

# MAKING NATIONAL NEWS

## A History of Canadian Press

For almost a century, Canadian newspapers, radio and television stations, and now internet news sites have depended on the Canadian Press news agency for most of their Canadian and, through its international alliances, foreign news. This book provides the first-ever scholarly history of CP, as well as the most wide-ranging historical treatment of twentieth-century Canadian journalism published to date.

Using extensive archival research, including complete and unfettered access to CP's archives, Gene Allen traces how CP was established and evolved in the face of frequent conflicts among the powerful newspaper publishers – John Ross Robertson, Joseph Atkinson, and Roy Thomson, among others – who collectively owned it, and how the journalists who ran it understood and carried out their work. Other major themes include CP's shifting relationships with the Associated Press and Reuters; its responses to new media; its aggressive shaping of its own national role during the Second World War; and its efforts to meet the demands of French-language publishers.

*Making National News* makes a substantial and original contribution to our understanding of journalism as a phenomenon that shaped Canada both culturally and politically in the twentieth century.

GENE ALLEN is a professor in the School of Journalism and the Joint Graduate Program in Communication and Culture at Ryerson University. A professional journalist for 20 years at the *Globe and Mail* and the CBC, he was director of research and a senior producer for the award-winning documentary series *Canada: A People's History* and editor of its companion book.

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# Making National News

*A History of Canadian Press*

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*For Erika*

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# MAKING NATIONAL NEWS

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# Introduction

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On 2 September 1917, the first organization to provide systematic, regular coverage of domestic and international news to newspapers across Canada was established. Since then, Canadian Press (CP) has been a major source (for many of its users, the main source) of news, whether in newspapers or broadcast stations (and now, on the Internet). Millions of Canadians have followed the unfolding of events great and small, domestically and around the world, through CP for more than 90 years; through CP's connections with Associated Press (AP) and Reuters, much of what people outside Canada learned of it also came from this source.

Little scholarly attention has been paid to CP; 30 years ago, it was described as possibly "one of the most overlooked institutions in Canadian life," and not much has changed since then.<sup>1</sup> With the exception of a volume written more than 60 years ago by one of CP's founders (who was also its ex-president), no systematic study of its history has been made.<sup>2</sup> CP has received some attention from students of politics and the press, in the reports of two commissions examining the news business in Canada in 1970 and 1981, and in a handful of other publications.<sup>3</sup>

The opportunity to study CP's history in depth comes at a time when historical work about journalism has undergone a kind of scholarly renaissance. Moving away from narrowly institutional or biographical treatments, scholars have increasingly approached journalism as "*the sense-making practice of modernity*," and have vied with each other to produce studies of greater depth and interpretive sophistication, informed particularly by the perspectives of cultural studies and the preoccupations of the "cultural turn."<sup>4</sup> As James Carey, a pioneer

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in this development, has observed, journalism is no less deserving of a searching inquiry into its social and symbolic meanings than “a Balinese cockfight, a Dickens novel, an Elizabethan drama, a student rally,” because, like them, it is “a presentation of reality that gives life an overall form, order, and tone.”<sup>5</sup> Canadian historians are now studying media as subjects of interest in themselves, not simply using them as ostensibly transparent sources for studying other, more important subjects.<sup>6</sup> Gerald Friesen has perhaps gone farthest along this line, presenting an ambitious reconception of Canadian history generally, in which changing modes of communication define the major epochs of the country’s past.<sup>7</sup> Internationally, the academic literature on media history – sharing an approach that sees media not as mere reflections of social reality but as constitutive of that evolving reality itself – is vibrant and growing, and has become too extensive to provide even a cursory listing here.

The work of scholars such as Benedict Anderson, John B. Thompson, Jürgen Habermas, and Carey has been important in the reconception of journalism’s past, presenting far-reaching arguments in which media, especially news media, are seen as central to the emergence of nationalism, the “public sphere” of liberal-democratic societies, and modernity itself.<sup>8</sup> Anderson has made the influential case that newspapers were essential to the development of the “imagined communities” of modern nationality. Not only by sharing information about the same events in their common national sphere, but especially by imagining *their fellow readers* with whom they simultaneously share each day’s news, newspaper readers develop a new sense of kinship with “thousands (or millions) of others of whose existence [they are] confident, yet of whose identity [they have] not the slightest notion.”<sup>9</sup> The knowledge they acquired was social in two senses: knowledge about the wider society, and knowledge that was known to be socially held – the sort of thing that (at least in principle) “everyone knows.” (In a country like Canada, one might suggest that the work of providing the identical, simultaneous news reports at the centre of Anderson’s conception was played more by the news agency, given that no individual newspaper circulated nationally before the 1980s.<sup>10</sup>) In a related vein, Thompson argues that one of the chief characteristics of the modern age has been the emergence of “mediated publicness,” allowing very large numbers of people regularly and repeatedly to share, through media, experiences and knowledge far beyond what would be possible if they were limited to face-to-face, unmediated, encounters.

Even within the growing field of media history, though, news agencies have received relatively little attention. Several reasons are typically cited for this state of affairs. They are, in a sense, wholesalers of news and tend to operate behind the scenes. Individual newspaper or broadcast customers would rather promote their own employees' work than a product they share with other news organizations, and, for most readers, the familiar agency credit tends to fade into the background.<sup>11</sup> Agencies usually stress the organization and its impersonal strengths – speed, accuracy, reliability, scope of coverage – rather than the flair of the individual, heroic journalist. (One news-agency history is tellingly entitled *Reporter Anonymous*; a member of Canadian Press once described CP as “one of those faceless organizations with no soul to save and no ass to kick.”<sup>12</sup>) But as Oliver Boyd-Barrett and Terhi Rantanen, two of the leading researchers in this area, argue, news agencies deserve scholarly attention for many reasons: “not simply because they are agents of construction of what we have come to understand as the domains of the ‘national’ and of the ‘international’ ... but more practically because there are grounds for considering what agencies do and how they do it are important for the survival of a ‘public sphere’ of democratic dialogue ... .”<sup>13</sup> In many countries, they are the only entities that regularly gather and distribute news on a nationwide basis, “so that one may say of them that they are the informational backbone, or at least a significant contributor to such a backbone, which public debate takes for granted and on which it is based.”<sup>14</sup> Menahem Blondheim, who studied the emergence of Associated Press in the United States, concluded that “by securing for itself the position of a national news monopoly early in the second half of the nineteenth century, [AP] represented one of the most powerful centripetal forces shaping American society in the modern era.”<sup>15</sup> Elsewhere, Boyd-Barrett and Rantanen have enumerated the various processes facilitated by news agencies:

News contributed to processes of the construction of national identity; to imperialism and the control of colonies; it was an essential lubricant in day-to-day financial affairs, both within and between domestic markets. The collection and dissemination of this commodity was organized and rationalized ... by a small group of powerful agencies, acting globally and as a cartel. Hence the links between modernity, capitalism, news, news agencies and globalization are an outstanding but neglected feature of the last 150 years.<sup>16</sup>

The recent international literature on news agencies approaches them from a variety of perspectives, and an examination of this work suggests several themes to be borne in mind when considering CP's history. Much of the writing in this area has reflected, or has been a reaction to, the debate over "media imperialism." This point of view, stated perhaps most famously in a controversial 1980 UNESCO report, asserted that the large international agencies – especially Associated Press, United Press International (UPI), the British-based Reuters, and Agence France-Presse – operated in a harmful way towards the Third World, with undue emphasis on the perspectives of the wealthy North and a paltry, stereotyped, and one-dimensional picture of the countries of the South.<sup>17</sup> Certainly the major international agencies were, and are, extremely powerful institutions. For almost eighty years (1856–1934), the "Big Three" agencies (Reuters, the French Havas, and the German Wolff agency) operated a cartel that, like the European colonial powers, divided the world among themselves. Each was granted a monopoly in supplying news to certain parts of the world, and each agreed to exchange news from and for its exclusive territories only with the other two. This tight arrangement was brought to an end by Associated Press in 1934, but the breaking of the cartel did not mean that the international agencies (now including AP) had become significantly less powerful.

