

FREE Press

No 171 July-August 2009

£1 Journal of the Campaign for Press and Broadcasting Freedom

LOOK AFTER THE PENNIES...

Rupert Murdoch is taking a big gamble in charging for access to his newspapers' websites, says **Tim Gopsill**, but good journalism has to be paid for somehow

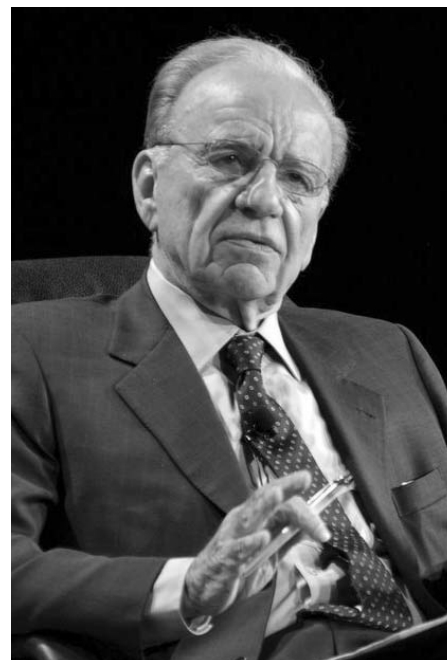
It was yet another sign of the dominance of the UK media by Rupert Murdoch that when he announced on August 6 that his London papers were to start charging for access to their websites, the whole industry was abuzz with it. What did it mean? asked the bloggers and commentators. Has Rupert got some brilliant plan to lead us back to the promised land of profitability? Does he know something we don't? Or has the old boy, at 78, lost his grip?

Murdoch has taken huge gambles in the past and got away with most of them, but this one seems as risky as any. He is

trying to find the solution to the great riddle facing every single publisher: how on earth to make money out of the internet.

Belatedly, most newspaper publishers have realised that they have got to transfer their editorial impetus online. Whatever nostalgia they might like to invoke with their declarations that "print will never die", they know they have to compete on the internet. Websites must offer much more than simply the printed content – especially if they are to attract advertising and/or manage to get punters to pay for all, or some, of that content.

Received wisdom has always been that this will be impossible, but with one of two exceptions, the publishers themselves must take a share of the blame if that is true. With a characteristic short-termist approach they responded to the challenge of the internet, not by investing to build decent and popular websites from which they might profit in the long



Continued on page eight

Murdoch: gambling with charging

**THE MINERS' STRIKE
AND POLITICS
TODAY**
Pre-conference
debate

**Tony Benn, Lee Hall
and Ken Loach's
Which Side Are You
On?**

**7pm Friday 30
October**

**£5 book online, post
or pay at the door**

CAMPAIGN FOR PRESS AND BROADCASTING FREEDOM MEDIA FOR ALL? THE CHALLENGE OF CONVERGENCE

**International conference
on the challenge of
achieving a high quality,
diverse and democratic
media with John Nichols,
Ray Fitzwalter, Natalie
Fenton, Nick Jones, Tony
Lennon, Andrew Currach,
Bob Franklin, Alison
Harcourt, Christine Payne,
Jeremy Dear and many
more... see page four**

**SATURDAY 31 OCTOBER 2009
SCHOOL OF PHARMACY
29-39 BRUNSWICK SQUARE, LONDON WC1N 1AX**

Registration and networking from 9am. Conference 10am - 5pm

**Corporations £150, Not-for-profit and Trade Union organisations
£25, Individuals £20, Concessions: students, unwaged, retired
£10. 25 per cent discount for bookings before 15th September**

**Book online at: <http://www.cpbf.org.uk/mediaforall> or by post:
CPBF, 23 Orford Road, London E17 9NL 0208 521 5932**

A lighter touch is not what the media need

David Cameron's plans for slimming down Ofcom are way off the mark, writes **Tom O'Malley**



David Cameron: no Ofcom policy role

What next for Ofcom? The future of the organisation was called into question in a speech made by the Tory leader, David Cameron, on July 6.

His target was quangos – bodies like the Arts Council, the Learning and Skills Council and Ofcom. According to Cameron there are about 790 of them, they cost at least £34bn a year and many take decisions that should be taken by ministers.

Ofcom, he asserted, “has an important technical function”, monitoring the plurality of media provision, licensing spectrum, overseeing pricing regimes in telecoms, and operating broadcasting codes.

Cameron says this is a problem because: “Ofcom currently has many other responsibilities that are matters of public policy, in areas that should be part of a national debate, for example the future of regional news or C4. These should not be determined by an unaccountable bureaucracy, but by ministers accountable to Parliament.”

