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weekend edition

Murdoch is too powerful – BBC chief

Mark Thompson warns News Corp set to dominate TV as well as newspapers

James Robinson

Mark Thompson, the BBC director general, launched a scathing attack on Rupert Murdoch's media empire last night, warning that BSkyB is too powerful and threatens to "dwarf" the BBC and its competitors.

Delivering the annual MacTaggart lecture at the Mediaguardian Edinburgh television festival, Thompson rounded on Sky's chairman, James Murdoch, who used the same speech last year to attack the corporation.

"A year ago, James Murdoch fretted aloud about the lamentable dominance of the BBC," he said. "He was able to do that only by leaving Sky out of the equation."

Thompson said Sky was "well on its way to being the most dominant force in broadcast media in this country".

He said that News Corp, in effect controlled by the Murdoch family, now enjoys unprecedented industry power in the UK. News Corp owns 39% of Sky and is in the process of buying the part of the broadcaster it does not already own.

"If Sky's proposal to acquire all of the remaining share in Sky goes through, Sky will not just be Britain's biggest broadcaster, but a full part of a company which is also dominant in national newspapers as well as [being] one of Britain's biggest publishers," Thompson said. That would be "a concentration of cross-media ownership that would not be allowed in the United States or Australia".

In a sideswipe at the Murdoch press he also criticised newspaper coverage of the BBC, claiming: "Some newspapers appear to print something hostile about the BBC every week ... the scale and intensity of the current assaults does feel different."

Thompson also attacked Sky's content, conceding that it had spent heavily on news and sport but saying it had failed to invest enough of its £4.8bn subscription

revenues in British programming. He said Sky should be forced to pay ITV, Channel 4 and Channel 5 a fee for carrying their channels on its satellite platform through a "retransmission" charge.

That money could be used to invest in original UK programming, plugging a £300m funding gap that Thompson said had emerged since 2006 as advertising revenue has plunged.

He said Rupert Murdoch had argued in favour of a similar levy in the US, where News Corp owns the Fox channel. "He's winning the argument," Thomson said. "Fox is now receiving distribution fees from the cable companies. So why not introduce retransmission fees in this country as well?"

That could raise approximately £75m for commercial terrestrial channels whose revenues are under pressure because of an advertising recession.

"James may quibble with Rupert's logic," Thompson said. "I find it strangely compelling."

In last year's MacTaggart lecture James Murdoch accused the BBC of mounting a "land-grab" and described its ambitions as "chilling".

Thompson responded by insisting that the BBC had never been so popular, citing research which showed that British television in general is highly valued by licence-fee payers. "The purists have spent a generation making the free market case for abolishing the licence fee," he added, in a thinly veiled reference to the Murdochs. "The British public agree with them less now than they did when they started."

He continued: "Across the UK population, 71% of people say they're glad the BBC exists." Those figures were the same for readers of the Murdoch press, he said.

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Board meeting PM hits the beach



David Cameron makes a splash with a bodyboard in Polzeath, Cornwall. His wife left hospital in Truro with their newborn baby yesterday Photograph: Sutton/PA

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Cameron: David Miliband poses greatest threat to Tories

Nicholas Watt
Chief political correspondent

David Miliband poses the greatest threat to the Conservative party of all the candidates in the Labour leadership contest, David Cameron has said, in private remarks that could change the dynamic of the campaign just days before millions of ballot papers are posted.

To the likely delight of the older Miliband, who enters the final stages as the frontrunner, the prime minister has made it clear he believes the shadow foreign secretary stands the best chance of reaching out to middle Britain.

A well-placed source told the Guardian: "David Cameron said the candidate

he hoped for was Ed Miliband, and the candidate he most feared was David Miliband."

Ed Miliband, who is thought to be slightly behind his brother in first preference votes, but who hopes second choice votes will propel him to victory, is likely to be irritated by Cameron's remarks, which echo those of supporters of Tony Blair: his backers believe that his elder brother



The prime minister believes David Miliband has a better chance than his brother Ed of reaching out to middle Britain

is being supported by what they describe as the "Blair machinery".

Tory high command believes David Miliband is flawed and lacks the easy manner of Tony Blair, who was regarded by Cameron and George Osborne as unbeatable. But Downing Street believes that the senior Miliband, who this week told the Labour party to abandon its "comfort zone", stands the best chance of reaching the sort of voters wooed by Blair.

Tories believe that Ed Miliband is an intellectual heavyweight, but showed the influence of his mentor, Gordon Brown, this week when he in effect attacked his brother with a warning about remaining in the "New Labour comfort zone".

One minister said: "On the whole we would prefer if Ed Miliband won.

"His analysis that Labour has to go for a traditional Labour vote, rather than the middle classes, is absolutely wrong. The Ed Miliband analysis will lead them into big trouble."

The Tories are cautioning that they would not regard a victory by David Miliband in the way they were terrified by Blair's victory in 1994. John Maples, a senior Tory, famously wrote an internal memo saying that Blair posed a grave threat to the Tories.

One minister said: "This time, we are not being led by John Major. We are led by David Cameron, who is streets ahead of David Miliband in terms of his ability

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Return to Iraq
Jonathan Steele revisits the people he met during the 2003 invasion - and asks what the war has meant for them

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