Even at the time of the NWICO (New World Information and Communication Order) debate, though, scholars noted that the relationship between international and national agencies was more complex than a simple imperialism model might suggest. The major agencies operated differently in important ways, Boyd-Barrett noted, rather than displaying "common motives and common behaviour."<sup>18</sup> Although there were substantial power imbalances in their relationships, international agencies also depended on national agencies in important ways, the latter being both customers (a relationship in which they could, and did, complain and resist in various ways) and suppliers of news from their countries.<sup>19</sup> Whether dominated or not, national agencies were "vital components in the armoury of the nation state ... institutions which new nation states came to feel they had to establish in order to be seen to be credible as nations,"<sup>20</sup> and thus contributed to the assertion of national identities. Moreover, British colonies of settlement, such as Canada and Australia, demonstrated patterns of involvement with (and in some cases resistance to) the big agencies that were different than one might expect to find in their relationships with Third World countries.<sup>21</sup>

Some recent scholarship has presented a broader challenge to the media imperialism model. Rantanen and others have called into question the underlying notion that media institutions necessarily “represent” countries in some way, and that a nation-to-nation model is the best way of understanding them and their relationships.<sup>22</sup> Rantanen challenges the idea that a particular nation will “reject or oppose media imperialism on the part of another country in the name of national interest,” since “there is often no single national interest but separate media enterprises, which compete against each other, both nationally and globally.”<sup>23</sup> Nations typically have more powerful and less powerful regions or groups within them, which struggle to improve or maintain their relative positions through media, as well as in other ways; here the media imperialism approach “romanticized the national, instead of seeing it as potentially as oppressive as the global.”<sup>24</sup> In Rantanen’s view, the paradigm of globalization – conceived as “a *non-linear*, dialectic process in which the global and the local exist not as cultural polarities, but as combined and mutually implicating principles”<sup>25</sup> – offers a better way of understanding the worldwide news system. More recently, Rantanen has suggested that the global news system is best understood in terms of the relations among and around its dominant cities rather than the nations in which they are located.<sup>26</sup> From a different perspective, Dwayne Winseck and Robert Pike have argued that the formation of the global media system before 1910 reflected not the expansion of and competition among different *national* interests, but a worldwide process of “capitalist imperialism.”<sup>27</sup> Simon Potter has argued strongly that a narrow emphasis on the press as an instrument of national identity in the British dominions fails to take account of an equally important set of imperial connections.<sup>28</sup> Questions about the inevitability of the national frame for interpreting the global media system are useful to bear in mind, even when studying an explicitly national organization like Canadian Press. Disputes continue over just what the national interest is and who has the right to define it, in media as well as other terms, and such disputes form an important thread in CP’s history. As Craig Calhoun observes, ideas of nation and nationality are essentially contested “because any particular definition of them will privilege some collectivities, interests and identities and damage the claims of others.”<sup>29</sup>

As nationality becomes a more complex term in studying news agencies historically, other concepts come to the fore. Whether they operate globally or nationally, the question of how news agencies relate to their

customers is an important thread of analysis. In France, for example, the privately run, state-subsidized Havas agency exercised tremendous power over provincial French newspapers, because it controlled not only their supply of news, but also advertising.<sup>30</sup> Agencies that were privately owned (such as Reuters or United Press) had a different relationship with clients than news cooperatives such as AP, Britain's Press Association (which served provincial newspapers), and CP.<sup>31</sup> Some agencies, such as Reuters, handled only international news; others, such as AP, operated both domestically and internationally; CP had a very small international presence; and Press Association covered national news only. In some countries, such as Australia, newspaper syndicates, often in competition with each other, organized the supply of news. Exclusivity is an important question here: some agencies (CP among them) imposed strict limits on who could take advantage of their service and how it could be used, whereas others (Reuters, for example) sold news to anyone who could pay.

This raises the question of monopoly. Critics of agencies such as AP and CP have frequently described them as monopolistic, and their regulations and efforts to thwart competing agencies at times operated in clearly monopolistic ways.<sup>32</sup> As Blondheim has very clearly shown in relation to AP, the economic logic of telegraphic news distribution (at least in the nineteenth and early twentieth centuries) operated in a monopolistic direction: the more subscribers there were on a single telegraphic circuit, the lower the cost of the news report was for each subscriber, the more revenue the agency had to provide a better news report, and the more difficult it became for any competitor to provide an equivalent service at the same cost.<sup>33</sup> Clearly, a monopoly in news distribution raises serious concerns about the potential for bias. Although news agencies are generally considered to be the foremost exponents of "objective," independent, factual journalism, it is also true that most agencies have at times (and some more frequently, even permanently) relied on governments for financial support, and those that avoided direct government involvement sometimes reflected partisan, national, or other biases.<sup>34</sup>

Jonathan Silberstein-Loeb has recently challenged the view that the monopolistic character of news agencies is essentially harmful. He argues that the benefits of providing a large volume of news at relatively low cost to many publications outweigh the disadvantages of monopolistic structure: "a larger amount of news content ... was *a priori* beneficial because it provided editors with more choices, and

they could elect to publish, or not publish, the material provided.”<sup>35</sup> A similar argument applies to the much-criticized cartel arrangements. Rather than emphasizing the ways in which “multinational media corporations limit freedom of expression, dull the police function of the fourth estate, and manipulate public opinion for commercial ends,” Silberstein-Loeb suggests that scholars should pay more attention to “the advantages of size and market control ... the importance of economies of scale, increased managerial capabilities, or the adverse effects of competition on the information available for public consumption.”<sup>36</sup>

In any case, the tendency towards monopoly was never unalloyed. The spread of telegraphic news also had some antimonopolistic tendencies, since newspapers in smaller towns were freed from dependence on, and were better able to compete with, their wealthier big-city counterparts.<sup>37</sup> Typically, agencies supplied much more news than a newspaper could print, giving each editor at least a degree of choice about what to publish.<sup>38</sup> News-agency practices that supported monopoly in some respects, such as giving members the right to prevent the service from being sold to local competitors, undermined it in other ways: as AP found, if enough new papers were denied the AP service, they became an ideal client base for a competing agency. Despite their best efforts, news agencies could never escape the pressures of competition.

Indeed, competition is one of the most useful general concepts for studying news-agency history.<sup>39</sup> Whatever structure for supplying news was adopted – cooperative or proprietary; national, international, or a combination of both – competition was a crucial factor. At the agency-to-agency level, for example, AP and United Press (or CP and UP’s Canadian proxy, British United Press) competed to capture newspaper clients from each other, and to serve them faster, with more engaging news, and at a better price. Agency-versus-agency competition also operated at a strategic level, as when AP successfully pushed Reuters out of its dominant position in the mid-1930s, or when CP weighed the advantages of affiliation with AP rather than Reuters for its international news. Another type of competition that affected every news agency had to do with the interests and capacities of newspaper clients in big cities compared to those in smaller towns. Big-city papers had larger circulations, more advertising, and more revenues, and were thus better able to pay for their own independent coverage of national and even international events. At the same time, big-city markets were more competitive, so each paper had to distinguish itself from its fellows; in this situation, generic agency news – the same for every

customer – played a distinctly subordinate, even if important, role for big dailies.<sup>40</sup> For newspapers in smaller towns, lower circulation meant less revenue and less leeway to spend money on original out-of-town coverage, and because small markets also tended to be less competitive, the use of generic agency copy did not have the same drawbacks as for larger papers. Developing a single news report that would suit the requirements of both was a difficult challenge.<sup>41</sup> Complicating matters further, big-city dailies often circulated in nearby smaller towns and resented any service that gave their local competitors a better supply of news. This division between large and small newspapers sometimes was explicitly recognized, as in Britain, where the provincial press was behind the formation of the cooperative Press Association; the big Fleet Street dailies, circulating nationally and ferociously competitive, gathered their own domestic news.<sup>42</sup> In France, Havas's greatest strength was with provincial papers, and it often faced direct competition in serving them from the big Parisian newspapers.<sup>43</sup> CP served both big-city and small-town clients, and the resulting tension played a central role in its history.

There were other forms of competition, too, notably with the new media of radio in the 1920s and 1930s and television in the 1950s. Newspapers and news agencies struggled with whether to adopt, reject, or try to limit radio; in this process (in North America, at least, where private ownership of radio meant that money could be made from advertising), internal divisions among news-agency members over where their best interests lay added another layer to the challenge of dealing with the new medium. (These issues are discussed at length in [Chapter 3](#).) Given all the different levels of competition that could be in operation, it is helpful to adopt what has been described as a “media ecology” approach, in which all the participants in a particular market and all the forces acting on them – local, national, international, or medium-specific – are borne in mind.<sup>44</sup>

Given the persistent emphasis in news-agency histories on the relations between international and national agencies, on one hand, and on the tensions within nations (central versus peripheral regions, or big cities versus small towns) on the other, one can suggest that *scale* is a useful overall concept to bear in mind. In this conception, the national scale of organization occupies an intermediate position between the global and the local. It is a centrally important, but not a fixed, category, finding its changing historical meaning precisely through its interplay with organizations or interests that operate on larger or on smaller scales.

