



How Free and Trusted Can Canada's Media Be if They Are Dependent on Government Subsidies?

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Introduction

As we enter the final weeks of the federal election campaign, it has become clear that Canada's news media have a major financial stake¹ in its outcome.

Mere weeks² before the election was called, the Canadian Journalism Collective (CJC) began distributing the \$100 million that Google is required to pay to news organizations under the Online News Act. This is in addition to the tens of millions in government subsidies the Liberal government has earmarked for news outlets in recent years. While Conservative leader Pierre Poilievre previously criticized³ the Liberals' news policies, it's no longer clear⁴ he would eliminate them, having recently suggested⁵ a Conservative government would fund local news media. As Peter Menzies noted in *The Hub*,⁶ this election isn't "about whether news organizations get government support or not"; instead, it is about "how they get it."

Amid this obvious conflict of interest, this essay seeks to do two things: first, it catalogues the myriad government policies that directly or indirectly subsidize private news outlets in Canada. Second, it explores how News Media Canada, the industry's main advocacy group, has publicly lobbied for increasing government support over the last several years, including on the eve of the election.⁷

Their advocacy has succeeded, as temporary programs have become permanent and federally-mandated funds for journalism have expanded. However, it has come at an enormous cost to journalistic objectivity and independence. We have arrived at the scenario many⁸ predicted,⁹ with newspapers openly advocating¹⁰ for preferential treatment, praising¹¹ the governments that fund them, and failing to disclose¹² their entitlements.

¹ "Legacy media won't commit to disclosing government-mandated payments during election," *thehub.ca*, April 8, 2025, <https://thehub.ca/2025/04/08/legacy-media-wont-commit-to-disclosing-government-mandated-payments-during-election/>.

² Rudyard Griffiths and Sean Speer, "In the middle of an election, The Hub received \$22,000 thanks to Liberal legislation and is donating an amount equivalent to it all to charity from its general revenues—will the rest of the news media disclose what they're getting?," *thehub.ca*, March 28, 2025, <https://thehub.ca/2025/03/28/rudyard-griffiths-and-sean-speer-the-hub-is-receiving-over-60000-from-the-government-and-donating-it-all-to-charity-will-the-rest-of-canadas-subsidized-media-disclose-what-theyre-gettin/>.

³ Mickey Djuric, "Conservatives ran on similar media policy as Liberals, but now claim it's censorship," *CBC.ca*, August 2, 2023, <https://www.cbc.ca/news/politics/conservatives-policy-tech-giants-online-news-1.6925990>.

⁴ Clayton DeMaine, "Poilievre calls to 'depoliticize' news media funding, wants independent media in Parliamentary Press Gallery," *Juno News* online, February 14, 2025, <https://www.junonews.com/poilievre-calls-to-depoliticize-news>.

⁵ James Morgan, "Poilievre pledges to eliminate industrial carbon tax during visit to Ivaco," *TheReview.ca*, March 17, 2025, <https://thereview.ca/2025/03/17/poilievre-pledges-to-eliminate-industrial-carbon-tax-during-visit-to-ivaco/>.

⁶ Peter Menzies, "Canada's (formerly) free press get set to cover an election," *thehub.ca*, March 25, 2025, <https://thehub.ca/2025/03/25/peter-menzies-canadas-formerly-free-press-get-set-to-cover-an-election/>.

⁷ Dave Adsett, "News is vital to our democracy," *National Post* online, March 21, 2025, <https://nationalpost.com/opinion/dave-adsett-news-is-vital-to-our-democracy>.

⁸ Peter Menzies, "Canada's major news media have made their bed. Now they can lie in it," *thehub.ca*, July 4, 2024, <https://thehub.ca/2024/07/04/peter-menzies-canadas-major-news-media-made-their-bed-now-they-can-lie-in-it/>.

⁹ Andrew Coyne, "Please stop helping us: the newspaper bailout is a comprehensive policy failure," *The Globe and Mail* online, August 2, 2024, <https://www.theglobeandmail.com/opinion/article-government-subsidies-are-not-saving-canadas-newspapers-its-time-to-end/>.

