie (Caudwell, 1977).

People emerge from conditions of unfreedom when they consciously decide their future on the basis of knowledge of their needs and of the conscious control over conditions for their satisfaction (Cronforth, 1955:201). But the monopoly press only contributes to our unfreedom because of the depoliticization of everyday life wherein views are presented which legitimate capitalism and its relations of exploitation (Freiberg, 1981:7-9). The illusion is created that our conditions of unfreedom are our conditions of freedom. Press freedom is democratic and liberal so long as one class of people remains powerless. As soon as they become a threat, the papers engage in ruthless opposition in the name of freedom (Lucidus, 1938:76) as we shall see. Marx, in his early years as a journalist and during the beginnings of the development of his thought wrote that

the absence of freedom of the press makes all other freedoms illusory. One form of freedom governs another just as one limb of the body does another. Whenever a particular freedom is put in question, freedom in general is put in question. Whenever one form of freedom is rejected, freedom in general is rejected and henceforth can have only a semblance of existence... (Marx and Engels, 1975:180).
5.4 SUMMARY

The capitalist press practices that semblance of freedom by which people are most effectually held exploited and oppressed. The ideology of press freedom, represented as press freedom for everyone, misleads us because it disguises the reality that without property one cannot be free in a capitalist society. Press freedom is an ideology which operates for the bourgeoisie by hiding an exploitive class relationship with an ideology that manipulates reality. Under monopoly capitalism freedom of the press is an illusion which turns attention away from the antagonism of class interests.

Historically, the liberal concept of press freedom was a progressive demand against the chains of the absolutist class that denied this freedom to others who did not support them. As capitalism developed, from competitive capitalism into monopoly capitalism, the ideology of press freedom changed in an attempt to temper the undemocratic conditions of the press. With the social responsibility theory, the owners of the press had a moral obligation to fully inform people of events, to permit all sides to be heard. But as more newspapers came to be owned by fewer people, the social democratic ideology of the press recognized the need for fuller participation of people both in society as well as through press access. But, as developments of the liberal ideology of press freedom, there is at best only limited recognition of the class nature of press freedom.
The property right of the owning class is not questioned in a more challenging manner. Freedom of the press, a property right, is freedom which exists under certain material conditions. In other words, it is freedom for capitalists to own the press, which negates the freedom of others who do not own the press. The struggle for press freedom is the recognition of the conditions in which the press exists, its conditions of unfreedom. It is a struggle against an ideology of tolerance that is an illusion.

The ideology of press freedom is an ideological coercion which produces consent. It is an ideology of the capitalist class which creates the illusion that press freedom operates for everyone. The bourgeois press masks its class position with this ideology. But when conflicts and struggles arise in society, the coercive role of the press appears in the class position it supports. Thus it is necessary to examine aspects of crisis in Canadian history to see for whom press freedom is freedom.
VI
"FREEDOM OF THE PRESS" AND CLASS POWER

6.1 INTRODUCTION

The press does many things and serves many functions, but its major role and irreducible responsibility is continually to recreate a view of reality supportive of existing social and economic class power (Parenti, 1986:29).

When examining the claim of press freedom under monopoly capitalism, a claim to a classless stance, one must see if this actually corresponds to objective reality. As shown earlier in this study, the struggle for a free press is part of the class struggle within particular historical conditions. Under capitalism in the twentieth century in Canada, press freedom as part of the class struggle has been revealed in periods of crisis and social conflict. Gramsci wrote that "crisis consists in the fact that the old is dying while the new cannot be born" (Cited in Mattelart, 1980:xii). It is in this struggle for change that the press plays a crucial role in representing the dominant capitalist belief structure. It is in times of crisis when the press feels threatened that it unmasks its capitalist class nature and bias. What was less visible becomes clear in a crisis because another class is attempting to construct a different reality (Mattelart, 1980).
Freedom of the press under capitalism is freedom of property and the press functions in the interests of owners of the means of production. At the same time, it would be misleading to represent the press as an unqualified tool of the capitalist class. One must also recognize that there is a degree of autonomy, similar to that of the state, which permits the press to criticize some sectors of the capitalist class. There is also some pressure from the public and media workers, at least in normal times.

This chapter will look at examples of conflict and crisis in Canadian history which help to enlighten us as to the function and nature of the capitalist press. Therefore, to understand the question of how actual class power is hidden, the concept of ideology must be seen as having a class origin.

