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# ...and now, the news.

A national news media policy for Canada



June 2023





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IN CANADIAN PUBLIC POLICY

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## Executive summary | *sommaire*

**Beginning in 1989** with Sir Tim Berners-Lee's invention of the World Wide Web and later, following the creation of high-speed Internet available on fixed and mobile devices, people have had access to the vastness of human knowledge using a device they can carry in their pocket. These incredible innovations have created entirely new industries, caused most existing ones to transition to new ways of delivering their goods and services, and pushed to the brink of extinction those that are incapable of adapting.

One of the businesses that collapsed was the newspaper business, which for more than 225 years was the backbone of Canada's news and journalism industry. Over a very brief period consumer attention and advertising dollars shifted online where innovations such as targeted, low-cost advertising offered effectiveness and cost efficiency that traditional media struggled to duplicate in print or over the air.

Since 2016, representatives of the newspaper industry have been lobbying the federal government for assistance. This has resulted in a series of patchwork, temporary government measures intended to help the familiar news outlets survive financially as they "transition" to digital media operations. The most recent effort involved the tabling of the controversial *Online News Act* (Bill C-18), an effort to redistribute advertising income lost by news organizations to offshore tech companies such as Meta (Facebook) and Alphabet (Google).

There is a profound public interest in Canadians having access – in whatever fashion they most prefer – to accurate information at the neighbourhood, local, provincial/territorial, national, and international levels. The Internet provides ubiquitous access to international news platforms. Policy-makers should therefore focus on what is needed to sustain reasonably efficient domestic operators in a competitive environment focusing on the provision of what is commonly referred to as civic journalism.

The purpose of this paper is to frame a national consultation and to offer foundational policies for a national news industrial strategy. Canada needs a national news policy. Such a policy must at all costs avoid a direct funding connection between the government and newsmakers or news intermediaries. This is essential for a free and independent media to flourish and for public trust to be maintained. The policy also needs

to ensure fair commercial treatment for Canada's news producers, digital intermediaries, and consumers/subscribers.

An effective news media public policy would contain several elements. It would:

1. reform the CBC, which is not a pure-play public broadcaster; it is also a commercial competitor – heavily subsidized by public funds – to all other private news organizations, distorting the media landscape and limiting opportunities for competition;
2. encourage support from subscribers by offering them tax benefits;
3. support the digital transformation;
4. change the status of the current tax benefits and funds currently in place to support journalism;
5. re-evaluate the CRTC's role; and
6. create a Canadian Journalists Fund. The funds would be taxed from Digital News Intermediaries (DNIs). DNIs currently disseminate news and in the process gain valuable data on users' preferences and interests. It will be important to ensure that the government is not involved in the administration or distribution of the Canadian Journalists Fund monies and thus cannot influence freedom of expression directly or indirectly.

That, however, will not solve the industry's financial problems, nor would it be appropriate were that the case. The industry will have to take responsibility for its own state of affairs. What is necessary is not the survival of all companies currently involved in producing journalism, but that journalism and journalists can transition from unstable platforms to those capable of sustaining the work in the future. Allowing market forces to drive the industry is, ultimately, the solution. First, however, it is necessary through public policy to make certain that a level playing field is in place and that appropriate and impartial incentives are also in place. We believe the recommendations in this paper form the foundation for the transformation and renewal of Canada's news industry.

***C'est dans la foulée de la création en 1989 du World Wide Web par Sir Tim Berners-Lee et du lancement subséquent des services Internet haute vitesse sur appareils fixes et mobiles que les gens ont pu obtenir l'accès à l'immensité du savoir humain sur un appareil qu'ils pouvaient porter sur eux. Ces phénoménales innovations ont fait naître des industries entièrement nouvelles, ont amené la plupart des industries existantes à passer à de nouvelles méthodes de fourniture de biens et de services et ont menacé d'extinction celles qui n'ont pas su s'adapter.***

*L'un des secteurs à s'être effondré est celui de la presse, qui, pendant plus de 225 ans, avait été le pivot de l'industrie des nouvelles et du journalisme au Canada. Sur une très courte période, l'attention des consommateurs et les recettes publicitaires sont passées vers les communications en ligne, là où les innovations comme la publicité ciblée*



*à prix avantageux offraient une rentabilité et des économies que les médias traditionnels avaient du mal à reproduire dans la presse écrite ou en direct.*

*Depuis 2016, les représentants de la presse font pression sur le gouvernement fédéral pour obtenir de l'aide. Leurs demandes ont débouché sur une série de mesures gouvernementales disparates et temporaires destinées à aider les médias dominants à survivre financièrement pendant leur « transition » vers le numérique. La dernière mesure en date, le controversé projet de loi concernant les plateformes de communication en ligne (projet de loi C-18), vise à redistribuer les pertes de publicité des organismes médiatiques aux entreprises technologiques étrangères comme Meta (Facebook) et Alphabet (Google).*

*Que les Canadiens aient accès à de bonnes informations à l'échelle du voisinage, de la localité, de la province ou du territoire, de la nation et du monde – quelle qu'en soit la forme – soulève un profond intérêt public. L'Internet offre un accès généralisé aux plateformes d'informations internationales. Les décideurs politiques doivent donc mettre l'accent sur les éléments requis par les exploitants nationaux pour être raisonnablement efficaces dans un environnement concurrentiel, en misant sur ce que l'on appelle communément l'offre de journalisme citoyen.*

*L'objectif du présent document est de définir les jalons d'une consultation nationale et de proposer les orientations fondatrices d'une stratégie industrielle nationale pour les médias. Dans ce domaine, le Canada a besoin d'une politique nationale qui, en matière de financement, doit à tout prix exclure tout rapport direct entre le gouvernement et les journalistes ou les intermédiaires de nouvelles. Il s'agit d'une condition essentielle pour le développement de médias libres et indépendants et le maintien de la confiance du public. Cette politique doit également garantir un traitement commercial équitable des producteurs de nouvelles, intermédiaires numériques, consommateurs et abonnés canadiens.*

*Une politique publique efficace pour les médias comporterait plusieurs éléments. Elle devrait :*

- 1) Réformer la CBC, qui n'est pas un diffuseur public à part entière; elle entre également en concurrence – fortement subventionnée par des fonds publics – avec tous les organismes médiatiques privés, ce qui fausse le paysage du secteur et limite les possibilités de concurrence.*
- 2) Favoriser le soutien de la part des abonnés en leur offrant des avantages fiscaux.*
- 3) Soutenir la transformation numérique.*
- 4) Modifier la situation actuelle à l'égard des avantages fiscaux et du financement visant à appuyer le journalisme.*
- 5) Réévaluer le rôle du CRTC.*
- 6) Créer un Fonds canadien pour le journalisme qui serait financé au moyen d'une taxe sur les intermédiaires de nouvelles numériques. En diffusant leurs contenus, ces derniers obtiennent des données précieuses sur les*

*préférences et les intérêts des utilisateurs. Il serait important de veiller à ce que le gouvernement ne contribue pas à l'administration ou à l'allocation du financement accordé par le Fonds et qu'il ne puisse donc pas influencer directement ou indirectement l'exercice de la liberté d'expression.*