¹⁰ "NP View: Close the tax loophole that allows foreign tech giants to bleed Canadian media dry," *National Post* online, November 5, 2024, <https://nationalpost.com/opinion/close-the-tax-loophole-that-allows-foreign-tech-giants-to-bleed-canadian-media-dry>.

¹¹ Paul Deegan, "Ontario leads the way on sustaining quality journalism," *National Post* online, July 3, 2024, <https://nationalpost.com/opinion/ontario-leads-the-way-on-sustaining-quality-journalism>.

¹² "Legacy media won't commit to disclosing government-mandated payments during election."

Counting the Countless Government Programs

Canada is not the only country to fund private news media through various government mechanisms. A European Union report¹³ written in 2023 concluded the Canadian government's per capita spending on private news media was actually lower than the EU average (although this study preceded the implementation of the Online News Act and appears to have omitted the Canadian Journalism Labour Tax Credit¹⁴ from its calculations).

Nevertheless, the pace with which Canada subsidized its news media is staggering, with a recent report¹⁵ estimating the federal government will spend \$325 million in 2024–25 between the Canada Media Fund (\$154.1 million), the Canada Periodical Fund (\$86.5 million), the Canadian Journalism Labour Tax Credit (\$65 million), and Local Journalism Initiative (\$19.6 million). This is in addition to the roughly \$1.4 billion yearly federal subsidy to the CBC, which Prime Minister Mark Carney has promised¹⁶ to increase by \$150 million if the Liberals are re-elected.

Between the various media support programs and CBC funding, the federal government is spending over \$1.7 billion annually subsidising journalism and media. That's more than the \$1.4 billion¹⁷ it will spend annually on the Canada Disability Benefit—and more than it plans¹⁸ to spend over the first five years of its National Pharmacare Plan combined.

What do the major programs do? **The Canada Periodical Fund (CPF),**¹⁹ which consolidated two previous programs in 2010, "provides financial assistance to Canadian print magazines, print community newspapers (non-daily) and digital periodicals."

The fund distributed²⁰ over \$83 million in grants in 2023–24, including over \$7.2 million to TVA,²¹ \$1.1 million to *Maclean's*, and \$1.7 million to *Reader's Digest* (which has since gone out of business in Canada).²²

¹³ "Public financing of news media in the EU," *Publications Office of the European Union*, 2024, https://www.europarl.europa.eu/meetdocs/2014_2019/plmrep/COMMITTEES/CULT/DV/2024/04-09/PublicfinancingofnewsmediaintheEU_EN.pdf.

¹⁴ "Canadian journalism labour tax credit," *Government of Canada* online, <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-credits/canadian-journalism-labour-tax-credit.html>.

¹⁵ Jake Fuss and Grady Munro, "Identifying Potential Savings from Specific Reductions to Federal Government Spending," *Fraser Institute*, 2025, <https://www.fraserinstitute.org/sites/default/files/2025-02/identifying-potential-savings-specific-reductions-federal-government-spending.pdf>.

¹⁶ Mark Gollom, "Carney pledges \$150M boost to 'underfunded' CBC," *CBC.ca*, April 4, 2025, <https://www.cbc.ca/news/politics/mark-carney-cbc-funding-1.7501902>.

¹⁷ "Statement from the Minister of Diversity, Inclusion and Persons with Disabilities on the Canada Disability Benefit," *Government of Canada* online, March 3, 2025, <https://www.canada.ca/en/employment-social-development/news/2025/03/statement-from-the-minister-of-diversity-inclusion-and-persons-with-disabilities-on-the-canada-disability-benefit.html>.

¹⁸ "Federal Budget – Lifting Up Every Generation," *Government of Canada* online, 2024, <https://budget.canada.ca/2024/report-rapport/chap2-en.html>.

¹⁹ "Canada Periodical Fund," *Government of Canada* online, 2025, <https://www.canada.ca/en/canadian-heritage/services/funding/periodical-fund.html>.

²⁰ "Volume III, Section 6: Transfer payments," in *Public Accounts of Canada* online, 2024, https://www.tpsgc-pwgsc.gc.ca/recgen/cpc-pac/2024/vol3/ds6/index-eng.html#wds6en_tbl_r1437.