Under a Tory Government Ofcom's remit will be changed. According to Cameron it “will be restricted to narrow technical and enforcement roles. It will no longer play a role in making policy. And the policy-making functions it has today will be transferred back fully to the department for culture media and sport.”

But what does this mean? Firstly, Ofcom is not likely to go under without a fight. It is a powerful lobbying organisation and its political antennae will now be working overtime. Do not be surprised if Ofcom survives a Cameron administration relatively intact.

Secondly, it suggests there are elements in the media industry that do not want Ofcom to continue in its present form. Why else would a person, and a party, so closely allied with big media be making such an intervention if this

were not the case?

Ofcom's obligation to protect and promote public service, albeit inadequately exercised, is an area that many in the industry would like to see disappear. It is one major force in the lobbying world which, if its current role was diminished, would make influencing policy at ministerial level more straightforward.

But of course the distinction between “technical” and “policy” decisions is obscure in this context. Is monitoring the plurality of media provision a technical or policy matter? How you define plurality, how you interpret your results are all policy orientated? How could a major organisation such as Ofcom which, even under the sketchy Cameron proposals, would be in command of massive amounts of data not be involved in policy making?

However, we should not mourn Ofcom if we can influence its replacement. It has been a disaster where the public service television is concerned. This is because of its market orientated remit, the viewpoints of the people who have run it, the fact that it was constructed without proper structures of accountability and the approach of a Labour Government bewitched by neo-liberal orthodoxy.

Ofcom has done its best to promote attacks on the BBC's role as a public service broadcaster, has overseen the demise of commercial public service TV, has enthusiastically looked to the market to solve problems, and has often ignored or finessed its own research to fit its perspective. This has been particularly evident in its approach to the BBC.

But what can be done about Ofcom? The Campaign and its allies do not, set the terms of this kind of debate. There is a massive lobbying industry devoted to getting the best for media businesses. We can think of how to approach it though, and campaign for change amongst the public, the trade union

movement and community groups.

We should be arguing for a new system of accountability and regulation in the mass media. The regulator needs to be committed to promoting a wide range of public service media. It should not be about analysing the media in terms of market-orientated economics and trying to promote that perspective.

It needs to be peopled at the top by independent people, elected from organisations drawn from society at large. These could be allowed, on a rotating basis, to nominate individuals to the regulator's board. Powers over broadcasting regulation also need to be devolved to regional and national assemblies. The media you get in your area should bear some relation to local structures of democracy.

We need to look at the media in the round. Ofcom's “research” role should go to a separate body, not tied to the free-market orthodoxies that have undermined that body's credibility. Research should be as independent as is possible.

There should be a new settlement across the whole media. A large call, I know. We cannot just think that sorting out Ofcom, even if the Tory proposals were worth supporting, is all that needs doing. The Tories are not motivated by any commitment to increasing the regulation of market forces in the media.

We should develop our work by supporting the development of public service media across all outlets. Now the BBC has announced it will provide video news content to national newspapers, we should argue for a revision of regulation to make the press abide by higher standards.

So yes, let's get rid of Ofcom. But no, not in the way David Cameron suggests. We need a much more progressive and forward looking approach to the reform of media regulation.

Is BBC News Online a target for Tory cuts?

By Nicholas Jones

Perhaps the most perceptive prediction in the fall-out from James Murdoch's demand that the BBC should be forced to limit its "land-grab" of online journalism was the suggestion that News Corporation will get a "much more sympathetic" hearing from a Government led by David Cameron.

David Elstein, a former executive with both Sky and Channel 5, believes that a Conservative victory in next year's general election will provide News Corporation with a fresh opportunity to put pressure on the BBC to scale back the £180m year it is spending on BBC News online.

Elstein, who has long argued that the BBC should be funded by a voluntary subscription rather than a compulsory licence fee, reminded *Newsnight* viewers on that the BBC Trust was forced to back down after Cameron wrote a "very fierce" letter saying the BBC should stop the development of ultra local television services because of the threat they would pose to the development of newspaper websites.

"I think James Murdoch has chosen his moment... I think David Cameron will listen much more sympathetically to News Corporation... and BBC online is next in line... Currently it is being funded through the licence fee by £7 a year from every household in the country... No one can compete with that."

Elstein's view is that there should be a charge to view BBC News Online – a step that would be welcomed by News

Corporation as it moves to charge for access to the content of its newspaper websites.

In his MacTaggart lecture at the Edinburgh television festival, Murdoch said the BBC's "land-grab" through its "expansion of state-sponsored journalism" had to be reversed.

