

CANWEST GLOBAL: A MULTI-MEDIA CONGLOMERATE AMID PERILOUS LANDSCAPE

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Abstract

This paper uses the political economy of communication approach to understand and analyze the structure, policy, operations, control, and efficiency of a unique and major Canadian multi-media conglomerate example—CanWest Global Communications Corp.—in the dawn of the twenty first century. It relates the analysis to a range of criteria such as: the historical background and nature of the company, types of corporate conglomeration, tiers of firms, levels of ownership, structures of corporate control, policies of debt and lay-offs, range and diversity of cultural production, corporate sales' revenues and market share, relationship to government and financial contributions to political parties, and composition of the board of directors and the interlocking relationships between its members and other institutions. The paper highlights debates over the effects of concentration of media ownership to introduce a fair understanding and suggest reasonable actions.

Keywords: board of directors, interlocking relationships, corporate conglomeration

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Introduction

In our era of globalization, we see new trends and numerous changes in the mediascapes. We also used to hear, more often at the end of the twentieth century and the beginning of the twenty first, about media convergences and re-convergences, concentration of media ownership, and the domination of huge conglomerates over the media markets. Linked to these trends and changes, a great deal of debates and arguments about their effects in society have been raised. The media convergences, for instance, have been seen by advocates as very important changes for the benefit of both businesses and people's social life, while still have harmful effects from opponents' perspectives. Although the main purpose of this paper is not to discuss these debates, a fair understanding of these trends and reasonable actions are suggested. Particularly, the paper discusses these trends and changes and applies them to one unique example of media conglomerates—CanWest Global Communications Corp. What distinguishes this Canadian multi-media conglomerate, it is argued here, is that its policies of operation and commitment to community services are more consistent with the understanding and actions suggested here.

Exploratory approach

Ownership concentration and conglomeration are two major movements in the structure of the

communications industry that have led to greater power and larger potential reach of the leading media corporations. In relation to the media market, Murdock (1982: 118-120) explains that there are two types of corporate conglomeration—general conglomeration and communication conglomeration. General conglomerate corporations consider their significant interests in communications to be of secondary importance to their interests in other areas of industry and trade. In contrast, communications conglomerate corporations operate solely within the media industries. Surprisingly, media ownership concentration is reflected in the small number of conglomerates as “the global media market is dominated by ten or so vertically integrated media conglomerates” (Herman & McChesney, 1997: 104). Media conglomerates dominate the communications industries to the extent that they wield a high degree of control over the range and direction of cultural production.

Among media conglomerates, corporations are situated on two main levels or tiers. At the first level are the firms in the global media market, which realize huge annual sales (billions of dollars in the 1990s). These corporations own empires of newspapers, cable broadcasting systems, telecommunications services, or media production capacities. The second-tier corporations are national or regional media conglomerates. The main distinction between first-tier and second-tier firms is the extent of their reach—which is either global or

regional, respectively. Second-tier firms “enjoy some of the cross-selling and cross-promotional benefits . . . that the first-tier firms enjoy globally” (Herman & McChesney, 1997: 95). Herman and McChesney found that three second-tier firms were operating in Canada in 1997: “Thomson Corporation (1995 sales: \$7.3 billion), which is moving from newspapers to electronic publishing; the newspaper group Hollinger, which controls fifty-eight of Canada’s 108 daily newspapers; and the cable television market leader Rogers Communications (1996 sales: \$2 billion)” (1997: 95). CanWest Global Communications, a fast-growing Canadian media conglomerate, has since become the fourth.

The emergence of what Murdock (unpub.: 7) calls “multi-media conglomerates with interests” in recent years opened the debate around patterns of ownership, structures of corporate control, and the range and diversity of cultural production. Murdock (1982: 122) distinguishes between two basic levels of control—the allocative and the operational. Allocative control consists of the power to define the overall goals of the corporation. It covers the formulation of overall policy and strategy, decisions on expansions through mergers and acquisitions, decisions on cutting back by selling off parts of the enterprise or laying off labour, development of basic financial policy, and control over the distribution of profits. On the other hand, operational control works at a lower level and is confined to decisions about the effective use of resources already allocated and the implementation of policies already decided upon at the allocative level.

