

Canada newspaper La Presse to become a non-profit

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La Presse is the first major newspaper in Canada to become a non-profit entity

The Montreal daily La Presse, after ending its 134 year-old print edition

and going digital, said on Tuesday it will become a non-profit entity reliant on donations and government support.

In doing so, the country's leading French-language [newspaper](#) declared the for-profit business model in the [media](#) sector a failure, after decades of plummeting subscriptions and advertising revenues.

The newspaper will also sever ties with the powerful Desmarais family, which has interests in oil company Total and buildings material maker LafargeHolcim.

The family will provide a parting donation of Can\$50 million (US\$42 million) to the newspaper to help it find its new footing.

To be viable, La Presse is also counting on a boost from government tax incentives on "philanthropic concepts, in addition to direct aid," the paper said.

Several US and European newspapers are set up as non-profits, with backing from wealthy foundations and donors bankrolling investigative and public interest journalism.

But in Canada, La Presse is the first major newspaper to adopt this template.

Canadian Heritage Minister Melanie Joly noted that the government earmarked Can\$50 million in its last budget to support local journalism.

"We said in the 2018 budget that we are prepared to explore new models for media, including allowing philanthropic donations," she said.

"Canadians are accessing information through different means and that's creating a lot of pressure on our media sector. We know that also our

media are innovating right now, so we want to continue our discussions (for) supporting local journalism."

La Presse launched a tablet edition in the spring of 2013, and on January 1 stopped publishing its print edition for the first time since 1884.

Initially the paper had hoped to offer the tablet edition for free and rely exclusively on online advertising revenues.

But publisher Guy Crevin said on Tuesday that it continues to lose money, even though it has 260,000 subscribers.

"We do not intend to return to a paying model," La Presse president Pierre-Elliott Levasseur told a news conference.

Studies have shown, according to him, that at best 100,000 subscribers would be willing to pay Can\$5 per month for a newspaper. "That would be devastating to our business," he said.

Levasseur noted that internet giants Facebook and Google have "siphoned 90 percent of advertising revenues in Canada."

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