"Dumping free, state-sponsored news on the market makes it incredibly difficult for journalism to flourish on the internet... If we are to have that state sponsorship at all, then it is fundamental to the health of the creative industries, independent production, and professional journalism that it exists on a far, far smaller scale".

In supporting Murdoch's claim that the BBC's online operations were having a "chilling" effect on the independent sector, and in predicting that a future Government led by Cameron would be more sympathetic, Elstein was simply highlighting the reality of the current political situation: in recent months the Conservatives' broadcasting policy has become more closely aligned with the commercial agenda of News Corporation.

Either Cameron himself or the Conservatives' spokesmen on broad-

casting have already signalled their support for the bullet points in Murdoch's shopping lists for curbing the BBC.

Not only did the shadow culture secretary, Jeremy Hunt, oppose the BBC's £68m plan to extend its local news services, but he has also suggested the Radio One franchise might be sold to the private sector and warned repeatedly about the need to freeze BBC licence fee increases.

Another highly significant move was Cameron's proposal that under a Conservative government Ofcom would lose its policy-making powers.

Other moves which have appealed to News Corporation have included a consultation document published in March 2008 which recommended the rules on political impartiality should be relaxed for broadcasting organisations which are not in receipt of public funds or subsidies – another long-term objective of Rupert Murdoch and Son.

Over the last decade or more the Governments of both Tony Blair and Gordon Brown have done all they can behind the scenes to appease News Corporation; allowing newspaper websites to be self-regulated by the Press Complaints Commission is a recent example.

But the pitch which the Conservatives have developed towards winning back the support of the Murdoch press looks like being far more attractive as the election campaign heats up and future broadcasting policy increasingly moves higher up the political agenda.

The Tories have already signalled their support for the bullet points in Murdoch's shopping lists for curbing the BBC

LETTER

Brooke should be more careful in her choice of friends

As someone who has personally campaigned and continues to campaign for strong Freedom of Information laws, I gain considerable pleasure from Heather Brooke being able to utilise these laws and argue for greater transparency in UK public life via her expose of MPs second home allowances. I am pleased that she continues to campaign for better laws.

However I feel her campaign has been damaged by allying herself to a partisan and secretive campaign organisation to run an online petition

to publish MPs expenses. The Taxpayers Alliance – far from being an "independent campaign for lower taxes and better government" as they claim and Heather repeats on her blog, are a big business organisation set up to campaign for tax and public spending cuts. Their staff are drawn from former Conservative student activists and former members of free-market, euro-sceptic, and other right-wing groups. The list of supporters on its website includes many academic free-market gurus and a long list of business chiefs and monetarist economists.

Obviously campaigns are free to campaign for what they will, and journalists are free to associate with them or not. However one of the key problems with Taxpayers Alliance support in any campaign for greater transparency and freedom of information is the secrecy that they themselves display when asked who

funds them and to what extent.

The Other Taxpayers' Alliance website, www.taxpayersalliance.org, points out, "The Taxpayers Alliance publishes abbreviated accounts which means income and expenditure are withheld. The last time it published full accounts was in 2006, when it recorded an income of £130,000. But the current organisation has 10 full-time staff across two offices, which suggests either its income has jumped substantially or it is loaded with debt."

Of course it is not legally obliged to publish such details, but the TPA which claims to stand for transparency and probity should practice what it preaches, and a campaigner for more information and greater transparency should be demanding that they do so – not accepting what they say as gospel.

Chris Bartter
UNISONScotland
Glasgow

CPBF conference

MEDIA FOR ALL?

THE CHALLENGE OF CONVERGENCE

A major international conference on the future of our media

By Granville Williams

My first reaction when I look at the conference programme is one of real anticipation and pleasure. The range of speakers, and the issues addressed, will give people a clear sense of the key issues and policy debates on media ownership and regulation, both in the UK and internationally. The media face a series of technological and economic challenges, many of which will require political solutions, which will also be discussed.

The first plenary session has an international perspective and three speakers with the experience and insights to set the scene for the day's discussion.

John Nichols is Washington correspondent for the *Nation* and co-founder, with Bob McChesney, of Free Press, the US media reform network. He is also the co-author with Bob McChesney of a forthcoming book on the crisis in US journalism, *The Death and Life of American Journalism*. At the Global Forum on Freedom of Expression held in Oslo in June this year John Nichols spoke about the fate of journalism, as the media industry implodes.