*Toutefois, cela ne résoudra pas les problèmes financiers de l'industrie ni ne sera approprié où c'est le cas. L'industrie devra assumer la responsabilité de sa propre situation. L'enjeu n'est pas d'assurer la survie de toutes les sociétés qui produisent des contenus à l'heure actuelle, mais la transition du journalisme et des journalistes de plateformes incertaines à des plateformes aptes à pérenniser le travail. Laisser les forces du marché guider l'industrie est ultimement la solution. Mais avant cela, il sera indispensable d'instaurer des conditions de concurrence équitables et de mettre également en place des incitations appropriées et impartiales au moyen d'une politique publique. Nous croyons que les recommandations formulées dans le présent document jettent les bases de la transformation et du renouvellement de l'industrie médiatique au Canada. [MLI](#)*

“ *The newspaper business, which for more than 225 years was the backbone of Canada’s news and journalism industry, collapsed.* ”

## Introduction

**As was the case with** Johannes Gutenberg’s invention of the printing press in 1436, the creation of high-speed Internet available on fixed and mobile devices has been nothing short of revolutionary, in this case transforming the way information can be shared.

The impact has been profound. Not only has high-speed Internet given people access to the vastness of human knowledge using a device they can carry in their pocket, it has created entirely new industries, caused most existing ones to transition to new ways of delivering their goods and services, and pushed to the brink of extinction those that are incapable of adapting.

While some products were able to make the transition easily – many video and DVD film providers thrived as online streamers – others saw their business models fragment and even dissolve. Video stores disappeared more quickly than they’d arrived.

The newspaper business, which for more than 225 years was the backbone of Canada’s news and journalism industry, collapsed.

Just as swiftly, however, innovators and entrepreneurs took advantage of the fact that the cost of entry into the news business no longer involved owning or having access to a printing press or broadcast license, and a new



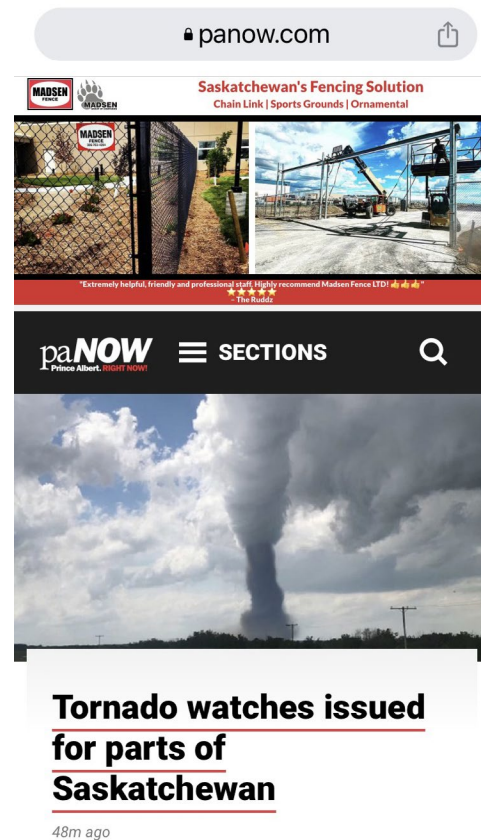
generation of web-based news platforms blossomed. Since 2008, while some 473 local news operations shut down in 335 communities across Canada, another 216 new local news outlets appeared in 153 communities according to researchers at Toronto Metropolitan University (Local News Research Project 2023).

And while there are no precise tracking numbers, as of 2021 a very high percentage of Canada's 716 licensed commercial radio stations had launched websites to complement their over-the-airwaves presence and compete for digital readers and listeners – and revenue.

Not all of these sites feature significant volumes of news content, but many do, translating their news from audio into text, in essence becoming online “newspapers” available to consumers on demand 24/7, freed from the constraints of a broadcast schedule. PaNOW.com (Prince Albert Now) offers a good example.

In 2009, at the same time the World Wide Web was having an impact on the creation and distribution of content globally, the evolution of Canada's news media landscape accelerated when CanWest collapsed and the struggling newspaper sector subsequently consolidated under Postmedia Network Canada Corp, which effectively controls 90 percent of the nation's daily and weekly newspapers.

Since 2016, representatives of that industry and that company have been lobbying the federal government for assistance. This has resulted in a series of patchwork, temporary government measures intended to help the familiar news outlets survive financially as they “transition” to digital media operations. The most recent effort involved the tabling of the controversial *Online News Act* (Bill C-18), an effort to redistribute advertising income lost by news organizations to offshore tech companies such as Meta (Facebook) and Alphabet (Google).



This paper expands on the findings of a 2022 Macdonald-Laurier Institute study, *Fixing the Media's Trust Deficit: Why a Long-Term National News Media Policy Is Vital and Urgent* (Menzies 2022), which concluded that the federal government – and those who aspire to govern – must develop and implement a national media strategy focused on the following:

- citizens must have access to information that is critical to their being accurately informed about current events and that assists them in the organization of their lives;
- the strategy must emphasize the need for pluralism of media ownership;
- it must sustain the type of journalism that provides information to the public in a manner that halts and reverses declines in public trust;
- the strategy must recognize that public trust in both government and news media can only be sustained if the journalism industry remains independent from government funding or approval of legal content;
- it must accept that some organizations incapable of making the transition to the digital age will fail;
- the strategy must foster a market-based news industry that meets the needs and expectations of citizens; and
- and it must inspire and support the innovation and entrepreneurship required for the industry to adapt to the era of digital news delivery.

We recognize that this strategy can only be achieved fully and completely through a pan-Canadian consultation process involving those active in the news industry both pre- and post-Internet, including tech platforms, experts in digital marketing, the legal profession, the CRTC, and more.

What this paper will do, and how we intend for it to be useful, is illustrative of many of the primary issues facing the news industry. It will offer a series of proposals that can best frame the future discussions.

## What's at stake

**For a very long time**, traditional media such as newspapers, radio, and television were among the most profitable businesses in the country – so much so that their ability to sustain newsrooms and keep citizens informed was taken for granted.

It is generally accepted that the provision of unbiased, fair, accurate, balanced journalism is required for democratic societies to be well informed. What's necessary, given the evolved economics of news, is for policy-makers to ensure that it is possible for good journalists employed by competent operators to fill that role in a financially stable fashion.

### Background

Media have traditionally performed a number of important functions in Canadian society.

Newspapers, for instance, were for many years necessary conveyors of information and entertainment. Their content was exhaustive and included advertising from large retailers, classified ads covering all of the buy-and-sell categories, employment opportunities, contact details for plumbers and other trades, housing for sale or rent, advertisements for personal relationships, entertainment, upcoming and past sporting events, comics, puzzles, horoscopes, personal advice such as the “Dear Abby” column, stock market listings, TV schedules, announcements of engagements, marriages, births, deaths, and more.

