



Written by [Steve Byas](#) on August 3, 2023

Meta Strikes Back at Canada's New "Link Tax"

Meta, the parent company of social-media giants Facebook and Instagram, retaliated on Tuesday against the new "link tax" implemented by the Canadian government. [Canada's Bill C-18](#), The "Online News Act," which became law in June, requires tech companies to compensate news organizations if they host Canadian news content on their platforms.

Instead of complying with the new law, Meta — along with Google — has decided to instead simply block Canadian news altogether from their platforms.



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Meta spokesman Andy Stone [explained the company's decision](#). "Today we've begun the process of ending news availability in Canada. Changes will roll out over a few weeks. As we've always said, the law is based on a fundamentally flawed premise. And, regrettably, the only way we can reasonably comply is to end news availability in Canada."

The Canadian government, [in announcing the implementation](#) of their new law, issued a statement explaining why the law was passed. "Digital platforms have come to play an integral role in Canada's news ecosystem, shifting the way Canadians access news content that is vital to democracy. These platforms can play an important role in supporting the production of trusted news and information as well."

According to the Canadian government, the law "ensures fair revenue sharing between digital platforms and news outlets; provides for collective bargaining by news outlets; promotes voluntary commercial agreements between digital platforms and news outlets, with minimal government intervention; as a last resort, establishes a mandatory arbitration framework when digital platforms and news outlets cannot reach commercial agreements; [and] defines the role and tools of the Canadian Radio-television Telecommunications Commission (CRTC) as the regulator."

They added what they believe will be the benefits of the new law:

Once implemented, the *Online News Act* is expected to result in:

- A flexible regulatory framework that facilitates business relationships between digital platforms and news outlets;
- The sustainability of the Canadian news ecosystem, including the sustainability of independent news business as well as indigenous and official language minority communities' news businesses, and support for innovative business models;
- A diversity of news businesses within the Canadian news landscape that provide service to different populations in every province and territory including francophone and anglophone communities, black and other racialized communities; [and]
- The maintenance of press independence.



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The argument made by the bill's advocates is that it will help financially struggling news outlets. With a "link tax" in place, whenever a "link" from a news outlet is posted on Facebook or Instagram, the news outlet would receive compensation from the social-media giant.

Meta argues that posts with links to news articles comprise less than three percent of what users see on their Facebook feeds, but the clicks that it provides to news publishers are worth an estimated \$173 million in free marketing. In other words, if not for the posts on social-media sites, far fewer people would even be aware of the news outlet and its stories. But because millions of links from news outlets are "clicked" on, these posts actually are a huge financial benefit to the news outlet. In fact, many news and opinion outlets, such as *The New American* magazine, encourage their readers to post the stories they read to social media, so the stories can reach a larger audience and more readers will be drawn to their site.

The New American received an alert from Facebook letting us know that "People in Canada can't see some of your content. In response to Canadian government legislation, some content from news publications, like posts, stories and reels, can't be viewed in Canada."

The Online News Act passed the Canadian Parliament 207-116. Chris Bittle of Canada's ruling Liberal Party [said in May](#) that 450 news outlets closed across Canada between 2008 and 2021. He argued that news publishers need this additional income to survive, adding that Meta and Google can afford it because they received 80 percent of Canada's nearly \$10 billion in ad revenue in 2020.

Not surprisingly, a similar bill is rising up from the "Left Coast" of California, with [AB-886](#), the "California Journalism Preservation Act," which has already passed the state Assembly (called the House of Representatives in most states) 46-6. It is now awaiting action by the California state Senate and Democratic Governor Gavin Newsom. Meta has threatened to remove news from Facebook and Instagram in the Golden State if it does pass, as is now being done in Canada.

One issue that will have to be addressed is what constitutes a "news organization," which can be rather subjective. One might recall that back when Fox News took more conservative stances — at least by its evening commentators — then-President Barack Obama dismissed Fox as not a "legitimate" news organization. In Canada, under the new law, the *government* would establish the criteria as to what is and what is not a legitimate news organization. One criterion that would be used is if it is a "qualified Canadian journalism" organization under the Income Tax Act. They would need to employ at least two journalists and adhere to a "code of journalistic ethics." Again, who would determine what those ethics are? Apparently, Obama might not have believed some more conservative news organizations would qualify. It is likely that President Joe Biden would be of the same mind. Would Democrats like it if Donald Trump, Ron DeSantis, or Ted Cruz ran the government making such decisions?

In a bow to political correctness, the [criteria would consider](#) "Indigenous" news outlets, run by "Indigenous people," among those who would qualify. In other words, freedom of the press might depend on whether those who run the news outlet are from a favored ethnicity. Sort of like George Orwell's *Animal Farm*, in which all animals were equal, but some animals were "more equal."

News outlets would have to apply for "eligibility status." This might remind some of the Internal Revenue Service under Obama deciding that certain more-conservative organizations — such as the Tea Party — just did not meet the requirements to be tax-exempt.

Perhaps it would be better if the government just stayed out of it.



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