

Meta maintains censorship regime in Canada a year after passage of Online News Act

Niles Niemuth
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Meta, the US-based social media giant which operates Facebook and Instagram, has censored all links to news content on its platforms in Canada since August, 2023, following the federal parliament's passage of the Online News Act.

The aim of the law, which was given royal assent in June 2023 and came into effect in December, is to compel large social media and search engine platforms to share revenue with Canadian-based media outlets for the content shared on their platforms. It provides a means whereby news outlets can bargain with the large platforms for a share of their advertising revenue, and threatens the platforms with penalties should they fail to enter into such agreements.

In recent years advertisers have massively switched their focus from traditional newspapers and broadcasters to the internet. Canada's traditional media industry—which is dominated by large corporations like Bell Media, Rogers Communication and Quebecor, and the state-owned CBC/Radio Canada—has pointed to the consequent hemorrhaging of their revenues as justification for the closure of numerous publications and newscasts and mass layoffs.

Modeled on Australia's 2021 News Media Bargaining Code, the Online News Act currently only applies to Meta and Google, but its scope could be expanded to other smaller platforms like Microsoft Bing.

Prime Minister Justin Trudeau has touted the Online News Act as a means to “defend democracy” and a “free press,” comparing his government's effort to get Google and Meta to fork over a small share of their revenues to the Canadian media industry to World War III and the current NATO proxy war against Russia in Ukraine.

What hogwash! The dispute over the Online News Act is an internecine struggle within the ruling class, between monopolistic internet companies, other major commercial interests and the state.

Its victims are Canadian working people who are being denied a critical means of gaining access to and disseminating news—be it reports and video from the establishment media or those published by left-wing, alternative websites, including the *World Socialist Web Site*.

Revenue and profits are the overriding concern of Meta, Google and their Canadian-based media rivals. Boosting the profitability of Canadian corporations is certainly a priority for Trudeau government. However, its Online News Act is also motivated by concerns about the implications for the Canadian ruling class of the diminishing reach of the traditional establishment media. The major newspapers and broadcasters that stand to benefit from state-sponsored online news “compensation” agreements have long played a pivotal role in promoting the interests and ideology of the ruling class, including Canadian nationalism, and in manipulating public opinion.

As the largest social media platform and search engine, respectively, Meta and Google control the primary means through which billions of people globally find, read and share news articles and other content. As of January 2024, there were more than 31.8 million Facebook users in Canada, 82 percent of the population. Google is the most popular website in the country, claiming nearly all of the search engine market share.

Instead of submitting to the new law and handing over a small slice of their revenues to Canadian media companies, the two internet giants both threatened to completely cut Canadians' access to news content through their platforms.

Google, whose owner Alphabet has a market capitalization of \$2.2 trillion, making it the world's fourth largest company, initially threatened to pull all news links from its Search, News and Discover services in Canada. This would have resulted in an almost total news blackout in the country. Ultimately, it struck a deal with the government to pay \$100 million (US\$73 million) per year to the newly formed Canadian Journalist Collective, in a deal which exempts it from any enforcement under the Online News Act.

Google's ad revenue in Canada as of 2019 was US\$4.8 billion, while global revenue that same year was US\$134.8 billion. In other words, Google has agreed to share about 1.5 percent of its Canadian ad revenue and 0.05 percent of its global ad revenue across an array of qualifying news outlets. And this share will likely shrink even further moving forward, as its ad revenue is expected to continue to grow.

While Meta—the world's seventh largest company by market capitalization—submitted to the media law in Australia, it has held out against either agreeing to the terms of the Canadian law or negotiating an exemption from it.

It has opted instead for complete censorship on its platforms. For nearly a year, anyone in Canada seeking to look at or share material deemed to be news content, including from the *World Socialist Web Site*, has been greeted with a notice that declares, “In response to Canadian government legislation, news content can't be viewed in Canada.”

A report by the Media Ecosystem Observatory published in April found that national news outlet Facebook pages lost 64 percent of their engagement after the censorship regime went into effect. Local news outlets, who ostensibly were to be among the principal beneficiaries of the government's intervention, have been harder hit, losing 85 percent of their engagement. This is because they relied more than the establishment media for clicks to their content from Facebook and other internet platforms.

The report also found that while the ban has hit news outlets hard, it has had little effect on overall engagement on Facebook, meaning that

Meta has little financial incentive to end its blanket censorship. Some users of politically-oriented groups have circumvented the ban by sharing screenshots of articles without any links, but this is cumbersome.