They also carried reporting on local, provincial, national, and international events, as well as opinion/commentary content regarding those events, and community responses to all of the above in the “Letters to the Editor” section.

In broadcasting, the government of Canada recognized very early on that that spectrum is a limited resource and is a Crown asset, so it implemented licence requirements for those wanting to use the airwaves. By 1922, the government had issued the first 23 commercial broadcasting station licences, although it did not specifically regulate content.

As the technology expanded and because the distances covered by AM signals are long, Canadians – most of whom live within 200 kilometres of the

US border – were exposed not only to this country’s radio channels but to a great many American radio stations as well. Concern regarding the influence that American broadcasting could have on Canada’s culture and identity, along with other matters, led in 1929 to the Royal Commission on Radio Broadcasting (Canada 1929).

That, in turn, led to the Canadian Radio Broadcasting Commission and what we know today as the Canadian Broadcasting Corporation (CBC). As Prime Minister R.B. Bennett said shortly after in 1932:

The country must be assured of complete Canadian control of broadcasting from Canadian sources. Without that control, broadcasting can never be the agency by which national consciousness may be fostered and sustained and national unity still further strengthened.  
(Taylor and Fulford 2015)

The CBC thus became the primary carrier of news across the nation. Private stations focused on building audiences interested in music and entertainment but they also delivered news, including that supplied by the CBC and its French-language equivalent, *Société Radio-Canada*.

Television emerged in the 1950s and followed much the same pattern, with dinner-time news becoming a cultural staple until, in the 1980s, all-news cable networks were launched. While the Canadian Radio-television and Telecommunications Commission (CRTC) worked to foster Canadian versions of these all-news networks, CNN and MSNBC in the US have proven to be just as popular, if not more so, with Canadian viewers, more or less achieving the impact Bennett feared close to 100 years ago.

While broadcasting remains primarily an entertainment platform, television news programs remain a key source of information for Canadians who can now access that news online without waiting for the six o’clock broadcast the way their parents and grandparents did.

All of these sources of news – weekly and daily newspapers, magazines, public and private radio and television (over the air, via cable and satellite) – prospered throughout the 20th century. Having a subscription to the local newspaper, many of which would sometimes contain as many as 200 pages, was a fixture in most Canadians’ budgets, as was owning a radio, a television set and, eventually, subscribing to a cable network. Tens of thousands of journalists

worked in newsrooms that in some cases contained close to 300 reporters, artists, photographers, copy editors, and managers.

And then everything changed.

## Something happened

In its early years, the Internet was just an information exchange vehicle most commonly used by academics and researchers. It posed no threat to traditional news media.

Then, in 1989, Sir Tim Berners-Lee invented the World Wide Web, which became available to the public two years later. And when the web protocol and code were made available royalty-free in 1993, individual web pages launched and began to proliferate. This gift obviously had immense promise for the free flow of information between individuals, governments, and corporations who no longer needed the permission of an editor, access to or ownership of a printing press, or possession of a broadcasting license in order to express themselves or promote their products.

Clearly this development was something traditional news media, long protected by their ownership of technology and the scarcity of spectrum, needed to keep an eye on.

Newspaper newsrooms of that era were well resourced. Dailies in larger cities often ranged from 60 to around 300 staff in their newsrooms alone. Hundreds of others worked in sales, administration, production, and circulation. Small city dailies functioned with 30 to 40 newsroom staff, while weekly and bi-weekly papers flourished across the country in smaller and suburban centres.

The primary source of revenue for the industry in North America was advertising – classified and display (i.e., ads using graphics of some kind). Virtually all were also behind what is known in today's jargon as a “pay wall.” In other words, you had to pay for the papers, either through a home subscription or by purchasing copies individually on an as-needed basis.

The first element of newspaper content to fall was classified advertising, which once constituted up to 40 percent of newspaper revenue (Aoife 2022). Online products such as Craigslist and Kijiji – which offered the same buy-and-sell service free of charge – decimated that income stream and triggered the first waves of the permanent layoffs that hit the industry.

Display advertising also began to erode as retailers found they could market their products in key categories such as automobiles, real estate, and recruitment directly to customers through their own web pages. Public institutions such as municipal governments, school boards, and First Nations, along with sports teams and leagues, soon followed the same pattern. No longer were people and businesses entirely dependent on newspapers or other media to communicate to the public. For them, the web has been liberating. This pattern, fueled by the increasing availability of high speed Internet, has continued to snowball for the past two decades.

Coincidental with newspapers reducing the size of newsrooms – and, therefore, their ability to engage readers – in response to revenue losses, was the rise of social media.

*No longer were people and businesses entirely dependent on newspapers or other media to communicate to the public.*

Facebook is still less than 20 years old, having been launched in 2004, and only became available to advertisers in 2007. Free to access, it proved immensely popular and allowed people to reconnect with friends and colleagues locally, nationally, and globally. Within a relatively few years maintaining an active and well-managed presence on Facebook became mandatory for most businesses, including media and public agencies. In short, Facebook became the public square – the content aggregator – that newspapers used to be.

Engagements, weddings, divorces, births, deaths, and other major life events could be communicated to friends and family for free instead of having to purchase an ad in the “announcements” pages of a newspaper. Canadians’ time and attention shifted away from the traditional media to social media ; “cell phones” became “mobile devices” that people used primarily to connect to each other and to a variety of information sources online.

Other platforms launched, such as LinkedIn (which pre-dated Facebook), YouTube, Twitter, Tik Tok, and many more. An entirely new industry had been created; it was unlike anything before in the history of human development.



And newspapers, shorn of their revenue by the better mousetrap that Facebook and others had built, continued to cut back and flounder.

As the online world flourished, it replaced almost all the utility and entertainment functions that newspapers used to perform. Crosswords became Wordles, comics became Reels and TikToks, announcements became events that people shared on their Facebook page, while search engines replaced trades classifieds, the phone book, the Yellow Pages, and so on.

The worldwide web became the venue for all information and large web companies became the aggregators of that information. In a very brief period consumer attention and advertising dollars shifted online where innovations such as targeted, low-cost advertising offered effectiveness and cost efficiency that traditional media struggled to duplicate in print or over the air.

Almost the only things left exclusively for news media were news and commentary. Since then, the news media world has clearly moved into the online era in which, while there may continue to be newspaper, radio, and television companies, news is delivered and accessed primarily digitally – via Substack, social media links, government and commercial websites, etc.

In a very broad sense, all news media are converging from their traditional platforms of delivery to the ubiquitous world of the Internet. As Silicon Valley entrepreneur Peter Hirschberg, CEO and founder of the Re:Imagine Group, wrote a few years ago, “there will likely be one trillion Internet-connected devices in about 15 years” (Hirschberg 2014).

## The stakeholders

**There are six broad groups** of stakeholders in the media sphere: legacy newspaper companies, legacy broadcasting companies, innovative digital startups, web-based intermediaries such as Facebook and Google, the CRTC, and the public interest.

We will attempt to summarize the key positions of each and are conscious that there may be particulars best known to those most intimate with them on a daily basis. We remind the reader that the purpose of this paper is to frame

a national consultation and to offer foundational policies for a national news industrial strategy.

