

**WINNING ESSAY BY:
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Democratic values and the institutions that nurture them

ON MONDAY, FEBRUARY 11, 2008, 92 EMPLOYEES OF THE *HALIFAX DAILY NEWS* ARRIVED AT WORK TO FIND THAT THEY WERE OUT OF A JOB. THE PAPER'S OWNER, TRANSCONTINENTAL MEDIA, CANADA'S FOURTH-LARGEST PRINT MEDIA GROUP, HAD FOUND THE *DAILY NEWS* TO BE A MONEY-LOSING VENTURE EVER SINCE IT ACQUIRED THE PAPER IN 2002. ENOUGH WAS ENOUGH. TRANSCONTINENTAL ANNOUNCED THAT THEY WOULD BE RETAINING A COUPLE OF REPORTERS IN ORDER TO PUBLISH A HALIFAX EDITION OF *METRO*, A SLIM, FREE "COMMUTER DAILY" COMPOSED OF A HANDFUL OF LOCAL BRIEFS, WIRE STORIES, ENTERTAINMENT AND SPORTS NEWS.

The local reaction was one of shock and dismay. "The owners didn't even allow the poor thing a chance to print its own obituary," grouched columnist Peter Duffy in the *Chronicle-Herald*, the *Daily News*' broadsheet rival. Many predicted a decline in the quality of local journalism as a result. While the tabloid-format *Daily News* had never been a journalistic powerhouse, its feisty editorial style has been credited with pushing the *Chronicle-Herald* to revitalize its own news coverage. "I think they made the *Herald* a much better newspaper," Stephen Kimber, a professor of journalism at the University of King's College, said in a CBC News interview at the time. Kimber went on to say that the *Herald* would now face less pressure to put resources into investigative or foreign pieces. "Decisions that were made with an eye to the competition," he said, "those were editorial decisions that suddenly become economic decisions."

Yet while the abruptness of the *Daily News*' closing came as a shock, most media watchers had seen the writing on the wall. The paper's readership was declining and the economics just hadn't been there. "Halifax was unusual for its size in having two daily newspapers," Kimber told the CBC. In the same news report, Transcontinental senior vice-president Marc-Noel Ouellette concurred: "Halifax is over-mediatised, as far as I'm concerned."

That a provincial capital and regional hub like Halifax could be considered too small for two dailies is illustrative of just how much has changed since the heyday of print media. The closing of the *Daily News* is really one of the last gasps of a bygone era, that of the two-paper town. Currently there are only seven cities left in Canada with two or more separately-owned dailies. This is the result of a forty-year decline in the newspaper industry, whether measured in terms of circulation relative to population, advertising revenues, or the number of dailies in existence.

This decline has been correlated with the rise of newspaper chains. A 2003 Senate report noted that independently-owned dailies accounted for 0.9% of circulation, a change from 34% in 1969 and 100% prior to World War I. The transfer of a daily from independent to chain ownership (always a one-way street) often meant that it was in for harsh cost-cutting measures or even closure.

Take, for example, the *Kingston Whig-Standard*. In the 1980's and 1990's, the *Whig*, owned by local businessman Michael Davies and led by editor Neil Reynolds, was regarded as one of the best newspapers in Canada, and certainly the best small-town paper. It frequently competed with the big-city dailies for national awards. A July 7, 1986 *Toronto Star* article, entitled "Kingston's Little Paper Not Afraid of the Big Stories," stated that the *Whig* "has won more major media awards than any newspaper of its size, and many larger, in the country." After being bought by Southam in 1990, and then passing through various chain owners, the *Whig's* newsroom was cut from fifty-seven to twenty-eight and its circulation dropped from nearly 40,000 to 26,000.

Still, to blame the decline of small-town papers on the short-sighted, profit-maximizing behaviour of the media chains is to miss a more important point. Larger social and technological forces have been at work, and the local daily newspaper is no longer nearly as important in the lives of the average consumer as it once was. Print advertising expenditures have declined precipitously, and show no signs of recovery. The Newspaper Association of America recently reported that total print advertising revenue fell by 9.4% in 2007, the largest drop since the association began tracking advertising expenditures in 1950.

But television news, once the ascendant challenger to newsprint, is suffering too. Ratings for newscasts are down. Local coverage is often the first to suffer as networks consolidate to head offices in central Canada. Even the CBC has cut its prime-time coverage of local news in the Maritimes from an hour to thirty minutes (a decision that was reversed, due to an intense public outcry, in Newfoundland).

Economic conditions change and industries go into decline, but journalism is not coal mining or even cod fishing. It is not simply a product, but an institution held to be fundamentally important to the strength of liberal democracies like our own. It so happens that about the same time that Transcontinental was preparing to can the *Daily News*, a Halifax journalist was working on a story that shows precisely how important vibrant media outlets are to the democracies they inhabit.

IF NOT FOR THE PERSISTENCE OF TIM BOUSQUET, THEN A FREELANCER, THE CITIZENS OF HALIFAX WOULD NEVER HAVE KNOWN THE TRUTH ABOUT THEIR CITY'S BOTCHED \$8.5 MILLION BID FOR THE 2014 COMMONWEALTH GAMES. WHEN, IN MARCH 2007, THE COST ESTIMATES FOR THE GAMES BALLOONED FROM \$785 MILLION TO \$1.72 BILLION AND THE CITY'S BID COLLAPSED, THERE WAS PLENTY OF PUBLIC OUTCRY BUT ZERO IN THE WAY OF INVESTIGATIVE FOLLOW-UP FROM MAINSTREAM MEDIA OUTLETS. PUBLIC OFFICIALS, CITING "PRIVACY CONCERNS," DECLINED TO PROVIDE DETAILS OF WHAT WENT WRONG—AND IT WAS LEFT AT THAT.

