Diverging data in a Canadian media bailout

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ABSTRACT

Sharply contrasting portrayals of news media fortunes in Canada preceded a Cdn$595 million (US$450 million) government bailout announced in late 2018. Critical scholars claimed reform was required to reduce levels of ownership concentration and foreign ownership. Data offered by media consultants, think tanks, unions, and others, however, portrayed media as unprofitable and near collapse, with hundreds of newspapers closed and thousands of journalism jobs lost. This paper examines secondary sources of data to test the latter contentions and finds them unsupported. This finding has potentially important implications for a second bailout being considered for entertainment media in Canada.

We may be living in a post-truth world where everyone is entitled to their own version of reality and even their own "alternative facts," but should the data used in government policy-making, especially in doling out public funds, at least be subject to verification? Consolidation of Canadian news media in 2016 brought renewed calls for ownership reform, but a campaign by industry stakeholders, including publishers, unions, consultants, and cultural groups, instead resulted in a C$595 million (US$450 million) government bailout in 2018. The campaign was based in large part, however, on data which seemed to bear little resemblance to statistics kept by government agencies, financial reports filed with stock market regulators, and even the annual newspaper count conducted by the publishers' own industry association, which mysteriously ceased for a year. Some data offered by one influential think tank seemed to have been conjured out of thin air. Other data were gathered by academics using questionable research methods and diverged markedly from industry statistics. Using secondary analysis of published data, this paper seeks to test claims of yet another "crisis" in Canadian media, one so great that it not only eliminated any need for ownership reform but even necessitated government financial assistance to foreign-owned media corporations.

Literature review

Newspaper publishers have a long history of misrepresenting their fortunes in order to gain regulatory advantage. Bagdikian (1973) first identified what he called the "myth of newspaper poverty" from his inside knowledge as a former senior editor at the *Washington Post*. "American publishers have always felt obligated to pretend that they are an auxiliary of the Little Sisters of the Poor," he quipped. "This was always amusing, but now that so many papers are owned by publicly traded companies which have to disclose their finances it is taking on the air of slapstick" (Bagdikian, 1973, p. 20). Newspaper chains grew in the 1960s by raising capital on stock markets, but selling shares to the public required them to regularly report their earnings. Those willing to comb through their quarterly and annual reports, noted Bagdikian, found that a typical metropolitan daily made a profit of 23.5 per cent in 1970 and 23.2 per cent in 1971 even during a recession. He expanded on his thesis in his classic book *The Media Monopoly*, in which he described their profitability as the "best kept secret in American newspapering" (Bagdikian, 1983, p. 11). Publishers relied on the poverty myth, he noted, in successfully lobbying for an anti-trust exemption in the 1970 Newspaper Preservation Act, which legalized local duopolies (Bagdikian, 1983).

Bagdikian's suspicions had been aroused a few years earlier when a Senate committee in Canada forced media companies to open their books and described what it found as "astonishing" (Canada, 1970, p. 47). Canadian newspapers, the senators found, made profits ranging from 23-30 percent, which their report called "one of the best-kept, least-discussed secrets, one of the hottest *scoops*, in the entire field of Canadian business. An industry that is supposed to abhor secrets is sitting on one of the best-kept, least-discussed secrets, one of the hottest *scoops*, in the entire field of Canadian business – their own balance sheets" (Canada, 1970, p. 63). Martin (1998) similarly examined the financial statements of publicly traded U.S. newspaper companies from 1984-94 and found they averaged 15-17 percent profit margins prior to the recession of the early 1990s before dropping for a few years and then recovering to their previous levels. Despite the recession, he noted, all but one company earned profit margins over the period in excess of 9 percent. Newspaper companies, Martin (1998, p. 512) noted, "earned excess profits throughout most of the study period . . . . Critics who accuse newspapers of protesting too much about their financial situation may have a point." A 2012 study found that U.S. newspaper coverage of their industry during the 2008-09 recession exaggerated the scale of any crisis and relied "too heavily on the views of newspaper publishers and too little on empirical data," thus "creating a false impression that the whole industry is 'dying''' (Chyi et al., 2012, p. 316). The coverage contained "over-amped drama" and even "tabloidization," the study found, with more than a quarter of stories containing death imagery. "Newspaper journalists often fail to contextualize their reports with a comprehensive understanding of the economics of their industry" (Chyi et al., 2012, p. 316).

