Will peer pressure derail the Government's rush to market?

On broadcast

Steve Barnett

ONE way or another, the next two weeks could dictate the future of broadcasting for 10 years or more.

Tomorrow is the first of four report days in the Lords' debate on the Communications Bill, followed by another on Thursday and two more next week. The niceties are over, views have been exchanged, and the restraint usually displayed in the Lords about moving to a division will finally crumble. The Government – with one possible exception – remains adamant that it will not bend, and defeat beckons on a number of fronts.

Frankly, it deserves every losing vote it gets. Having watched the Bill being steamrollered through the Commons, the Lords in their committee stage were finally able to give it – and the Government – the kind of scrutiny that these market-driven proposals badly needed. As peer followed peer in condemning government short-sightedness and emphasising the need for more public interest safeguards, the Government front bench floundered. And on virtually every important measure of disagreement, the Ministerial response was abject.

Take the clause which, if it remains, is effectively a carte blanche for terrestrial channels to avoid their public service responsibilities. As it stands, the new regulator, Ofcom, will not be able to enforce a channel's public service remit unless the channel's failure has been serious and 'is not excused by economic or market conditions'. Andrew Phillips likened this to the law of theft only applying to a shoplifter if his behaviour could not be excused by hunger or hardship. Tessa Blackstone, in reply, tried hard to explain why it was necessary to keep two references to 'economic and market conditions' in the same clause. She failed.

A little later, Andrew McIntosh (now elevated to pole position on Labour's front bench) tied himself in verbal knots trying to explain why a 'suitable' level of regional programming would be no different from a 'substantial' level. Accepting this amendment, said David Puttnam in the Lords vernacular, could have been 'a slam-dunk for the Government to win a great deal of goodwill'. The open goal went begging.

As in previous debates, however, the most abysmal performance was on deregulating ownership. Why was the Government allowing major newspaper proprietors to buy Channel 5 and reduce

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the number of media voices? Why, asked both George Thomson and Norman Fowler, has the Government performed a U-turn since November 2001 and decided to open up British broadcasters to American owners without any reciprocal arrangement?

Outside the Chamber, opposition voices have been growing. A wide spectrum of musicians, from Billy Bragg to Cleo Laine, warned in the *Guardian* that ownership changes pose 'a major threat to the diversity of music played on British radio'. The music industry points to experience of deregulation in other countries – Sweden, Australia, New Zealand and the US – as examples of how creative innovation is crushed by conglomerates moving to centralised playlists.

As America's Federal Communications Commission voted 3-2 for yet more deregulation in the face of almost unanimous resistance, one of the dissenting commissioners, Jonathan Adelstein, warned of the implications. 'Anyone who questions whether consolidation can cause harm need only look to the experience of radio,' he said. 'Radio is a very sick canary in the coal mine, and we're about to infect television with the same disease.'

Meanwhile Barry Diller, one of the great icons of American corporate media, has warned of 'vertically integrated giant media conglomerates, driven only to fit the next piece in their puzzle for world media dominance'. This followed a barely noticed quote from Robert Lichter, president of the Centre for Media and Public Affairs and a paid consultant to Fox: 'In other industries, competition creates new and different products. In television, it makes all the products look the same. That's weird.'

Back in the Lords, Tessa Blackstone's response on foreign ownership was that it 'should lead to increased investment, productivity and efficiency, and the introduction of new management skills and ideas'. Note the word 'should', because there lies the problem at the heart of all the Government's ownership proposals: they amount to little more than a leap of faith.

I have come to the reluctant conclusion that there is no government conspiracy to 'surrender' to Rupert Murdoch or any other media baron. What lies behind this Bill is a blind, almost theological, conviction that – against all global evidence to the contrary, against the warnings of experts, against the pleas of those at the creative coalface – markets and competition will deliver more and better creativity.

With the passion of the newly converted, a small coterie of free marketeers is driving us down a one-way street. They deserve a thoroughly sound beating in the Lords, if only for their sheer inability to mount a half-credible argument in support of their case.

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