It wasn't until Bousquet, whose requests under the Freedom of Information Act were stonewalled, stumbled across a cache of documents in the province's legislative library that a proper understanding of the bid came to light. In October of 2007, the *Coast* published Bousquet's 7,000-word feature, entitled *Game Over*, which illustrated with meticulous research how the group behind the bid, Halifax 2014, had consistently underestimated costs while securing public funding on the basis of those estimates. Eventually, a government-sponsored consulting report exposed the underestimates and the province withdrew its support for the bid, but not before Halifax 2014 burned through \$8.5 million in public money. The government's consulting report had been hidden from the public but tabled in the legislature, where Bousquet managed to dig it up.

The story provoked outrage in the city and rescued the debate over the failed bid from oblivion. There have been calls for a public inquiry and the failed bid is already shaping up to be an issue in the mayoralty race in October. In any case, Haligonians are likely to carefully scrutinize big-ticket projects put forward by the city for awhile to come.

Journalists like Bousquet make an essential contribution to the democratic process by providing citizens with the information they need to hold public figures accountable for their actions and spending. But Bousquet could not have done it without a media outlet to pay his bills and publish his story. That media outlet could only have been local, as the story wouldn't have merited national coverage. In this case the outlet was the *Coast*, the city's alternative weekly newsmagazine, which is the only paper in the province that regularly publishes investigative journalism pieces longer than 3,000 words.

How many stories like Bousquet's have been squelched by the cut-backs and closures that have afflicted small media outlets across the country? And how many will go unreported in Halifax now that there is no *Daily News* to keep the *Herald* on its toes?

The debate over the future of journalism in the face of radical technological and economic change has been ongoing for some time now. Yet it is a debate that is often too focused on national-level coverage. And here, at least, there is room for optimism. The major papers and networks continue to produce superb investigative journalism. Their newsrooms remain strong and well-staffed. But while politicians at the national or even provincial level may be as well-scrutinized as ever, what about their municipal counterparts? Who is still investing in investigative journalism at the local level, in the pursuit of stories with only local importance?

Those who claim that blogs or free, open-source online news sites where "citizen journalists" post their stories will fill in for local media simply do not understand what journalism requires. It is true that blogs have added a diversity of voices to the public debate. But punditry and commentary are not the extent of journalism. Investigative journalism takes time, money, and professional dedication. It takes a specialized set of skills and experience. The blogger who works a day job and posts at his or her computer by night, no matter how perceptive and energetic, will likely never develop the sort of intuition and personal contacts that are accumulated over time by the beat reporter. Recall Bob Woodward, who first met his Deep Throat in a Pentagon waiting room.

THE LOGIC IS SIMPLE: THE MORE MONEY INVESTED IN JOURNALISM, THE GREATER THE RETURNS—AND VICE-VERSA. TO SUGGEST OTHERWISE WOULD BE LIKE DISCOUNTING THE CONNECTION BETWEEN FUNDING SCIENTIFIC RESEARCH AND ARRIVING AT SCIENTIFIC DISCOVERIES. AND IT IS UNDENIABLE THAT INVESTMENT IN LOCAL INVESTIGATIVE JOURNALISM AND THE INSTITUTIONS CAPABLE OF FOSTERING IT IS DRYING UP.

This shouldn't be terribly surprising, given the disconnect that exists between news and its consumers in our free-market system. Journalism is not particularly valuable, in monetary terms, to the average consumer. They certainly will not pay anything for online news. Except for the *Wall Street Journal* and the *Globe and Mail*, every major US and Canadian daily has abandoned premium-pricing strategies for their

websites (where users pay to subscribe to certain content). Consumers have never been willing to pay for the full cost of producing news, in the way that they pay for the full cost of iPods or clothing. The largest share of the cost has always been taken up by advertisers, and they are finding other ways to reach their customers.

All of this macroscopic analysis is quite removed from the pleasant, if snow- and rain-swept streets of Halifax. Here life goes on. Tim Bousquet, like many others in the city's journalistic ranks, will keep working doggedly to keep the city accountable. With the mayoral election coming up, and big downtown revitalization programs on the horizon, the *Coast* has been hammering away at the issues of sustainable development and affordable housing.

But post-*Daily News*, the city is one voice poorer. There is one less outlet for the freelance journalist with an interesting local story, and one less testing ground for the students who graduate from the journalism school at King's College. The latter's futures are uncertain—some of them will not find jobs in their chosen profession, unlike their counterparts in commerce or engineering.

Uncertain, too, are the futures of the *Herald* and the *Coast*. The *Herald* is Canada's last major independent daily, an anachronism whose time must surely be limited. And a day of reckoning is coming for the *Coast*, and all of Canada's independently-owned alternative weeklies. Though alternative weeklies in Canada are still, for the most part, independently owned, they resemble in this respect their American brethren of twenty years ago, which have now been almost entirely bought up by chains. As the current generation of Canadian publisher-owners ages, the chains will no doubt move in.

That essential democratic value, the flame of contrarian inquiry, as embodied by Bousquet and his long vigils at the legislative library, will never be extinguished in the human spirit. But we must ask ourselves if the institutions that will nurture this flame, that have in the past nurtured this flame, are themselves diminishing rapidly. And if we admit this possibility, we must wonder about the implications it holds for our democracy. Can we continue to tolerate a system where our investment in journalism is contingent upon its usefulness to advertisers?