

Parliamentary Adjournment Debate on the Music Industry.

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11 am

Pete Wishart (North Tayside): I declare an interest. I am a member of the Musicians Union and of the Performing Right Society, I have been contracted to Chrysalis Records, EMI Records and Sony Music and I receive an ever-diminishing return on my recorded work. As a Scottish nationalist and part-time member of the tartan army, may I offer my most sincere congratulations to England on qualifying for the second round of the World cup?

I find it astonishing that this is the first House of Commons debate to be held exclusively on the music industry, because it contributes some £3 billion to our economy and employs 122,000 people full time throughout the United Kingdom. We are second only to the United States as a source of repertoire, and the UK market is the third largest for recorded music in the world. Although the rest of the world, including the United States, recently experienced a decline in record sales, there has been growth of some 5 per cent. in the United Kingdom.

Our music industry is a UK success story - it is something that we do well - and I believe that we lead the world in creativity and innovation. The history of UK popular music is littered with all-time greats of world pop and rock music. Our consumption of music is massive - greater than that of any other nation—and we buy four units of either CDs, cassettes or our old friend vinyl per person per year. We bought 226 million recordings in 2000. Music extends to all genres, but we must be clear about the fact that the majority of music bought in the UK is popular and contemporary: pop, rock, dance and soul music. That accounts for some 80 per cent. of all albums sold in the UK.

Years ago, there might have been a reluctance to discuss the music industry, because perhaps we fuddy-duddy politicians should not raise a subject that is primarily focus ed on young people. However, popular music and the industry that supports it have been with us for some 50 years and they are involved in all our lives. Popular music has formed at least part of the soundtrack to the lives of everybody in this Room.

I was in London last week when the extraordinary concert from Buckingham palace garden took place. If there was ever a question whether popular music has arrived as part of our mainstream culture, it was answered that evening. When Ozzy Osbourne plays in Buckingham palace garden - he did not quite receive royal approval, but maybe royal assent - we know that we are once again at a defining moment in the history of popular music.

Politicians must play a role to ensure that our music industry becomes the most competitive and successful in the world. It is our task to ensure that we remain brand leaders in something in which we excel.

As a new Member of Parliament elected last year, I was keen to bring my 15 years' experience in the music business to an all-party music group, so I was surprised to discover that no such group existed. I set about establishing a new group and I met key figures in the music industry. We now have a successful and viable all-party music group, which is chaired effectively by the hon. Member for Jarrow (Mr. Hepburn), who is present. I hope that he contributes to the debate and that the all-party music group continues to engage meaningfully with the music industry and to be an effective forum for the exchange of ideas between us — the politicians—and the key players and representatives of the industry.

In addition to being a great success story and contributing so much to our economy, the music industry faces key challenges, not least that presented by the illegal recording of recorded pieces of work. That might threaten the viability of the music industry's future more than any other issue.

The music industry is at the cutting edge of new technology and e-commerce. Music exists in a digital and online world, with products easily cloned and available for download on the internet. Unfortunately, the pirates and criminals who look to profit from the creative works of others have been able to exploit that new environment and marketplace. The legal framework to protect our artists and creators is insufficient. At best, it is patchy and it is certainly applied inconsistently across the European Union.

Compact disc piracy loses the music industry millions on millions of pounds each year. Yesterday, the International Federation of the Phonographic Industry released its new figures, which show that 1.9 billion pirate recordings have been sold, and it is estimated that one of every two CDs in this nation is a pirated and illegal recording. That is simply unsustainable for any business. It is therefore our responsibility to ensure that the legal framework is in place and that we make the laws to protect our creators and artists. We must also stress to the public that such piracy is a serious criminal activity.

Piracy threatens the well-being of our music industry and when a pirate CD is sold, money goes to criminals, not to the artist, the musician or the creator of that music. Many of those criminals are linked to organised crime, such as drug trafficking and money laundering. Piracy affects every level of the music business, from the top acts to aspiring musicians in its many cottage industries. Only a few weeks ago, the top artist Eminem made the unprecedented decision to rush-release his album by two weeks, in a vain attempt to beat the pirates.

It is not only artists such as Eminem who are affected by piracy, however. For example, the excellent singer-songwriter Dougie Maclean lives in my constituency. Dougie runs his own record business from his base in highland Perthshire, and he recently took the extraordinary decision not to put his new album into retail or distribution, such is his fear of piracy. His livelihood is fragile, and piracy threatens the well-being of such people.

The Government can do more to protect our industry, and some key measures are before them. Those measures are technical - they might be said to be boring - but they are important. Most notable are the draft electronic commerce regulations and the European copyright directive. On both, the Government face choices that will either enhance or undermine the industry's ability to maintain and build on its position on the world stage. What they offer and what the industry wants is the development of technical measures that will increase flexibility and choice for consumers while protecting creators from theft.