²¹ Canada Spends (@canada_spends), "Canada spent \$83M in the last year to subsidize private, for-profit, Canadian media organizations via the Canadian Periodical Fund," X, January 15, 2025, https://x.com/canada_spends/status/1879551239773622459?s=12.

²² La Presse Canadienne, "Canadian edition of Reader's Digest magazine to cease activities next spring," *Montreal Gazette* online, December 6, 2023, <https://www.montrealgazette.com/business/article83303.html>.

There are several components²³ of the CPF, including:

- **Special Measures for Journalism**, introduced in 2022, which funds magazines and community newspapers that have a “free circulation model,” “low levels of paid circulation,” or “are published in digital format.”
- **Aid to Publishers**, which provides publishers with “the financial support they need to produce and distribute high-quality, Canadian editorial content for Canadian readers.”
- **Business Innovation**, scheduled to conclude in 2026, which funds projects for “eligible small and mid-sized print and digital magazines.”
- **Collective Initiatives**, which funds²⁴ organizations for projects that are “designed to increase the overall sustainability of the Canadian magazine and (non-daily) community newspaper industries.”
- **The Changing Narratives Fund**, announced in 2024,²⁵ which will spend \$10 million over three years. Its goal is to support “diverse communities and organizations, including Indigenous, Black, racialized, ethno-religious minorities, 2SLGBTQI+ and persons with disabilities” to “have their stories, experiences and perspectives better represented in the media and cultural industries.” Its funding is technically distributed through a combination of the CPF and two other funds (the Canada Media Fund and Local Journalism Initiative).

There are several other federal subsidies, tax credits, and initiatives for news. The **Canadian Journalism Labour Tax Credit**, projected to spend \$65 million in 2024-25,²⁶ was introduced in 2019. It permits²⁷ “Qualified Canadian Journalism Organizations” (QCJOs) to subsidize a portion of a newsroom employee’s salary. Initially, the credit²⁸ was for 25 percent of an employee’s salary, capped at \$55,000, but in 2023, that increased to 35 percent of an employee’s salary, capped at \$85,000. Meanwhile, the **Local Journalism Initiative**, projected to spend \$19.6 million in 2024-25, pays²⁹ press agencies and news organizations to “hire journalists or pay freelance journalists to produce civic journalism for underserved communities.”

The federal government has two additional policies that don’t directly fund journalism but do directly or indirectly support media organizations. The **Canada Media Fund**, projected to spend \$154 million in 2024,³⁰ supports Canadian film and TV production, including³¹ the “creation of digital content across multiple platforms such as television, wireless devices, or the Internet.” Finally, the **Digital News Subscription Tax Credit** provides tax credits³² of up to 15 percent of subscription fees to a maximum of \$75 annually to individuals who purchase a news subscription.

²³ “Canada Periodical Fund.”

²⁴ “Collective Initiatives – Canada Periodical Fund,” Government of Canada online, 2025, <https://www.canada.ca/en/canadian-heritage/services/funding/periodical-fund/collective-initiatives.html>.

²⁵ “Changing Narratives Fund,” Government of Canada online, 2025, <https://www.canada.ca/en/canadian-heritage/services/funding/changing-narratives-fund.html>.

²⁶ Fuss and Munro, “Identifying Potential Savings from Specific Reductions to Federal Government Spending.”

²⁷ “Canadian journalism labour tax credit.”

²⁸ Ulysse Robert-Lacroix, “Supporting Journalists and News Organizations,” Office of the Parliamentary Budget Officer online, May 10, 2024, <https://www.cbo-dpb.ca/en/publications/LEG-2425-004-S--supporting-journalists-news-organizations--soutenir-journalistes-organismes-presse#:~:text=Two%20changes%20to%20the%20measure,over%20a%20four%2Dyear%20period>.

²⁹ “Local Journalism Initiative,” Government of Canada online, November 18, 2024, <https://www.canada.ca/en/canadian-heritage/services/funding/local-journalism-initiative.html>.

³⁰ Fuss and Munro, “Identifying Potential Savings from Specific Reductions to Federal Government Spending.”

³¹ Canada Media Fund, <https://cmf-fmc.ca/>.