Another way of making this point is to draw attention to the importance of the concept of *space* and spatial organization in many news-agency studies. Blondheim, for example, adopted Harold Innis's analysis of the space-binding capacity of different media in his examination of the early years of Associated Press, and Rantanen has paid considerable attention to the development of spatial hierarchies in the evolution of the international (or global) news system.<sup>45</sup> By systematizing the distribution of news, agencies also contributed to important changes in the time structure of information: not only did telegraphic news reach its destination faster, it tended to reach all places at more or less the same time, reducing the advantages of cities with a favoured position in the information network. In addition, the practice of regular, daily coverage of events that agencies made possible contributed to a change in readers' experience of news: the sense that news stories were continuously unfolding in "smaller and more frequent increments" created a feeling of suspense and a wish to know how things turned out that increased readers' involvement.<sup>46</sup> Beyond this, the idea of the world taking shape in successive 24-hour increments – a sense of "dailiness" as a fundamental way of organizing time – was steadily more solidly entrenched.<sup>47</sup>

The relationship between technology and organization is an additional way of thinking about news agencies historically. Havas began its operations before the advent of the telegraph, operating mainly as a translation and forwarding bureau; only after the introduction of the telegraph did news agencies *per se* emerge. The underlying technology had great significance, making possible altered patterns of information transmission in relation to time and space that were among the major changes in the nineteenth-century world. Accordingly, the relationship between news agencies and the telegraph has attracted considerable attention. Blondheim has traced the often collusive relationship between Associated Press and Western Union, for example, in which AP members were expected to support Western Union against its critics and the prospect of unwanted legislation; as long as this continued, AP received preferential treatment on Western Union's lines.<sup>48</sup> During the early years of telegraphic news in both Britain and Canada, telegraph companies themselves controlled the supply of news, though over time there was a clear tendency for newspaper cooperatives or proprietary news agencies to take over this role.<sup>49</sup>

A widespread but not entirely satisfactory account of the origin of news agencies focuses mainly on the importance of sharing the costs

of telegraphic news, which was much more expensive than what had gone before. The system adopted previously by most newspapers consisted mainly of clipping news from foreign or out-of-town newspapers when they arrived in the mail, a process whose cost (beyond the time of the scissor-wielding editor) was virtually zero. Cost-sharing was an important motive for the formation of news agencies, but not the only, or even necessarily the most important, reason. Blondheim correctly stresses the unprecedented *organizational* requirements imposed by the systematic use of telegraphic news.<sup>50</sup> With a steady flow of news reports arriving in a city like New York from all directions, someone had to assess them, establish which were more important for which clients (or regions), and organize their retransmission within the capacity limits of each telegraphic channel, and these functions had to be exercised more or less around the clock. Editing the news down to what was considered most important (and valuable) was crucial, because telegraphic news cost money for every word sent, a far cry from the “non-selective and redundant flow of news characteristic of the exchanges.”<sup>51</sup> Thus the chief function of a news agency was the *editorial organization* of the unprecedented flow of news made possible by the telegraph. [Chapter 7](#) illustrates how, even in the mid-twentieth century, CP’s description of its own operation stressed the role of the “filing editor,” the person in each main bureau who made precisely the decisions about importance, length, and priority outlined above.<sup>52</sup>

A final consideration involves the question of whose interests the news agency served. While some scholars stress the ways in which journalists reflect the perspectives of their news organizations’ owners, the wishes of the two groups are not always aligned; even senior journalists, normally hand-picked for their roles by owners, typically want large editorial budgets, for example, whereas owners are often more concerned with cutting costs.<sup>53</sup> Similar tensions are also sometimes found within news agencies, especially cooperatives, where the owners (mainly newspaper owners and publishers) often want the agency to operate in ways that protect their own, local, interests (e.g., by restricting the news service’s availability to potential competitors), while the manager/journalists want to have the largest possible number of clients and revenue, or are more willing to see new media as customers rather than competitors.<sup>54</sup> For rank-and-file journalists, news agencies are workplaces where issues of pay, working conditions, editorial control, and union recognition sometimes come to the fore, illustrating further the possible divergence between owners’ and employees’ wishes. In the case of Canadian Press, as discussed in [Chapter 5](#), a bitter dispute over

unionization of editorial staff in the 1950s almost led to the organization's demise.<sup>55</sup>

While much of the literature cited above is of general application, the present study is chiefly an account of how a durable nationwide news system was organized *in Canada*, and how this contributed to the development of an imagined community, systematically and permanently drawing Canadians more closely together in an increasingly integrated national cultural space. (As Friesen expressed this point, "[t]he economic forces of print-capitalism increasingly drew ordinary Canadians ... into a *single* community."<sup>56</sup>) Many aspects of CP's history relate to well-established themes in Canadian history and historical writing more broadly. These include not only the construction and nature of national identity, but also Canada's relations with Britain and the United States, regional and binational responses to the project of national integration, and the nation-building role of communication and technology in the context of capitalist economic development.<sup>57</sup> It must be stressed that this is not a nationalist or a triumphal account. On the contrary, the culturally nation-building project that Canadian Press undoubtedly did represent was contested for much, if not most, of its history and on several different grounds. The insistence of Winnipeg and western Canadian publishers on retaining as much autonomy as possible when CP established a properly functioning domestic news agency in 1917, an insistence that continued into the 1930s, is a clear example of western resistance to the dominance of central Canada, otherwise exemplified in such familiar contemporary developments as the Progressive movements, farmer's cooperatives, or (in part) the formation of the Co-operative Commonwealth Federation (CCF). J.M.S. Careless's ideas about metropolitanism – that Canada can productively be understood in terms of regionally powerful cities seeking to expand their respective hinterlands – also fit these aspects of CP's history very well.<sup>58</sup> Connecting Careless's Canadian-specific formulation with Rantanen's more recent and internationally focused notion of cosmopolitanism<sup>59</sup> yields the idea of a global and national hierarchy of urban places – say, from London to New York to Toronto to Winnipeg to Calgary – as a key structural feature of the international/national news system of which CP is an integral part. The theme of Canada's binational and bicultural character as a permanent counterweight to ideas of national homogeneity is also clearly present in this history, seen particularly in the challenge that Quebec publishers mounted to CP's basic methods of operation in the 1960s.

CP's experience both confirms and complicates the familiar tension between connections to Britain – political, cultural, economic, and otherwise – and to the United States in Canadian history. CP was an autonomous organization, not a branch plant or subsidiary as many twentieth-century Canadian corporations were. (News, as Mary Vipond has noted, has a degree of built-in protectionism because so much of it is local, regional, or national.<sup>60</sup>) But the US agency, Associated Press, had a strong directing hand in CP's creation, and was clearly the dominant partner for the whole period covered in this volume. Thus, broadly speaking, the theme of US economic dominance, especially involving cultural industries, is fundamentally borne out. CP's history presents unusual, and even paradoxical, variations on this theme, however. AP's directive role led directly to the creation, and contributed strongly to the success, of a major institution of Canadian cultural nationality. As [Chapter 1](#) makes clear, AP forced mutually antagonistic Canadian publishers to establish a functioning national news organization when they proved unwilling to do so on their own. This was not done, at least not in any narrow sense, for profit, but for strategic reasons, especially control of subsidiary territory against potential competitors. (This also reflected the increasingly systematic codification of news into a form of property, one of the ways that CP's history illustrates larger processes of capitalist economic development.<sup>61</sup>) Through its close connection to AP, Canada became part of the international news system as an explicitly national unit, which was not the case in Latin America, or, after the breakdown of long-established cartel arrangements in the mid-1930s, in Europe.

The creation and maintenance of the east-to-west telegraphic network that was CP's crucial piece of infrastructure (and in many respects its greatest challenge) has obvious parallels with other nationally significant systems of transportation and communication in Canada's past, such as the rivers and railroads that supported the staple industries of furs and wheat, respectively. But in this case, the east–west national system was *fundamentally* and *essentially* connected to a north–south axis (to New York) that was, in turn, connected to the transatlantic and global telegraphic-news network. In fact, CP's experience clearly makes the case that nation-building and globalization were mutually implicating principles during the first half of the twentieth century, as Boyd-Barrett and Rantanen have powerfully argued. CP's history also presents many examples of cultural and political affinity to Britain being weighed against the largely (though not solely, as shown in [Chapter 2](#)) economic

benefits of an American connection. Yet this familiar tension between British cultural and political ties and growing American economic connections, real as it was in the 1910s and 1920s, broke down for CP after 1940. This was not because of changing attitudes towards the British connection per se (though these were indeed changing<sup>62</sup>), but rather because the British news agency, Reuters, transformed its approach to the news business to become more like AP. In doing so, as discussed in [Chapters 4](#) and [5](#), it became almost overnight an alternative to AP for the Canadians in a way that had never been the case before, but for business rather than sentimental reasons.

Both in its national and international dimensions, then, this study affirms the relevance of familiar broad themes in Canadian history but approaches them from new directions. As an examination of how the mediated nation took shape, it underscores the significance, solidity, and gravitational pull of the national framework in the era of print-capitalism. However, it also stresses the contingent and contested nature of the national framework thus established, or, to put it another way, the porousness of the boundaries between international, national, regional, and local levels of experience. At virtually every turn, CP was simultaneously national *and* international *and* local/regional.

In the chapters that follow, all the concepts outlined above are used in an effort to understand the evolution of Canadian Press. CP took shape in relation to more powerful international agencies, Associated Press and Reuters, in ways that were sometimes antagonistic and sometimes collaborative. Domestically, CP struggled to negotiate the tensions among regions (including finding ways to serve its French- and English-Canadian members equitably) and between metropolitan and smaller newspapers. It solicited and embraced government subsidies at its founding and later rejected them; in wartime, it struggled to find a balance between a supportive, patriotic stance and the journalist's tradition of an arm's length, critical approach to government. It trumpeted its status as a nonprofit cooperative, a true public service, but was also accused of monopolistic practices and waged a bitter antiunion campaign in the 1950s. CP spent 20 years trying to sort out its internal contradictions over radio, only to sweep aside all objections virtually overnight (and subsequently to find in broadcasting its biggest source of profits).