The recession of 2008-09 also brought claims of a crisis in Canadian media, but critical scholars pointed to data that cast doubt on such claims. CTVglobemedia, the short-lived "convergence" partnership between the CTV network and the *Globe and Mail* national newspaper, cut jobs and threatened to close stations, claiming it had lost C$100 million (US$75 million) the previous year. Toughill (2009), however, discovered financial statements that showed the privately-owned company instead made a profit margin of 9.7 percent in 2008. Winseck (2010) examined financial statements of the country's eight largest media companies from 1995 to 2009 and found that all remained profitable. Economic data, he added, showed that the media economy in Canada was actually expanding. Edge (2011) analyzed the annual reports of several major Canadian media companies from 2006-09 and found that they recorded profit margins of 16-33 percent. Edge (2014) studied the financial statements of all sixteen publicly-traded newspaper companies in Canada and the U.S. from 2006-13 and found that none suffered an annual loss on an operating basis despite an historic drop in their revenues. Most recorded double-digit profit margins throughout, with some approaching 20 percent despite revenue drops of about a third in the U.S. and a quarter in Canada. The public perception was that newspapers were dying, however, because a dozen or so chains went into bankruptcy and some declared annual losses in the hundreds of millions of dollars. Ironically, however, the chains that went bankrupt were among the most profitable but had simply taken on unsustainable levels of debt to make acquisitions. The enormous losses some companies reported were only on paper, as accounting rules required them to deduct the reduced value of their businesses from their annual earnings (Edge, 2014).

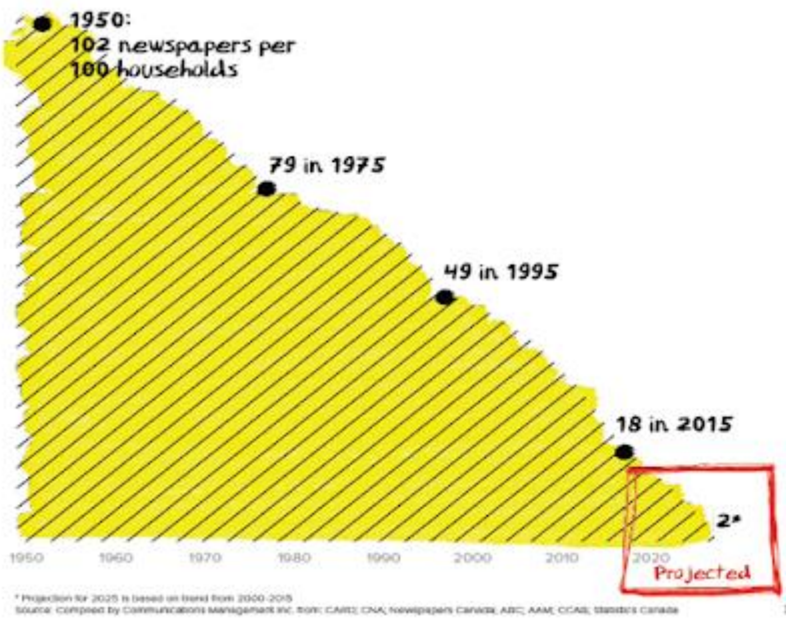
A recurring crisis

Following the recession of 2008-09, Canada's largest newspaper chain was acquired out of bankruptcy by a consortium of U.S. hedge funds in 2010. Canwest Global Communications was comfortably profitable, but a drop in its revenues left it unable to service the large debt it took on in acquiring the former Southam newspaper chain. The hedge funds bought up high-interest Canwest debt at deep discounts on the bond market and used some of it to buy the newspapers at bankruptcy proceedings. They skirted Canada's 25-percent limit on foreign ownership of newspapers by holding variable-voting shares that nominally limited their control of a new publicly-traded company called Postmedia Network. The hedge funds made money not from the company's earnings, which continued to fall, but from payments on its debt, the rest of which they kept on the company's books strategically as an income source. When Postmedia earnings fell in 2016 to a point where they threatened to no longer cover its debt payments, the hedge funds simply forgave about half of the debt they held in exchange for more shares, which brought their ownership of Postmedia to an estimated 92 percent (Edge, 2016).