### Legacy newspaper companies

As described previously and in more detail in a previous MLI paper (Menzies 2022), newspapers were the primary aggregator and intermediary for information of all kinds – commercial, amusement, personal, advertising, and journalism – for more than 200 years.

The invention of the World Wide Web destroyed that role and gave it to more technologically efficient delivery mechanisms, leaving newspapers as a primary carrier of journalism only and, in most cases, leaving newsrooms greatly diminished in size after they lost the revenue associated with the transfer of other types of information to web-based companies.

While this is a global development, Canada's situation is somewhat more extreme due to the consolidation of the industry linked to restrictions on foreign ownership, the failure of Canwest, the reclamation of Postmedia entities by US investors, and further consolidation.

Efforts to make the transition to the digital world have been largely unsuccessful for these companies. Small, often rural weeklies have been unable to compete not only with social media but, on a local level, with news and information websites launched by local and regional radio broadcasters that can offer news and information in a more timely and efficient format. This branch of media has lobbied the federal government for various forms of assistance since at least 2016 as has News Media Canada, its primary representative. Postmedia is the largest of the companies involved and, along with the *Toronto Star*/Torstar, has used its pages to openly campaign for the *Online News Act* (Bill C-18).

### Legacy broadcasting companies

Legacy broadcasting companies have had a great deal of involvement in news. Some unique aspects distinguish it from other sectors. Those distinguishing features are:

- radio and television services in Canada traditionally used a Crown asset (airwaves/spectrum) to deliver their product and are therefore regulated and protected by the CRTC which, through a licensing process, imposes certain expectations regarding news;

- the largest player in the sector is the publicly-funded Canadian Broadcasting Corporation (CBC), which is also a commercial competitor even as it functions in some areas as a public broadcaster; and
- some broadcasters offer an all-news format, but for most outlets news news is or has become an unprofitable regulatory obligation that constitutes a small percentage of their programming, which is typically entertainment-focused.

In the past, broadcasters have looked to the CRTC for assistance in funding news programming through both regulatory relief and direct aid through vehicles such as the now-defunct Local Programming Improvement Fund.

While also facing advertising revenue and other challenges created by the digital revolution, the Canadian Association of Broadcasters was a relative late-comer to the Bill C-18 discussion, which was initiated by newspapers. All have moved aggressively into the online world and while it is unclear to what extent consumers are motivated solely by news, CBC and Bell Media (BCE Inc.) have the nation's two most popular news websites, which has led the Parliamentary Budget Officer to suggest they would be the largest recipients of funds available through the *Online News Act*.

Some broadcasters, such as Corus, have lobbied to be included in other programs such as the Labour Tax Credit, which were originally designed specifically for newspapers. While some companies are facing financial pressures and all are affected by advertising shifts, the state of the broadcasting sector is not as dire as for legacy print products.

## **Innovative digital startups**

One person's crisis is often another's opportunity. Such is the case with the digital news world.

Over the past decade or more, Canadian innovators and entrepreneurs have launched more than 200 new online news and commentary websites. In addition, hundreds of other commercial radio stations and television broadcasters across the country have launched their own websites, repurposing their broadcast news and, increasingly, providing news from additional sources to serve their communities, many of which in the past could only get their local news through their weekly newspaper.

Some new digital platforms – Village Media, for instance – are of the “straight news” variety while others such as Narwhal are driven ideologically through topics such as environmentalism. For the latter, journalism is often not an end in itself but a tool to advance their cause. In many ways, this is illustrative of what a world that values a free and independent press should look like and, indeed, what the newspaper world looked like in its early stages of development.

Rather than being threatened by social media and search engines, these media have business plans built on exploiting the free access they get through Facebook, Twitter, and other social media and search engines.



*Canadians are among the world’s  
most enthusiastic users of the  
Internet and social media.*

### **Web-based intermediaries**

Web-based intermediaries are the companies with all the money and market power. In Canada, Meta (Facebook and Instagram) and Google (which includes YouTube) have captured about 80 percent of the digital advertising market (Dencheva 2023).

The percentage of digital advertising that is currently drawn from Canada is unknown, although in 2019 Facebook’s Canadian ad revenue was pegged at \$2.6 billion while Google’s was \$4.8 billion. What is known is that Canadians are among the world’s most enthusiastic users of the Internet and social media (CWTA 2023). Worldwide, Facebook has 2.96 billion active monthly users. In Canada, 83 percent have accounts (Pandurov 2023). Combined with Google, the web giants share roughly half of all of the advertising dollars spent in Canada. Further confusing the issue, however, is that according to the Canadian Media Concentration Research Project (CMCRP) there is some indication that the overall Canadian advertising spend is declining (Brown 2021).

For further context, the CMCRP has developed a “network media economy” which it estimated at \$91.3 billion in 2019. Of that, the study noted, “the ‘big six’ tech giants – Google, Facebook, Netflix, Amazon, Twitter and

Apple – had combined revenue of \$9.3 billion” (Brown 2021). BCE Inc. (Bell) comprised \$24.9 billion or 28 percent of the total network media economy, “with the top five Canadian companies (Bell, Telus, Rogers, Shaw and Quebecor) accounting for 72.5 percent of the total network economy” (Brown 2021).

For the purposes of this paper, however, we suggest the key figure to focus on is the roughly \$8 billion in digital advertising revenue that Facebook and Google earned, although others such as Apple, which is developing a search engine, and Microsoft, which operates Bing, should not be neglected.

## The public interest

Some of those lobbying for government assistance, legacy newspapers in particular (Geist 2020), have argued that if their businesses fail, democracy in Canada is at risk. This is overwrought and confuses the continuation of certain businesses with the practice of journalism.

Forward-thinking policy-makers need to keep this in mind when determining what it is that serves the public interest. It may very well be the case that some business models are at the end of their lives and the focus needs to be on nurturing those in their infancy as opposed to providing palliative care for those nearing the end.

We take it as a given, however, that there is a profound public interest in Canadians having access – in whatever fashion they most prefer – to accurate information at the neighbourhood, local, provincial/territorial, national, and international levels.

We also take it as a given that, while the number of Canadians reporting from foreign locations has declined, the Internet provides ubiquitous access to international news platforms.

Policy-makers should therefore focus on what is needed to sustain reasonably efficient domestic operators in a competitive environment focusing on the provision commonly referred to as civic journalism. The Pew Center for Civic Journalism defines civic journalism as practicing the craft in a manner that “seeks to enhance the relationship between news organizations and the communities they serve by encouraging a more active, engaged role for citizens in the news-gathering and reporting process.”

Policy-makers should keep in mind that it is vital for media to retain the freedom to establish their own personalities and perspectives through their

editorials and choices of commentary. But the focus of policy should be on supporting those whose journalism aims for high standards of fairness, accuracy, balance and the perception by the public that their reporters pursue their craft with open minds and practice it in a fashion that permits the reader, listener, and viewer to draw their own conclusions.