He pointed out how serious the impact of the internet and the economic crisis has been on US media: 15,000 journalist jobs were lost in 2008, and another 9,000 so far this year. However he believes something new will be created out of the crisis in US journalism. Will the same be true for the UK?

Professor Alexander Stille, from the Journalism School, Columbia University, has written a number of books on Italian history and politics and contributed extensively to a range of US and Italian newspapers and journals. He is also the author of *The Sack of Rome*, one of the best books on Silvio Berlusconi I have read.

One of the urgent issues which the conference will address is the corrupting influence of media ownership on the political process. The case of Silvio Berlusconi is currently generating the most discussion. *The Sack of Rome* is a fascinating book, and the author interviewed a number of key figures in Italian media and politics, including a three-



PETER O ZIERLEIN

hour interview with Berlusconi.

Stille goes into detail about the wider significance of the Berlusconi phenomenon: "The concentration of media, the decline of reading and civic participation, decreasing identification with political parties, the role of celebrity in politics, the appeal of anti-politics, declining unionisation, and the rising gap between rich and poor are growing realities in many advanced capitalist democracies. They create new and troubling possibilities for governments that are run by and for the very few with an enormous media machine at their disposal, who need to win only a tentative nod of approval from an increasingly indifferent and ill-informed public every four or five years in order to continue with their business."

A recent *Tribune* magazine piece indicated a number of factors which explain

why – in spite of the gaffes, scandals and corruption associated with him – Berlusconi still seems unassailable. Of course his enormous power and influence over Italian media is not the only factor in his continuing popularity but it plays a decisive role in sustaining his level of popular support.

Dr Katharine Sarikakis, from the Institute of Communication Studies at Leeds University, is the third speaker in the first plenary. She is the director of the Centre for International Communication Research at the university, and her work focuses on the political and economic dimensions of media and communications policies, nationally and globally. She will be raising some of the negative aspects to the convergence process from the perspective of surveillance over the citizen, lack of protection

CPBF conference

of privacy and lack of anonymity of communications, all of which undermine the basic principles for a democratic public sphere.

A NEW BREAKOUT SESSION

The fourth session in the morning, PR and Lobbying, picks up a topic Peter Wilby addressed in a recent *Guardian* piece "Big health flexes its lobbying muscle. Democracy quivers".

He wrote, in the wake of the huge lobbying efforts against Obama's health reforms and the emerging Big Oil lobby to derail Washington's attempts to tackle climate change, "The most determined, coherent and organised voices in any contemporary political debate are those of the corporate sector and its allies. It can afford the PR and advertising to change the term of public discourse."

His article is clear that this is not just an American problem, and he cites a string of New Labour ministers who now have jobs as "advisers", "consultants" or "directors" with the very companies they had oversight over in Government. There has been a failure to contain corporate power: "Our democratic institutions do not regulate capitalism; rather, market institutions regulate democracy, setting the limits of the possible."

He makes the point "Now that nationalisation has been rejected, even as an aspiration, the left has no language and no ideas for dealing with corporate power."

We are still putting this session together but you can be sure that the panel will provoke a lively debate.

A CASE STUDY IN MEDIA OWNERSHIP

The once commercially strong US television networks (ABC, NBC and CBS) long ago lost their independence. NBC is owned by General Electric (GE), ABC is part of Disney and CBS is owned by Viacom. GE, a multinational technology and services conglomerate, was ranked by Forbes in 2009 as the world's largest company, and Disney and Viacom are amongst the top five global media groups.

A really good account of the impact of corporate control on journalism is *The Business of Media: Corporate Media and the Public Interest* by David Croteau and William Hoynes (Pine Forge Press 2001). In particular, their chapter "How Business Strategy Shapes Media Content" has some excellent examples of how "censorship and broader constraints on the media... are more likely to come from corporations for economic purposes than from governments for purely political purposes." It is worth reading to give context to this recent incident.

In August, the *New York Times* carried a remarkable story, "Voices from above silence a cable TV feud". The strange thing was that the journalist didn't really analyse the wider significance of the story, which highlights the damage

corporate control of news can do.

At the end of 2005 Keith Olbermann of MSNBC, the cable news channel, began savaging Bill O'Reilly of the Fox News Channel on the MSNBC programme Countdown which competes with the two other cable news channels CNN and Fox in the prime time 8.00pm slot.

O'Reilly in turn led an exceptionally hostile campaign against GE, the parent company of MSNBC and the TV network NBC, targeting in particular the GE chairman, Jeffrey Immelt. In 2007 O'Reilly had a producer ambush Immelt and ask about GE's business in Iran, and the following year a shareholder's meeting was overrun by critics of MSNBC (and one of O'Reilly's producers).