As with control, Murdock distinguishes between two levels of ownership—legal ownership and economic ownership. The main distinction here emphasizes the fact that not all shareholders are equal in exerting control over company policies and activities. In order for legal ownership to become economic ownership the shares held need to be voting shares, and holders must be able to translate their voting power into effective representation on the board of directors. Murdock explains that economic ownership in large corporations “is typically structured like a pyramid with the largest and best organized voting shareholders determining the composition of the executive board who formulate policy on behalf of the mass of small investors who make up the company’s capital base” (1982: 122-123). To further highlight the superiority of economic ownership, Murdock demonstrates that “when we are talking about the relationship between control and ownership then, we are talking first and foremost about the connections between allocative control and economic ownership” (1982: 123).

A further factor of importance related to the nature of media corporations is the composition of the board of directors. Board members’ interlocking relationships with other institutions and organizations in fields such as trade, industry, services, banking, and education, in addition to their role in the community and their relations with government, also need to be

considered to fully understand a corporation’s actions and interests, as well as its portrayal in the media. In a year-long study of nearly 300 directors of America’s twenty-five largest newspaper companies, Dreier and Weinberg (1979: 51) noted thousands of interlocks with institutions the papers covered—or failed to cover—every day. The directors sat on the boards of regional, national, and multinational business corporations. Many were partners or directors of banks, insurance companies, and corporate law firms. Most served on the boards of chambers of commerce, hospitals, universities, charities, and foundations. Some had held high federal office or had served in state or local government.

CanWest Global: History, description, and operations

The early 1970s saw the emergence of Global TV onto the Canadian television landscape. Global’s Canadian Radio-Television and Telecommunications Commission (CRTC) license referred to its role as a showcase for Canadian programming. Global went on the air on January 6, 1974, and two months later was in receivership. As a result of a lack of available Canadian programming, the station had been losing \$50,000 a day, and its main investors, Maclean Hunter and Odeon Theatres, had lost patience and decided to pull the plug. A year later, the independent station CKND-TV signed on, becoming the third over-the-air television service in Winnipeg. Global was providing programming for CanWest’s new Winnipeg station; the latter therefore had a significant interest in the former’s survival. Israel H. Asper (Izzy Asper), a Winnipeg tax lawyer, author, businessman, and former political leader, led an emergency rescue operation to save the near-bankrupt Global and, through sound management and solid operating strategies, soon turned it into a financial success. In 1984, Asper purchased 94% of CanWest Capital, and CanWest Communications Inc. emerged as the new parent company of the communications group. By 1989, CanWest had acquired 100% of Global. CanWest continued to grow throughout the 1980s, adding a Vancouver station and securing new licenses for start-ups in Regina and Saskatoon. In 1991, CanWest issued a successful initial public offering on the Toronto Stock Exchange and entered the international arena by acquiring an initial investment in TV3 New Zealand.

In 1996, CanWest demonstrated its success and growth with the listing of its shares on the New York Stock Exchange. In the following year the cross-country expansion continued with the acquisition of a station in Halifax/Saint John, the addition of a Quebec station, and the entrance into the radio business with the purchase of More FM, New Zealand’s top-rated commercial radio network. Also in 1997, CanWest made its initial foray into the world of specialty cable with the launch of Prime TV in Canada. Dramatic international growth continued with the purchase of a

stake in Australia's Network TEN, the increase of its investment in TV3 New Zealand to 100%, and the launch of TV4 New Zealand. During the same year, Asper stepped aside as Chief Executive Officer to become Executive Chairman, and Peter Viner, formerly president and CEO of Network TEN, became President and CEO of CanWest Global Communications Corp.

In 1998, CanWest gained a foothold in Europe with its investment in and launch of TV3 Ireland along with the securing of a 29.9% stake in Northern Ireland's Ulster Television. Further diversification followed when CanWest entered the production side of the business with the acquisition of Fireworks Entertainment Inc., a leading Canadian independent film and television production company.