While we agree that a free press by definition permits publishers to be whatever they want, we suggest that policy-makers should keep in mind that the public interest (in terms of journalism) is well-illustrated by the American Press Institute's description of the 10 essential elements of journalism:

- journalism's first obligation is to the truth;
- its first loyalty is to citizens;
- its essence is a discipline of verification;
- its practitioners must maintain an independence from those they cover;
- it must serve as an independent monitor of power;
- it must provide a forum for public criticism and compromise;
- it must strive to keep the significant interesting and relevant;
- it must keep the news comprehensive and proportional;
- practitioners must be allowed to exercise their personal conscience, allow others to do so and be willing to question their own work to ensure fairness and accuracy; and
- citizens, too, have rights and responsibilities when it comes to the news (American Press Institute Undated).

## **The Canadian Radio-television and Telecommunications Commission**

The Canadian Radio-television and Telecommunications Commission (CRTC) has been responsible for licensing broadcasters and is about to become responsible, through the *Online Streaming Act* (Bill C-11), for all audio and visual content on the Internet. As such, it is regularly involved in ensuring and overseeing the provision of news.

It is very important that the CRTC be engaged in the development of a national news media policy and base its policies and decisions on the welfare of the entire newsmaker ecosystem and not just the narrow spectrum and cable broadcasting world within which it has functioned.



# Media policies present and future

## Current policies

The primary policies currently in place to support newsmakers in Canada are:

- the Canadian Journalism Labour Tax credit (Canada 2023a);
- the Canada Periodical Fund (News Media Canada Undated);
- the Local Journalism Initiative (Canada 2023b);
- the Digital News Subscription Tax Credit (Canada 2021);
- Canada's \$1.2 billion direct funding of the Canadian Broadcasting Corporation;
- broadcasting policies related to licensing and other goals set by the CRTC for those entities within its scope; and
- restriction by legislation through the CRTC or otherwise of foreign ownership of media.

## A better way

Canada needs a national news policy. Such a policy must at all costs avoid a direct funding connection between the government and newsmakers or news intermediaries. This is essential for a free and independent media to flourish and for public trust to be maintained. The policy also needs to ensure fair commercial treatment for Canada's news producers, digital intermediaries, and consumers/subscribers.

A secondary outcome of the national news policy would be for the government to set up a blue ribbon panel to hold consultations that could lead to recommended changes that, if implemented, would be required and would work in conjunction with the introduction of a *Journalism Support Act*.

The purpose of this paper is to start the discussion of this topic and lay out a feasible news media public policy proposal for possible government adoption and implementation, while maintaining incentives for growth, innovation, and competition.

## A news media public policy

### *Element 1: Reform the CBC*

Canada's news landscape is dominated by the Canadian Broadcasting Corporation/Société Radio-Canada (CBC/SRC).

The problem is not that it exists. Most nations have a public broadcaster of some description in order to ensure the distribution of trusted news to all citizens in a consistent manner (i.e., that all citizens get the same information and are able to understand events and perspectives in other parts of their country).

This is particularly important in Canada where there are two official languages and northern territories within which Indigenous languages also have official status. Those and other remote regions are so thinly populated that they do not constitute a market capable of supporting commercial news organizations.

SRC has also traditionally been considered a safeguard against franco-phone media that might be sympathetic towards Quebec sovereignty.

The problem, however, is that CBC is not a pure-play public broadcaster; it is also a commercial competitor – heavily subsidized by public funds – to all other private news organizations, distorting the media landscape and limiting opportunities for competition.

As *Globe and Mail* publisher Philip Crawley told a Parliamentary committee in 2016, Canada's playing field is not "level" if taxpayers' dollars directed to the public broadcaster make the competition for digital ad dollars more difficult: "The CBC is the *Globe's* largest competitor in the digital ad space among Canadian-based media. My colleagues and I in the industry do not support the notion that handing out more money to the CBC helps local or national newspapers" (LeBlanc 2016).

Currently, the CBC offers the following services:

- four terrestrial radio networks: CBC Radio One, CBC Music, Ici Radio-Canada Première, and Ici Music;
- one web-based international/multi-ethnic radio service;
- two terrestrial television networks: CBC Television and Ici Radio-Canada Télé;
- two cable news networks: CBC News Network and Ici RDI;
- satellite/cable channels Explora, Documentary Channel (part ownership), and Ici ARTV;

- two northern services in both radio and television: CBC North and Radio Canada Nord;
- digital only services such as CBC.ca, Radio-Canada.ca, CBC Music, and Ici.TO.U.T.V. CBC.ca and Radio-Canada.ca also offer localized online portals such as CBC Nova Scotia, CBC Saskatchewan, etc;
- CBC Gem and CBC Listen apps; and
- programming in both official languages, eight Indigenous languages, and five foreign languages.

Of these services, only radio is non-commercial. All television and digital services carry advertising and, through Tandem, CBC is introducing “sponsored content,” also known as “advertoiral” content, which allows businesses and others to pay for their stories to be told in the form of news stories under the safety of the host media’s brand. The CBC’s annual funding involves as much as \$1.4 billion in direct federal government support and \$650 million in commercial revenue, of which \$420 million is television and digital advertising (CBC/Radio-Canada 2022).

CBC is, to all intents and purposes, a publicly-funded commercial broadcaster and news provider.

We recommend the following changes:

1. The corporation must no longer be permitted to sell advertising on any of its platforms in competition with other domestic news organizations and broadcasters. Not only does this practice distort the market and diminish advertising revenue opportunities for private sector news media, it risks distorting CBC/RCI’s mandate by encouraging it to focus on primary advertising markets in Toronto and Montreal at the expense of service to the rest of the country.
2. All CBC news content should be made available for reproduction – with credit – to other news organizations in Canada. As this information is publicly funded, it should be considered a public asset available throughout the nation following its initial posting, publication, and broadcast by CBC/SRC. This was, in the early years of CBC News (initiated in 1941) a common practice and, if resumed, would provide other news organizations with a flow-through content benefit.

3. CBC/SRC services should be restricted to:

- one over-the-air television service, one over-the-air radio service, and digital content availability in each official language;
- one all-news network available in each official language via BDU (i.e., cable, satellite, and fibre TV) and/or online;
- CBC North and Radio Canada Nord available via television, radio and online – each based on one official language but with numerous Indigenous language options;
- content on CBC/SRC must be 100 percent Canadian in accordance with entirely new rules, focusing on a true reflection of Canada in its films and programming rather than simply employing Canadian talent; it should use as a model the British Film Institute system. Such rules could include a point system where a product qualifies as Canadian if it garners 18 of 35 points, the points being accumulated under four rubrics: cultural content, cultural contribution, cultural hubs, and cultural practitioners. There would be no requirement for Canadian ownership of the producer, the product, or the intellectual property rights;
- CBC/SRC must maintain bureaus in every province and territory of Canada; and
- CBC/SRC news networks – CBCNN and ICI-RDI – must carry daily reports from each province and territory. This would amount to a one- or two-minute- report every two hours.

