Online news bill could revive local papers in Canada, MPs told

Local papers could see a huge cash injection from tech giants and begin hiring again, if Ottawa's online news bill becomes law, newspaper spokesmen for says

Marie Woolf

Ottawa - Ottawa's online news bill - which would force tech giants Google GOOGL-Q and Facebook META-Q to pay for reusing articles produced by Canadian news organizations - would help revive the flagging local news industry, spokesmen for papers across the country told a committee of MPs on Friday.

They said local papers, which have been closing across Canada, hemorrhaging staff and losing advertising revenue, could see a huge cash injection from tech giants and begin hiring again, if the bill becomes law.

"A weakened press, threatened with abandoning its mission and disappearing after decades of existence, is seriously endangering our democracy," said Benoit Chartier, chair of the board of Hebdos Quebec, which represents the province's independent local press. Mr. Chartier publishes a number of local papers, including Le Courrier de Saint-Hyacinthe, one of the oldest French language newspapers in North America.

Paul Deegan, president and CEO of News Media Canada, which represents big and small news organizations, said there is now a "significant imbalance of power between tech giants and Canadian news outlets."

He said the bill would enable small papers to join together to negotiate deals with Google and Facebook, which has been renamed Meta, for using their content.

Facebook, Google and Apple have already signed some partnerships with news organizations in Canada, including The Globe and Mail.

The architect of a similar law in Australia, which Canada's Bill C-18 is based on, told MPs that there has been a $200-million (Australian) annual injection into Australia's news industry, since the law was introduced.

Rod Sims, who was chair of the Australian Competition and Consumer Commission when it implemented its news media bargaining code, said the law had prompted Google and Facebook to do deals with almost all news outlets in Australia, including small newspaper groups.

The law has also led the Guardian, a British news outlet, to expand its Australian operations and hire many more journalists, he said.

Mr. Sims, a professor at the Australian National University, said the code's aim had been to address a massive imbalance in bargaining power between tech giants and media outlets that meant fair commercial deals could not be struck.

Like its Australian model, Canada's bill would force the tech giants to do deals with news outlets and pay for posting news or links to articles, if they have not already done so voluntarily.
David Skok, founder & CEO of The Logic, an independent news outlet focusing on business and technology, said the bill is "a backstop forcing publishers and platforms to come to the table for fair, equitable, and transparent agreements that don't privilege only those with negotiating power."

But Prof. Michael Geist, an expert in internet law at the University of Ottawa's law school, warned that the wording of Bill C-18 is flawed and likely to prompt legal challenges.

He said the bill contravenes several treaties, such as the Berne Convention, which aims to protect the rights of authors but allows the use of quotations, including those of newspaper articles.

"There is no question that this will be challenged on a number of different levels," he told the Commons heritage committee.

Jen Gerson, an independent journalist and co-founder of the Line, an online newsletter, expressed fear that the bill would "backfire spectacularly."

She said news publishers, rather than the platforms, benefit if Google or Facebook posts links to news articles. Ms. Gerson warned that Facebook and Google could respond to the law by "restricting access to mainstream news articles."

Australia's law led to a fierce backlash from the tech giants. Facebook protested by temporarily blocking news on its platform across Australia.

Google has written to each MP and senator saying there are multiple flaws in Bill C-18 as well as "misconceptions" about how an online-news law would work in practice.

The proposed law would prevent tech giants penalizing or giving preference to news organizations it has done deals with.

Google has said this could affect the way it ranks news on its search engine and moderates content. Currently the search engine elevates information from "trusted sources."

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