Amid all these struggles, CP journalists covered the news (deciding in the process what counted as news and how it should be treated), day in and day out. Important as the CBC has been as a cultural entity

in Canada, one could argue that CP was more influential: CBC never accounted for more than a fraction of all radio stations, whereas virtually every daily newspaper (and most broadcast stations) in Canada relied on CP's service. It was the chief vehicle of "mediated publicness" in Canada for most of the twentieth century, providing a common base of information across the country (and a shared connection à la Anderson to all the others who were following the same stories). The nation as it emerged in the nineteenth century can be seen as one specific form of mediated publicness, and the news agency was a key vehicle of its consolidation in the twentieth century. It is no coincidence that CP's heyday (roughly, from the 1940s to the 1960s or 1970s) was also a high-water mark for an optimistic sense of Canadian nationality: the nation evolved in parallel with the means of its articulation.

This is, therefore, an institutional study that seeks to understand the institution in its widest possible context, as well as a study of the mediated nation that sees it as essentially contingent, changing, and contested. CP is at once a cultural, and also an economic and technologically-based organization; the aim of this study is to chart the connections between (to use Ernest Gellner's terms) culture *and* structure.

The chapters that follow do not give an exhaustive account of CP's history. Rather, while providing an overall (and generally chronological) account of how the organization evolved, each chapter focuses on one or more key themes that came to the fore during the years in question. Thus CP's relationship with Associated Press, and with the federal government, were crucial in the years leading to its founding; these are addressed particularly in [Chapter 1](#). [Chapter 2](#) examines the challenges of setting up a functioning organization in the 1920s and 1930s, focusing particularly on the question of subsidization, and [Chapter 3](#) traces CP's struggle to come to terms with radio during these years. In [Chapter 4](#), CP's close and complex relationship with the federal government and armed forces during the Second World War comes to the fore. The bitter campaign to defeat the American Newspaper Guild in the 1950s is the main focus of [Chapter 5](#), and [Chapter 6](#) traces new debates (and the re-emergence of old debates) in the 1960s over what it meant to be a national agency. [Chapter 7](#) steps aside from chronology to examine the changing form and content of CP news reports, and the Conclusion assesses CP's experience in the context of journalism history, the evolution of the international news system, and the nature and significance of mediated publicness in twentieth-century Canadian life.

# 1 Uneasy Allies

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Telegraphic news first reached British North America in January 1847.<sup>1</sup> Within a few years, a wealthy newspaper like the *Toronto Globe* was carrying a variety of telegraphic reports each day: on 15 March 1855, for example, this included news from the previous day's session of the provincial legislature in Quebec, an account of a fire in the nearby town of St. Catharines, a weather report from Montreal, closing prices on the New York exchange, and a substantial amount of British and European news telegraphed from New York (where steamships with the latest news from overseas docked).<sup>2</sup> The source of this information was not given; only the telegraph companies that transmitted it were credited, with both the Legislative Assembly and international news arriving "per Montreal telegraph line" and the Montreal weather report "via Grand Trunk line." However, it is likely that the domestic news was procured by the *Globe* itself, while the international news was provided by New York Associated Press.<sup>3</sup> When the Atlantic cable was completed in 1866, Canada's connections to the outside world were close and rapid to a degree that would have been unthinkable 20 years earlier. Within a few weeks of the cable's going into operation, the *Globe* was carrying London news from the day before; previously, it had taken at least 10 days, and longer still before the overland telegraph connection to New York was in place.<sup>4</sup> The compression of time and space through communications media is one of the key characteristics of world history since 1850,<sup>5</sup> and Canada was as much caught up in this transformation as any other place.

International news was provided in a systematic way to Canadian newspapers long before the same happened domestically. The world capitals of London, Paris, and Berlin were connected telegraphically

to each other by 1851, and their newspapers were numerous and wealthy enough to provide a steady market for organized news services. Charles Havas in Paris and two of his former employees – Julius Reuter in London and Bernhard Wolff in Berlin – were among the first to specialize in supplying a common file of telegraphic news to multiple newspaper clients. Beginning in 1856, the three signed a series of agreements that eventually divided the world among themselves for the purposes of gathering and selling news: each claimed the exclusive right to sell international news in its assigned territories, and all agreed that they would exchange news only with each other.<sup>6</sup> Thus by the time the Atlantic cable was in operation, international telegraphic news was controlled by a cartel that maintained its dominance (and shaped the way Canadians received news) for the next 70 years.

Another early news agency was established in New York, a remarkably vigorous and competitive newspaper market.<sup>7</sup> This began in 1846 as an alliance of six publications that cooperated in running an express service for Mexican War news,<sup>8</sup> and subsequently expanded to include news from Baltimore, Washington, and Philadelphia – and especially Boston, which was the terminus of the Cunard steamers with their valuable cargo of European news.<sup>9</sup> With the expansion of the US telegraph network, the association – known as New York Associated Press – began to supply the news it received to papers in other US cities. Through the Montreal Telegraph Co., and later the Great North Western Telegraph Co., Associated Press news was also made available to newspapers in Canada.<sup>10</sup> In 1870, the New York agency contracted with the European cartel as a junior partner; thus it had access to the world news provided jointly by the Wolff, Havas, and Reuter agencies, offering extensive coverage of international and US news that would have been virtually impossible and prohibitively expensive for any Canadian paper to assemble on its own.

Two key developments with important implications for the development of the Canadian news system took place in the early 1890s. In 1893, a newly reorganized Associated Press signed a contract with Reuters that explicitly gave it the right to treat Canada as a subsidiary territory under the cartel's system of territorial exclusivity.<sup>11</sup> Soon after, AP exercised its new power, selling the exclusive right to distribute its news service (including the cartel's international news) to the telegraph department of the recently completed Canadian Pacific Railway (CPR). The CPR bought the rights to distribute AP news throughout

Canada over its own telegraph lines for the remarkably low sum of \$1,500 annually.<sup>12</sup>

The relationship between national and international news agencies was an essential characteristic of the global news system that was taking shape around this time, and in this context AP's decision to treat Canada as a national unit rather than dealing separately with individual newspapers (as it already did in Mexico and Cuba, for example) had important consequences. Paul Starr has argued that the development of media institutions is "path dependent," in that decisions made at an earlier time both close off some possibilities and establish patterns that channel later developments in a certain direction, and this seems to be an example of that process; Canada's later creation of a national agency, Canadian Press, was in important ways a result of this decision.<sup>13</sup> But why did AP adopt this approach to Canada and not elsewhere? Melville Stone, AP's general manager, later explained the reason: the newly established AP was at the time in mortal combat with another news agency, United Press (UP), and with financier Jay Gould, the owner of Western Union. Gould refused to allow the new AP to use his transcontinental wires, but the CPR's cross-Canada network allowed AP to reach the US Pacific coast without having to rely on Western Union.<sup>14</sup> Stone's successor once complained about the unique approach taken to Canada (in private), and later boasted about it (in public), but its significance was inescapable.<sup>15</sup> As we shall see, AP exercised a crucial role in the formation and structure of Canadian Press in various ways.

Under the CPR contract, Canadian publishers had no direct relationship with AP. The CPR sold the service at a flat rate in which the cost of the news was bundled together with the telegraph delivery charges. The price to newspapers was relatively low. This was a sort of loss leader; the CPR hoped that by establishing a regular relationship with newspapers in this way, it would gain an advantage over its rival, the Western Union-controlled Great North Western Telegraph Co., in handling the newspapers' more lucrative "specials" business.<sup>16</sup> (Specials were telegraphic dispatches sent to individual newspapers.) Rates for the AP service were lowest in Ontario and Quebec, where a relatively dense network of cities and a large number of subscribing newspapers, along with proximity to the centre of AP's newsgathering and distribution operations in New York, kept costs to each individual paper low. Telegraphic transmission costs increased with distance, and so were substantially higher to western Canada. In addition, cities such

as Winnipeg and Vancouver supported fewer newspapers than Toronto and Montreal, so that each western paper paid a higher proportion of the cost of delivering the service to that city. Thus a Toronto morning paper like the *Globe* paid \$15 a week for 36,000 words of AP material in 1909, while the much smaller Saskatoon *Phoenix* paid more than three times as much.<sup>17</sup>

