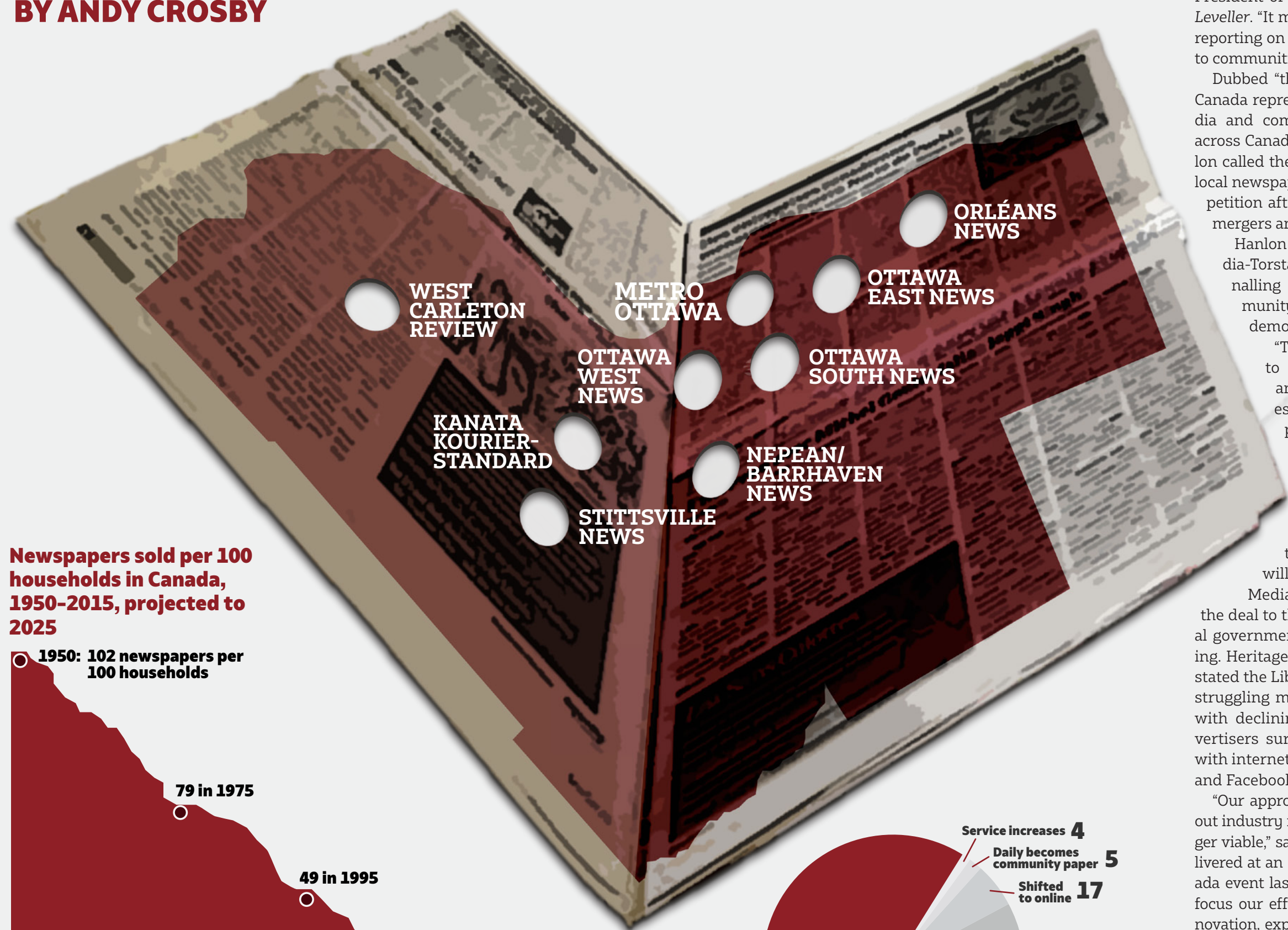


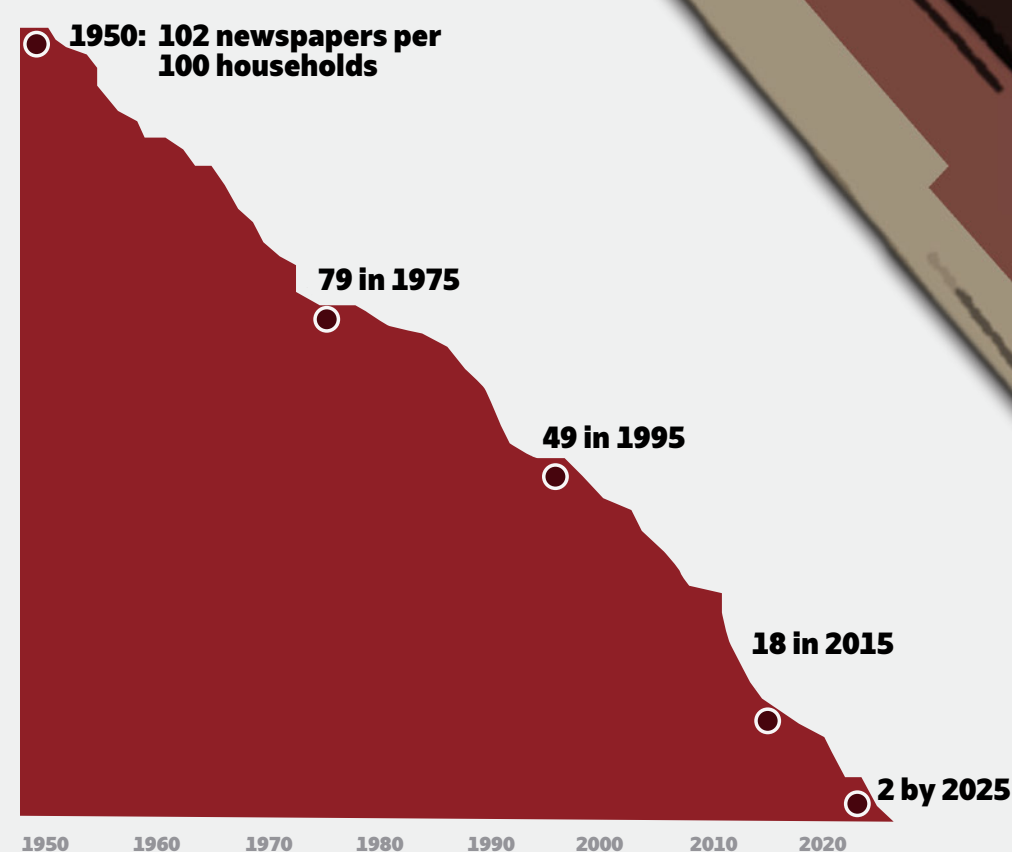
# MEDIA LANDSCAPE SHREDDED

“POSTMEDIA-TORSTAR *BLOODBATH*” DROWNS NINE OTTAWA NEWSPAPERS

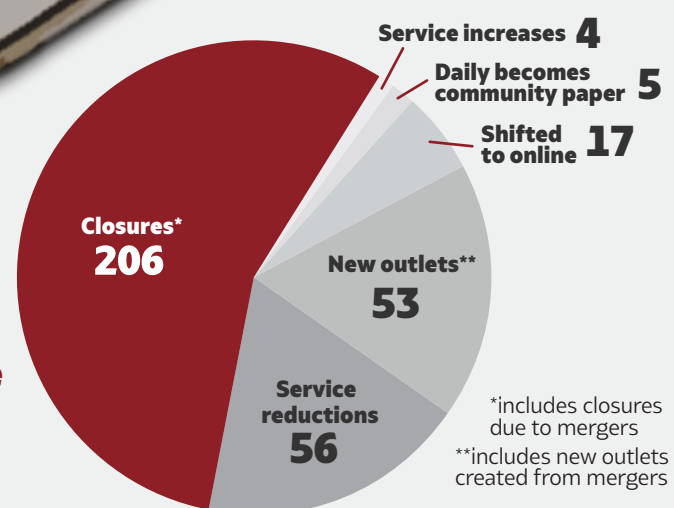
BY ANDY CROSBY



Newspapers sold per 100 households in Canada, 1950-2015, projected to 2025



Changes in local media outlets since 2008



Eight local newspapers published their last issues in mid-January, altering the media landscape in Canada's capital. The final print editions of the *Kanata Courier-Standard*, *Stittsville News*, *West Carleton Review*, *Ottawa East News*, *Ottawa West News*, *Nepean-Barrhaven News*, *Orléans News* and *Ottawa South News* were delivered on Jan. 11.

A total of 15 newspapers were shut down in eastern Ontario, including *Metro Ottawa*, which published its last issue on Nov. 27 – the day that corporate media giants Postmedia and Torstar announced a swap of 41 newspapers. Postmedia obtained 24 properties from Torstar, which in turn received 17 in a deal that saw no cash exchange hands. All but four newspapers were immediately slated for closure, resulting in a loss of 291 jobs.

“Any time we lose a newspaper or any other media outlet, it is dark day for local journalism and for local democracy,” Martin O’Hanlon, President of CWA Canada, told the *Leveller*. “It means fewer journalists reporting on the stories that matter to communities.”