These steps would confirm CBC's role as a public broadcaster only, focus its services on its core purpose, eliminate its dual status as a commercial news competitor, enhance the availability of its news product (likely to the primary benefit of news organizations in small communities), and reduce fragmentation of the news advertising market while still meeting the core needs of citizens for trusted and accurate information.

4. The CBC's broadcasting licence will be granted by statute and will not require renewal by the CRTC. The CRTC will, however, continue to have a role in monitoring the CBC's adherence to its mandate. In cases of non-compliance, the CRTC would be empowered to im-

pose Administrative Monetary Penalties (AMPs).

5. CBC/SRC, for the purpose of long-term planning, would have its public funding fixed within the federal budget for a period of five years with a rolling annual review. Sixty days prior to the expiry of its fiscal year, the CBC would be required to submit a detailed spending report to the CRTC. The CRTC would then have 30 days to determine the amount, if any, that should be deducted for AMPs imposed as outlined above.
6. CBC/SRC operations would be ineligible for funding from the Canadian Journalists Fund (see elements 5-8). This is based on the assumptions that as CBC will no longer be in the advertising business, there is no compensation required for ongoing loss of advertising revenue and that the CBC/SRC will continue to be supported at funding levels no less than those currently in place. This should assist in providing a level news industry playing field while ensuring the presence of an efficient public broadcaster.

### ***Element 2: Support subscribers through tax benefits***

Throughout their history, most non-broadcast news providers – newspapers and magazines – put a price on their product. The cost of a daily paper at the turn of the twenty-first century varied between 50 cents and \$1.50, with subscriptions generally in the range of \$15-\$20 monthly – a not inconsiderable source of revenue that largely offset the costs of trucks, depots, boxes, maintenance, and home delivery contractors.

In the online world, where distribution costs are negligible, subscriptions represent an even greater opportunity for contributing to net revenue.

Some legacy news providers – *The Times of London*, *Daily Telegraph*, *Globe and Mail*, *Winnipeg Free Press*, *Toronto Star*, *Wall Street Journal*, and others – have developed a digital subscription paywall, some with great success. And, increasingly, newer online-only products – *Blacklock's Reporter*, *The Logic*, and *Western Standard* are examples – have built their business models on creating this direct connection and brand loyalty with readers.

The paywall model imposes a level of market force accountability to readers while entrenching in news providers the need to maintain the quality of their content levels to justify their subscriptions. This represents an

opportunity for public policy to support and encourage news consumers to purchase subscriptions.

Therefore, we recommend:

1. that subscriptions to Eligible News Businesses (ENBs) be deemed tax deductible for individuals at no less than 100 percent of their value;
2. that, for this purpose, an ENB will be defined as “a Canadian owned and controlled business whose primary purpose is the gathering and dissemination of news and commentary and that holds itself to a transparent, published Code of Conduct/list of Ethical Practices and that charges a subscription fee for access to its regularly produced content” (each is free to develop its own); and
3. ENBs would be certified as eligible in two ways: either directly by the Canada Revenue Agency (CRA) through its existing Independent Advisory Board on the Eligibility for Journalism Tax Measures, or upon affidavit, by a recommendation and confirmation from the Canada News Media Council or a similar, non-partisan, independent national news media organization that can confirm the nature of the business, and the existence of a subscription service and the relevant codes. This alternative method is available for those news organizations that have a conscientious objection to applying directly to a government agency for designation and should not be excluded due to that objection.

This policy subsidizes the practice of paying for and supporting news production – a public good – of whatever type the consumer prefers while avoiding interference or even any rational perception of government interference in the process.

### ***Element 3: Support the digital transformation***

At the heart of the disruption that the Canadian – and global – news industry is experiencing is the transformation to the digital age.

Therefore, we recommend that public policy recognizes this by implementing the following recommendations:

1. All expenditures by Eligible News Businesses (ENBs) that involve an investment in digital transformation technology are eligible to claim that investment as a capital cost allowance in their first year.



2. The concept be based on a practice similar to that used by the European Broadcasters Union (EBU) (EBU Undated).
3. The EBU defines digital transformation as the process of using digital technologies to create new business models, products, and services, and to improve existing ones. In the context of broadcasting (and, we recommend, newspapers and hybrid publishers), digital transformation involves the integration of new technologies into the production, distribution, and consumption of news content and the development of new digital platforms and services to reach audiences across multiple devices and channels. This includes the use of cloud computing, artificial intelligence, and data analytics to enhance the quality and relevance of content, and the creation of personalized and immersive experiences for consumers. Additionally, digital transformation also involves adapting to changing consumer behaviours and preferences, and leveraging new revenue streams to sustain the business.
4. To emulate these procedures, the following steps are required:
  - the Independent Advisory Board on the Eligibility for Journalism Tax Measures must also be charged with advising the CRA on the qualifying digital transformation investments; and
  - regulations under the *Income Tax Act* must spell out the criteria to be applied, namely:
    - ▷ *implementation*: that the project resulting from the investments has been implemented successfully and that evidence of its effectiveness and sustainability has been submitted;
    - ▷ *innovation*: the project resulting from the investments has demonstrated a high degree of innovation and creativity in the use of digital technology to achieve the organization's business objectives;
    - ▷ *impact*: the project resulting from the investments has had a significant impact on the organization's performance, efficiency, or customer experience; and
    - ▷ *collaboration*: the project should demonstrate collaboration among different stakeholders within the organization and among external partners.

#### ***Element 4: Change the status of current tax benefits/funds***

There is, as the saying goes, nothing quite so permanent as a temporary government program. Currently, the federal Department of Heritage is involved in three funding mechanisms for media. Many of these would not have been necessary had the government listened to the news industry's concerns over the years about the CBC's distortions of the market.

We recommend phasing out the current Labour Tax Credit (Canada 2023a) over a period of five years, declining the credit in value by 20 percent annually in order to wean news organizations from it while they adapt to a more permanent policy framework. 2) Phasing out the Local Journalism Initiative (Canada 2023b) over a period of five years, declining the value of it by \$4 million per year and with adjustments that would make it available only to news organizations serving market areas of less than 100,000 people and limiting it to easily defined core coverage beats such as public safety, courts, school boards, and municipal councils. 3) Phasing out over three years the Canada Periodical Fund (Canada 2022), which is no longer relevant in a digital age.

#### ***Element 5: Re-evaluate the role of the CRTC***

The CRTC oversees more than 2,000 radio and television broadcasters across the country. As of the passage of the *Online Streaming Act* (Bill C-11), it will also be given authority over all audio and visual content on the Internet, a development that could have considerable impact on the many online-only, currently unlicensed news providers functioning there.

All local, over-the-air television stations must carry news as a condition of license and – while there are exceptions – almost all radio licensees are required to produce news. Historically, the CRTC's assessment of markets has only included its licensed providers, which means it only considered the impact on other broadcasters. In general, this has been useful to communities. However, this restricted view of the news economy can lead to unnecessary fragmentation. Now that the CRTC has been granted new authorities over the Internet and all news organizations have a position there, it will be necessary for the CRTC to be a positive contributor to a healthy news economy.