Before the recess, progress was made in the other place on the Copyright, etc. and Trade Marks (Offences and Enforcement) Bill, the private Member's Bill promoted by the hon. Member for Twickenham (Dr. Cable), who unfortunately cannot be here. That useful and helpful Bill would harmonise the law relating to intellectual property. Importantly, it would also increase the penalties on some copyright offences from two years to 10. I know that the Government support it, so there should be no reason to assume that it will not be on the statute book before too long. I look forward to the Minister's comments on that and on the implementation of the EU directive.

However, even if the Bill becomes law and we have the best possible result from the EU directive, there will still be serious concerns about enforcement. Trading standards services are woefully underfunded and under-resourced. Provisions exist to deal with certain crimes under the Copyright, Designs and Patents Act 1988, but so often the pirate and the counterfeiter evade the law because there are not enough personnel to deal with such crime.

The music industry earns the Exchequer £300 million a year in VAT receipts, so I believe that it is justified in reminding the Government of the money from it that boosts the economy and in asking for money in return to ensure that the laws are enforced and that the pirates and counterfeiters are brought to justice.

We must tackle the culture as well as enforcement and the establishment of the legal framework necessary to protect our artists and creators. If we are successful to stop piracy and the illegal counterfeiting of music, we need the support of the general public. We must ensure that they understand that the crime is serious. The message that we must put across is that stealing somebody's intellectual property is the same as stealing their video recorder or car cassette player.

A culture has grown up that music has no real ownership and that anyone is free to use and abuse it in any way they want. Concepts such as the freedom to use music whenever and however anyone wants are usually mentioned in debates on the subject, and that attitude is usually accompanied by the belief that some bureaucratic, remote, faceless, well-endowed industry will pay. That is not so. The artist, creator and musician pay and they ultimately lose out; their livelihood is threatened. We must ensure that that message is understood by the public, especially young people.

Many young people know how to download music from the internet, but we should stress to them that they could become creators or songwriters, turning their leisure skills into careers.

Our vision of a dynamic online society, which is one of the Government's key objectives, will be achieved only if we educate young people as to the responsibilities as well as the opportunities offered by the online world. Education remains vital to increasing young listeners' awareness of the value of music and of incentives to be creative. If, at an early age, young people valued their own creations, their own pieces of art, as much as they value their skateboards and their Game Boys, we would begin to make progress.

Record sales in the UK have grown while sales worldwide have declined. Although we may be relatively satisfied at the robustness of the UK industry, there must be concern about that worldwide decline. We are a net exporter of music, which has consequences for the UK industry in a worldwide slump. EMI provides the most notable evidence of that, as restructuring has meant the loss of hundreds of jobs.

There is also justified concern about UK penetration of the US market, which is by far the largest music market in the world. The UK market share has fallen from some 32 per cent. in 1986 to a measly 0.2 per cent. in 1999. That must be of great concern to the music industry, not least the artists who rely on US success for part of their international profile.

US business infrastructure has changed, and UK acts are failing because they are struggling to keep pace. The British Council report on the performance of UK acts in the US was released last week. I was surprised that it made the UK news, but, for the first time ever, there was no UK act in the American top 40. That is a monumental development. The report concludes that the UK music industry in the US does not depend only on the personal choice of the American record-buying public; its troubles are due to a lack of a musical business infrastructure in North America. The report argues that trading conditions for UK music companies in the US have become considerably less favourable in recent years.

The report ends with a good suggestion - the establishment of an office in the US to act as a musical embassy for creators, record companies, artists and managers. It could be used to re-engage more positively in the American market. That initiative is looking for Government support. Would the Minister's Department be prepared to support it?

We must consider the future. As well as challenges, the new technology offers many exciting opportunities for the industry and artists. If we can put the necessary legal framework in place and provide the protection that musicians, artists and creators need, there is no reason to believe that the online world will not enhance our music industry. For instance, the ability to put work on the internet is an incredible way for unsigned, new artists to get an audience.

When I started my musical career, I was told that the future of music would involve the selection of pieces from a wire in my living room. Although that dramatic, brave new world has not exactly arrived, I believe that customers look for flexibility and increased choice in music purchasing.

Many superb initiatives have emerged recently, especially in the independent sector, allowing fans the flexibility that they desire to purchase their favourite music. They also give labels secure digital distribution. We must consider how we can best exploit such opportunities and

we must move beyond the siege mentality that considers new technology to be a massive threat. There is no escaping the future, so we must make the future work for us if we are to be successful.

I do not have time to touch on a number of issues that are crucial to the music industry. If I were to deal with everything that affects it, such as education and tuition, the work of the Brits, the two in the bar law, which is the Minister's favourite, and the live music scene, which has experienced difficulties and challenges, I would be here all day. I hope that other hon. Members mention those aspects.

I know that the Minister supports our music industry, and the Department has been receptive to its concerns. I hope that the debate shows that the music industry is a grown-up industry that deserves our understanding and support. The House should be aware of the contribution of our music industry not only to our economy, but to the cultural well-being of every single part of the United Kingdom.