Dubbed “the media union,” CWA Canada represents some 6,000 media and communications workers across Canada. In a statement Hanlon called the deal “a deathblow” to local newspaper coverage and competition after years of such sales, mergers and closings.

Hanlon sees the “Postmedia-Torstar bloodbath” as signalling the erosion of community and the decline of democracy.

“There is almost no one to hold local politicians and powerful interests to account in many places,” Hanlon told the *Leveller*. “If there are no journalists covering local politics, it makes it much less likely that such corruption will be exposed.”

Media moguls attributed the deal to the failure of the federal government to inject new funding. Heritage Minister Mélanie Joly stated the Liberals would not assist struggling media companies faced with declining ad revenue as advertisers surge toward digital ads with internet giants such as Google and Facebook.

“Our approach will not be to bail out industry models that are no longer viable,” said Joly in a speech delivered at an Economic Club of Canada event last year. “Rather, we will focus our efforts on supporting innovation, experimentation and [the] transition to digital.”

Joly believes that the \$75 million annual allotment to the Canadian Periodical Fund is sufficient. Media executives have used the government’s announcement to further consolidate their monopolies on Canadian regions.

## CREATING “SYNERGIES” (I.E. MONOPOLIES) IN A “DEEPLY DISRUPTED INDUSTRY”

The closures occurred predominantly in regions of competition. For instance, *Metro Ottawa*, which was dealt to Postmedia, had represented a serious competitor for advertising revenue to Postmedia’s other local holdings the *Ottawa Citizen* and *Ottawa Sun*. Postmedia now holds a monopoly on print media in eastern Ontario, including the Kingston and Belleville regions.

While this move largely affected Ontario newspapers, it follows other recent regional mergers to consolidate media monopolies. These include the 2014 Black Press and Glacier Media Inc. swap of more than a dozen B.C. community newspapers to consolidate into geographic “clusters” and the 2017 Saltwire Network Inc. acquisition of all Transcontinental Inc.’s newspapers and news websites in the Atlantic Provinces. The move also continues Postmedia’s monopoly consolidation, after it acquired 175 newspapers and digital publications from Quebec Inc. in 2015.

Corporate media executives have framed the swap and closures in terms of creating “synergies” in priority markets.

“This transaction allows Postmedia to focus on strategic areas and core products and allows us to continue with a suite of community-based products, in a deeply disrupted industry,” said Paul Godfrey, Executive Chairman and Chief Executive Officer of Postmedia in a statement. “These actions will deliver cost synergies while maintaining those operations that are sustainable and support Postmedia’s strategy.”