From the beginning, concerns were expressed that AP was not providing enough British Empire news and that American, rather than British, perspectives were being represented. The connection to Britain was central to the English-Canadian political identity that was beginning to take shape in the decades after confederation in 1867, and anti-British sentiments expressed by American politicians or appearing in American newspapers angered many Canadian readers.<sup>18</sup> In 1905, for example, the Toronto *Star* complained that “stories sent by American correspondents at the instance of the American editors of the Associated Press and for American consumption were often given an anti-British bias.”<sup>19</sup> Where news from London was concerned, though, it was not usually a question of overt anti-British sentiment (since almost all AP’s British and European news came via Reuters, the British-based agency) but more a matter of AP systematically playing down subjects of imperial interest in choosing which stories to transmit. The news report the CPR distributed across Canada was routed through Buffalo and was designed for the American newspapers that received it along the telegraphic circuit from New York; Melville Stone readily acknowledged that his news service “was conducted without any special regard for the needs or interests of Canadian readers.”<sup>20</sup>

In any case, the fact that most English-Canadian newspapers expressed nationalist-cum-imperialist sentiments in one form or another<sup>21</sup> did not necessarily mean that they were willing to act in concert to create an effective national or imperial news system – especially when this involved real costs and obligations or might interfere with individual publishers’ plans for competitive advantage. Throughout the period, as Simon Potter has shown for newspapers in the British dominions more generally, commercial motives were at least as important as patriotic ones: they “helped determine how individual press enterprises would respond to the opportunities and threats presented by plans for the creation of national and imperial news services, in turn dictating how these enterprises would appeal to different types of identity to further or foil such schemes.”<sup>22</sup>

The first cooperative attempt by Canadian publishers to provide a better supply of British news followed Canada’s participation in the

Boer War (1899–1902), an event that brought the imperial connection to the fore and generated extensive (and expensive) coverage in many Canadian newspapers.<sup>23</sup> Shortly after the war ended, a group of mostly big-city publishers established an organization called Canadian Associated Press (CAP), whose purpose was to supplement AP with a direct service of news of interest to Canadians from London.<sup>24</sup> CAP was led by the pugnacious imperialist publisher of the Toronto *Telegram*, John Ross Robertson, and its formation was the first step in a 15-year struggle for control of the Canadian news system.<sup>25</sup>

Simon Potter questions the frequently stated view that CAP was established mainly because Canadian publishers were unhappy with having their Boer War news come through anti-British US sources; he notes that public opinion in the United States was more supportive of Britain in this conflict than not.<sup>26</sup> On the contrary, he argues, CAP's formation mainly reflected the desire of leading metropolitan publishers to strengthen their position against smaller papers in nearby towns (where they competed for circulation) by controlling a commercially valuable new source of British news.<sup>27</sup> Potter is correct to emphasize publishers' commercial and strategic motives, but it was not an either-or proposition: CAP did represent an increase in the volume and variety of British news coming directly to Canada, which could readily be justified on imperial grounds. Thus CAP obtained an annual subsidy of \$8,000 from the Canadian government to help defray the costs of cable transmission from London, stressing that its purpose was to "furnish foreign news to the Canadian public without filtering same through the American Associated Press."<sup>28</sup>

But CAP laboured under substantial disadvantages. It was organizationally weak, dominated by Robertson of the *Telegram*, and seen as his personal vehicle rather than a genuine news-sharing organization.<sup>29</sup> CAP's London representative was Robertson's half-brother, Charles, and his work was the subject of frequent complaints (it was said, for example, that he kept up with each day's British news by surreptitiously clipping the newspapers subscribed to by his London club).<sup>30</sup> There were problems with its content as well, which was limited to news directly involving Canadians (and sports coverage), rather than British and imperial news more broadly.<sup>31</sup> Because of the government subsidy, CAP was also susceptible to charges that it was politically tainted.<sup>32</sup>

Costs were another problem: even with the subsidy, the heavy charges for using the Atlantic cable meant that CAP typically transmitted no more than 500 words a day from London – less than one-tenth

the amount sent by AP from New York for about the same cost.<sup>33</sup> AP received an enormous volume of international news at a low price through its arrangement with the Reuters–Havas–Wolff cartel, but CAP had to pay for its own, very limited, newsgathering operation in London. AP could also divide the cost of buying the cartel’s news and transmitting it from London among more than 600 US member newspapers, while CAP’s costs could only be shared among 15 or 16 subscribers.<sup>34</sup> Because the Canadian newspaper market was much smaller than the American market, and because Canadian publishers could only gain access to the voluminous and relatively cheap international news provided by the cartel through AP, CAP could never be anything more than a supplement, as opposed to a potential replacement.<sup>35</sup>

Robertson’s main goal was strategic. He saw CAP as the nucleus of a larger Canadian telegraphic-news system for domestic as well as international coverage that would be controlled mainly by him and his close ally in these matters, Joseph Atkinson of the *Toronto Star*.<sup>36</sup> Thus despite CAP’s problems, Robertson was determined to maintain control. This was underlined in 1906, when Henry Collins, a senior representative of Reuters, visited Canada to assess the possibilities of selling a Reuters news service to Canadian publishers directly. Collins found two almost insurmountable obstacles. One was the low cost of the AP/CPR service that most Canadian newspapers were already receiving; any comparable service Reuters could provide via the Atlantic cable would be considerably more expensive.<sup>37</sup> The other was Robertson’s furious opposition to a proposal that he believed was designed to supplant CAP (and, perhaps, take over its subsidy).<sup>38</sup> Collins reported that Robertson was “extremely jealous” of the Ottawa and Montreal papers, especially the *Montreal Star*, and concluded that the Toronto publishers “mean to keep the power [over CAP] entirely in their own hands.” (Seven of the 16 CAP subscribers in 1906 were in Toronto, with four in Montreal, two each in Ottawa and Winnipeg, and one in London, Ontario.<sup>39</sup>) Even if the CAP subsidy were withdrawn, the big Toronto papers could easily afford to keep up the service, Collins reported; indeed, they might even welcome such a development, because then “the small fry would have to be content with the [AP] service from New York only,” and the competitive position of the wealthy Toronto papers in smaller Ontario towns would be that much stronger. Stewart Lyon of the *Globe* told Collins that Robertson was firmly opposed to the idea of allowing numerous other newspapers, especially those in the west, to join the association “because the result would be to strengthen his

contemporaries at a distance."<sup>40</sup> Atkinson of the *Star* confirmed both the long-term strategic goal and Toronto-centric attitude that lay behind it, telling Collins that CAP was intended to "develop ultimately into a body similar to the [Associated Press], and as such to furnish both inland [domestic] and foreign news to all the papers," and stressing "the opposition that had always been shown to the CAP by the papers in the other towns." Reuters' permanent representative in Canada, R.M. McLeod, expanded on this point later: if CAP became the nucleus of a comprehensive domestic and international news service, it could "dictate terms to any new-comer to the newspaper field, thus to a certain extent protecting the Association's present membership from the competition of new rivals. ... It is this policy of the CAP which holds the Toronto newspapers in such close fellowship, and renders it difficult for one to impress upon the others the necessity of thinking and acting for themselves in business matters irrespective of Mr. Ross Robertson's views."<sup>41</sup> The Toronto-based combination that Robertson hoped to create was very reminiscent of the situation in Australia, where a group of big-city newspapers effectively sidelined Reuters to assert control of the country's foreign-news supply.<sup>42</sup>

Collins's general approach in his discussions with editors and publishers in Ontario and Quebec was not to "put forward the 'Imperial' question because I do not think it would appeal to them to any great extent." Instead, he approached them "solely on business grounds," arguing that they "can get a better service [via Reuters] for the same or a very little more money, and on this ground alone it should commend itself to them."<sup>43</sup> Collins was not presenting Reuters so much as an alternative to the American AP, but to the locally controlled CAP; in this situation, there was little to be gained by an explicitly imperial argument.<sup>44</sup> (Atkinson underscored the importance of local control, telling Collins it was essential for the Canadians to employ their own agent in London rather than relying on Reuters; otherwise they "could do no more than complain, with possibly no more satisfaction than they are able to obtain from Mr. Stone.") When Collins travelled to western Canada, however, he found that "[i]t would be impossible to overrate the feeling of dissatisfaction that prevails everywhere, except in Toronto, with the existing regime"; here the argument that Reuters offered a better service from an imperial point of view could be freely presented, and was welcomed.<sup>45</sup>



While there were problems with and tensions around the supply of international, and especially British, news in Canada as of 1907, there was nothing at the time that could be called a system for covering national news. The newspaper industry was notably divided by size: wealthy metropolitan papers like the *Globe*, the *Montreal Star*, and the *Winnipeg Free Press* had little in common with the large number of smaller publications of varying profitability. The differences in scale were significant: the *Montreal Star* sold 100,000 copies a day in 1913, compared to 4,000 for the Kingston, Ontario, *British Whig*.<sup>46</sup> Higher circulation meant more advertising revenue, which could then be used to provide improved content – which, in highly competitive urban markets, was a necessity for higher circulation.<sup>47</sup>

National news from beyond each paper's immediate district was provided in a variety of ways. Newspapers that could afford to do so maintained staff reporters in news-heavy locations like Ottawa and paid to transmit their despatches by telegraph.<sup>48</sup> More commonly, papers made arrangements with "stringers" – often members of another newspaper's staff – in distant cities.<sup>49</sup> Stringers were expected to alert their out-of-town clients when newsworthy events occurred; they were usually paid by the word, on a per-occasion basis. For features and less time-sensitive stories, boilerplate services distributed ready-made pages that could be mounted directly on the press. By 1900, large papers no longer relied heavily on the exchange system, which before the widespread use of the telegraph had been the main way most newspapers received their out-of-town news (though smaller publications still did so.)<sup>50</sup> Under Canada's postal regulations, every newspaper in the country was entitled to send a copy of each edition to every other newspaper free of charge<sup>51</sup> – the receiving newspaper would simply reprint items it considered of interest, often with credit, but sometimes not, and rarely for payment. The obvious drawback was that news distributed via the exchange system was always out of date; and once the telegraph accustomed readers to a steady diet of up-to-date news, reprinting news stories days after the events described had occurred (and had been reported elsewhere) was less and less acceptable.