6.2 THE CLASS NATURE OF THE CAPITALIST PRESS

6.2.1 Ideology

Simply stated, an ideology is "a collection of ideas which form a whole, a theory, a system or even at times simply a state of mind" (Politzer, 1976:144). Thus we can talk of various ideologies - capitalist, working class, Marxist, liberal and so on. Ideologies or social theories present an interpretation of the historical process in general and its present stage in particular from the standpoint of the interests of ... [social] groups and classes; they determine the social aims of their activity (Moscowichov, 1974:103).
Therefore an ideology must be understood from the standpoint of its class and social origin and how adequately this ideology reflects social conditions (Politzer, 1976; Moskvin, 1974; Clement, 1975). Ideology, as a reflection of social conditions, in turn, becomes a factor which influences events (Politzer, 1976:148-149).

When examining the press in a capitalist society such as Canada, we must understand that it represents the ideology of the property-owning capitalist class. Ultimately the press is a reflection of the class interests of the bourgeoisie, and, as such, it is a weapon for consolidating bourgeois power. Therefore the press acts both as a partisan and a class force (Baluyev, 1983:44) within the ideology of press freedom.

Since the character and development of an ideology is determined by class interests, it is important to recognize its partisan nature. Accepting the importance of the reciprocal action of ideology on society, the press has a critical role to play in the battle of ideas over how a capitalist society is to be explained and legitimized. Thus it is vital to understand the class character and partisanship of the capitalist press.
6.2.2 The Press and Class

Lenin understood the capitalist press reflected the class interests of owners and advertisers. He showed that since a newspaper is a regular commercial venture needing capital for technology and staff, only the wealthy could undertake such a risk. Thus the political trend of a paper would be under their control, especially on issues of capitalist power and private ownership (Baluyev, 1983). Lenin concluded that the press does more than express the interests of the ruling class, it actively defends them as a weapon to secure those interests (Baluyev, 1983:44).

Irrespective of political nuances, the entire bourgeois press within a capitalist state is a weapon for consolidating the power of the bourgeoisie. This is particularly glaringly apparent when that power, or its hallowed right of private ownership is threatened. It closes ranks against such a threat (Baluyev, 1983:23-24).

The "non-partisan" stance of freedom of the press actually masks the class and partisan nature of the capitalist press.

For the bourgeoisie freedom of the press is simply an alibi allowing it to divert attention to areas where conflicts which may reveal the presence of class interests are less likely to occur (Matteiart, 1980:36).

Therefore the press is democratic in its public words until a crisis arises which is threatening. It is within the nature of crisis to unmask contradictions which, in normal times, appear unconnected with class issues. At this point, the ideological nature of communication between classes be-
gins to emerge as more than just technique. This nature is a defense of a particular system of social relations (Matteiart, 1980:xi).

It is in times of crisis, be it of the state, political or hegemonic, that class conflict is obvious. In analyzing the experience of the Chilean people during the government of President Allende, Mattelart wrote that people discovered that the "mass media, as organised by the bourgeoisie, were opposed to them and functioned as an integral part of the traditional state apparatus" (1980:xii). Although the Chilean bourgeoisie were not controlling the government, they were still the dominant class and as such the media were under their influence.

But while the class character of the press becomes apparent in times of crisis, it must be remembered that it still has a degree of autonomy which allows it to be critical of actions of sections of the capitalist class. Dreier (1982) examined events in the 1970s when the media exercised their autonomy and business mobilized to limit that independence. Because the press is not simply a passive instrument of capitalist class propaganda, its autonomy from both the capitalist class and the state allows it to challenge specific corporate and government policies and officials. Dreier concluded

The ability of the capitalist class to impose its ideological hegemony—both on itself and on subordinate groups—is limited by the indeterminateness of social forces, including those forces which provide the mass media with a degree of in-
dependence. During periods of crisis, or at least perceived crisis, the capitalist class has the capacity to unify and mobilize its resources to promote its common goals (1982:129).

Within "normal times" when the class struggle appears muted, the press legitimizes capitalism by presenting reality as a depoliticized, atomized world of individual consumers. This is done through the depoliticization of the political process (discussion not of class issues but of transitory issues and personalities), the depoliticization of everyday life (encouraging a non-political approach to work, consumption and so on) and the encouragement of consumerism (Freiberg, 1981:8).