In 1999, CanWest Entertainment created its own worldwide distribution arm, Fireworks International, based in London, England, and further expanded with a Los Angeles-based television development office, Fireworks Television U.S.A. CanWest launched an Interactive Media division with investments in two U.S.-based Internet content providers: Internet Broadcasting System, in which CanWest holds a 20% stake; and LifeServ Corporation, at a 27% stake. It was during this year that Leonard Asper was named President and CEO of CanWest Global.

In 2000, CanWest added to its interactive business by acquiring a 32% stake in Medbroadcast Corporation, developers of medbroadcast.com and one of Canada's leading sources for health information. In August of the same year, it gained a controlling interest in Winnipeg's All Sport Ventures, creators of the allCanadiansport.ca web portal which provides planning and administration software, information, and other services for amateur sport in Canada. CanWest Radio increased its foothold in New Zealand with a 70% investment in RadioWorks NZ, the second largest radio group on the continent, operating four national radio networks and twenty seven local stations. The Global Television System was completed with the CRTC's approval of CanWest's purchase of the conventional television assets of WIC Western International Communications. CanWest would soon after purchase the former WIC assets--CanWest Studios, Apple Box Productions, and StudioPost Film Labs—based in Edmonton, Alberta. The addition of three Alberta stations completed a new national Global Television Network stretching from Halifax to Vancouver. CanWest also acquired stations in Hamilton, Victoria, and Montreal, as well as CBC affiliates CHBC Kelowna and CKRD Red Deer.

In the same year, CanWest became Canada's leading integrated media company and the country's largest daily newspaper publisher with the closing of a \$3.2 billion deal to purchase Hollinger International's Canadian newspaper and Internet assets. The acquisition included fourteen major metropolitan newspapers, 126 community newspapers, Hollinger's Canadian Internet operations – including canada.com

and faceoff.com – and newspaper portals across the country, in addition to a 50% interest in the National Post.

In 2001, CanWest Radio acquired the remaining 30% of RadioWorks NZ and the remaining 50% interest in the *Post*. Then, in September, CanWest increased its specialty channel portfolio with the launch of six new digital channels. These purchases allowed CanWest to bring together its print, broadcast, and internet holdings to become Canada's most comprehensive multiple-platform international media company.

From its humble beginnings as a small TV station in Winnipeg in 1974, Asper's company has grown into the CanWest empire. CanWest Global, "a multimillion-dollar [media] conglomerate" (Canadian Press, 2001), is Canada's leading international, diversified media company with interests in broadcast television, radio, specialty cable channels, production and distribution of film and television programming, along with Internet web sites, in Canada, Australia, New Zealand, Ireland, and Northern Ireland (Company data report, 2001; CanWest Media Inc. consolidated, 2001). The company holds the status of being publicly traded and privately owned. It is "listed on the Toronto and New York exchanges; 69,395,035 subordinate voting shares and 2,607,837 non-voting shares issued and outstanding at August 31, 2000; CanWest Communications Corporation, Winnipeg MB (owns 100% of multiple voting shares)" (The blue book of Canadian business, 2001: II179). It remains privately owned, since the Asper family owns the majority of the shares.¹

Recognizing the importance of building an integrated media company that develops, as well as delivers, content, CanWest moved into the production of film and television programming with CanWest Entertainment in early 2000. The \$3.2 billion purchase of the Canadian newspaper and Internet assets of Hollinger International cemented CanWest's position as the Canadian leader in content and advertising. Ultimately, according to Olive (1999: 19), the \$950-million takeover battle for WIC Western International Communications Inc. with its chain of TV stations would enable Asper to realize a decade-long dream of creating a truly national private TV network.

The parent company is "The Asper Corporation" and its subsidiaries are CanWest Global Communications Corp., CanWest Broadcasting Ltd, CanWest Communication Corporation, CanWest Direction Ltd, CanWest International Communications Inc, CanWest Media Sales Corp, CanWest Irish Holdings (Barbados) Inc, CanWest Leasing Limited, CanWest International Management Ltd, CanWest Productions Ltd, CanWest Properties Ltd, CanWest Television Inc, CanWest-Credo Productions Inc, and The CanWest Capital Group Inc.