³² “About the digital news subscription tax credit,” Government of Canada online, July 27, 2021, <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/deductions-credits-expenses/digital-news-subscription.html>.

Playing Robin Hood: The Online News Act and the Online Streaming Act

In addition to subsidizing journalism itself, the federal government also forces other companies to subsidize journalism. The 2023 **Online News Act** compels “major digital platforms” (Meta and Google) that publish news links to give money to Canadian news organizations. Accusing “tech giants” of taking advertising revenue from journalistic outlets, the government’s goal³³ was to establish “fairness in the Canadian digital news marketplace” and “ensure Canadians have access to quality, fact-based news at the local and national levels.”

Meta opted out of news sharing after the law was passed, but Google agreed³⁴ to distribute \$100 million annually (indexed to inflation) to news organizations. That money is distributed through the Canadian Journalism Collective (CJC),³⁵ an organization led by independent broadcasters and news publishers.

Under the *Online News Act*’s regulations,³⁶ no more than 7 percent of Google’s \$100 million will go to CBC, 30 percent to other broadcasters, and the remaining 63 percent to news outlets.³⁷ The CJC estimated³⁸ that this would amount to approximately \$13,798³⁹ per full-time equivalent journalist at news outlets and \$6,806 per eligible broadcast worker. News Media Canada, differing in its eligibility predictions, estimated⁴⁰ the amount per journalist would be closer to \$18,000.

To put the *Online News Act*’s support into perspective, the CJC estimate is a little over 16 percent of an \$85,000 salary. When combined with the 35 percent support through the Canadian Journalism Labour tax Credit, this would mean that about 50 percent of a journalist’s salary could be covered either directly or indirectly by the federal government.

³³ “Government introduces a bill to ensure fair compensation for news media and the sustainability of local news,” *Government of Canada* online, April 5, 2022, <https://www.canada.ca/en/canadian-heritage/news/2022/04/government-introduces-a-bill-to-ensure-fair-compensation-for-news-media-and-the-sustainability-of-local-news.html>.

³⁴ Daniel Thibeault, David Cochrane, and Darren Major, “Federal government reaches deal with Google on Online News Act,” *CBC.ca*, November 29, 2023, <https://www.cbc.ca/news/politics/google-online-news-act-1.7043330>.

³⁵ Tara Deschamps, “Google makes \$100M payment to news groups for Online News Act exemption,” *National Post* online, January 3, 2025, <https://nationalpost.com/news/canada/google-payment-online-news-act>.

³⁶ *Online News Act Application and Exemption Regulations*, SOR/2023-276. <https://gazette.gc.ca/rp-pr/p2/2024/2024-01-03/html/sor-dors276-eng.html>.

³⁷ Mickey Djuric, “Online News Act funding capped for private broadcasters, CBC: regulations,” *Toronto.citynews.ca*, December 15, 2023, <https://toronto.citynews.ca/2023/12/15/canada-online-news-act-funding-cap/>.

³⁸ Tara Deschamps, “Media outlets start receiving Google payments from Online News Act, journalism group says,” *The Globe and Mail* online, March 13, 2025, <https://www.theglobeandmail.com/canada/article-media-outlets-start-receiving-google-payments-from-online-news-act/#:~:text=The%20collective%20previously%20told%20eligible,on%20a%202%2C000%2Dhour%20year.>

³⁹ Tara Deschamps, “Google payments for news organizations to begin later than expected,” *Financial Post* online, January 31, 2025, <https://financialpost.com/pmn/google-payments-for-news-organizations-to-begin-later-than-expected#:~:text=The%20collective%20previously%20estimated%20eligible,%243.40%20per%20hour%20for%20broadcasters.>

⁴⁰ Deschamps, “Media outlets start receiving Google payments from Online News Act, journalism group says.”

The CJC began distributing the \$100 million in March 2025, weeks before the federal election began. This funding was barely mentioned among the news outlets that received it: only a single Canadian Press story on the topic was picked up by the *Globe and Mail*,⁴¹ *Toronto Star*,⁴² and the *Financial Post*⁴³ section of the *National Post* in the weeks following announcement (by contrast, there were 16 unique stories⁴⁴ across these three venues about Google's decision to distribute the funds through the CJC in 2024). The Hub proactively disclosed⁴⁵ that it received a payment of more than \$22,000, which it promptly donated to charity. When asked about the precise amount organizations would receive, neither the *Globe and Mail*, Postmedia, nor the CJC itself responded⁴⁶ to inquiries from *The Hub*.