The research of the Glasgow University Media Group (1982) confirms that the press is active and consistent in its support of bourgeoisie interests and promotes a "democratic" consensus while it relays ideological assumptions about how the world works and ought to work. But the extent to which people will accept the legitimacy of this view is dependent on social forces such as the state of the economy and, above all, the level of class antagonisms.

For these reasons, the press is part of the ideological complex of capitalist rule and part of the development of the ruling class in alliance or struggle with other classes (Downing, 1980:156) while at the same time exercising some degree of autonomy within liberal capitalist society. The press is part of the ongoing process of monopoly capitalism and class struggle. To illustrate this development examples
of crisis and conflict in Canadian history since 1900 will be examined.

6.3 EXAMPLES OF CRISIS AND CONFLICT

6.3.1 Crisis and Normal Times

It is for juries now to defend society and individuals against the excesses of a triumph invaluable in itself, but indescribably perilous in its extravagances. They have saved a good, and brave, and fearless press from becoming a victim; let them restrain a bad, and debased, and licentious press from becoming a tyrant (King, 1875:465).

One of the interesting situations in Canadian history has been the use of the law to ban associations perceived as threats or potential threats to Canadian capitalist society. Such a law was Section 98 of the criminal code. This code originates with the Winnipeg General Strike, in 1919 and was in use until it was repealed in 1936. Basically, this code banned any association which attempted to change Canadian society (its government, economy, etcetera) by forceful means or advocacy of such means (MacKenzie, 1972:469-470). It was used against the workers and their unions during the Winnipeg strike—a use supported by the majority of the Canadian press as will be discussed later. The opponents of this law were mainly the trade unions and progressive people such as J.S. Woodsworth (MacKenzie, 1972:480).

In 1931, under this law the Communist Party of Canada was banned and eight of its members convicted. The reaction to communism was mixed among the capitalist press. One study
(Breeze, 1970) found that, papers disapproved of communism with the most anti-Communist in central Canada, in particular the Toronto Mail and Empire, the Toronto Globe, the Toronto Star and the Montreal Gazette. Those outside central Canada had a more reasoned response. When the code was repealed in 1936, the Mail and Empire editorialized for its retention but generally there was minimal newspaper coverage and very little concern was expressed (Mackenzie, 1972:483). In the following year, 1937, two provinces enacted laws in which the press played a more active role.

The Alberta legislature passed an act which, if it had not been declared ultra vires (beyond the power of the province), would have given the Alberta government the right to reply in the press. William Aberhart's Social Credit government attempted to hold the press accountable for its reporting, that is, the press must be socially responsible. Papers throughout Canada rallied against this government attack on the freedom of the press. Finally the Supreme Court of Canada in 1938 struck down the bill (Kesterton, 1967:226-232).

Also in 1937, the Quebec Padlock Law, a replacement for Section 98, came into law under Maurice Duplessis. It gave the attorney-general of Quebec, who happened to be Duplessis, the power to close for 12 months any establishment which was suspected of communist activities. The Padlock law was protested by the public but not the press. Unlike
the Alberta Press Law, it took until 1957 for the Supreme Court to rule that this was beyond the power of the province of Quebec (Kesterton, 1967:234-237). In the Alberta case, the press rose to protest a threat to their interests. Yet in Quebec little was heard from the mainstream press when an alternative press was muffled. Therefore freedom of the press appears to be for the capitalist-owned press.

Another legal case in which freedom of the press was on trial was that of the Georgia Straight. The Georgia Straight, an underground newspaper in Vancouver in the late 1960s, was accused and convicted of defamatory libel, a crime rarely prosecuted in Canada (Burns, 1969:214). Yet the issue of press freedom hardly came up since the major papers in Vancouver rarely commented on the case (Powe, 1970:432). It appears that when the issue of freedom of the press does not affect the capitalist press or its interests, there is not much outcry. In a similar vein, when an ordinary person is libelled by the press the law is not helpful.

Martin (1983) did a study of Canadian libel and the press and concluded that a poor or working-class person who gets libelled has less of a chance against the big newspaper. This includes trade unionists and their organizations. The law is expressly biased against the plaintiff. For instance, legal aid is denied in matters of defamation. Therefore the plaintiff must afford to finance his or her case. Other events also illustrate the ties between the press and the state in suppressing views.
In 1979 the Supreme Court of Canada upheld the right of the *Vancouver Sun* to refuse an advertisement for the sale of subscriptions to *Gay Tide*, a magazine promoting equality for homosexuals (MacPherson, 1980). From 1977 to 1983, the publication, the *Body Politic*, was kept in court by the Ontario government. Freedom of the press for the gay press was denied while the gay community in general was attacked by the media in Toronto (Jackson and Persky, 1982).

