

Murdoch Jnr wins first prize!

FOR SHEER CHUTZPAH, James Murdoch must surely get this year's prize, for comparing the revolutionary pamphlets of seventeenth century Levellers to the editorial campaigning of the *The Sun*: Best for News, Sport, Showbiz, Celebrities & TV. This breathtaking anachronism arose, not as an off-the-cuff remark or as a slip of the tongue, but as part of this year's lovingly crafted MacTaggart Lecture at the Edinburgh International Television Festival. According to young James *The Sun*, along with the *Times* and the Levellers, belongs to a long tradition of fighters for free comment in a free market. We will draw a veil over whether or not the Levellers believed in freedom of speech or conscience for servants, Episcopal churchmen, Catholics or Jews, but it is unlikely that they believed in anything that could be called free trade or a free market.

James is, like his father, Rupert Murdoch, a no-nonsense capitalist and cannot be expected to pay close attention to the historical parallels or comparisons he chooses to make. As a director of News Corporation, James is in charge of News Corp Europe and Asia while his Dad is in charge of everything else. Both are firm believers in free speech, free comment, and are keen defenders of their right to operate without control or regulation in a free market. This is understandable given that their corporation has annual revenues in the region of \$33 billion and an annual operating income of \$5.4 billion which all helps to deliver handsome returns and emoluments to shareholders and directors alike. However, we must not slip into *ad hominem* arguments, James and Rupert are undoubtedly men of principle, as James made abundantly clear in the closing sentence of his

speech in Edinburgh: “The only reliable, durable, and perpetual guarantor or independence is profit.”

Evidently, James (and News Corp) is ‘libertarian’ while the state-sponsored BBC is “authoritarian”. On the one side are ranged the dark forces of an Orwellian state, on the other are the sunny and plural uplands of the free market, in which monopolistic entities like BSkyB manage to flourish despite the mind-numbing straightjacket of government regulation. They flourish because private sector broadcasting is driven by the need for profit, which is, as everybody knows, the source of all creativity and innovation.

This belief is so strong in News Corp circles that it led James to structure his entire speech around a metaphorical trope in which Darwin is pitted against Creationism; no doubt James reasoned that in an audience packed with *Guardian*-reading liberals taking the side of Darwin against the vile cause of Creationism would win him a more sympathetic hearing. Consequently, he argued on “the 150th anniversary of Darwin’s *The Origin of Species*” that the “most dramatic evolutionary changes can occur through an entirely natural process. Darwin proved that evolution is unmanaged.”

This “entirely natural” unmanaged process is according to the Murdochs and their ilk: the market! This is a truly bizarre statement, particularly at the moment when state banks and other institutions have had to rescue financial markets throughout the world from catastrophic collapse. It is even stranger when you contemplate the historic role of the Papal court and other royal courts throughout Christian Europe and beyond in sponsoring philosophical, scientific, and artistic endeavour without a hint of market forces. (Evidently, we can use anachronism in our defence just as well as the Murdochs).

The Internet, as is well-known, was the creation not of market forces, but was the child of the Pentagon sired in response to a deep geopolitical fear of the Soviet Union; this was of course competition of a sort, but not exactly the competition which James Murdoch

has in mind. The World Wide Web on the other hand was facilitated by information scientists at the CERN laboratories in Switzerland puzzled by the problem of how to ensure that the enormous mass of data produced week-by-week did not disappear into effectively *inaccessible* archives. No competition here of any sort, just public employees attempting to overcome a technical problem created by the rapid generation of unmanageable amounts of information.

In the process these researchers produced the html code that made the Internet accessible worldwide to anybody with a computer and the money for a connection. Within a matter of four or five years this public spirited initiative produced a network through which a dazzling array of new services began to be provided – many of which were delivered, like email, without charge. In the years since the mid-nineties this web of information and interactive services has grown exponentially, year-on-year, undermining copyright and confronting capitalists with an entirely new conundrum: how to make money out of services in which processes and content are simply given away.

This is the Murdochs' real problem – as newspapermen and broadcasters, James and Rupert are trying to put the digital genie back into the bottle. The digital age was welcomed by the big capitalists engaged in the production of content for newspapers and broadcasting, particularly during the nineteen eighties, when computerization enabled them to destroy the print workers' trade unions and weaken journalists' organizations with the introduction of 'new technology'. However, as digitalization moved inexorably from the *production process* to embrace the *consumption process* the capitalists have begun to sweat. "How" they whine "are we supposed to make money when so much content is given away free?"

This is the question that is exercising James Murdoch. He is targeting the BBC in the UK because it is such a big player in the distribution of free content in news, general information, and entertainment. Funded by the TV licence payable throughout Britain by the

owners of television sets, the BBC is able to compete with News Corp and many other private sector publishers and broadcasters, distributing essentially free content to hundreds of millions of people; this represents a serious threat to the Murdochs' attempt to introduce payment for all their online services. They are aware that as they spread the practice of charging for online content from *The Wall Street Journal* to all their other titles they face the danger that consumers will simply migrate to free content providers like the BBC, Reuters, Google and many others.

James Murdoch is happy to denounce those who disagree with him for retaining "analogue values in a digital age", blithely unaware that his belief in the necessity of direct payment for news and information services belongs entirely to an "analogue" world in which press barons and commercial television magnates (those who famously boasted that they "had a licence to print money"), had the power to charge everybody through the nose.

It is entirely true that the World Wide Web and related technologies constitute a mortal threat to the defence of copyright, the newspaper industry, and payment for online content. The old model is broken and no amount of attacking the BBC, or other organizations that give away free content is going to change that. New forms of subscription, perhaps charitable subscription, could be organized to supplement advertising revenue in order to keep some quality newspapers in business. In the absence of defensible copyright, other ways of monetarising hard won intellectual property will have to be investigated by writers and musicians alike. Real innovation and imagination will be needed in order to maintain free comment, a free press, and a flourishing milieu of creative people.

However, the idea that James and Rupert Murdoch can overcome these challenges by crying "Back to the Future!" is plainly absurd. Charging for online content and hacking away at state-sponsored broadcasters is not going to work; evidently something more than News Corp and the profit motive is needed.