The community-based products evidently do not include small community newspapers, as Godfrey notes that “the continuing costs of producing [newspapers] in these regions in the face of significantly declining advertising revenues means that most of these operations no longer have viable business models.”

“By acquiring publications within or adjacent to our primary areas and selling publications outside our primary areas, we will be able to put a greater focus on regions where we believe we can be more effective in serving both customers and clients,” echoed Torstar president and CEO John Boynton in a statement.

Executive statements serve to highlight an open secret: that the present and future of news print media, including community newspapers, revolves around advertising revenue.

“The only realistic option was to close the affected papers due to their falling advertising revenues and Metroland’s projections of their future performance,” according to a statement from Metroland Media, a division of Torstar.

In a media landscape racing toward consolidating advertising markets and meeting performance targets, profit margins define the future of an industry considered to be the watchdog of liberal democracy.

Postmedia’s statement emphasized that the transaction “is not subject to the merger notification provisions of the Competition Act” and thus required no regulatory clearance. The provisions typically are invoked if assets or sales revenues generated exceed \$88 million.

However, Jayme Albert, Senior Communications Advisor with the Competition Bureau of Canada, informed the *Leveller* that “the Bureau is reviewing this matter under the Competition Act.”

For Hanlon, whether or not a review is held it is too little, too late.

“Does anyone really think the bureau would do anything after the fact to force the companies to reopen the shuttered papers? Once they’re gone, they’re gone,” he said.

“Unfortunately, the bureau’s mandate is too narrow to prevent monopolies,” said Hanlon. “If it had real power and a broader mandate, Postmedia would never have been allowed to have such control of Canada’s print media.”

## THE SHATTERED MIRROR: HOW THE COLLAPSE OF LOCAL JOURNALISM UNDERMINES CRITICAL REFLECTION

Last January, the Public Policy Forum released a report, *The Shattered Mirror: News, Democracy and Trust in the Digital Age*.

Concerns about media moguls consolidating profits at the expense of the mirror they hold up to their communities date back to at least the 1960s.

In 1970, the Special Senate Committee on Mass Media released its report *The Uncertain Mirror*.

Today, the Public Policy Forum proclaims that the uncertain mirror

is now shattered. The *Shattered Mirror* report stresses that the negative implications of a changing media landscape for Canadian society now go beyond consolidated media ownership.

“The odd blend of content fragmentation, revenue consolidation and indifference to truth has overtaken simple concentration of ownership as the main threat to holding public officials to account and reflecting Canadian society back to its citizens,” reads the report’s introduction.

The relevant question of our time is whether democracy itself is at risk.

There are many threats facing traditional print media with leading commentary emphasizing the digital revolution and loss of ad revenues. The *Shattered Mirror* argues that “journalism’s economic model has collapsed, profoundly and structurally,” with 1,060 community newspapers in Canada losing roughly \$400 million between 2012 and 2015, representing one-third of their revenue.

So what is the role of the future of print media and its impact on accountability in Canadian society?

Should print media be phased out or further consolidated and corporatized? What is the role of community newspapers in all of this?

Regardless of the oft-reported doomsday trajectory, there will always be a role for print media, at least for the foreseeable future. But further consolidation and focus on advertising revenues is bad for community journalism. Corporate prescriptions for small community papers is not the answer.

Even if Ottawa’s local newspapers leave something to be desired – increasingly littered with ads, defined by copy and paste jobs from corporate parent papers, or just plain apolitical and uninteresting content – community journalism and independent media play an important role in society and should continue to do so.

In the final issue of *Ottawa East Community News*, Managing Editor Theresa Fritz wrote a piece clarifying that she did not leave her profession – instead it had left her. Fritz emphasized that community newspapers matter: “They reflect our communities, our neighbours, ourselves,” she wrote. “A community newspaper is quite possibly a community’s best friend, a hand to hold in good times and bad.”

Total advertising revenue in Canadian newspapers (\$billions)