The only institutions that regularly provided national news to newspapers generally were Canada's telegraph companies, but this was as an afterthought to their more central involvement with the international news system. By 1909, the CPR was supplementing AP with a basic Canadian news service, but this was hardly the product of an extensive

newsgathering organization. The mainstay of the CPR's Canadian news service was the material that AP's correspondent in Canada transmitted back to AP headquarters in New York; the CPR had the right to copy and distribute this to its Canadian clients as well. Beyond this, according to J.W. Camp, the chief engineer of CPR telegraphs, individual newspapers were expected to hire their own special correspondents for out-of-town Canadian news. However, western Canadian newspapers maintained that they could not afford specials "and asked us to supply them with general Canadian news clipped from papers ... [therefore] in the East, and in some places in the West, we pay a small amount to the members of the staff of some newspapers to compile reports."<sup>52</sup> News from western Canada was also provided to eastern newspapers at 25 cents per 100 words, though few editors were apparently aware of this service.<sup>53</sup> The CPR insisted that only "very rarely" did its own telegraph operators transmit news on their own behalf: "Our agent does not act as a news gatherer."<sup>54</sup> Camp estimated that the volume of Canadian news sent to western newspapers amounted to 1,000 words a day on average, between 10 and 20 per cent of the volume of AP material provided, although other CPR documents indicate that western subscribers got between 2,000 and 4,000 words of Canadian news a day.<sup>55</sup> E.H. Macklin, business manager of the *Winnipeg Free Press* (and one of the leaders of the publishers' later struggle against the CPR), described the CPR service as "always inferior, often atrocious, never acceptable," with arbitrarily high or low rates being charged to individual clients.<sup>56</sup> Certainly there is evidence that the railway charged different rates depending on its attitude to, or past history with, individual newspapers.<sup>57</sup>

The CPR's competitor, the Great North Western Telegraph Co., also provided bare-bones domestic news service, offered only to newspapers in Ontario and Quebec. The company had "agents and correspondents" at Toronto, Montreal, Ottawa, Halifax, and Winnipeg; in addition, the Great North Western telegraph operator in every locality was expected to report "all local incidents of unusual importance."<sup>58</sup> As described by its superintendent, George Perry, this sounded like an impressive operation, but editors like Atkinson of the *Star* printed "very, very little" of what was sent, and Perry himself acknowledged that the service was not extensively used.<sup>59</sup> Editors from the Maritime provinces had to make their own individual arrangements for domestic news from Toronto and Montreal (as well as cope with the vagaries of

a telegraph system that regularly interrupted their news transmissions with other commercial traffic).<sup>60</sup> Beginning in 1909, the Toronto *Star* provided what was called a “pony” service (a limited news service sent via commercial telegraph) for smaller Ontario dailies.<sup>61</sup>

Although individual newspapers might carry substantial amounts of national news, Canadian publishers as a group were focused more systematically on the US and international news provided by AP. As of 1909, 48 Canadian dailies took the AP service. Most papers received about 6,000 words a day, with some taking as little as 2,000 words and others as much as 12,000.<sup>62</sup>



In 1907, the CPR decided to greatly increase the rates it charged western Canadian newspapers for AP news, insisting that it was losing money under the existing rate structure.<sup>63</sup> This began a period of turmoil that lasted for 10 years. In the short term, the rate increase had two significant results. First, the two main newspapers in Winnipeg, the *Free Press* and the *Telegram*, put aside their bitter political opposition and commercial competition to arrange their own joint news service independent of the CPR (and therefore without AP). They then offered to sell this service to the 17 other western Canadian papers that would suffer under the CPR’s higher rates. The new organization was called Western Associated Press (WAP). In taking this step, the Winnipeg publishers in effect replicated the basic approach that New York publishers had adopted in establishing the first incarnation of Associated Press in the 1840s, an approach also used by the *Argus–Age* combination in Australia.<sup>64</sup> In all these cases, relatively wealthy metropolitan newspapers organized a supply of expensive but essential telegraphic news for their own benefit, and then found a valuable market for the resale of this news in their respective hinterlands.<sup>65</sup>

The second key result of WAP’s founding was that, in the course of its struggle with the CPR, it appealed the railway’s rates for transmitting news to the national Board of Railway Commissioners. (Telegraph rates came under the newly established commission’s jurisdiction.) In 1910, the commission ruled that the CPR’s practice of charging a flat rate for the AP service – a single rate that included both the cost of supplying the news and the cost of telegraphic transmission – was discriminatory, in that the railway had given its news-selling business an unfair advantage over any competing news service that did not

control its own telegraph lines. The flat-rate system would have to be scrapped, and the CPR would be required to offer competitors such as WAP the same rates for telegraphic transmission as it charged its own customers.<sup>66</sup>

This ruling had much broader consequences than anyone anticipated. Eastern Canadian publishers had not joined their western counterparts in the original appeal; they were not affected by the new western rates and were quite satisfied with the low-cost, high-volume AP service they received from the CPR.<sup>67</sup> But the ruling affected them as well as the westerners. Accordingly, Canadian publishers as a group began trying to work out a new arrangement with the CPR in which the cost of the news service would be distinguished from the cost of delivering it.

Depending mainly on their location, publishers had widely divergent expectations about how this should be done. Those in Toronto and Montreal wanted a new price structure that reflected their triple advantage: numerous newspapers, fairly close to New York, on a relatively compact telegraphic circuit. Thus it was argued that each of the five subscribing morning dailies in Toronto should pay one-fifth of the actual cost of transmitting AP's morning-paper report from New York to Toronto. When it was pointed out that this approach would leave the less numerous and more distant Ottawa papers paying three times as much as their Toronto counterparts, Stewart Lyon of the *Globe* replied sharply: "I have nothing to do with that. I represent the Toronto papers."<sup>68</sup> In western Canada, this approach would approximately double the already high cost of telegraphic news. The westerners, by contrast, proposed a system with some elements of equalization, where costs and revenues would be pooled over a larger geographical base, perhaps even on a national basis. The result would be their paying rates closer to what their counterparts in Toronto and Montreal paid.<sup>69</sup> But if westerners paid less, easterners would pay more; what the former urged as fairness, the latter saw as a demand for a subsidy. For the next seven years, this proved an insurmountable obstacle to the formation of a national news organization in Canada. Indeed, the question of assessments – how much each member should pay, especially in relation to what others paid – remained a volatile and often contentious issue throughout CP's history, re-emerging in the early 1920s, 1930s, and 1960s.<sup>70</sup>

The railway commission's ruling against the CPR created a situation in which western and eastern publishers had to work much more closely together than ever before. In February 1910, while negotiations

over a new CPR rate structure for news were continuing, AP notified the CPR that it planned to cancel their contract because the railway was not preventing its Canadian subscribers (notably the Toronto *Star*) from allowing the AP report to get into the hands of the agency's US competitors.<sup>71</sup> Thomas Shaughnessy, the CPR's president, accepted the news with equanimity, describing the AP franchise as "a source of annoyance without any adequate return ... it will be no sacrifice of prestige or profit to let it go."<sup>72</sup> The publishers of Toronto and Montreal had frequently sought to take over the AP service from the railway;<sup>73</sup> now they would get their wish.

Even before the CPR's decision was announced, a group of Canadian papers led by the Montreal *Star* had contacted AP executives to discuss the possibility of their taking over the AP service. B.A. MacNab of the *Star* reported that the Toronto *Mail and Empire*, *Ottawa Journal*, and the Winnipeg publishers in charge of WAP were prepared to establish a holding company for AP's Canadian distribution rights. The problem was that the other Toronto publishers refused to be involved; given their proximity to the AP distribution point at Buffalo, they felt they had nothing to gain by joining a larger association. "They are all for Toronto and quite willing to let the rest of the country take care of itself."<sup>74</sup> (An unsigned memorandum submitted to Melville Stone at around the same time added that some papers "want the AP service to be as uninteresting as possible to Canadians because its defects make all the better background for their special services."<sup>75</sup>) But if Stone would "insist on dealing with the Canadian newspapers as a whole, the Toronto publishers would be compelled to fall into line."