The *New York Times* story describes how, at a "summit meeting" the CEOs of News Corporation and GE met in May this year to engineer an end to the "feud" between MSNBC's Keith Olbermann and Fox's Bill O'Reilly. Murdoch and Immelt wanted the agreement because they believed the feud was hurting the unrelated corporate interests of GE and News Corporation. As a result, since June 1 when the deal took effect, O'Reilly's attacks on the corporate activities of GE and Olbermann's criticisms of O'Reilly and Fox News have ceased.

Glenn Greenwald has covered the case, which he describes as "one of the most blatant examples yet of pernicious corporate control over America's journalism", for the US online journal, Salon: www.salon.com/opinion/greenwald/2009/08/01/ge/index.html

As we move towards the conference on 31 October in London we invite you to send in your own case studies and contribute to the policy discussion on the website: www.cpb.org.uk/mediatorall.

A DIFFERENT FORM OF CENSORSHIP

I have just finished Suze Rotolo's *A Freewheelin' Time*, her memoir about her time with Bob Dylan during the artistic and political ferment in Greenwich Village in the early 1960s. Her parents, Pete and Mary Rotolo, were in the Communist Party, and there is a lovely picture of her mum on the stump for Vito Marcantonio, Harlem congressman with the American Labor Party.

Suze Rotolo is good on the impact of McCarthyism on US society and media and reading the book spurred me to listen again to the CDs from Bob Dylan's *The Bootleg Series Vols 1-3* and in particular "Talkin' John Birch Paranoid Blues". This is the song which the record company Columbia pulled from *The Freewheelin' Bob Dylan* (1963) for fear of a libel suit.

Dylan was also booked for the *Ed Sullivan Show* and he walked out when a CBS executive prevented him from singing the song. (Edward R Murrow also worked for CBS and it was his March

1954 *See It Now* programme, "A Report on Senator Joseph McCarthy", which attacked McCarthy, to the discomfort of CBS top brass).

However a decade later network television and Hollywood were still under the influence of the McCarthy era blacklist which prevented entertainers with alleged communist affiliation from appearing on American TV or in films.

POLICY DOCUMENT NOW OUT

The CPBF National Council discussed the policy document for the conference at a specially convened meeting at the end of July. The draft document provoked a lively discussion and the final version is now up on the Media For All section of the CPBF website.

THE END OF THE STREET

Ray Fitzwalter, former head of current affairs Granada, and author of *The Dream That Died: The Rise and Fall of ITV*, is speaking in the session on The Decline of Public Sector Broadcasting. The BBC has been running *The Street*, made by ITV Productions. This quote from *Radio Times* tells it all: "The Street comes to an end with another engrossing parable of everyday life... When I say 'comes to an end', I don't just mean this run either: if comments by series creator Jimmy McGovern are to be believed, the whole series is winding up on account of redundancies at ITV Productions (formerly Granada), who make the series. So we have the prospect of a fantastic drama that gets big audiences, critical raves and wins Baftas finishing for good. And not because the BBC doesn't want more, but because the people who produce it are losing their jobs. Something not quite right there."

GAPS IN THE NEWS

As local and regional newspapers cut staff it isn't just the important watchdog function of newspapers checking on the council, courts, quangos and the rest that is diminished. One interesting aspect, from a US perspective, was an article, "Unpopular Science" in the magazine, the *Nation*. The authors, Chris Mooney and Sheril Kirshenbaum, document the decline of science journalism and the death of specialist newspapers science sections. "It's no secret the newspaper industry is hemorrhaging staff writers and slashing coverage as its business model collapses in the face of declining readership and advertising revenues. But less recognised is how this trend is killing off a breed of journalistic specialists that we need now more than ever – who are uniquely trained for the most difficult stories, those with a complex technical component that are nevertheless critical to politics and society."

Read the full article at: www.thenation.com/doc/20090817/mooney_kirshenbaum

Who speaks?

There's business coverage wherever you look in the media but trade unionists barely get a word in, writes **Joy Johnson**

"Get the news headlines every 15 minutes and the business news every hour"; that's the selling point of the BBC News Channel. Ditto on Sky News and other rolling news channels. Business news, business supplements, business correspondents, business pundits all devoted to endlessly covering and analysing the interests of business. Yet few saw the failings of the system

and fewer warned us of a global financial tsunami caused by greed and recklessness of bankers creating misery for millions.

Too many people, not least the treasury, had too much capital tied up in wanting to believe that we had solved the boom and bust syndrome. Political hubris clouded reality as the masters of the universe took us to economic calamity.