Acquisition of 100% of the principal metropolitan operations of the Hollinger Inc. newspaper chain in Canada, together with its

Canadian Internet properties, most of the community publishing operations, and a 50% interest in the *National Post*, in a deal valued at \$3.2 billion, was completed in November 2000. The company paid \$1.8 billion in cash, issued \$685 million in CanWest shares and issued a debenture valued at \$770 million. On September 28, 2000, CanWest Media Inc. was created as a wholly-owned subsidiary of CanWest Global Communications Corp. solely to acquire 100% of the common shares of Global Television Network Inc., a wholly-owned subsidiary of CanWest. This transaction has been accounted for on a “continuity of interests” basis. Subsidiaries of CanWest Global Communications Corp. are: Ulster Television plc (30%); Southam Publications Inc (100%); CanWest Interactive (100%); TVs Television Network Limited (45%); CanWest Entertainment Inc (100%); Fireworks Entertainment (100%); CanWest International Communications (100%); The TEN Group Pty Limited (58%); CanWest Radio New Zealand (91%); Fireworks Entertainment International (100%); Fireworks Pictures (100%); Fireworks Television (100%); and WIC Western International Communications Ltd (100%) (The blue book of Canadian business, 2001: II179; Historical Reports, 2001: 1-4; Who owns whom, 2001: 86; Company data report, 2001; CanWest Media Inc. consolidated, 2001).

In his critique of the integration policy of the Asper company, Fraser (1999: 228-229) notes that vertical integration has occurred in Canada in a direction opposite to that in the United States. For example, whereas in the United States the Hollywood producers control their own production houses, in 1998 CanWest paid \$40 million in a takeover of Winnipeg’s so-called industrial projects aimed at the export market. Fraser considers this inversion as a symptom of Canada’s preference for hardware over software. Again, when Global bought Fireworks, the purchase was a sign of the same hardware-over-software market logic.

Recently, CanWest Global Communications Corp. has a new shape and exerts both horizontal and vertical integration. Leonard Asper, President and CEO, announced in an address to the Canadian Club of Toronto on October 1, 2001, that “We have moved beyond a primary focus on acquisition to one of managing rapid growth and integration, convergence and the harmonization of our people and media outlets across Canada.” The company has captured integration benefits of approximately \$30 million on an annualized basis, meeting its target for the first year of integration of the Southam newspaper and online assets (Interim report to shareholders, 2001: 3).

The two levels of CanWest integration are effective and produce profits. The horizontal level of integration includes various fields of operations: publishing, television broadcasting, radio broadcasting, production and distribution, production services, interactive media, and sales (Historical Reports, 2001: 2-3). Within each operation and

between different operations there is vertical integration among the chain of publications, TV channels, radio stations, production companies, Internet sites, and so on. This vertical integration is reflected in the general policy and strategy of the company.

Publishing operations include the *National Post*, one of two daily national Canadian newspapers, which was launched in October 1998 and has increased its national readership to almost one million, as well as Southam publications, and fourteen English-language major metropolitan daily newspapersⁱⁱ in Canada. CanWest also owns over 120 daily and weekly newspapers in smaller communities across Canadaⁱⁱⁱ.

The television broadcasting operation includes the Global Television Network, wholly-owned by CanWest Global Communications Corp., which broadcasts over-the-air via eleven television stations, is licensed in eight provinces, and reaches 94% of English-speaking Canada. In addition, the Network includes the independent stations CHTV Hamilton, CH Vancouver Island, and CH Montreal. CanWest owns two television stations—CHBC in Kelowna, British Columbia, and CKRD Red Deer in Alberta—which are operated as CBC affiliates. Television broadcasting operations also includes Network TEN (Australia), TV3 (New Zealand), TV4 (New Zealand), TV3 (Republic of Ireland), and UTV (Northern Ireland), as well as the specialty channels Prime TV, Men TV, Mystery, DejaView, Lonestar, Fox Sportsworld Canada, and Xtreme Sports.

