

Jan. 22, 2016

The Hon. Justin Trudeau

Prime Minister of Canada

The Hon. Navdeep Bains

Minister of Innovation, Science and Economic Development

Dear Prime Minister Trudeau and Minister Bains:

I’m writing on behalf of CWA Canada, the country's only all-media union, to formally call on the federal government to take urgent action in regard to the troubling developments at Postmedia.

Specifically, we are urging legislation or regulations to:

* Break up Postmedia’s monopoly over English-language newspapers across most of Canada.
* Limit the concentration of media ownership in Canada across all platforms.
* Block destructive debt-leveraged takeovers of companies in important national industries.

This week, Postmedia fired 90 journalists and began merging its papers in four markets: Ottawa, Vancouver, Calgary and Edmonton. This after the company had already cut more than half its staff and slashed newsroom budgets.

We’re now seeing why it’s so dangerous to let one corporation have so much control. It’s bad for journalism, the economy, and democracy – and the federal government has a duty to do something to protect the public good.

I was pleased to see Prime Minister Trudeau’s tweet of concern about the layoffs: *"Journalists are vital to our democracy. I'm saddened to hear of the cuts at Postmedia today and my thoughts are with those affected."*

Now it is time to turn those words into action.

Postmedia blames shrinking print advertising for its woes but by far the biggest factor is its debt, which stands at a whopping $672 million.

This is what happens when an individual, group or company is allowed to buy a business using a huge amount of borrowed money and then bleed it dry to pay New York hedge fund lenders while keeping the CEO in their pocket with big bonuses.

It’s effectively a financial scam and there should be legislation or financial regulations to prevent it. It's particularly egregious in this case because they’re not just destroying a company and hurting shareholders, they are well on their way to destroying quality print journalism in Canada.

It’s difficult to understand how the Competition Bureau could have allowed Postmedia to take over the Sun chain of papers last year – a move that secured Postmedia’s virtual newspaper monopoly.

The fact that the takeover was approved shows that either the Competition Act must be revised to give the Competition Bureau more teeth, or that new legislation or regulations must be created to undo the Postmedia monopoly and limit any such concentration of media ownership.

CWA Canada represents about 6,000 media workers at companies across the country, including the CBC, The Canadian Press, Thomson Reuters, and many Postmedia publications.

Sincerely,

Martin O’Hanlon

President, CWA/SCA Canada