

Editorial ? So much for local competition among newspapers

The headlines called it a 'swap,' but it was merely a cozy deal that put profits ahead of customer service.

The deal announced Monday by Torstar Corp. and Postmedia will see an end to all the competition Canada's two largest newspaper companies had in local markets and in most cases result in communities having a single print publication that will essentially be little more than a 'flyer wrap.' In some communities, they won't even have that, losing their community paper because it was too close to a surviving daily.

Sadly, because no money was involved in the deal, there was no need to give any warning to Canada's Competition Bureau and there is thus no chance for any move to postpone what was clearly a move to establish local monopolies to the detriment of local readers and advertisers.

Incredibly, the deal has meant the end of some community papers that were clearly superior to the publications that will survive. This is nowhere more evident than in Simcoe County, where Postmedia's Barrie Examiner, Orillia Packet & Times and Collingwood Enterprise-Bulletin are disappearing, leaving the three communities with Metroland weeklies most notable for the 20-plus flyers they routinely deliver.

The two companies' claim that the deal became necessary because of declining advertising revenues and the federal government's refusal to give the industry more support didn't include an explanation of why it involved closures everywhere instead of cost-cutting mergers that would have catered to the needs of readers.

Taking the Collingwood-Wasaga area as an example, merging the news and production operations would have permitted a continuation of the Enterprise-Bulletin and its joint distribution with Metroland's News.

Monday's announcement included a claim that the deal will result in the loss of only 291 full-time or part-time jobs.

Does anyone really believe that 30-plus publications, including some dailies, will be shuttered with only the loss of fewer than 10 jobs per paper? The reality is that in most of those papers most of the local reporting was by freelancers, and the 291 wouldn't include those working in printing plants and the papers' distribution.

Our best guesstimate is that thousands of families will suffer to some extent.

As we see it, the closing of daily papers in places as big as Guelph and Kamloops, B.C., with current populations of about 130,000 and 90,000, respectively, had more to do with debt and location than just declining revenues. In Guelph's case, Torstar owned the neighboring Kitchener-Waterloo Record and in Kamloops the daily paper had changed hands several times before being closed by Postmedia.

Of course, the closing of dailies is hardly just a latter-day phenomenon. It's nearly half a century since the folding of the Toronto Telegram and almost that long ago that the Thomson chain abandoned its daily operations in Brampton and Oakville.

Orangeville once had four local papers (the Sun, Post, Advertiser and Banner) and for many years there were two papers in Shelburne and Grand Valley.

But almost everywhere, an end of local newspaper competition has resulted in the surviving publication doing a poorer job of serving both readers and advertisers. Perhaps the lone exception was in Orangeville, where the Banner remained an excellent paper while it was locally owned, to the point of covering Dufferin County Council for the Shelburne and Grand Valley papers as a public service.

Where will it all end? No one really knows. But perhaps one day Canada's three big supermarket chains will breathe new life into community newspapers by spending less on flashy flyers and satisfying themselves with a combination of print advertising and flyers published online and available in their stores.

Think of all the trees that would be saved!