CanWest’s radio broadcasting operations include More FM, Channel Z, The Breeze, and RadioWorks in New Zealand. Production and distribution operations include CanWest Entertainment, which has partnered with Samuel Goldwyn Films and Stratosphere Releasing to form IDP Distribution, a joint venture to market and distribute feature films in North America; and Fireworks Entertainment, Fireworks International, Fireworks Pictures, and Fireworks Television USA. Production services include Apple Box Productions, Studiopost Film Labs, and CanWest Studios. Interactive media operation includes canada.com, Internet Broadcasting Systems, Lifeserv Corporation, Medbroadcast Corporation, All Sport Ventures, and faceoff.com. Finally, sales operations include CanWest Media Sales and ADitus.

CanWest Global: Ownership, control, and positioning

An investigation of the ownership of CanWest Global Communications Corp. reveals that the company follows the allocative control approach. The main owners define the overall goals and policy of the corporation, make decisions concerning expansions and lay-offs, manage the debt reduction policy, and control the distribution of profits. Also, the company is situated on the level of economic ownership. The

shareholders have unequal control over company policies and activities. Also, there are voting shares and major holders are highly represented on the board of directors. The subordinate voting shares and non-voting shares of the company are listed on the Toronto Stock Exchange under the symbols CGS.S and CGS.A, respectively. The non-voting shares are also listed on the New York Stock Exchange under the symbol CWG. Issued and outstanding shares as of August 31, 2000 were comprised of multiple voting shares (78,040,908), subordinate voting shares (69,395,035), and non-voting shares (2,607,837). CanWest Global Communications Corp. is a constrained-share company, because at least 66.7% of the voting shares are beneficially owned by persons who are Canadian citizens or corporations controlled in Canada. Izzy Asper and Asper family trusts held 86.75% voting interest on December 5, 2000. The Asper family holds 45% of the affected shares, and Hollinger is the second largest equity holder at 15%. The company is indirectly owned and controlled by members of the Asper's family, including Leonard J. Asper, President and Chief Executive Officer, Gail S. Asper, Corporate Secretary, and David A. Asper Executive Vice President and Chairman, National Post. The Asper's family and the relevant trusts indirectly own and control 100% of the voting shares of CanWest (Annual Report, 2000: 90; Investor Reports, 2001; Top 500, 1999: 120-121).

The CanWest Global Communications Corporation board of directors is comprised of nine members. The full board meets quarterly while the executive committee of the board meets every six weeks. Twenty-one officers manage the CanWest Global, including four directors from the board (Who's who in Canada, 2001: 12-13; The blue book of Canadian business, 2001: II179-II180; Who's who in Canadian business, 2001; Historical Reports, 2001: 6; Company data report, 2001). An investigation of the relationships and backgrounds of the board of directors of the company reveals interlocking directorates with other institutions such as universities, unions, insurance companies, chambers of commerce, government, hospitals, and religious organizations^{iv}.

For the company's revenues and market share, it might be interesting here to mention few figures about the remarkable increasing sales at CanWest Global Communications Corp. in the last five years of the twentieth century. The sales in millions of Canadian dollars have been more than doubled within the period from 1995 to 2000 (337 in 1995, 369 in 1996, 460 in 1997, 545 in 1998, 602 in 1999, and 732 in 2000). For the year ending August 31, 2000, CanWest Global Communications Corp.'s net income increased by 11% to \$162,680,000; \$1.09 per share from \$146,103,000 or \$0.98 per share for the prior fiscal year (Historical Reports, 2001). Sales figures rose sharply during the second fiscal quarter of 2001 versus the previous year's second quarter. During the second fiscal quarter of 2001, sales at CanWest

