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OPINION

Justin Trudeau's government badly fumbled the Online News Act — and a deal with Google doesn't fix its fatal flaw

The federal government didn't pass a law to make news disappear from the internet, but it created those conditions through its own incompetence, Althia Raj writes.

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Heritage Minister Pascale St-Onge speaks in the House of Commons on Nov. 24, 2023.
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The federal Liberals avoided a catastrophe Wednesday when Heritage Minister Pascale St-Onge announced the government had struck a deal with Google for it to pay media outlets for the news content on its platforms.

The Liberals want to frame the deal as a big win — that Ottawa successfully pressured the tech giant to submit to a new law that requires it to financially support journalism in this country to the tune of \$100 million a year. They want to be seen as a “pioneer” in this space, a model for other countries to follow.

“Many doubted that we would be successful,” said St-Onge, “but I was confident.”



Heritage Minister Pascale St-Onge announces deal with Google on Online News Act

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But the truth is Google was always in the drivers' seat. The tech giant had publicly threatened to eliminate all news from its platforms in Canada if the government didn't change the rules about how the law is applied by Dec. 19.

And so Google got what it wanted, paying a little more than half of the \$172 million that Ottawa sought.

It's the best of a bad situation.

Can you imagine not having Canadian news stories on the largest search engine in the world? Not only do media outlets like the Toronto Star depend on Google Search for online traffic (and the advertising dollars that follow), but think of everyone else looking for news: students, researchers, professionals, citizens seeking information about anything from the Santa Claus parade route to updates on COVID-19 vaccinations. Simply put, it would have been a disaster — and one of the government's own making.

This summer, Conservative Leader Pierre Poilievre accused Prime Minister Justin Trudeau of “passing a law to make news articles disappear from the internet.”

While he wasn't quite right — the government didn't pass a law to *make* news disappear on the internet, it just created those conditions through its own incompetence — it would have been difficult for the Liberals to argue otherwise had Google made good on its threat.

The big problem with the Online News Act is that it includes a massive loophole: it allows the tech giants to opt-out, leaving us all worse off.

The law, which applies to companies with more than \$1 billion in global revenue and more than 20 million monthly users in Canada, was squarely aimed at Google and Meta, the parent company of Facebook and Instagram. However, it was written in such a way that it applies only to platforms that *make* news content available to be shared or viewed.

So this summer, Meta simply opted out: It banned news publishers, whose support it had sought for years by encouraging and training them to use Facebook and Instagram. Overnight, stories from the Star, the CBC, CTV, the Globe and Mail, and even international outlets like the BBC and the Wall Street Journal, were blocked for Canadian users. In their place? Celebrity gossip, videos from politicians with half-truths, and fake news.

Should Meta be blamed for this, or should the Trudeau government?

On Wednesday, a government source told me proudly that they expect the Google deal will be the first of many to come as other digital platforms — think TikTok or Microsoft's search engine Bing — grow large enough that the rules also apply to them.

But there is nothing in the law to ensure that TikTok or Bing funds Canadian journalism; like Meta, they could also choose to opt out. If that happens, news organizations would be blocked from sharing content on even more platforms, leaving Canadians with even fewer verified sources of information.

Will democracy be better served if that happens?

The Online News Act has the laudable goal of supporting local journalism in Canada. Every few weeks, it seems, we hear about more job losses in this sector. In November, Quebec's largest private television network announced it was cutting 547 jobs, on top of 140 jobs it had shed in February. In September, Metroland Media Group, which is owned by the Star's parent company Torstar, laid off 60 per cent of its workforce — including 104 media jobs, shut down several community news websites and moved other local newspapers online only.

The Local News Research Project notes that 511 local news operations closed in 342 communities across Canada between 2008 and Oct. 1, 2023. That leaves a lot of communities without journalists to watch, report on and investigate local authorities, and to bring neighbours closer together through coverage of small town events.

In announcing the job cuts, Quebecor and Torstar talked about the changing media landscape. Eighty per cent of online advertising dollars now go to Google and Facebook, because that's where consumers are. It's no wonder newspapers and local TV are struggling to compete.

At the same time, social media and the fragmented traditional media landscape have led to more polarization, and the popularization of more conspiracy theories; the need for quality, fact-based journalism — content that is expensive and time consuming to produce — is more pressing than ever.

It's in our collective interest to ensure it is supported and widely shared.

Ottawa could have chosen a simpler route by applying a tax to all digital platforms operating in Canada above a certain threshold of revenues and users, and either used that money to beef up the journalism labour tax credit or forwarded it to a third party — as will now occur — to disburse it to publishers.

Instead, it gave us this law — one that the search giant could have easily ignored by blocking all Canadian news. Thank you, Google, for saving this government from itself.



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