The experience in Canada is seen as a critical test case by both the companies and other governments, which have been considering similar laws. The platforms hope to avoid setting a precedent for revenue sharing which could be quickly adopted in the US and EU and undermine, if even so slightly, their bottom line.

Following the experience in Canada, Meta has already raised the prospect of reversing course in Australia, by pulling out of the agreements reached to provide payments to certain news outlets and implementing a ban on news links. Earlier this year Meta began downgrading “political content,” including news, on Instagram globally through adjustments to its algorithm, meaning it would only be seen by those actively seeking it out.

The trade union and NDP-backed Trudeau Liberal government has effectively shrugged its shoulders in the face of Meta’s censorship regime. On a couple of occasions, Trudeau and his ministers have voiced outrage that it has impeded people from gaining access to vital information about wildfires that were threatening to engulf the communities in which they live. Otherwise, it has been silent about the massive power Meta enjoys and the anti-democratic ends to which it deploys that power.

While everything suggests Meta is digging in its heels and remains supremely confident that it can it deploy its monopolistic power in defiance of Ottawa, the government continues to insist that ultimately it will succeed in cajoling the company to bend to the law and end its blanket blocking of news links.

The union bureaucracy has backed the bill and the government’s approach. Having done nothing to oppose the mass layoffs at media outlets, unions like Unifor are promoting the legislation as a means of providing job security for media workers.

A report by the Department of Canadian Heritage found that 450 news outlets across the country have closed down since 2008, with more than 60 of these between 2020 and 2022. Earlier this year Bell Media announced the layoff of 4,800 workers and the sale of dozens of radio stations. CBC, the country’s public broadcaster, has slashed 800 jobs, or ten percent of its workforce.

Strong supporters of the Trudeau government, the unions and NDP are working to legitimize its phony claims that its Online News Act is motivated by concerns about ensuring a vibrant “free press” and the survival of “independent journalism.” No matter that the principal beneficiaries will be the giant media corporations that dominate Canada’s press, like Bell Media, owners of CTV, which with annual revenue of some C\$24 billion is the world’s 36th largest media conglomerate, and the US-based hedge fund Chatham Asset Management, which owns Post Media.

The union bureaucracy and the NDP share the government’s concern about propping up the establishment media gate-keepers who have been dramatically undermined by eroding revenue as news consumption and political discourse has moved away from hard copy newspapers, magazines, broadcast television and radio to the internet. They fear that the population is increasingly seeking out and finding alternatives online, like the WSWS, which break through the pro-capitalist propaganda and shibboleths served up by the mainstream media on a daily basis.

In the deal cut with Google, up to 7 percent will go to the CBC and at most 30 percent will be set aside for other broadcasters. The rest

will be divided up among newspapers and online outlets, with approximately 1,500 outlets applying for a share.

Far-right Conservative leader Pierre Poilievre, striking a populist pose as he campaigns to succeed Trudeau as prime minister in the next election, has opposed the Online News Act, declaring it an effort by the government to “control the news Canadians see.” Blaming the government for Meta’s censorship and Google’s threats the Conservative leader thundered, “You have a prime minister passing a law to make news articles disappear from the internet. Who would ever have imagined that in Canada, the federal government would pass laws banning people from effectively seeing the news? Whether it’s big tech, or Trudeau’s big government, censorship is always and everywhere, wrong.”

This is all so much hot air. Poilievre, who stridently supported the far-right “Freedom” Convoy in menacingly occupying the national’s capital for almost a month in early 2022, would do nothing to challenge the big monopolies which he in fact favours. He has led the campaign to smear and shut down pro-Palestinian anti-genocide protests and would eagerly seize on the anti-democratic “foreign interference” law, which he and his party helped rush through parliament last month, to intimidate and silence left-wing opponents.

Workers must oppose the censorship regime imposed by Meta and Google on their platforms. During testimony before the US Senate in November, 2020, Sundar Pichai, the CEO of Google’s parent company Alphabet admitted that the platform is censoring the WSWS

As they have grown into gargantuan international corporations raking in billions of dollars in profits every year, Meta and Google have become indispensable to the way in which workers communicate and have become largely synonymous with the internet itself. The censorship of news in Canada makes clear that in order for these platforms to be free and open they must be placed under public control. Above all this will require the international mobilization of the working class, including millions of tech workers, fighting on a socialist program to transform society so it is organized to meet human needs, not capitalist profit.



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