The 2023 **Online Streaming Act**, by contrast, is a wide-ranging law that gives the Canadian Radio-television and Telecommunications Commission (CRTC) additional power to implement Canadian content requirements across online streaming services. The CRTC's 2024 regulations⁴⁷ pursuant to the law also force foreign companies to subsidize Canadian media, including news media.

Foreign online streaming services with more than \$25 million in annual revenues (such as Netflix and Spotify) must contribute 5 percent of those revenues to specific Canadian funds. Those funds include the Canada Media Fund, the Independent Local News Fund, the Black Screen Office Fund, and the Indigenous Music Office. The law has been criticized⁴⁸ for reducing competition and raising consumer prices, with Spotify citing the law⁴⁹ as a reason for a recent price hike. The *Online Streaming Act* is also increasingly a trade irritant⁵⁰ between the U.S. and Canada.

⁴¹ Deschamps, "Media outlets start receiving Google payments from Online News Act, journalism group says."

⁴² Tara Deschamps, "Media outlets start receiving Google payments from Online News Act, journalism group says," *Toronto Star* online, March 13, 2025, https://www.google.com/url?q=https://www.thestar.com/news/canada/media-outlets-start-receiving-google-payments-from-online-news-act-journalism-group/article_ce460a6b-0e04-50d6-b5b3-2587c46149bf.html&sa=D&source=docs&ust=1756136083149315&usg=AOvVawOHqrCsYJPXprnR-laK8l-m.

⁴³ Tara Deschamps, "Media outlets receiving Google payments from Online News Act," *Financial Post* online, March 13, 2025, <https://financialpost.com/news/media-outlets-receiving-google-payments-online-news-act>.

⁴⁴ Dave Snow, "DeepDive: How the Online News Act has harmed journalistic objectivity," *thehub.ca*, March 21, 2025, <https://thehub.ca/2025/03/21/deepdive-how-the-online-news-act-has-harmed-journalistic-objectivity/>.

⁴⁵ "Legacy media won't commit to disclosing government-mandated payments during election."

⁴⁶ Ibid.

⁴⁷ "Broadcasting Regulatory Policy CRTC 2024-121," *Canadian Radio-television and Telecommunications Commission* online, June 4, 2024, <https://crtc.gc.ca/eng/archive/2024/2024-121.htm>.

⁴⁸ Michael Geist, "DeepDive: How the Online Streaming Act misdiagnosed Canada's broadcasting woes," *thehub.ca*, November 11, 2024, <https://thehub.ca/2024/11/11/deepdive-why-the-online-streaming-act-misdiagnosed-canadas-broadcasting-woes/>.

⁴⁹ "Here's how much Spotify is increasing membership prices in 2 months — blaming a new Canadian streaming tax," *insidehalton.com*, October 17, 2024, https://www.insidehalton.com/news/heres-how-much-spotify-is-increasing-membership-prices-in-2-months-blaming-a-new-canadian/article_af9af72a-f014-5c18-9bcf-84f859a97271.html.

⁵⁰ 2025 *National Trade Estimate Report on Foreign Trade Barriers of the President of the United States on the Trade Agreements Program*, (2025), <https://ustr.gov/sites/default/files/files/Press/Reports/2025NTE.pdf>.

Provincial Funding of Canadian News

While various provinces have some form of digital tax credit⁵¹ to reimburse digital media production and labour costs, Quebec is the one province that directly funds news media. Quebec provides⁵² print media companies a tax credit of up to 35 percent of an employee's salary to a maximum of \$26,250 per year, provided that company "has an establishment in Québec" and "publishes original written content of general interest designed specifically for Quebec's population" on a range of current-affairs topics. In 2024, Hub contributor Michael Geist suggested⁵³ that the net effect of the federal and Quebec policies come "close to ensuring that government money and regulation cover the entire cost of news journalists at print and digital publications in the province."