The recent (1986) Gainers strike in Edmonton, Alberta saw the Alberta government pass injunctions on the striking workers (striking for better wages) preventing them from distributing information about the strike or carrying signs in front of stores asking people to boycott Gainers products (Kirzner, 1966). Another situation which reveals the nature of press freedom is the support given for imperialist wars.

The so-called "Boer War", 1899 to 1901, was one of the wars opening the era of monopoly capitalism. The English-language press in Canada tried to outdo each other in their support of England in South Africa. Some French-language papers opposed the war. This was mainly due to their lack of feelings of loyalty towards Britain (Kesterton, 1967:177-179). One study (Leeder, 1965) dealing with imperialism and the South African war concluded that the biased reporting of the press in Toronto influenced the opinion of people in support of Britain. The First World War, seen as an imperialist war by sectors of farmers, workers and pro-
gressive Canadians (Penner, 1977:208-209), was heartily supported by most of the press in Canada, the one exception being Le Devoir (Kesterton, 1967:184). There was no questioning of why Canada entered the war.

One writer (Glenn, 1941) noted the treatment of death in the press in times of war. During peace time death is newsworthy in a personal sense, that is, the death of an individual or death due to some catastrophe. However, during war, especially one that affects Canada, death "takes a back seat". "To participate effectively in a war, to mobilize all the resources of a nation for mass killing, one must not think too much about Death" (Glenn, 1941:351).

In more recent times, although Canada was not directly involved in the Vietnam War, it was a supporter of the United States. The coverage of this war by the Canadian press reveals how support for the war was given in a subtle way. Media critic Barry Zwick (1983a) points this out. Many of the sources used were U.S. observers. Canadian involvement in the war via defense contracts and the supplying of war equipment was not thoroughly reported. There was little mention of the destruction of the bombs dropped on Vietnam (more than in WWII and Korea combined). In short, the "5 W's" were not reported. But there are other international events which help to further elucidate the class nature of press freedom as practiced by the capitalist press.
The first socialist revolution in world history, the Russian Revolution was condemned by the Canadian capitalist press. The overthrow of the feudal czarist regime which was replaced by a capitalist state in February 1917, was hailed enthusiastically by the press in Canada (Buck, 1967:16). But with the success of the October Revolution led by Lenin, this attitude changed.

The capitalist press, and spokesmen of both the Liberal and Tory parties, denounced the Soviet government's publication of secret treaties between imperialist powers, in a frantic attempt to divert popular attention away from that evidence of the aims with which the imperialists were waging war (Buck, 1967:34).

Canada took part in the international armed intervention in the Russian Civil War. "...the dominant forces of the principal capitalist countries mounted a campaign to promote counter-revolution in the Soviet Union and stifle revolutionary developments elsewhere" (Brown, 1986:2).

Another more recent example of the press in the service of imperialism has been its reaction to the New World Information Order. The Canadian media generally, and especially the press, has been antagonistic against the N.W.I.O. (McPhail, 1982:15). Zwicker (1983b:91) wrote that this reaction of Western journalists is because "the pattern of power is, simply, being uncovered" and that the realization that they are cogs in an economic structure which determines the content of their work is uncomfortable. Zwicker noted the "unconscious imperialism" in an article in the Winnipeg Free
press which stated that the real issue is how a host government treats a journalist and how he or she responds (1983b:91). Within the Canadian context we find examples of the press and the state working together as well as in opposition.

The War Measures Act of 1970 is an example of the support the press gave to the state. When the Act suspended the liberties of Canadians, newspaper editorials fell into line (Zwicker, 1983c:297). One study on the press reaction to the crisis (Holdrout, 1971) found that in general papers in Ontario and Quebec wanted justification for the proclamation while papers outside these two provinces were more concerned with the need for law and order.