Yet with a plethora of "business this", and "business that", journalists covering the City beat had become narrowly obsessed with the latest hot gossip from city insiders. House prices spiralling upwards represented their own obsession with housing, and the rampant free-market Thatcherite ideology found soul mates in the higher reaches of the media/politics.

The failings of neo-liberal economics are now laid bare. Bankers, desperate to get back to the age before the collapse of Lehman Brothers, are delivering their analysis and hallucinating on the green shoots of recovery.

Instead of the news presenter handing over to hear the latest news from business and the City we may have got a different perspective if it had been the latest from "industry".

Voices that we don't hear on the airwaves in the wider economic debate are the ones with a link to "real people" – the trade unions. There probably isn't a neat corollary but the lack of trade union voices has coincided with the disappearance of the industrial correspondent.

Political journalists have a pool of contacts within Westminster, business and economic correspondents have the vested interests of the City, the IOD, the CBI and the omnipresent British Bankers' Association yet the organisations that still represent 6.5m members – do not have specialist correspondents who regard the trade unions as their beat.

When it comes to conflict the TUC press office will be fielding interview bids. Similarly on unemployment figures the phone will ring. Although, judging from the announcement of the highest figures for more than decade, those calls will not be from the *Today* programme which sets the political agenda or *Newsnight*, which rounds off the day.

On wider economic issues where the unions and the TUC have an interest, but an alternative view, they are squeezed out of the debate. It can't be because they have nothing to say, even a cursory look at the TUC website dis-

On wider economic issues where the unions and the TUC have an alternative view, they are squeezed out of the debate

SPECIAL PRE CONFERENCE EVENT The Miners' Strike and Politics Today Friday 30 October 2009 7.00-10.00 College of Pharmacy Brunswick Square London WC1N 1AX

Chair: Frances O'Grady TUC deputy general secretary
Film: Ken Loach's *Which Side Are You On?*
Introduced by Tony Benn

Other speakers: John Nichols, Washington correspondent for The Nation magazine; playwright Lee Hall (*Billy Elliot* and *The Pitmen Painters*); photographer Marc Vallée; *Guardian* journalist Paul Lewis

Admission £5 Book online at www.cpbf.org.uk

In the afterword to *Shafted*, published by the CPBF for the 25th anniversary of the 1984-85 miners' strike, we quoted Dave Feikert, previously with the NUM and now an energy consultant: "Since 1979 the UK has not had an energy policy. And now it is almost too late."

The *Economist*, August 8 2009, had a leader and article, "How long till the lights go out?" and "Dark days ahead" which analysed the threat of a looming energy crisis.

Under the Conservative Governments of Thatcher and Major the coal industry was savaged, and the state divested itself of control of the energy industry, with power plants privatised and a competitive internal electricity market set up. The result has been the rapid

depletion of North Sea gas as gas-fired power stations were built and households used it for cooking and heating.

For three decades the reliance on the market has been disastrous. The *Economist* predicts:

"Britain, the only big west European country that could have joined the oil producers' club OPEC, the country that used to lecture the world about energy liberalisation, is heading towards South African-style power cuts, with homes and factories plunged intermittently into third-world darkness."

When the lights go out again it will be because both the Tories and New Labour put their faith in the market, rather than maintaining state control of the key utilities.

News and events

proves that point. Nor can it be that they had nothing to say before the crisis as the unions had been warning of excessive bonuses for some considerable time. No doubt their warnings were dismissed because it fitted the mistaken and pre-conceived idea that trade unionists were merely indulging in the “politics of envy”.

Even the debate on cuts in public spending or paying back the public debt sees the unions frozen out. The central thesis of the debate, as it is being framed by media interrogators, is that cuts in

public spending are inevitable.

In the run up to a general election, when the central battle will be fought over public spending, *Newsnight* have come up with a new wheeze to produce politics in an “engaging way”. Based on the *Dragon’s Den* where would be entrepreneurs pitch their ideas to hard-headed, hard-featured business experts in exchange for investment. *Newsnight* has its own panel game – “Politics Pen”. Only according to the *Newsnight* website instead of ideas for investment we will have; “...brave, bold, thinkers, per-

sonalities and companies presenting their best arguments and ideas on how to cut public spending to a panel of political animals.”

Forget arguments on the wisdom of cuts in a recession – minds are already made up.

It makes the heart sink. We have gone through an era of an unbalanced economy with politicians and the media fawning at the feet of the City. Is it too much to ask – since the inhabitants turned out to have feet of clay – that we have balance in the media?