In Ontario, meanwhile, the provincial government has mandated⁵⁴ that its four largest agencies must direct 25 percent of their advertising budgets to publishers who are "Ontario-based corporations, trusts or partnerships that have been designated as Qualified Canadian Journalism Organizations by the Canada Revenue Agency." Given that those four Crown agencies—the Ontario Cannabis Store (OCS), the Liquor Control Board of Ontario (LCBO), the Ontario Lottery and Gaming Corporation (OLG), and Metrolinx—spend approximately \$100 million on advertising each year, this amount is estimated to be \$25 million.

⁵¹ "Interactive Digital Media Tax Credit across Canada and Worldwide," *abgi-canada.com*, June 13, 2023, <https://abgi-canada.com/en/interactive-digital-media-tax-credit-across-canada-and-worldwide/#>.

⁵² Dave Snow, "Government subsidies for Canada's media were supposed to be temporary, but they keep on growing—and could be here to stay: Dave Snow in The Hub," *Macdonald-Laurier Institute* online, April 22, 2025, <https://macdonaldlaurier.ca/government-subsidies-for-canadas-media-were-supposed-to-be-temporary-but-they-keep-on-growing-and-could-be-here-to-stay-dave-snow-in-the-hub/#:~:text=Quebec%20provides%20print%20media%20companies,only%20a%20orange%20of%20current%2D>.

⁵³ Michael Geist, "More Free Money: Media Lobby Campaigning For Even More Government Funding, Grants and Tax Reform," *michaelgeist.ca*, February 21, 2024, <https://www.michaelgeist.ca/2024/02/more-free-money-media-lobby-campaigning-for-even-more-government-funding-grants-and-tax-reform/>.

⁵⁴ "Province Protecting Ontario Jobs with New Advertising Directive," *Office of the Premier* online, July 3, 2024, <https://news.ontario.ca/en/bulletin/1004801/province-protecting-ontario-jobs-with-new-advertising-directive>.

Too Much Is Not Enough: The Lobbying From News Media Canada

To understand where the push for government subsidies has come from, one needs look no further than News Media Canada (NMC), an organization representing⁵⁵ roughly 570 Canadian “news publishing titles,” from *Torstar*, *Postmedia*, and the *Globe and Mail* to “mom-and-pop”⁵⁶ publishers like the *Wellington Advertiser*.⁵⁷ NMC describes its role⁵⁸ as “an advocate in public policy for daily and community media outlets” that promotes “the benefits of news media across all platforms.”

NMC has been lobbying⁵⁹ for direct subsidies from the federal government since at least 2019. Initially, NMC framed the need for subsidies as temporary. In 2019 House of Commons committee hearings on the Labour Tax Credit, NMC’s then-chair Bob Cox said⁶⁰ the program was “envisioned to be for five years,” referring⁶¹ to the credit as a “transitional program and temporary help.” “I don’t like the idea of a long-term subsidy for newspapers that becomes permanent,” he told the committee.

But six years later, the tax credit has become permanent, its rate has gone up,⁶² and more subsidies have been brought in. NMC’s desire for government support has only increased, both in terms of formal government lobbying⁶³ and written advocacy in the *National Post* (an NMC member). Over the past two years, the Post has published five op-eds written by NMC’s president and CEO, Paul Deegan, or its chair, Dave Adsett. In October 2023, Deegan urged⁶⁴ governments to “establish tax measures to incentivize businesses to advertise with private-sector Canadian news outlets”—a sentiment subsequently echoed⁶⁵ by the Post editorial board.

⁵⁵ “News Media Canada Welcomes Changes to Canadian Journalism Labour Tax Credit,” *businesswire.com*, November 21, 2023, <https://www.businesswire.com/news/home/20231121929198/en/News-Media-Canada-Welcomes-Changes-to-Canadian-Journalism-Labour-Tax-Credit>.

⁵⁶ Dave Adsett, “Community newspaper publishers deserve a seat at the table,” *National Post* online, July 6, 2024, <https://nationalpost.com/opinion/community-newspaper-publishers-deserve-a-seat-at-the-table>.