Global Communications Corporation totaled C\$571.74 million, an increase of 173.1% from the C\$209.39 million in sales during the second quarter of 2000. During the first two fiscal quarters of 2001, sales totaled C\$907.72 million, or 90.0% higher than the total for the first two quarters of 2000. Most of the company's sales in 2000 were in Canada, its home market: C\$601.48 million, equivalent to 82.2% of total sales, representing a 35.1% increase in Canadian sales. In the same year, sales in Ireland were up at a much higher rate than that for the company as a whole. The region saw sales increase from 54.8% to C\$27.41 million. As for market share, Global Television ranked first in Canadian television ratings in all Global markets in the third quarter, increasing its prime time share to 14.5%, a 16% improvement from one year ago in the most valuable 18-49 target demographic. Global aired eight of the top ten shows in the Toronto/Hamilton market (Interim report to shareholders, 2001: 3).

CanWest Global: Policy and government relations

During the 1980s and the 1990s, Canadian broadcasting policy adopted the idea of ensuring large profits for commercial networks and stations to enable broadcasters to invest more money in Canadian programming.^v At the same time, providing Canadian content came to be seen as essential, and some major Canadian media corporations—including CanWest Global—have altered their policies over the years in favor of Canadian content.^{vi} As a result of these policies, huge increases in advertising revenues have been realized, and programming has seen great progress in unique and special content and has subsequently shifted away from U.S. rebroadcasts.

CanWest declared in its 1999 annual report that its policy is dedicated to providing its audiences, readers, and advertisers with the best available news, information, and entertainment—whether it is broadcast on radio, television, over the Internet, on movie screens, or printed in one of their newspapers. It is also committed to producing the highest quality international and domestic programming with the highest standards in journalistic excellence, and to providing advertisers with access to the widest possible audience.

As for its role in the community, CanWest Global and its television stations and newspaper holdings across the country have a long history of community involvement, offering both cash donations and in-kind support to local non-profit organizations and charitable events. CanWest has been designated "A Caring Company" by the Canadian Centre for Philanthropy and, as a member of Imagine, sets aside a minimum of 1% of pre-tax profits for donations to non-profit organizations and projects which enhance local communities.

The relationship between CanWest Global and government can be shown through the political

membership of the company owners and their financial contributions to political parties. Izzy Asper himself used to be the leader of the Manitoba Liberal Party (Canadian Press, 2001). His company's financial contribution to political parties concentrates on the two main parties—the ruling and the opposing. In 2000, in keeping with Asper's political affiliation, CanWest Global contributed more to the Liberal Party of Canada than to the Canadian Reform Conservative Alliance—\$56,156 and \$30,466 respectively—for a total of \$86,622 (Contributors to political parties, 2001). An announcement by Leonard J. Asper (2001) highlights the policy shift that has taken place since the early years of Global TV:

In managing for the future, whether the subject is health, security or the economy, we really have two choices. One choice is to mimic the United States, and mirror everything they do, in order to bring our economy and our Canadian society completely in line with theirs and effectively create a completely harmonized North American entity. Or, alternatively, we can choose to be better than the U.S. in selected areas, so that there exists a complementary but independent relationship. I think Canadians want the latter, and I certainly do.

Perilous landscape

CanWest Global Communications Corp. announced several developments and initiatives that will accelerate the development of the company as it continues to position itself for future growth opportunities and to provide for the reduction of its corporate debt. It has recently taken on significant additional bank debt and issued subordinated notes to finance major acquisitions, including the WIC television stations and Southam newspapers. In the ensuing period, CanWest's credit profile has continued to improve through the application of cash flow from ongoing media operations and the proceeds of certain asset sales. Total senior bank and subordinated debt has declined by \$190 million since November of 2000, in line with the Company's expectations. Despite a heavy debt load of \$4 billion that CanWest is bent on reducing, Izzy Asper said, "The company remains open to new strategic acquisitions, which could be funded through bond issues." CanWest is also open to selling some of its non-core properties: "Potential buyers shouldn't expect any 'fire sale' prices, however," stated Asper (Ferguson, 2001). For CanWest, two principal priorities remain: 1) to integrate the newly acquired newspaper and online assets as quickly and effectively as possible, and 2) to reduce corporate debt. With the full support of the company's major shareholders, the Asper family, and Hollinger, the CanWest board of directors has elected to temporarily suspend the semi-annual dividend of \$0.15 payable on its multiple voting shares, subordinate voting shares, and non-voting shares. The savings of approximately \$53 million annually will provide CanWest with additional financial flexibility and accelerate debt