Media workers join readers’ battle to save Observer

By Barry White

Journalists at Guardian Media in London have unanimously passed a motion condemning proposals to downgrade the 200 year-old *Observer* newspaper.

Management at the company is considering options which include closing the title or turning it into a magazine.

The resolution passed by *Observer* and *Guardian* NUJ members vowed to fight to save the Sunday paper and to resist compulsory redundancies.

It said: “The *Guardian* and *Observer* NUJ chapel believes that the survival of the *Observer* as the world’s oldest Sunday newspaper is essential for the protection of pluralism and diversity in the British media and calls on the Scott Trust and GNM/GMG management to reject proposals to drop the title, downgrade it to a weekly magazine or undermine its character as an independent and competitive Sunday newspaper.

“The chapel believes that the closing of a 200-year-old newspaper cannot be regarded as in any way comparable to other product changes currently being considered as part of the drive to reduce losses and offers its full support to the public campaign to save the *Observer* as an independent Sunday newspaper.

“The chapel is committed to the editorial autonomy, resourcing and identity of both the *Observer* and the *Guardian* – along with the protection of editorial standards and absolute rejection of compulsory redundancies across all platforms.”

Barry Fitzpatrick, NUJ head of publishing, said: “The *Observer* has many thousands of loyal readers, and workers who are committed to seeing the paper succeed.

“To close it would be throwing away all that goodwill along with hundreds of years of tradition.

“The paper has a robust circulation of around 400,000, and it would be foolhardy of management to think the company’s problems could be solved with such a simplistic and ill-conceived approach.

“There is already a large and growing degree of public support for the paper so it’s vital that management engage with the union now and listen to the paper’s workers and readers.

“The NUJ will support the *Guardian* and *Observer* chapel in their fight against these potential cutbacks.”

Meanwhile, in his *Press Gazette* blog ‘Why closing the *Observer* is a terrible idea’ on 3 August, editor Donomic Ponsford pointed out that the *Guardian* Media Group’s (GMG) sole remit under the ownership of the Scott Trust was to protect the journalism of the *Guardian* in perpetuity (not necessarily the journalism of the *Observer* which it only acquired in 1993). But the reported idea of turning it into a weekly news magazine, out on a Thursday, sounded incredibly high risk. “Surely better to save the jobs of the 150-odd *Observer*-only journalists by putting it up for sale.” He then gave other reasons why closing the *Observer* was a bad idea.

“GMG completed the costly merger of the *Guardian* and *Observer* teams into new state-of-the-art offices in December. They are currently probably the best-resourced, most integrated seven-day print and online news operation in the UK. When the current tough times are over, owners who hold their nerve and invest in quality could have a huge prize when the economy comes back – because the competition may be a lot thinner on the ground.

“In circulation terms the *Observer* has been a far better performing brand than the *Guardian*. Up until the last few years both titles had historically enjoyed loyal readerships who kept their circulations

somewhere around the 400,000-mark. But over the last couple of years the *Guardian*’s circulation has fallen faster to the current total, in June, of 336,000 compared with the *Observer* – still over 400,000 – on 409,970.

“No one knows what the future of newspapers will be. But it seems likely that anything selling on news is moving online, because an electron will always win a race with a delivery truck. But news has always been a much smaller part of the mix for Sunday newspapers. One possibility is that daily newspapers wither while bigger Saturday and Sunday newspapers remain.

“Yes, the *Guardian*’s Saturday edition is to an extent in competition with The *Observer*. But would killing the *Observer* on a Sunday to protect the *Guardian* on a Saturday really be the best way to protect the liberal view of the world that the Scott Trust is charged with upholding? It would leave a clear playing field for right-of-centre quality titles the *Sunday Times* and *Sunday Telegraph*.

“After 218 years does GMG really want to be the owner that decided to close the *Observer* – the world’s oldest Sunday newspaper – throwing a comparatively healthy circulation of over 400,000-a-week into a skip? It would be a PR disaster and a colossal blow to morale for the remaining staff. If crunch-time has come, circle the wagons, get in some work more work-experience interns, reduce the pagination, share some more international content with other struggling Sunday newspapers elsewhere in the world, make some compulsory redundancies, start charging for the coffee machine – but don’t for God’s sake close it!”

The NUJ is, quite rightly resisting compulsory redundancies, as media companies across the UK and Ireland make massive cutbacks in staff and titles, in their attempts to keep up unrealistic profit levels. Union members are fighting these short-term measures with negotiations, industrial action, political lobbying, and community campaigns and you can help by writing to your MP in support of the campaign to keep the *Observer* as an independent Sunday newspaper.