The Canadian newspaper “crisis” of 2016-18, which brought federal hearings, dueling reports, and ultimately a government bailout, was prompted by Postmedia controversially acquiring Canada’s second-largest chain, then pleading poverty in consolidating their newsrooms. Postmedia bought 175 of the 178 newspapers owned by Quebecor Media in 2014, which comprised the bulk of the Sun Media chain. Despite promising not to reduce competition in four of Canada’s six largest cities where it thus owned both dailies, Postmedia merged their newsrooms in early 2016 after receiving regulatory approval for its takeover. Parliamentary hearings on media and local communities ensued and sat for more than a year before issuing a report in mid-2017. Postmedia’s CEO testified that the situation in Canada’s newspaper industry would get “uglier” if government financial assistance was not provided, predicting: “Within three years, there’ll be many more closures” (Canada, 2016).

Even as the Parliamentary hearings sat, the think tank Public Policy Forum (PPF) released a report in early 2017 titled The Shattered Mirror that portrayed a severe crisis in Canadian news media. Some media scholars cast doubt on its findings, however. Edge (2017) noted that the report was silent on the problem of foreign ownership and also promoted what he called “the Big Lie that has surrounded newspapers for years – that they are losing money and thus dying.” He pointed to the report’s claim that Postmedia had lost C$352 million (US$264 million) in its latest fiscal year while that figure represented only an accounting loss on paper (Edge, 2017). On an operating basis, Postmedia instead made a profit that year of C$82 million (US$61 million), of which C$72 million (US$54 million) went to making payments on its debt. Most questionable of all, according to Edge (2017), was the report’s prediction that newspaper sales would fall to only two per 100 households by 2025, down from 18 in 2015. The Shattered Mirror included a graph (Figure 1) which simply showed the ongoing downward trend continuing unabated.

Figure 1
Newspapers sold per 100 households in Canada



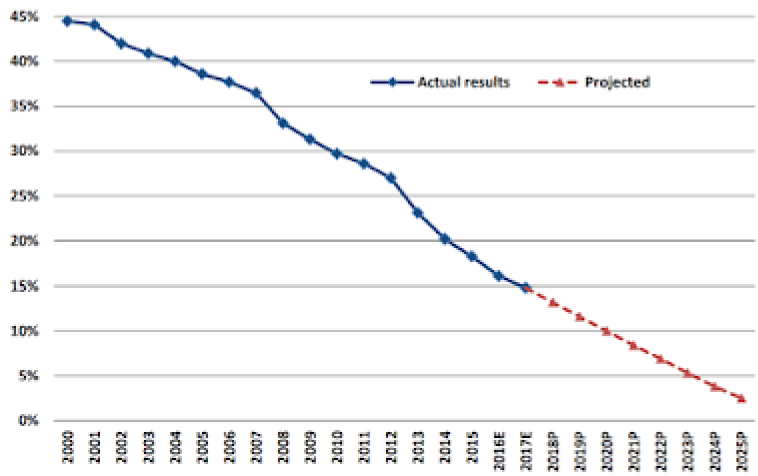
Source: Public Policy Forum (2017). The Shattered Mirror, p. 15.

Winseck (2017) called the Shattered Mirror “badly flawed” and accused it of “cherry picking” data and “goosing the numbers” to exaggerate the plight of newspapers. Circulation trends, he concluded, were “not the catastrophe that The Shattered Mirror makes them out to be.” Its graph predicting that newspaper sales would fall to only two per 100 households by 2025 was misleading, he added, given an increase in single-member households. Sales per household were increasingly less relevant a result, Winseck noted, meaning the report had “selectively chosen a measure that paints the worst-case scenario.” Winseck (2017), who closely tracked media industries through the Canadian Media Concentration Research Project he directed at Carleton University, found a tendency in The Shattered Mirror to “selectively invoke a small part of the picture to fill in a portrait of catastrophe of a larger kind. . . . The report is chock-a-block full of such examples, which lends to the impression that the report’s authors are goosing the numbers” (Winseck, 2017).

The report’s claim that between 12,000 and 14,000 journalism jobs had been lost since the 1990s, Winseck added, was also flawed because it relied on headlines and union data that “do a great job chronicling jobs lost but a poor one at keeping track of those gained” (Winseck, 2017). Statistics Canada data depicted “a wholly different picture,” he noted, showing that the number of full-time journalists in Canada actually increased from 10,000 in 1987 to 11,631 in 2015. “Once again consistent with a pattern, the authors ignore this data completely” (Winseck, 2017). He saw in The Shattered Mirror a “willful refusal” to deal with media industry structures, which were “wholly ignored” in the report. “These examples are not innocent,” he added. “They are part of a process of ‘threat inflation’ with the aim of buttressing the case for the policy recommendations on offer” (Winseck, 2017). The report’s refusal to engage with media concentration was not surprising, Winseck (2017) noted, given that many of those involved in producing the report “have not just sat back and taken arm chair academic views on these matters but have been leading cheerleaders for the processes of consolidation.” He declined to identify the “cheerleaders,” and urged readers to do their own research. “The industrious reader need only consult the list of acknowledgements to sort out who is who and draw their own conclusions. Given all this, that media concentration wasn’t on the agenda is not surprising” (Winseck, 2017).