⁵⁷ *The Wellington Advisor*, <https://www.wellingtonadvertiser.com/>.

⁵⁸ “About Us,” *News Media Canada* online, <https://nmc-mic.ca/about-us/>.

⁵⁹ “News Media Canada/Médias d’Info Canada / PAUL DEEGAN, President and Chief Executive Officer,” *Office of the Commissioner of Lobbying of Canada* online, July 17, 2025, <https://lobbycanada.gc.ca/app/secure/ocl/irs/do/clntSmmry?sMdKy=1744656904966&clientOrgCorpNumber=369981>.

⁶⁰ “How Subsidies Failed,” *blacklocks.ca*. https://www.blacklocks.ca/guest_commentary/our-submission-to-the-commons-heritage-committee/.

⁶¹ Canada, Parliament, House of Commons, The Standing Committee on Finance, 1st sess., 42nd Parliament, 2019, <https://www.ourcommons.ca/DocumentViewer/en/42-1/FINA/meeting-213/evidence>.

⁶² “Canadian journalism labour tax credit.”

⁶³ “News Media Canada/Médias d’Info Canada / PAUL DEEGAN, President and Chief Executive Officer.”

⁶⁴ Paul Deegan, “Supporting local journalism from the ground up,” *National Post* online, October 3, 2023, <https://nationalpost.com/opinion/supporting-local-journalism-from-the-ground-up>.

⁶⁵ “NP View: Close the tax loophole that allows foreign tech giants to bleed Canadian media dry.”

Deegan's op-ed also proposed that all governments should "earmark 25 per cent of their advertising spend toward trusted Canadian news sources." Seven months later, the Government of Ontario duly obliged⁶⁶—and Deegan praised⁶⁷ Ontario's decision in a Post op-ed the very same day, with Post columnist Michael Taube echoing the sentiment⁶⁸ less than two weeks later. Deegan and Taube seemed to be reading from the same script, arguing the policy "does not involve any additional taxpayer dollars" and "doesn't come at any cost to the taxpayers." The sleight-of-hand was impressive, albeit misleading: whose money does a retail monopoly on alcoholic spirits and online cannabis purchases spend, if not the taxpayers?

NMC's public advocacy did not stop there. In February 2024, Deegan co-authored an op-ed⁶⁹ in Postmedia's *Vancouver Sun* urging British Columbia to adopt policies similar to Quebec's labour tax credit and the federal Local Journalism Initiative. In July 2024, Adsett wrote⁷⁰ a Post op-ed that praised the Online News Act and attributed its success to the fact that NMC "started making noise about the need to force these tech companies to pay us." Adsett also critiqued Google's choice to distribute funds through the CJC rather than the conglomerate of which NMC is a part, and claimed the CJC board "must be reconstituted to make it more representative of the industry at large" (i.e., by including NMC members). In December 2024, Deegan—the NMC's only listed lobbyist⁷¹—wrote an op-ed calling for⁷² stronger lobbying registry rules. Although he didn't mention journalism, one suspects Deegan's proposal for stronger rules for "foreign corporations try[ing] to influence Canadian public policy" would apply to Google and Meta.

Finally, in March 2025, Adsett wrote a Post op-ed⁷³ that both praised the existing federal news policy but also raised three issues he hoped would be raised during the election: first, Canada Post should reinstate its old policy on "the distribution of free newspapers"; second, the federal government should "follow Ontario's lead and earmark 25 per cent of ad spend to Canadian news publications"; and third, the feds should "Close the loophole in Section 19 of the Income Tax Act that allows for the unfair deductibility of foreign internet advertising" (i.e., letting business deduct expenses for advertising from non-Canadian companies). The article's subhead implored readers to "Ask your local candidate where they stand on protecting Canadian newsrooms."

⁶⁶ "Province Protecting Ontario Jobs with New Advertising Directive."

⁶⁷ Deegan, "Ontario leads the way on sustaining quality journalism."

⁶⁸ Michael Taube, "Ontario's plan to support local news without direct subsidies is groundbreaking," *National Post* online, July 16, 2024, <https://nationalpost.com/opinion/ontarios-plan-to-support-local-news-without-direct-subsidies-is-groundbreaking>.