The basic business bias of the press was examined in a study (Winter and Prizzell, 1980) which found that the English-daily press was more supportive of private enterprise rather than public or state enterprise. Along this line, Hewitt and Freeman (1979) did an interesting case study illustrating the role of the press in contributing to the political life of a community and how this related to powerful interests. After studying the Hamilton Spectator, a Southam paper, under two different publishers, they concluded that although in one case people were more aware of issues while in the other case critical stories were censored, the paper did not defeat or threaten political and business interests.
Another area where the interests of the press affect people is in how stories and events are reported. As early as 1921, one writer (Pijoan, 1921:170) expressed the concern that the power of the press makes it imperative that it is cautious in giving facts and in accepting and propagating judgements since such information can be misleading. Twenty years later, another writer (Gregory, 1941:6) states that the information given by the press is the information on which people judge issues. Yet publishers are guilty of using misleading information and distorting news. More recently, this issue is still a concern. Zwicker (1965:12) accuses the press of being soft on fascism — a reference to the Zundel trial in Toronto. By the use of misleading headlines (pro-Nazi), mislabelling and the lack of investigative reporting the press gives hidden support to Zundel's racist views.

Information is legitimized as "news" only after it has been sanctioned through being received from status quo authorities. There are many exceptions to this generalization. But the generalization particularly applies in the area of what ... [has been called] "invisible axioms". In the life-and-death ideological area these are the "givens" — they would better be called "accepted" — which everyone "knows" are true. Yet these are in fact the very elements of our synthetic perceptual environment most in need of skeptical probing (Zwicker, 1965:13).

However, it is in the area of direct class conflict that the nature of press freedom as practised by the capitalist press is best illustrated.
6.3.2 The Press and Class Conflict

One observer has said about the reporting of the working class by the press,

It's almost to be assumed there will be hostility toward unions and they will be poorly covered. ... The real tragedy is that the media totally ignore working people. The message, day in and day out, is "your life doesn't matter; it just doesn't count" (Hoyt, 1984:40).

The director of the New York based Worker's Policy Project, a worker think tank on economic and community issues says "I don't buy the notion of a free press" (Hoyt, 1984:40). In their brief to the Kent Commission, the Canadian Labour Congress (CLC) and the International Typographical Union (ITU) (1981) noted the poor coverage of labour in the press. Trade union news was skimpy and distorted, focusing on strikes and price increases as labour's fault. One third of the Canadian population consists of trade unionists and their families but they are largely ignored. The press usually ignores management's role in disputes, labour's historical role in raising living standards for all Canadians, labour's efforts for improved health and safety conditions, equality for women as well as concerns on public issues both national and international. "In terms of news content and editorial opinion, Canada's daily newspapers tend to treat organized labour at best as some kind of necessary evil" (CLC & ITU, 1981:25). There have been several studies done that support labour's claims to the anti-labour bias of the press.
Morley (1976) found that the media tend to support the state over the trade unions in a dispute. In terms of power, the state has the greater power to define its image and to set the rules of debate. In contrast, trade unions have their image defined for them and must operate within the limits set by the state. Since the media reflect the power relation between the dominant and the dominated classes, it is the interests of the dominant class that generally prevail. Still, the relative autonomy of the press permits it to take positions opposed to that of the state.

Hartmann (1975/1976) examined the type of information available from the media about labour relations. His findings support labour's complaints that the media emphasize strikes and their disruptive nature and ignore the constructive work done by labour organizations. Furthermore, the actions of workers and their unions were presented as less legitimate than that of employers. Hartmann also noted that the media mentioned the state more often than the employers which reflects the high level of involvement of the state in labour disputes.

The British Royal Commission on the Press (1977) found that news of strikes was reported in terms of its negative effects - loss of production, loss of jobs and the inconvenience to the public. Generally, trade unions were presented as starting the disputes. Thus the unions and their actions are presented to the public in an unsympathetic manner.
In another study, Hartmann (1979) explored the relationship between the way labour relations are presented in the news and how they are perceived by members of different classes. Hartmann concluded that it is the views of the middle class rather than the working class which are presented, thus making it more difficult for working people to become aware of their interests. Walton and Davis (1977) also found that their research justified trade union claims that the press and television are biased against them.

In his case study of the reporting of the Toronto Star and the Globe and Mail on the strike in 1980 by postal clerical workers, Knight (1982) concluded that news of industrial relations was in the form of strikes by workers against employers. Strikes were defined as deviant, thereby having harmful social consequences. The origins of the strike were not reported. Therefore, such news stories may appear objective but they are still ideological. Finally, Hackett's (1983) study determined that Canadian television news generally had an anti-labour bias since labour was presented overall less favourably than business.