News

From page one

run, but by squeezing the last drops of profit while the going was good. Across the board this meant massive cuts in editorial spending, with hundreds of jobs lost and a consequent plunge in the quality of journalism – which can only make the prospect of attracting higher returns that much harder.

The obvious exceptions among national papers are the *Guardian*, the *Financial Times* and the *Telegraph*. They may not be making money now, but they've got a better chance of doing so when the recession comes to an end.

This is a headache, though, not just for the bean counters but for the journalists, the unions and for campaigners like the CPBF.

Traditionally, we never bothered about publishers' commercial strategies, except perhaps to protest when they became too close to advertisers or other business interests. Now, with the irresponsibility shown by traditional publishers, everybody is going to have to pitch in to the industry-wide debate.

Discussion of ways of financing online media has concentrated on funding alternatives, such as specialist niche sites or local cooperatives or news consortia. Funding, many agree, should come from levies on the turnover of the broadcasting, telecom and internet giants who profit so handsomely from the news industry while paying nothing, not a penny, towards it.

These are worthy causes and progressive schemes, but they are not going to replace the big news engines, the national and big regional papers and TV broad-

casters that alone have had the resources to invest in proper quality journalism. Everyone agrees that such journalism has to be professionally produced and costs money. All kind of devices have to be tried to generate online revenue.

Online audiences have risen fast over the last year, but statistics from the USA show that readers spend only a short time on the sites; many are just following a link, from a news aggregator like Google News, from RSS feeds or from other sites. Advertisers won't be interested unless they can be enticed to stay longer.

But advertising is unlikely to sustain online titles in the same way it used to sustain printed newspapers. Analysts are predicting a rise in online advertising revenue this year of under 10 per cent. Even at the height of advertising booms they always had to sell huge numbers of papers, and now they are going to have to somehow sell editorial content online.

Only the *Financial Times* has succeeded in building a strong pay wall round its content. It has well over 100,000 subscribers paying £155 a year for full access; readers can get up to ten stories a month free of charge. The *FT* is still profitable, which few national papers are, but it has a specialised and valuable service on offer – not to mention a

wealthy and corporate readership. A number of business magazines also charge for their web content, and does the *Wall Street Journal* in New York – owned by Murdoch of course – but these are not typical publications.

For others, the parallel that many are talking about is the music industry, which has succeeded on getting a surprising number of people to pay online for tracks that are quite likely accessible for free download elsewhere. If people will pay 69p for a tune, why not for an article? Of course there are big differences, but the mechanism of micro-payments, facilitated by easily set up online accounts, might be feasible. Online accounts encourage impulse purchases. How often do you go to Amazon to buy a certain book and end up with three or four in your basket?

Selling subscriptions or stories is also free of the ethical dangers in alternative ways of monetising content, such as "affiliate marketing", through which publishers charge to include hyperlinks to products in online articles, or online shopping partnerships such as the *Mirror's* "cashback" scheme, or even geo-tagging, in which stories are tagged with postcodes to enable publishers to promote hyper-local web pages and gear web content to attract local advertisers.

All these things are coming into play as publishers search desperately for revenue, and campaigners like the CPBF have got to pay attention. Such sacred cows as universal free access to every single word on the internet will have to be put aside. If the words are to be worth reading, someone has got to pay for the cost of putting them there.

Advertising is unlikely to sustain online titles in the same way it used to sustain printed newspapers

Free Press is edited by Julie-ann Davies on behalf of the National Council

JOIN
THE CAMPAIGN FOR
PRESS AND
BROADCASTING
FREEDOM

CPBF website: www.cpbf.org.uk
email: freepress@cpbf.org.uk

MEMBERSHIP RATES PER ANNUM

- a) Individual membership £15
b) Unwaged £6
c) Supporting membership £25
(includes free CPBF publications)
d) Institutions (eg libraries) £25
(includes 10 copies of *FREE Press*)

AFFILIATION BY ORGANISATION

- f) Fewer than 500 members £25
g) 500 to 1,000 £30
h) 1,000 to 10,000 £50
i) 10,000 to 50,000 £115
j) 50,000 to 100,000 £225
k) Over 100,000 £450

I/We want to join the CPBF and enclose a cheque/PO for £ _____

Name _____

Address _____

Postcode _____ Tel _____

Email _____

Organisation (if applicable) _____

Return form to CPBF, 2nd floor, Vi and Garner Smith House, 23 Orford Road, Walthamstow, London E17 9NL Tel: 020 8521 5932