There is no direct evidence that Stone accepted this advice. By the beginning of June, however, the Toronto publishers had made an about-face, joining a group from across the country to discuss the formation of a national association.<sup>76</sup> This was quickly followed up by the arrival of a delegation in New York led by Robertson, who clearly saw an opportunity to take a large step towards the creation of an overall Canadian news agency that he and his allies might dominate.<sup>77</sup> Stone urged the group to establish a comprehensive national association that would be "the dominant organization" in the country.

During the summer of 1910, the Canadians worked out a proposal for three regional associations – one each for the eastern provinces, Ontario and Quebec, and the west – to assume control of the AP service.<sup>78</sup> A contract with AP was signed in October. One important overall condition was that the new association "shall effectively provide for the protection of such [AP] news by such by-laws and regulations as

may be satisfactory to the Board of Directors of The Associated Press" – in other words, AP would exercise detailed control over the Canadian group's structure and operating methods.<sup>79</sup> Failure to protect AP news – to ensure that it did not slip into the hands of one of its US competitors, such as UP, the New York *Sun's* Laffan service, or Hearst's International News Service (INS) – had brought the contract with the CPR to an end earlier that year, and Stone required the new Canadian association to be much more vigilant, with the power to discipline any members who failed to follow its rules.<sup>80</sup> The contract also specified that "all existing Canadian newspapers" should be admitted to the new association as long as they conformed to the general membership regulations. Any newly established paper should also be allowed to join, unless the Canadian directors decided that population or local conditions in the city in question did not justify an increase in membership.

Most of these stipulations reflected concerns about competition. The cooperative news agency is an unusual institution: it requires publishers who are normally competitors to cooperate in supplying news that their competitors, as well as they, can use. To operate successfully, it requires clear rules so each participating newspaper can be sure its competitors do not receive undue advantage. One of the most stubborn problems involved the conditions under which new members could be admitted. In any given city, an existing AP subscriber would be most unwilling to see a new competitor given access to the AP service – the new paper could then compete more effectively with the established newspaper for readers and advertising. In recognition of this, AP members had a "right of protest" by which they could, in effect, prevent new memberships from being issued in their circulation area. Although this restriction may have served the interests of individual members, however, it weakened the whole association. As Stone had found out in the previous few years, new papers denied AP service were likely to sign up with one of *its* competitors.<sup>81</sup> The proposed contract was intended to ensure that while existing AP subscribers in Canada would, for the first time, have control over the admission of new members, newcomers could not be shut out completely.

Other contract provisions were that the new association should have at least 40 members, representing all geographic regions of Canada; that every member was required to provide its local news to the association; and that the association was similarly required to provide its Canadian news to AP exclusively (sparing AP the need, at least in theory, to pay for a Canadian newsgathering operation of its own). The contract was to run for five years at an annual rate of \$6,000, the same

amount the CPR had been paying. This was still a remarkably low sum; if the new association had only 40 members, the cost of AP news to each (not counting telegraphic transmission costs, which could be substantial) would be around three dollars a week! Overall, AP did everything it could to create a Canadian Press in its own image: as a nonprofit cooperative comprising the great majority of Canadian newspapers. It approached Canada not so much as a market where it could sell its service to more newspapers – it received very little revenue from this – but as a strategically important territory in its widening battle with UP, Laffan, and INS.

Stone underlined his concerns about competition once again when he visited Toronto in November 1910 to make the contract final, insisting firmly that telegraph operators of all competing news agencies should be banned from the offices of any newspaper that wished to be an AP client.<sup>82</sup> This elicited vigorous protests, such as from E. Norman Smith of the *Ottawa Journal*. At present, the *Journal* also took news from the British and Colonial News Association, which provided something different than AP and was thus valuable for competitive reasons; but if it wanted to keep AP, the *Journal* would have to drop the competing service.<sup>83</sup> (Atkinson had put the same point more strongly when told he would have to remove a UP telegraph operator from the *Star's* newsroom as a condition of AP service: “We decline to acquiesce in what would give to the Associated Press practically a monopoly in Canada.”<sup>84</sup>) Stone also found “a good deal of distrust of the Toronto coterie” associated with CAP, “with which there has been a great deal of dissatisfaction,” and expressed concern about proposed changes to some of the organization’s bylaws, which “looked very much like an attempt to establish a Toronto oligarchy.”<sup>85</sup> Eventually, the new organization’s bylaws were carefully vetted by AP’s lawyer to make sure all its concerns were met.<sup>86</sup> In important ways, CP was created as something like an AP subsidiary.

The close relationship with AP had clear advantages. One significant aspect of the new contract gave Canadian publishers access to all AP’s incoming material in New York. Under the CPR contract, the AP service was delivered at specified border points – Buffalo, Seattle, Minneapolis, and Bangor. But this was a service designed mainly for the US newspapers that received it en route from New York. As M.E. Nichols of the Winnipeg *Telegram* (and WAP) complained, the news service that arrived from Minneapolis had been previously edited down at Detroit and again at Chicago in order to meet the interests of “newspaper

readers in the middle western states." In the process, "[n]ews of general public interest, and especially cable [i.e., international] news, went out of the report as state news went in."<sup>87</sup> The total daily file available at New York amounted in 1914 to around 100,000 words,<sup>88</sup> while the amount transmitted to any of the border points was no more than 12,000 words. By stationing their own editors at AP headquarters and leasing a dedicated telegraph line from there to Toronto or Montreal, the Canadian publishers could select from a much larger pool of news the material – including more British news – that they believed their readers would prefer. A more formalized relationship with the US agency gave the Canadians a chance to remedy to some extent the shortage of British news they had so frequently lamented. In this respect, closer connections with AP gave the Canadians substantially more control over the news they received.

As long as the Canadian publishers simply bought their news from the CPR by individual arrangement, there had been no need to deal with each other. That changed under the new arrangement; they had to find a way of managing the service they now jointly controlled. Provisional directors of the national association, called Canadian Press Ltd., were appointed in October 1910, representing the *Montreal Gazette, Star, and Herald*; *Toronto Globe, Star, and Telegram*; *Winnipeg Free Press and Telegram*; *Calgary Herald*; *Halifax Chronicle*; *Saint John Telegraph*; and *Vancouver World*.<sup>89</sup> AP's annual fee was to be divided among five groups: the morning and afternoon papers, respectively, of Ontario and Quebec; the western papers represented in WAP; those in British Columbia; and the papers from New Brunswick, Nova Scotia, and Prince Edward Island. These divisions reflected underlying and persistent tensions: for example, Edward Slack of the *Montreal Gazette* told Stone that his paper would refuse to join the association unless the Ontario and Quebec newspapers were allowed to operate as autonomous morning-paper and afternoon-paper sections. Otherwise, he feared, the central Canadian section would be dominated by its powerful afternoon-paper members, the *Montreal Star*, *Toronto Star*, and *Toronto Telegram*, to the *Gazette's* detriment.<sup>90</sup> (Afternoon papers typically wanted news brought in to meet their deadlines, around noon, while morning papers, with deadlines of midnight or earlier, wanted a schedule that suited their needs.<sup>91</sup>)

Another persistent problem involved the differing needs of big-city and small-town newspapers. The big dailies in Toronto (and to a lesser extent in Montreal) were not enthusiastic about forming a

strong news-sharing association throughout Canada. A stronger and more efficient association meant that papers in smaller Ontario cities – Hamilton and London, Ontario, for example – would be better equipped to offer their readers complete and up-to-date coverage of international and US news. But these were places where metropolitan papers competed aggressively, counting on the more extensive coverage they could afford to supplant local publications. Because a complete and efficient AP service available to all tended to level the Ontario playing field, the big Toronto dailies were cool if not outright hostile to it.<sup>92</sup> J.F. MacKay, CP Ltd.'s president, said in 1914 that it was “a matter of deep regret that a section of our membership has thought their interests would be better served by opposing the development of a strong and ably-manned national organization.”<sup>93</sup> Offsetting this, though, was the metropolitan publishers' own need for guaranteed access to AP copy, which it seemed they could now continue to receive only if they helped to establish a national association as Stone demanded. There was thus a continuing tension between cooperation and competition, in which many Toronto papers opted for the smallest degree of cooperation that would achieve their limited ends.

The relationship between western Canadian newspapers, many of them members of WAP, and those in central Canada was even more difficult. Much as WAP was dominated by the Winnipeg papers, they had established a generally cooperative and productive relationship with other western newspapers, and the long struggle against the CPR had solidified their attachment. Thus, they were not eager to see WAP subsumed in a larger national organization in which they would be a minority. When CP Ltd. was founded, WAP's president expressed optimism that it would soon offer “a domestic news service covering the whole of Canada ... under the most favourable conditions as to economy and efficiency.”<sup>94</sup> It quickly became apparent, though, that any systematic arrangement with the central Canadians would come at an unacceptable cost – “the virtual extinction” of WAP. To avoid this, the members of WAP spelled out that the new national organization “should exist solely as a franchise holding corporation” whose authority was limited to carrying out the contract with AP.<sup>95</sup> The western association argued that it should name half the members of the holding company's board of directors, eventually settling for one-third of the board members to represent the west and British Columbia. For domestic newsgathering, the westerners wanted the country divided in half, with the west and British Columbia exercising complete local

control.<sup>96</sup> For different reasons, then, many publishers in both western and central Canada were content that CP Ltd. should have strictly limited responsibilities and powers.