The Shattered Mirror listed in its Acknowledgements section “hundreds of people” who had provided input to the report, including a quartet of communications scholars, none of whom was known for being critical of media ownership concentration (Edge, 2017a). Among the dozens of media consultants it listed, Ken Goldstein of Winnipeg’s Communic@tions Management Inc. was singled out as having been “particularly patient in helping us understand industry numbers” (Public Policy Forum, 2017, p. 79). A former vice-president of Canwest Global Communications, Goldstein had worked as a media consultant since before the company’s 2009 bankruptcy. He had recently warned in a “discussion” paper posted on his firm’s website that “there will be few, if any, printed daily newspapers” left in Canada by 2025 (Goldstein, 2015, p. 6). The paper, which did not disclose its genesis, purpose, or funding, simply extended circulation trends downward in a graph similar to that in the Shattered Mirror, except that instead of only 2 percent, it forecast that newspaper penetration would fall to 5-10 percent of households by 2025. (Figure 2) “To the extent that the trend lines are realistic, we do not believe that a viable print business model exists for most general interest daily newspapers once paid circulation drops below 10 percent" (Goldstein, 2015, p. 6).

Figure 2
Canadian daily newspaper paid circulation as % of households



Source: Goldstein, K. (2015, August 20). Canada's Digital Divides, p. 6.

Local News Map

The Shattered Mirror seemed to conjure data out of thin air, at one point stating unattributed: "Since 2010, there have been 225 weekly and 27 daily newspapers lost to closure or merger in more than 210 federal ridings" (Public Policy Forum, 2017, p. 79). It also presented data from the Local News Map, a research project commenced the previous year at Ryerson University, which claimed to show that 169 vaguely-categorized "news outlets" had closed in Canada since 2008, with 53 opened (Public Policy Forum, 2017, p. 45). The data were gathered by the Local News Research Project (LNRP) using a "crowd-sourced" online map on which members of the public could post. The LNRP issued a report in 2018 that was more specific, counting 189 community newspapers closed and 93 opened (Watson, 2018). A 2019 LNRP report increased the total to 195 community papers closed over the previous decade (Lindgren, et al., 2019). By its own account, the LNRP was influential in the news media bailout. A 2020 study by the LNRP found 92 mentions of its data in Canadian news media reports before the bailout was announced in 2018, plus another 71 over the following year while it was being finalized. "At a time when funders are increasingly demanding evidence that research dollars are well spent . . . map data were incorporated into news and social media content that helped push the news industry's problems onto the government's policy-making agenda" (Lindgren et al., 2020, p. 1).

Government bailout

The Parliamentary report on local news issued in mid-2017 recommended changes to the Competition Act to more effectively prevent news media mergers and takeovers. It also called for government assistance to news media, but it left vague what process should be used to subsidize journalism, urging only that the government "explore the existing structures to create a new funding model that is platform agnostic and would support Canadian journalistic content" (Canada, 2017, p. 7). Within hours, however, the newspaper industry weighed in with a proposal that was hardly platform agnostic. Industry association News Media Canada (NMC) proposed simply extending disbursements from the Canadian Periodical Fund (CPF), which already provided $75 million a year in subsidies to magazines and weekly newspapers, to daily newspapers and boosting it to $350 million a year. Its proposal was for a labor tax credit of 35 percent for every journalist employed, to a maximum salary of $85,000. A draft of the proposal that was circulated to stakeholders for comment carried the logo of the PPF alongside that of NMC, but it did not appear on the final version.