reduction. Debates over the effects of the increased growing concentration of media ownership are still widespread, and CanWest Global is intensively involved. Advocates of this trend of our era of globalization see media ownership concentration and allocative control as crucial for improving the quality of people's lives. The public gets higher levels of quality in media services and has more opportunities for information access and use of technologies in our today's "information society". Therefore, media conglomerates are considered to be, from this perspective, a healthier dish on the public's dining table. CanWest Global, as a major Canadian multi-media conglomerate, reflects such values in its statement of mission and interactive role with the community.

However, on the other hand, fears of the negative effects of the increased growing concentration of media ownership have critics sounding the alert. In Canada, the "biggest Canadian media organizations . . . exert a virtual monopoly over what most Canadians can watch or read" (Elmasry, 2001). One unwanted effect of this growing concentration of media ownership is its impact on certain basic democratic rights such as freedom of expression, and the ability to access diverse views and sources of news. Another is the serious threat to achieving and maintaining journalistic excellence^{vii}. Further, some critics go beyond the demonstration of negative effects and look into this trend as a conflict between the publics and the owning class. Murdock (1982: 143), for example, argues about causality and conspiracy theory and assumes that the capitalist class act more or less coherently to defend their shared interests. He argues that the owning class intentionally pursue their collective ideological interests through their control over cultural production. What is probably a more balanced view is that there are both good and bad elements to this trend of media conglomeration and the concentration of ownership. A useful approach here is to remind the reader of Marshall McLuhan's thoughts regarding the medium and the message and how the technological limitations imposed by the medium shapes how the publics receive the message. Advocates of convergence defend the idea that who owns and controls the medium should own and control the message, while opponents say there are no circumstances under which this could possibly apply. Advocates defend their position by emphasizing the fact that people are getting more informative, entertaining messages, better quality of services and higher access for information. In 2005, CanWest clearly stated on its website that its mission is "to inform, enlighten and entertain people everywhere so as to improve the quality of their lives" and stresses core values: 1) serve the customer, 2) strive for quality and excellence, 3) win, but win fairly, with integrity and honesty, 4) empower citizens with knowledge, and 5) give back to the community. However, opponents see that this trend negatively affects a wide range of societal values, human rights,

and professional codes of conduct, as mentioned earlier. Although each side has its own reasonable arguments, the analysis here uncovers mutual linkages between them for compromising. With application to CanWest Global, the company has a unique and more open policy of integrating its business and profit objectives to the community services and satisfaction of audiences. More focus on satisfying actual needs of the publics, giving people their rights of freedom of expression and diverse views and sources of news, and protecting professional codes of conduct will help the conglomerate achieving better in such perilous landscape.