Therefore, we recommend that in exercising its powers under the *Broadcasting Act*, the CRTC should take cognizance of the *Journalism Support Act* and take no decision that will in any way directly or indirectly interfere with the operations of the latter.

### ***Element 6: Support the Canadian Journalists Fund***

The *Online News Act* (Bill C-18) is based on the notion that Digital News Intermediaries (DNIs) such as Google or Facebook disseminate news from newsmakers – mostly newspapers and broadcasters, which the bill calls Eligible News Businesses (ENBs) – without appropriately compensating them. News organizations maintain that DNIs make large profits from the use of their products, which the DNIs insist is not the case. Nevertheless, Bill C-18 takes the side of the Canadian news organizations over the case presented by the American tech companies.

Bill C-18 requires that DNIs be registered and that there be mandatory negotiation (leading if necessary to binding “baseball” arbitration) between DNIs and ENBs at the request of ENBs. The scheme is complex and based on a contentious and unproven assumption. It is also difficult to enforce, identifies as ENBs some enterprises that produce no news, and will be extremely difficult to implement.

However, it contains two valid ideas. Firstly, DNIs should support journalistic endeavours (which they already do), as their advertising business is based at least in part on the data generated by news organizations. Secondly, ENBs whose news is being reused by these digital intermediaries need protection against unjust discrimination, unreasonable preference, or being subjected to an unreasonable disadvantage by DNIs due to an imbalance of market power.

These ideas could be more simply and effectively implemented with support for journalists, and protection against discrimination, unjust preferment, and undue advantage.

#### **A. Support for journalists**

Nearly all Canadian ENBs are linked with DNIs. The linking can occur by ENBs choosing to submit their website to a DNI news service (e.g., Google News) or by allowing users to have access to the ENB’s website using their DNI credentials. By providing links to the original articles on the ENB’s website the DNI drives traffic to that website, which can increase its visibility and reach. That visibility and reach may also drive subscriptions, as ENBs can restrict reading to snippets or a first-read only, requiring users to buy a subscription before they can read further. The DNI, meanwhile, gains valuable data on users’ preferences and interests from *all* ENBs and monetizes this data by selling it to advertisers.

Linking is free and does not attract copyright fees. The degree of linking depends on the arrangement that the DNI has with the ENB. If there is no agreement, the DNI will only provide snippets of the news and a customer will have to click on the ENB's website to get the whole story. If there is an agreement, the entire content of the news is available and the DNI obviously makes some form of payment. It is also quite common that users can only read snippets of an article and those wanting more content are directed to the ENB's website to buy a subscription in many cases or otherwise pay a fee.

Undoubtedly both sides benefit from this linking; the DNI provides universal offering of news and the ENB gets additional exposure for its product and may gain new customers through this exposure. The data that the DNIs obtain about users' interests and preferences is valuable and the DNIs monetize it successfully. The DNIs have also basically taken over the near monopoly advertising market (both for products or classified ads) that the ENBs previously held.



*Undoubtedly both sides  
benefit from this linking.*

Rather than correcting this imbalance by facilitating negotiations between DNIs and ENBs, which would involve very complicated cost accounting and benefit tracing, the public policy media strategy should focus on supporting Canadian journalists. One possible model is the Canada Media Fund (CMF), which has the goal of encouraging, supporting, and subsidizing the production of Canadian film and video production. Part of the Canada Media Fund's resources comes from a mandatory contribution to it by Canadian cable and satellite companies. For example, as of 2021, providers with annual gross revenues between \$5 million and \$25 million were required to contribute five percent of their revenues to the fund. Providers with annual gross revenues between \$25 million and \$250 million were required to contribute 10 percent of their revenues. And providers with annual gross revenues greater than \$250 million were required to contribute 30 percent of their revenues that year.

The fund is administered by a board appointed by the Heritage minister and consists of knowledgeable people from the film and media industry. Using

the CMF as a model, a Journalism Support Act would ensure that all DNIs contributed annually a percentage of their gross annual revenues to a Canadian Journalists Fund (CJF). Its main features would be as follows:

1. *Composition of the CJF:*

- The CJF would have a board of three members appointed by the Heritage minister, one each from lists drawn up by, for example:
  - ▷ the Canadian Association of Journalists;
  - ▷ the Radio-Television Digital News Association; and
  - ▷ the National News Media Council.
- If one of the organizations failed to nominate a candidate within a given time (say 30 days), the other two parties would have 30 days to jointly nominate a neutral person. Should they fail to do so, the minister would appoint the third one.
- The board could choose to seek advice from the Independent Advisory Board on Eligibility for Journalism Tax Measures that has been already established under the *Income Tax Act*. Changes would have to be made to the authorizing Order in Council allowing that advisory board to provide such advice.
- The CJF would have a small staff reporting to a general secretary appointed by the board. The principal functions of the secretariat would be to assist the board in determining:
  - ▷ who qualifies as an ENB;
  - ▷ how many journalists the ENB must employ to be eligible;
  - ▷ what constitutes employment;
  - ▷ the amount of contributions payable by each DNI; and
  - ▷ the amount to be paid each year to qualifying ENBs.

2. *Definition of DNIs:* The act would use the definition of DNI from Bill C-18, specifically:

- an online communications platform, including a search engine or social media service that makes news content produced by news outlets available to persons in Canada. It does not include an online communication platform that is a messaging service, the primary purpose of which is to allow persons to communicate with each other privately.

3. *Definition of ENBs:* The definition of eligible newsmakers found in Bill C-18 has to be narrowed to *only those broadcasters whose primary business is news*. It could read something like:

- The board of the CJF shall designate a business as eligible for contributions if it:
  - ▷ is a qualified Canadian journalism organization as defined in subsection 248(1) of the Income Tax Act, or is licensed by the CRTC under of the Broadcasting Act;
  - ▷ produces news content of public interest i.e., an organization that is primarily focused on matters of general interest and reports of current events, including coverage of democratic institutions and processes;
  - ▷ regularly employs two or more journalists in Canada, which may include journalists who own or are a partner in the news business and journalists who do not deal at arm's length with the business;
  - ▷ operates in Canada, including having content edited and designed in Canada;
  - ▷ produces news content that is not primarily focused on a particular topic such as industry-specific news, sports, recreation, arts, lifestyle or entertainment;
  - ▷ is either a member of a recognized journalistic association and follows the code of ethics of a recognized journalistic association, or has its own code of ethics whose standards of professional conduct require adherence to the recognized processes and principles of the journalism profession, including fairness, accuracy, balance, objective presentation of news, independence and rigour in reporting news and handling sources; or
  - ▷ operates an Indigenous news outlet in Canada that produces news content that includes matters of general interest, including coverage of matters relating to the rights of Indigenous peoples, including the right of self-government and treaty rights.