The proposal was quickly rejected by Ottawa. "Our approach will not be to bail out industry models that are no longer viable," said Heritage Minister Mélanie Joly. "Rather, we will focus our efforts on supporting innovation, experimentation and transition to digital" (Joly, 2017). Late that year, the newspaper closures predicted by Godfrey were announced. Postmedia and Torstar, which was Canada's new second-largest chain, traded forty-one titles and immediately closed almost all of them. Executives of both chains denied colluding on the closures. "We did not have any idea what they were going to do and they didn't have any idea," Godfrey told CBC television. "We understand the … legal rules involving collusion and you can ask anybody from Torstar, you can ask anybody from Postmedia." The president of Torstar added that the companies had been "extraordinarily careful" not to share any knowledge about their plans for the acquisition (Milstead, 2018). The Competition Bureau, which had for years ignored similar trades and closures in the far western province of British Columbia (B.C.), finally acted, raiding the chains' offices after reportedly being provided by a whistleblower with documents that set out, despite corporate denials, a detailed plan to reduce competition (Krashinsky Robertson, 2018). The chains as a result faced possible criminal charges of conspiracy and monopoly that could bring fines of up to C$25 million (US18.7 million) for the companies and prison sentences of up to 14 years for their executives.

The only relief the federal government provided to news media in its 2018 budget was C$10 million (US$7.5 million) a year over five years to improve news coverage in underserved communities, which was criticized by NMC as a "Band-Aid solution" (Thomson, 2018). The government promised to investigate longer-term ways to fund news gathering, however, including "exploring new models that enable private giving and philanthropic support" for non-profit journalism and local news (Gilchrist, 2018). Newspapers stepped up their campaign for a government bailout. In October 2018, the chairman of Torstar's board of directors wrote a column that was printed not only in the company's flagship daily, the *Toronto Star*, but in the chain's newspapers across the country. It listed twenty-five defunct dailies and 112 closed community newspapers for a total of 137 titles that had ceased publication in the past decade. The list included more than a dozen community newspapers Torstar itself had just killed off, and almost two dozen more it sent to Postmedia that were then closed. It also included two dozen newspapers which had been similarly swapped and closed in B.C. (Edge, 2018). Of the twenty-five dailies it listed, nine were commuter tabloids, which had proliferated worldwide at the millennium but began to disappear with the bursting of the print advertising bubble during the 2008-09 recession. From 20 free dailies across Canada in 2014, only two in Montreal remained by the end of 2019. Nine more dailies had closed or reduced their publication frequency as a result of the dealings between chains in B.C. The *Star* column demanded to know where the money was that Ottawa had promised. "One or two exploratory talks have been held but there has yet to be even a request for proposals. Maybe next year, we are told" (Honderich, 2018).

Six weeks later, the government announced it would provide a package of C$595 million (US$450 million) in tax credits over five years in the next year's budget to subsidize reporting, digital subscriptions, and charitable tax deductions to non-profit news media (Leblanc, 2018). Its 2019 federal budget provided a 25-percent labor tax credit for journalists employed by so-called Qualified Canadian Journalism Organizations (QCJOs) to a maximum salary of $55,000, or $13,750 apiece. It also enabled news media outlets to apply for non-profit status by creating a new category of charity, or “qualified donee,” that was able to issue tax-deductible receipts in exchange for donations. A third form of government subsidy it announced was a tax credit of 15 percent for subscribers to digital publications, which would be capped at $75 per subscriber annually (Canada, 2019).

Competing claims

Following announcement of the bailout, claims that Canadian media were dying and required government assistance went to another level even as additional data emerged which cast doubt on such assertions. This time the media campaign for government assistance was aimed at aiding entertainment industries. In addition to the Public Policy Forum, the campaign was led by the labor union Unifor, which represented many of Canada’s media workers, and the cultural group Friends of Canadian Broadcasting. Their argument was set out at length by media consultant Richard Stursberg in his well-reviewed 2019 book *The Tangled Garden: A Canadian Cultural Manifesto for the Digital Age*. “The biggest media companies seemed destined for insolvency,” wrote Stursberg (2019, p. 39). “If the federal government does not wake from its torpor, the major Canadian media companies are likely to collapse,” he warned. “If this happens, English Canada will be effectively annexed by the United States” (Stursberg, 2019, p. 161). A former head of CBC English who had devised the system of labor tax credits used in the news media buyout, Stursberg (2019, p. 133) claimed that big media companies in Canada had suffered “losses as far as the eye can see” due to declining ad sales. Their financial failure, he predicted, would bring about “the utter collapse of Canadian culture,” leaving the country with the “arid and lifeless landscape of an abandoned culture” (Stursberg, 2019, p. 39) The closure of Postmedia, which Stursberg (2019, p. 135) claimed had lost money every year since 2011, “would mean that there would no longer be any local papers in many of Canada’s largest cities.” It and Torstar, Canada’s second-largest newspaper chain, were losing at least $35 million (US$25 million) a year, he claimed.