Even so, the central and western publishers quickly came into conflict. Almost immediately they clashed over the issuing of new memberships, with the westerners insisting that they alone should decide whether to accept or reject any new applications for membership in their region. Other CP members objected. In 1911, CP Ltd.'s secretary, Atkinson of the *Toronto Star*, told WAP that its assertion of a veto over new memberships "goes too far ... the [western] Association has not the unlimited right, under our contract with the Associated Press, to refuse franchises."<sup>97</sup> The western publishers urgently appealed to Melville Stone, who replied that AP would not object to western Canadian members making decisions on new members in their territory. But he once again emphasized that AP's strategic interests must be protected: "He did not want existing newspapers in Canada to maintain a monopoly of the Associated Press service, to the extent of creating conditions which would give a rival news organization a foot-hold in Canada."<sup>98</sup>

No sooner was one problem between east and west resolved than another took its place. As noted above, the advent of CP Ltd. brought access to a much fuller news report in New York – thus potentially mitigating the shortage of British (and international) news about which many Canadian clients of AP complained. But the western papers could only get access to this material through cooperation with the east.

To take full advantage of the direct connection with AP headquarters, the members of CP Ltd. in Ontario and Quebec agreed to pay for a leased wire connecting New York, Montreal, Ottawa, Toronto, and London, Ontario. This was a telegraphic circuit dedicated entirely to the transmission of news material, paid for at an annual flat rate per mile instead of the cost-per-word basis applied to most telegraphic messages. As long as a sufficiently large volume of material was sent to make full use of its capacity, the per-word cost of material sent over a leased wire was much lower than under the message-rate tariff. In practice, costs for individual newspapers did not usually decline under a leased-wire arrangement, but they received much more material for their money. As newspapers increasingly depended on a steady supply of news-agency copy each day,<sup>99</sup> a position on a leased-wire circuit was essential.

Once this key connection was in place, publishers in Nova Scotia and New Brunswick, in the territory covered by WAP, and in British Columbia arranged leased-wire contracts of their own to receive the more desirable, and more extensive, version of AP's service that CP Ltd. was intended to provide. On 1 January 1912, WAP's night leased wire between Montreal and Winnipeg went into operation, and the circuit was soon extended to Regina, Saskatoon, Edmonton, Calgary, Moose Jaw, and Nelson, British Columbia. (A day leased wire from the east, which cost twice as much per mile, was still too expensive; the afternoon-paper members of WAP made do with a shorter leased-wire connection from Minneapolis to Winnipeg.) These leased wires and their operators accounted for more than 70 per cent of WAP's budget in 1913.<sup>100</sup> Similarly, the Eastern Press Association leased a night wire from Montreal to Moncton, Halifax, and Sydney, and the publishers of Vancouver and Victoria leased a night wire linking up with the WAP's western circuit at Calgary.<sup>101</sup> The eastern, western, and British Columbia associations adopted an inflexible and unforgiving cost structure that made sense only if they were guaranteed a regular and substantial supply of news relayed by the Ontario and Quebec publishers, who controlled the connection to New York. Thus, although the separate regional associations maintained their independence and often came into conflict, the organizational, technological, and cost requirements of telegraphic news drove them into a fundamental alliance. In 1912 the president of WAP noted that the leased wire and related arrangements had "a national as well as a newspaper value" in that they brought east and west "into more intimate relations."<sup>102</sup> But this was at best a secondary motivation; the impetus towards wider and more systematic connections had mainly to do with all the Canadian associations' demand for a steady flow of news from AP.

But the national news pipeline established through the leased-wire network could be used for Canadian news, too. A regular service of news from western Canada was part of WAP's compensation to the morning-paper publishers of central Canada in exchange for their New York AP service.<sup>103</sup> For an additional \$65 a month, Edward Slack of the *Montreal Gazette* (who was also manager of the morning paper section of CP Ltd. in Ontario and Quebec) provided a digest of news from eastern Canada to WAP.<sup>104</sup> In New Brunswick and Nova Scotia, the Eastern Press Association publishers collectively paid about \$200 a month for a combined service of international and domestic news from two Montreal papers—the *Gazette* for morning papers and the *Montreal Star*

for afternoon papers.<sup>105</sup> This pattern of dominant metropolitan newspapers recycling their own supply of news to regional clients further down the telegraphic news pipeline was more or less identical to what the three Winnipeg papers had done in 1907 when they established WAP.

One of the most immediate national implications of the leased-wire network was expanded coverage of federal politics and the federal government in Ottawa. During the 1911 federal election campaign, WAP and CP Ltd. cooperated to provide “impartial summaries of speeches by party leaders, as well as a daily record of political developments,” but were unable to coordinate their coverage of election returns on voting day.<sup>106</sup> In 1912 the western papers took a substantial step towards cooperation in national newsgathering when Wallace Dafoe, WAP’s Ottawa correspondent, systematically coordinated his efforts with the Ottawa correspondents of the *Free Press*, *Winnipeg Telegram*, and *Regina Leader* to allow more extensive coverage by avoiding duplication on routine news events.<sup>107</sup> By 1915, morning-paper members of WAP routinely received around 4,000 words a day of Ottawa and eastern Canadian news over the leased-wire network, and when the House of Commons was in session the volume could reach 10,000 words a day. Afternoon papers, with no leased wire to the east, received only around 700 words a day from Ottawa.<sup>108</sup> Eastern Canadian publishers also expanded their Ottawa coverage, sharing the cost of the *Gazette’s* Ottawa–Montreal leased wire and arranging for the Eastern Press Association’s Ottawa correspondent to coordinate his efforts with the *Gazette’s* Ottawa staff as the westerners had done.<sup>109</sup> The Canadian imagined community that took shape in the era of telegraphic news had the national government as a key focal point (as is also borne out by the content analysis of CP’s news coverage in [Chapter 7](#)).<sup>110</sup>

While the leased-wire network created a de facto national organization at the level of transmission, editorial decision making was another matter. WAP relied on material made available by the Ontario and Quebec members of CP Ltd., but had no control over what they provided. As long as Slack was manager of CP Ltd.’s morning paper section, all went well. But when the position was taken over by C. Langton Clarke of the *Toronto Globe*, the situation deteriorated. It was bad enough that Clarke provided nowhere near the coverage of eastern Canadian news that Slack had done. Much more worrisome was the way CP Ltd. was handling – or mishandling – the AP material to which it had access in New York. In August 1914, just after the First

World War broke out and public interest in international news was at its height, WAP complained that CP Ltd. was deliberately using the New York service less effectively than it could. From the 100,000 words available in New York every night, the selection of news for Toronto – which went from there to Winnipeg and points west – was made not by a dedicated editor, but by an editor-telegraph operator, producing an “attenuated and inefficient service.”<sup>111</sup> For example, a full report of the speech of the British foreign secretary, Sir Edward Gray, to Parliament just before war was declared – a speech that was of the keenest interest to English-Canadian readers – had been duly sent to AP in New York. But the version that reached Canadian papers was “very much mutilated,” thanks to the telegrapher’s carelessness and lack of journalistic judgment. According to E.H. Macklin, the president of WAP, this was not an isolated incident. On the contrary, it reflected a deliberate decision by the eastern members of CP Ltd. “to place this highly efficient and world-wide standard service of telegraphic and cable news in the position of a supplementary, subordinate, or auxiliary news service so far as Canadian metropolitan newspapers are concerned.”<sup>112</sup> Because the wealthy dailies of Toronto and Montreal could afford various special news services of their own, they were using AP as “a merely protective service” rather than as “the standard service ... for their major cable and telegraphic requirements.” The Toronto *Star*, for example, distributed UP to other Canadian papers and thus had an interest in the widely available AP being less rather than more comprehensive;<sup>113</sup> similarly, the *Star* and other Toronto papers that circulated throughout the province could maintain more of their extra-urban circulation if their papers, larded with special coverage, stood out as sharply as possible from the more basic AP service. (CP Ltd. was not happy with the arrangement either, claiming it was sending WAP “a mass of war news in exchange for a very limited service from the west.”<sup>114</sup>) Moreover, the Ontario and Quebec section used the leased-wire circuit to carry its own regional news as well as the AP file, and much of the former was of no interest to the west.<sup>115</sup> The AP report for western morning papers was so meagre, WAP complained, that it had to scalp INS and UP reports from the previous day’s Montreal evening papers to fill it out.<sup>116</sup>

WAP therefore turned away from its unsatisfactory formal connection with CP Ltd. and made a separate arrangement with the Montreal *Gazette*. In addition to the AP report received in the *Gazette*’s offices, WAP was to receive a further 10,000 words of cable news nightly from