⁶⁹ Paul Deegan and Brent Jolly, "Here are 4 policies David Eby could adopt to save journalism jobs in B.C.," *Vancouver Sun* online, February 14, 2024, <https://vancouversun.com/opinion/columnists/paul-deegan-brent-jolly-how-david-eby-save-bc-journalism-jobs>.

⁷⁰ Adsett, "Community newspaper publishers deserve a seat at the table."

⁷¹ "News Media Canada/Médias d'Info Canada / PAUL DEEGAN, President and Chief Executive Officer."

⁷² Adsett, "News is vital to our democracy."

⁷³ Paul Deegan, "Our once leading lobbying regime is lagging," *Financial Post* online, December 12, 2024, <https://nationalpost.com/opinion/paul-deegan-our-once-leading-lobbying-regime-is-lagging>.

Subsidies Thrive in Darkness

The speed with which Canada's federal government has jumped into the funding of news media—and the veracity with which News Media Canada has lobbied for increasing entitlements—has been breathtaking. Canada has created a bevy of policies, ranging from subsidies to tax breaks to mandated contributions from foreign tech companies, that undoubtedly constitute a major portion of news outlets' revenue and journalists' salaries—potentially upwards of 50 percent.

My analysis leads me to three conclusions. First, Canada's funding of private journalism affirms Milton Friedman's claim⁷⁴ that nothing is more permanent than a temporary government program. The number of Canadian subsidies to news media has grown steadily over the past few years, with expiration dates pushed back or eliminated while funding grew.

Second, publishers, newspapers, and columnists have become more emboldened to lobby for endless taxpayer support, often in their own pages. Just last year, the National Post's editorial board claimed⁷⁵ that "Drastic action is needed" to advocate for the removal of income tax deductions for businesses who advertise on non-Canadian platforms. When the threat is existential, no level of government support—or, more importantly, harm to one's competitors—is too trivial.

This leads to my final observation: this cozy relationship between government, news publishers, and journalists has no doubt done serious damage to the perception of journalistic objectivity. For years, Canadian legacy newspapers have warned⁷⁶ that their own decline poses⁷⁷ "an existential threat to the very foundation of our democracy," given⁷⁸ "the vital role that a strong, independent media plays in democracies (and non-democracies) around the globe." While decline has not been arrested, the proliferation of news subsidies has eroded their independence, with more than three-quarters of Canadians agreeing that government funding could undermine journalistic objectivity in a 2024 survey.⁷⁹

Ironically, the existential threat has arrived—but it has come from the treatment, not the disease. Whatever the outcome of the election, those of us who believe in the value of journalistic objectivity should hope the federal government ends these programs. The independence of our once-proud news media depends on it.

⁷⁴ "Nothing is so permanent as a temporary government program," Adam Smith Institute online, <https://www.adamsmith.org/blog/tax-spending/nothing-is-so-permanent-as-a-temporary-government-program>.

⁷⁵ "NP View: Close the tax loophole that allows foreign tech giants to bleed Canadian media dry."

⁷⁶ Althia Raj, "Justin Trudeau's government badly fumbled the Online News Act — and a deal with Google doesn't fix its fatal flaw," *Toronto Star* online, November 29, 2023, https://www.thestar.com/politics/political-opinion/justin-trudeau-s-government-badly-fumbled-the-online-news-act-and-a-deal-with-google/article_9ad85e88-08d1-58a6-90ca-46ae635b1958.html.

⁷⁷ "NP View: Close the tax loophole that allows foreign tech giants to bleed Canadian media dry."

⁷⁸ Gary Mason, "The slow decline of the news industry is bad news for democracy," *The Globe and Mail* online, January 31, 2024, <https://www.theglobeandmail.com/opinion/article-the-slow-death-of-the-news-industry-is-bad-news-for-democracy/>.

⁷⁹ Taylor Jackson and Heather Bastedo, "DeepDive: New polling shows government funding of the news industry could further erode Canadians' trust in the media," *thehub.ca*, July 8, 2024, <https://thehub.ca/2024/07/08/deepdive-government-funding-of-the-news-industry-is-eroding-canadians-trust-in-the-media/>.

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