Stursberg urged the federal government to tax foreign digital media such as Facebook, Amazon, Apple, Netflix and Google – which he gave the ominous acronym FAANGs – on services they provided to Canadians. He noted that the foreign digital giants had avoided paying sales tax in Canada due to the government's reluctance to regulate the Internet as it has broadcasting. Stursberg counted billions of dollars that could be clawed back to subsidize Canadian media. Making the FAANGs charge their Canadian customers federal and provincial sales taxes would bring in C$100 million (US$75 million) a year, he calculated, while disallowing the cost of advertising on foreign media as an income tax deduction would repatriate about C$1.3 billion (US$1 billion) in ad sales to domestic media annually. The advertising that didn't return would be liable to pay an estimated C$590 million (US$445 million) a year in tax. Making Netflix and other foreign streaming services contribute 30 percent of their Canadian revenues to fund Canadian content, as the national television networks were required to do, would bring in an estimated C$438 million (US$329 million) a year, according to Stursberg (2019).

This argument was fatally flawed by its premise, however. Bell Canada, the country's largest media company, had made C$9.5 billion (US$7 billion) in profit the previous year, its annual reports showed, on revenues of C$23.5 billion (US$17.8 billion), for a profit margin of 40 percent. Its media division, which included the CTV network, made C$693 million (US$520 million) in profit on revenues of C$2.68 billion (US$2 billion), for a profit margin of 26 percent. (Bell made a profit margin of 42.5 percent on its C$12.4 billion (US$9.3 billion) in landline revenues and 42.6 percent on its C$8.4 billion (US$6.3 billion) in cell phone revenues.) Rogers Communications, the country's second-largest media owner, made C$6 billion (US$4.5 billion) in profit that year, up 9 percent from 2017, on revenues of C$15.1 billion (US$11.3 billion), for a profit margin of almost 40 percent. Its media division, which included the Citytv network, made a profit of C$196 million (US$147 million) the previous year, up by more than half from 2017, on revenues of C$2.2 billion (US$1.65 billion), for a profit margin of 9 percent. (Rogers made a profit margin of almost 48 percent on its C$3.9 billion (US$2.9 billion) in cable revenues and almost 45 percent on its C$7.1 billion (US$5.3 billion) in cell phone revenues.)

The annual profits of Canada's largest media companies, contrary to Stursberg's assertion, were greater than the entire economies of many countries. Bell, for example, would have ranked 142nd in GDP among the 185 countries listed by the World Bank, behind Tajikistan and ahead of Malawi, while Rogers would have ranked 151st behind Barbados and ahead of Sierra Leone. Even Canada's newspaper companies were hardly losing money, contrary to Stursberg's claims of continual losses since 2011. Postmedia recorded C$65.4 million (US$49 million) in operating earnings the previous year, up 18 percent from 2017, on revenues of C$676 million (US$507 million), for a profit margin of 9.7 percent. Torstar made C$60.7 million (US$45.5 million) in profit that year on revenues of C$615 million (US$462 million), for a profit margin of 9.8 percent.

Additional 2019 data

The Canadian Community Newspaper Association (CCNA) conducted an annual inventory of titles, first of its member newspapers, then starting in 2011 of all community newspapers in Canada, whether they were CCNA members or not. The count was posted first on the CCNA website, then on the website of NMC after the CCNA merged in late 2016 with the Canadian Newspaper Association, which represented dailies. Some years the number went up by a few dozen. Other years it went down by a few dozen, but over time the number of community newspapers in Canada remained remarkably stable at slightly over 1,000. The Parliamentary committee studying media and local communities paid close attention to the annual data, plotting it graphically in its final report and noting: "Since 2011 . . . the number of community newspapers has remained steady" (Canada, 2017, pp. 10-11). The committee's focus on published data was at sharp odds with the unattributed contention in the Shattered Mirror report that 225 weekly newspapers had been lost to closure or merger since 2010, and with the fluctuating findings of newspaper closures offered by the LNMP. As the debate over government subsidies for Canadian news media continued in 2018, however, the annual count of Canadian community newspapers failed to appear. Queries to NMC's Director of Marketing and Research, who was usually very helpful, went unanswered. The annual count re-appeared in 2019 and showed the number of community newspapers had fallen by only six over the previous two years (See Table 1).