These studies support the accusations of labour about the anti-working class nature of the press and other media. It is in times of class struggle in Canadian history when working people have demanded their rights that the class-consciousness of the capitalist-owned press is most obvious.
The Winnipeg General Strike of 1919 was one of the most significant strikes in Canadian history. It was met by violent and ruthless opposition by capitalists. The demands of the workers were demands for better wages and the right to organize (Lipton, 1967:190). Instead, it was seen by capitalists as an attack on the capitalist system (both the state and business). This view was supported by almost every newspaper in the country.

The prevailing view of the strike by the business elite of Canada was that it was an attack on the very existence of the system, and that any concessions to the strikers would only kindle the fires of revolt all over Canada. This was the view not only of the government, but of every newspaper in the country except two and of the courts which tried and convicted most of the arrested strike leaders (Penner, 1977:28).

The two papers which supported the strikers demands as a struggle for trade union rights, were the Toronto Star and the Ottawa Citizen. J.W. Dafoe, editor of the Winnipeg Free Press felt that the strike should be crushed and forgotten (Donnelly, 1963:103). But the power of a press in opposition to their struggle was understood by the strikers. Thus the only paper allowed to be published in Winnipeg was the organ of the striker's committee. One representative of the strikers said:

There will be no more newspapers until we decide to let them appear. We know the effect that a newspaper has in molding public opinion, and that in the past such opinion has been molded against our class ("Call it Leninism", 1919:1).
The class interests of the capitalist newspapers were understood by the working people in this strike. Other examples of strikes show that the press is anti-working class by its actions.

The important Oshawa strike of 1937, a struggle for union recognition, better pay and a shorter work week was not supported by the Ontario press including the Globe and Mail, the Toronto Telegram, the Hamilton Spectator and the Oshawa Times. The press supported government action to suppress the strike, warning of foreign invasion and Communist takeover. As in the case of the Winnipeg General Strike, only the Toronto Star and the Ottawa Citizen supported the strikers (Abella, 1975:105). One journal commented on the solidarity of the business community in Toronto and Montreal in supporting the view of the press against the strike and for the actions of the government, "When these men feel that their domination of the community is threatened they go fascist overnight" ("Our class-conscious", 1937:79). The editorial ended by noting that class-consciousness was not invented by Marx.

The Kirkland Lake strike, 1941 to 1942, was a fight for the recognition of union rights. Workers were attacked by the press led by the Globe and Mail, which, at that time, was owned by gold-mining interests concerned with Kirkland Lake. The workers were criticized for their anti-patriotic wartime strike (Palmer, 1983:240). In contrast, the ruth-
lessness of the Duplessis government in dealing with the Asbestos strike in 1949, found the French Canadian press such as Le Devoir and La Presse to be supportive of the workers (Hinton, 1967:325).

Within the newspaper industry itself there have been a number of strikes as has been mentioned earlier on in this study and which were examined by the Kent Commission (Hebert et al., 1981). When editorial workers first attempted to organize they were met with intimidation and threats of demotion by publishers and owners of the newspapers. In 1937, when the first attempts were made to join an organization of collective bargaining, publishers were united in Ontario and Quebec in refusing space to acquaint the public with the situation (Harris, 1937:192). A later article on the attempt to unionize by editorial workers, outlined the difficulties for news workers to organize — the use of intimidation, demotion or promotion dependent on one's involvement. It was important for news workers to realize that before they were professionals they were workers who needed a living wage in accordance with the needs and dignity of their work (Morgan, 1941:369).

Through this brief survey of crisis and conflict in Canadian history and the role of the press, it becomes apparent that newspapers play a varied role in events. In commenting on the power of the press in defining issues and events Beckett stated
Newspapers do not tell us what to think about issues. They do something much more important and much more insidious: they tell us what the issues are. Newspapers define the parameters of respectable debate. And that is a terrible power. The man is truly God who has the power to say, not just 'X is good', but 'X is' or 'X is not' (1977:47).

But only so much reality can be controlled. By letting the actions of the press speak louder than words, one can become aware of the class nature of the capitalist press and for which class freedom of the press is freedom under monopoly capitalism.