4. *Definition of journalist:* The definition of journalist found in the *Journalistic Sources Protection Act* could be adopted as follows:



- a person whose main occupation is to contribute directly, either regularly or occasionally, for consideration, to the collection, writing or production of information for dissemination by the media, or anyone who assists such a person.
5. *Obligation to contribute:* Each DNI would need to contribute annually a given percentage of its gross annual revenue to the CJF. The percentage would rise depending on the revenue of the DNI to avoid casting the net too wide and thereby stifling innovation by DNIs. All DNI's with annual revenue less than \$50 million would be exempted. Also, any revenues derived from distributing user-generated content should not be included in the calculations.
  6. *Entitlement to support from CJF:* Each qualifying ENB would receive from the CJF the same fixed amount per journalist employed.

## **B. Protection against discrimination, unjust preferment, and undue advantage**

Access to ENBs in the digital world is done by either going to their websites directly through an app or via a DNI. DNIs make millions of decisions each day using highly developed artificial intelligence (AI) to sort and rank both information and the URLs containing the desired information. However, since DNIs also have other lines of business or can be associated with other firms, there is always the possibility that DNIs could unjustly discriminate, unreasonably giving preference to their own products or imposing undue or unreasonable disadvantage upon ENBs.

Consequently, relief and remedy provisions are needed should this possibility eventuate.

Bill C-18 provides that an ENB can make a complaint to the CRTC, which then investigates the matter and grants remedial orders and/or imposes fines (Administrative Monetary Penalties) on the DNI if warranted. During such proceedings the onus is on the DNI to prove that it did not discriminate, give undue preference, or impose disadvantages.

DNIs, by the nature of their business, make millions of such decisions using algorithms. Looking at individual decisions completely misses the point and imposes an unacceptable liability upon the DNIs. However, there should be relief for ENBs who allege they are victims of a pattern of behaviour of unreasonable discrimination, preference, or imposition of undue disadvantage.

The root cause of all such allegations is the AI that is the property of the DNI. Hence the *Journalism Support Act* should have a provision allowing an ENB to make a complaint to the CRTC. The complaint must allege that the AI that the DNI employed is so designed as to cause systematic discrimination, non-preference, or undue disadvantage. In light of its responsibility under existing Anti-Spam legislation, the CRTC should have the requisite knowledge to assess the design of the AI, or engage the necessary expertise to advise it. The DNI, given that it owns (and probably also designed) the AI in such a scenario quite properly has the burden of proof. If the complaint is without merit the DNI should have all the necessary information to disprove it. When considering the complaint, the CRTC, as provided in Bill C-18 should take into account any factor it considers appropriate, but it must take into account whether the conduct in question is in the normal course of business for the operator, retaliatory in nature, or consistent with the purposes of this act.

## Summary

Taking the two ideas from Bill C-18 of supporting journalists and protecting ENBs from unfair ranking and modifying them along the above lines, should ensure that:

- ENBs receive a contribution from DNIs;
- the contribution is not a fee for linking, but support for journalists from DNIs who, after all, monetize the data obtained from acting as an intermediary for news stories. This data is highly valuable and the DNIs monetize it very successfully. However, it is the user's data, or data acquired by the ENBs, not the DNI's data, and hence the obligation to partially support those whose work creates the data;
- the government is not involved in the administration or distribution of the funds and thus cannot influence freedom of expression directly or indirectly;
- ENBs are compensated for the use of the data they acquire but which the DNIs monetize;
- the additional contribution to ENBs will allow them to adequately remunerate journalists and thus support the production of excellent news for Canadians; and,
- the CRTC has the resources to ensure that DNIs treat ENBs fairly.

## Conclusion

**It is widely accepted that** good journalism – the reporting of news in a fair, accurate, and balanced fashion – is one of the elements necessary for the smooth functioning of a modern liberal democracy. It is also understood, somewhat oxymoronicly, that government involvement in that support can undermine that which is most vital to a news organization’s survival: public trust. Building a national news industry public policy is, therefore, a ticklish business.

We have highlighted six areas in which public policy-makers can assist in the development of legislation (ideally in a bipartisan fashion) that will help support a sustainable news industry. Among the areas we have highlighted include reforming the CBC, rewarding consumer and industry behaviours required to support modern new business models, and ensuring that large foreign corporations contribute to journalism’s sustainability in a reasonable and fair way through a Canadian Journalists Fund.

“*We believe these recommendations are necessary for resolving the policy miasma currently hanging over the industry.*”

We believe these recommendations are necessary for resolving the policy miasma currently hanging over the industry. Other matters, such as concentration of ownership and foreign ownership restrictions, may also be worth examining.

In the end, however, the industry itself will have to take responsibility for its own state of affairs. To date, much of the lobbying for policy changes has been based on rescuing struggling business models, not on inspiring new ones. That has to change.

News organizations need to form a national news industry association that includes all its players and that can speak for the sustainability of the entire industry – not just the profitability of individual firms. The industry and public policy-makers need to accept that during a period of disruption such as the one

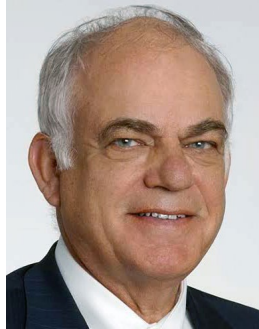
currently underway, there will be companies incapable of surviving. While that is regrettable, it is the manner in which markets work. What is necessary is not the survival of all companies currently involved in producing journalism, but that journalism and journalists can transition from unstable platforms to those capable of sustaining the work in the future.

Allowing market forces to drive the industry is, ultimately, the solution. First, however, it is necessary through public policy to make certain that a level playing field is in place and that appropriate and impartial incentives are also in place. We believe the recommendations in this paper form the foundation for the transformation and renewal of Canada's news industry. We hope they will find traction within the industry and among policy-makers. [MLI](#)

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*constructive* *important* *forward-thinking*  
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### The Right Honourable Paul Martin

I want to congratulate the **Macdonald-Laurier Institute** for 10 years of excellent service to Canada. The Institute's commitment to public policy innovation has put them on the cutting edge of many of the country's most pressing policy debates. The Institute works in a persistent and constructive way to present new and insightful ideas about how to best achieve Canada's potential and to produce a better and more just country. Canada is better for the forward-thinking, research-based perspectives that the **Macdonald-Laurier Institute** brings to our most critical issues.

### The Honourable Jody Wilson-Raybould

The **Macdonald-Laurier Institute** has been active in the field of Indigenous public policy, building a fine tradition of working with Indigenous organizations, promoting Indigenous thinkers and encouraging innovative, Indigenous-led solutions to the challenges of 21<sup>st</sup> century Canada. I congratulate **MLI** on its 10 productive and constructive years and look forward to continuing to learn more about the Institute's fine work in the field.

### The Honourable Irwin Cotler

May I congratulate **MLI** for a decade of exemplary leadership on national and international issues. Through high-quality research and analysis, **MLI** has made a significant contribution to Canadian public discourse and policy development. With the global resurgence of authoritarianism and illiberal populism, such work is as timely as it is important. I wish you continued success in the years to come.

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The **Macdonald-Laurier Institute** has produced countless works of scholarship that solve today's problems with the wisdom of our political ancestors. If we listen to the **Institute's** advice, we can fulfill Laurier's dream of a country where freedom is its nationality.

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