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Endnotes

- ⁱ Anticipating Izzy Asper's retirement, CanWest Global Communications Corp. had arranged in 1999 for the appointment of Leonard J. Asper, who was previously elected to the board of directors in 1997, as president and chief executive officer. Izzy Asper, the founder of CanWest, retired as executive chairman of CanWest Global Communications Corp. in January 2003 and died in Winnipeg on October 7, 2003.
- ⁱⁱ They are the Halifax Daily News, St. John's Telegram, Charlottetown Guardian, Montreal Gazette, Ottawa Citizen, Windsor Star, St. Catharines Standard, Regina Leader Post, Saskatoon Star Phoenix, Calgary Herald, Edmonton Journal, Vancouver Sun, Vancouver Province, and Victoria Times-Colonist.
- ⁱⁱⁱ In the Atlantic Provinces these are The Halifax Daily News Group, The Atlantic Group, The Charlottetown Guardian Group, The Summerside Group, and The Newfoundland Group; in Quebec, the Montreal Gazette Group; in Ontario, The Ottawa Citizen Group, The Windsor Star Group, The Brantford Expositor Group, The St. Catharines Group, The SOCN Group, and The Niagara Group; in Saskatchewan, The Moose Jaw Times Group, The Prince Albert Daily Herald Group, Swift Current Group, The Regina Group, and The Saskatoon Star Phoenix Group; in Alberta, the Edmonton Group, and Calgary Group; and finally in British Columbia, the Vancouver Group, The Port Alberni Group, and The Nanaimo Daily News Group.
- ^{iv} For example, when Izzy Asper was Executive Chairman he was also Chairman of the CanWest Global Charitable Foundation, on the National Board of Directors at the Canadian Council of Christians and Jews; Honorary Chairman, The Jewish Community Campus of Winnipeg Inc; Governor, Hebrew University of Jerusalem; Governor, Communications Section, World Economic Forum; Member, Board of Governors, Jewish Foundation of Manitoba; International Museum Council, Museum of Television and Radio; and Council Member, Business Council on National Issues. Leonard J. Asper, President and Chief Executive Officer, is also Director, The Asper Jewish Community Campus of Winnipeg; Director, The Joshua Foundation; Director, The Asper Centre for Entrepreneurship University of Manitoba; Director, The Sharon Home; Director, Strategic Development Board, Faculty of Law, University of Toronto; and Director and Sponsor, Rossbrook House, Sunrise Foundation. In addition, Leonard J. Asper holds positions on Board of Governors, Banff Television Festival; Canadian Bar Association; Law Society of Upper Canada; The Canadian Club; Canadian Institute of International Affairs; Young Presidents' Organization; Canada West Foundation; and Business Council of Manitoba. David A. Asper, Executive Vice-President and Chairman, National Post is also Chairman, Creswin Properties Ltd.; Chairman, CentreVenture Development Corporation; Chairman, Winnipeg Blue Bombers; Director, The Asper Foundation; Director, National Screen Institute; Chairman, The Daremax Foundation; Director, SMART Winnipeg and Historica; and Governor, Canadian Football League. David A. Asper holds also positions in the Law Society of Manitoba; Canadian Bar Association; Royal Television Society; Winnipeg 1997 Pan Am Games Organizing Committee; Canada/U.K. Chamber of Commerce; and Academy of Canadian Cinema and Television. Similarly, others such as Gail Asper, Dr. Lloyd I. Barber, and so on, hold positions in a wide variety of institutions.
- ^v Paradoxically, "going Hollywood" for Canadian broadcasters is a magnet for audiences and consequently for advertisers, and as such: "This has led to a fascinating if bizarre twist in logic—that Canadian TV will be Canadianized by first being Americanized" (Taras, 1999: 186).
- ^{vi} The Canadian Radio-television and Telecommunications Commission (CRTC) is an independent public authority which was established by Parliament in 1968. It regulates the Canadian broadcasting and telecommunication systems. Canadian content is the cornerstone of Canada's *Broadcasting Act*. The CRTC has established policies and regulations to ensure that Parliament's objectives for the development and presence of Canadian content in their broadcasting system are met. These policies and regulations address the creation and production of Canadian programs and music, financial support by the broadcasting system for the creation of Canadian content, how much Canadian content must be aired on radio and television, ratio of Canadian and non-Canadian programming services distributed by Canadian cable companies, direct-to-home satellite services (DTH) and multipoint distribution systems (MDS), and Canadian ownership and control of the broadcasting system (Canadian Radio-television and Telecommunications Commission website, 2005).
- ^{vii} One example of the affected areas is journalistic integrity, and therefore some serious questions have been raised, such as Elmasry's (2001): Why did journalists not stand up for the integrity and freedom of their profession and threaten mass resignations? Why did they not say "no" loudly and clearly to the creeping cancer of media concentration? Why did they not hear the warnings from government, non-governmental agencies, and academic groups? Why did they not show solidarity with fellow journalists who lost their jobs or their traditional freedom to write about the truth as they saw it?