6.4 SUMMARY

The ideology of press freedom exists as an abstract ideal, conferring universality on the interests of the dominant class. Thus the Canadian press operates under an ideology which claims to have no ideology or class biases. But the coercive action of the press during certain periods and events in Canadian history since 1900, suggests that freedom of the press is now an ideology used to defend the interests of the capitalist class. Press freedom as used by the capitalist-owned press serves the main purpose of strengthening class rule in a society based on exploitation.

At the same time the relative autonomy of the press defines a press which works on behalf of a class, obtaining consent from all classes in society through its ideological role. Certain actions of the state and sectors of the capitalist class are criticized by the press. Regardless of this
independence, ultimately the press consolidates the power of the capitalist class.

Historically, the press has revealed its class partisanship in different ways. It appears that how vigorously freedom of the press is fought for is defined by how the situation affects the interests of the capitalist press. The uproar over the Alberta Press Law compared to the bare whimper over the Quebec Padlock Law and the Georgia Straight case are good examples. The common interests of the press and the state are well illustrated by the support the press has given to the state in times of social crisis, such as, the War Measures Act, used in 1919, during the 1930s and in 1970.

It is in its antagonistic reaction to working people in times of strikes that the class nature of the press is most glaringly revealed. Academic studies and historical accounts of press reaction to important strikes support this perspective. Internationally, the Canadian press serves the interests of imperialism when it supports aggressive wars, either openly as in World War I, or more subtly, as during the Vietnam War, by its lack of critical analysis.

The reaction of the press to both the Kent commission and the N.W.I.C. shows a press concerned with its own class-sector interests. Thus, at times, the press shows its independence in its antagonistic reaction to attempts by the state or state organizations to curtail press "abuses".
Furthermore, within the capitalist press sector itself there is some limited independence of action and ideology as evidenced by the fact that not all papers condemn a particular strike.

Under monopoly capitalism, freedom of the press as expressed by the capitalist-owned press has various hues to its class color. But the political significance is clear. The press in Canada is part of monopoly capitalism, connected to the state, imperialism and class struggle. With this connection, it is possible to draw our conclusions about the press in Canada under monopoly capitalism.
VII
CONCLUSION

This thesis has shown that the development of the monopoly capitalist press in Canada has profoundly affected freedom of the press in Canada. Under monopoly capitalism, what was a democratic demand for freedom now hides the conditions of unfreedom of the press. The press has become the prerogative of the capitalist class as represented by those who own it. The theory of monopoly capitalism, developed by Marx, Engels and Lenin, was the framework used to examine the contradictions of the press in Canada.

Using the Marxist theory as a guide, this study examined the features of the Canadian press, in particular, the major Canadian monopolies of Southam, Thomson and, to a lesser extent, Quebecor. It was shown that similar to other commodity producing industries in Canada, free competition in the press has led to the development of monopoly. The need to accumulate capital and the introduction of press technology led to increased concentration and centralization in the press and finally, to a high degree of monopolization with Southam and Thomson being the largest press monopolists. Both exhibit the features of monopoly capitalism, each in their distinct way. Basically, Southam's power re-
mains internal to Canada while Thomson is a huge multinational with many interests outside newspapers. But as the press developed economically, its political history also underwent changes.

Historically we saw that the press, in the pre-capitalist era, was tied to the interests of the colonial state. With the rise of Canadian capitalism and the bourgeoisie, the press began the progressive action of supporting this new class. During the age of competitive capitalism, the concept arose that the press had to be autonomous from the state. The reform press, critical of abuses, initiated this idea. Although it was a progressive idea, change was still confined to the framework of capitalism. Thus the press still supported the goals of capitalism and shared similar interests. It was during this period that the working class press emerged in reaction to a press they saw as representing capitalists, despite the attempt of the capitalist press to appear non-partisan.

After 1900, with the emerging of monopoly capitalism, the concept of a press representing the interests of society in general became firmly entrenched. However the evidence of the link-ups between the press, the state and business shows us that common interests are shared. The press legitimizes capitalist interests. At the same time, the state rules on behalf of the capitalist class by representing the general interests of capitalists as those of society. This is a spe-
cial ideological coercion which attempts to compel consent from the dominated class. Similarly, the press plays a role in producing this consent by appearing to be above-class interests, representing the interests of everyone. It was seen that the relationship between the state and the press is based on common class interests when the five federal commissions were examined.