Table 1

Community newspapers in Canada

	Titles	Circulation*
2019	1,026	15,999,950
2018	NA	NA
2017	1,032	18,802,329
2016	1,060	19,454,115
2015	1,083	20,973,352
2014	1,040	20,577,994
2013	1,019	19,612,930
2012	1,029	19,736,168
2011	1,042	19,312,842

Source: News Media Canada (2012-19)
*weekly

Wilkinson and Winseck (2019, p. 386) also published data in 2019 which cast further doubt on job loss claims in The Shattered Mirror. "Much of the public discourse about the steep fall in the number of journalists in Canada is wide of the mark and exaggerated," they concluded. Their analysis of Statistics Canada data showed that the number of employed journalists increased from about 6,000 in 1998 to a peak of 13,000 in 2013 before falling back to about 11,000 in 2017. "There are in fact more journalists in absolute terms at the time of writing than at most points in the past 30 years" (Wilkinson & Winseck, 2019, p. 381). Claims of a crisis in journalism, they noted, "hide the more nuanced realities of the situation" (Wilkinson & Winseck, 2019, p. 376). The crisis narrative, they added, risked "calling forth protectionist policy responses that miss the complex realities of the situation" and "appears to be opportunistically deployed to reverse changes that have been opening the media in Canada to a wider array of sources, forces, and voices" (Wilkinson & Winseck, 2019, p. 389).

> Too often . . . discussions about journalism in Canada are predicated on questionable claims and devoid of a robust evidentiary base. Our research leads us to the view that we should talk not so much of the decline of journalism, but of a constitutive moment of transformation. (Wilkinson & Winseck, 2019, p. 384)

They called for "better engagement with the evidence" and "a more open mind" in its interpretation. "We believe research that investigates and gathers evidence about the realities of the state of journalism is well worth doing, not least because it helps shines a light on the more nuanced state of affairs and what might be done to address the very real problems that do exist" (Wilkinson & Winseck, 2019, p. 389). Better use of the available data, they concluded, "would surely help to bolster public conversation, inform decisionmakers, and garner a more robust empirical record on journalistic work in Canada. . . . Academics working in this area should consider adopting the more nuanced and complex understanding of the state of journalism as one of transformation rather than too eagerly relying upon the notion of crisis" (Wilkinson & Winseck, 2019, p. 390).

Conclusions

In 1954, journalist Darrell Huff wrote a book titled *How to Lie With Statistics* that became a standard introductory textbook, selling more 1.5 million copies and being translated into several languages (Huff, 1954). Statistical analysis has advanced considerably since then, yet our scrutiny of offered data has seemingly not kept pace. Selective use of data has become a standard technique of persuasion and its use has been perfected in public relations and advertising. Projecting trends to simply continue unabated, such as Goldstein and the Shattered Mirror did, is another technique often used in advancing an argument. It has been shown by history to be so unrealistic, however, that it has been named the Malthusian Fallacy after its most infamous practitioner. The "Big Lie" technique of propaganda, which was pioneered by the Nazis, involved promoting a falsehood so "colossal" that no one would believe that others "could have the impudence to distort the truth so infamously" (Hitler, 1925, p. 196). To claim that Postmedia lost C$352 million (US$264 million) in its 2015-16 fiscal year is a classic such example. It may have some basis in accounting rules, but it is so misleading as to insult the intelligence of Canadians given that the company is owned by foreign hedge funds whose only purpose is to make money, not to subsidize journalism. The use of these techniques in research is an indication that what is offered is not neutral scholarship but has instead been concocted to sell something. Think tanks reciting statistics without attribution and paid consultants publishing research without disclosing its purpose or funding are more tell-tale signs that something is amiss. Unravelling the deception apparently involved in obtaining the ongoing news media bailout in Canada raises troubling questions about the use of corporate propaganda, especially since a second, even more brazen campaign of falsehoods has commenced.

News media in Canada have undeniably been diminished financially in recent years, as they have in most countries, due to the flight of advertising revenues online, mostly to Google and Facebook. The situation in Canada, however, seems to have been systematically overblown by stakeholders seeking government funding. More troubling is the invocation of research conducted by supposedly independent third parties, particularly academics and consultants. Insights into this campaign hold potentially important public policy implications, particularly with respect to a proposed second bailout of Canada's entertainment media.

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