As part of the state, and, therefore, on behalf of the capitalist class, commissions represent the concerns of the capitalist class over the abuses of press owners. Commissions act to mediate public criticism of press monopoly and access. But the lack of any serious press regulations, thus insuring the continuation of concentration and centralization in the press, points to the shared class interests. Through the commissions, the state creates the illusion of solving a problem so that threats to the system are contained while the dominance of the capitalist class is assured. The press, in its autonomous position of representing all interests, exerts an ideological coercion to exact consent from society. This consent is further extended through the ideology of freedom of the press.

It was shown that under monopoly capitalism the concept of press freedom is represented as freedom for everyone rather than as freedom for a class. Beneath this is hidden the reality that with property freedom becomes restricted to those who own the press. This ideology now hides an exploi-
tive class relation and attempts to deflect antagonism from this structure.

It was seen that the liberal concept of press freedom, under the original historical conditions was a progressive demand, extending democratic rights to more people. It was a progressive reaction to the undemocratic and outdated class relations of the absolutist period. Therefore, the historical conditions of the ideology of press freedom mark its class nature.

As competitive capitalism evolved into monopoly capitalism the originally democratic demand for press freedom became a demand which camouflaged the undemocratic class structure of the press. Both the social responsibility and social democratic theories of press freedom were responses to this situation, calling for public rights and access. However, there is only limited recognition of the class nature of press freedom under monopoly capitalism. Ultimately both are extensions of the liberal concept, since the property rights of the press owners are not seriously challenged.

The question of freedom of the press, a class question, revolves around the contradiction of private ownership and social right. Under monopoly capitalism press freedom is a property right of fewer and fewer people. For this reason, the capitalist ideology of press freedom, a class demand, is an ideological coercion which attempts to compel consent by
creating the illusion of operating for everyone while masking its class interests and property rights. Finally, it was shown that the ideology of press freedom reveals its class bias in the practice of the theory.

In theory, the capitalist ideology of press freedom claims no ideology or bias. However, in practice we saw that it is used to strengthen class rule and defend the interests of the capitalist class. It was shown that the class partisanship of the press is revealed in times of crisis and, in normal times, in social conflict. Thus, how vigorously the press defends press freedom is dependent on how general class interests and the particular interests of the press are affected.

Yet it is also recognized that the autonomy of the press allows it independence of action, both as a sector of the capitalist class and as individual members. For example, the press unites as a group within a class when its interests are seen to be threatened as in the case of the Kent Commission or the New World Information Order. But in terms of class struggle between workers and owners, individual papers may take a sympathetic stance in terms of the demands of particular striking workers.

Contradictions in the Canadian press have led to a questioning of the established ideology of press freedom. Through the theory of Marxism, an explanation is presented which reveals the working of freedom of the press as a theo-
r
y and freedom of the press as practiced under the conditions of monopoly capitalism. Rather than standing for greater democracy, the concept of "freedom of the press" as advanced by the monopoly press is used to legitimize the exploitive class system of Canadian society which is a result of the developments of the historical social structure of capitalism. Those who own the press own it in the name of freedom which is the unfreedom of those Canadians who do not own or have access to the press.

Using Marxist political economy, this thesis combines capital accumulation, technology, concentration and centralization, the characteristics of monopoly capitalism, the political alliances of the press and state, the role of ideology and other elements to analyze the current circumstances of an undemocratic press structure. It was pointed out that the press, a commodity producing industry whose goal is profit, is not a "business like any other" because of its ideological role in maintaining exploitive capitalist relations. This suggests that an area for further study is the relationship of the press and the state (through the commissions). It is important to understand how this ideological affinity works to absorb criticism under material conditions which are undemocratic. Such an analysis will enhance our theoretical understanding.

At the same time, concentration and centralization are not exclusive to the press. Although this study explains the
development of the press and the causes for change, other forms of media in Canada show similar tendencies. Therefore similar studies such as this should be done for broadcasting. Finally, this thesis was a Marxist overview of the newspaper industry. Within this there are many areas for more detailed Marxist research that will help to illuminate the role of the press in Canadian capitalist society.

This thesis concludes that under conditions of monopoly capitalism, the capitalist concept of press freedom is a threat to real freedom and democratic rights. It is with the understanding of "why" the current undemocratic structure of the Canadian press exists, as shown in this thesis, that events can be demystified and cynical inaction can turn not into utopian goals but into viable struggles.
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