11.14 am

Mr. Stephen Hepburn (Jarrow): First, I congratulate the hon. Member for North Tayside (Pete Wishart). I was going to say north Teesside, but that would be slightly wrong, given his accent. The debate is today's second most important event, after England's qualification for the next round of the World cup a couple of hours ago. Our elation at that victory has probably taken something from the atmosphere here today. I hope that the hon. Gentleman, despite his political beliefs, congratulates the England team on their great achievement. I congratulate him on securing this wide-ranging debate. As he said, he could not raise every issue, because that would have taken several hours, and I appreciate his leaving time for other hon. Members to put their points.

As chairman of the all-party group, I was delighted by the enthusiasm that Parliament showed in setting up the group and, subsequently, in getting involved with the music industry. As Members of Parliament, we represent people throughout the country, and our enthusiasm for the industry reflects the general view. Music is an important part of everyone's life, and we all have our favourite songs and pop groups. We all recall favourite memories and special occasions involving listening to music, and we all had heroes when we were younger.

Like football, the music industry is loved in this country, because of the memories, enjoyment and entertainment that it gives us. However, the industry is more important than memories and favourite songs, and we must remember what it does for the UK. It is a UK flagship, which fosters international relations like no other industry does. We have seen the problems of football and violence, but there is never violence when the music industry goes abroad. It does great things for the UK, and it promotes the use of the English language like no school or education media could. UK stars are household names throughout the world.

Hon. Members have mentioned the industry's important input to the national economy. I have seen the figure of £4.5 billion, £1.5 billion of which is exports. The industry has 122,000 full-

time employees, and we cannot laugh at such a figure when jobs are so important to all our regions.

I want to concentrate on trading standards capabilities and on stamping out piracy while ensuring that money stays with the industry and, of course, the UK taxpayer. I pay tribute to the work of trading standards departments throughout the country. As local Members of Parliament, we all work with them, and we know that they play a vital role in protecting consumers from rogue traders of all kinds. Their expertise will be vital if we are to take piracy seriously, and we must use their capabilities to stamp it out.

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I hope that trading standards departments see our efforts to give them extra powers and extra duties not as a burden, but as a professional opportunity. It would be wrong not to appreciate their concerns about any additional powers, however. Departments are understaffed, and there is a shortage of trading standards officers. They also lack the resources to carry out their duties, although that is not the Government's fault.

Every year, there is a budgetary round in local government and a scrap over who gets the money from the pot. Nine times out of 10, trading standards departments come out worse off, because the more attractive services, such as education and social services, get the greater share of the money. However, we appreciate the departments' problems. As well as considering giving trading standards departments the additional duty of stamping out piracy, we might consider ring-fencing money when it is provided, as the Government have done through the modernisation fund, to ensure that trading standards departments get it and can use it to combat piracy in the music industry.

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Dr. Kim Howells)

My hon. Friend knows that the £30 million that was made available - while I was the Department of Trade Industry Minister responsible, I might boast - is there to be bid for by local councils. It is not to be spent on anything else and it is up to the local authorities to show the imagination and the initiative to start tackling the pirates and the gangsters. The money is there for them if they bid for it.

Mr. Hepburn : I thank my hon. Friend for that point, which I appreciate, but my general point is that although trading standards departments do a great job, they have to battle against other local government services for their share of the money. If we are considering introducing additional powers, we should try to give trading standards departments a lead and propose new initiatives to enable them to compete for the modernisation funds.

There is no doubt that illegal CDs and piracy in general are causing a major problem. They are being sold in their thousands, not only in shops, but on the internet and at car boot sales. Profit margins for the criminals engaged in that trade are huge and the risk of capture is minimal. The Government have recognised the importance of stamping out piracy, because

they have increased the maximum penalty to 10 years' imprisonment, but the departments' lack of statutory powers or duties to enable them to act renders that meaningless.

Piracy in the music industry has a Del Boy image in the UK. It must be tempting for somebody who does not earn a lot of money to buy a top 10 CD for £4 or £5 from somebody who comes into their local with a suitcase full of them. We must get away from that image, because such CDs are not as good as the genuine article and consumers often receive shoddy goods. Being undercut by that criminal activity costs UK workers their jobs in the music industry and it costs the taxpayer, because money goes not over the counter in reputable and proper shops, but from hand to hand. That makes taxes rise, which affects the national health service and other services, and revenue is lost to the music industry itself. I recognise the serious impact that such crime has on all walks of life and that the Government appreciate the problems experienced by trading standards departments and are making extra money available, but I ask the Minister to address the specific problem of piracy. In particular, will he comment on the fact that local trading standards departments have real concerns about getting involved in such work, not only because of a lack of resources, but because of manpower issues and their knock-on effects?

11.23 am

Mr. Chris Bryant (Rhondda): I, too, am delighted that the hon. Member for North Tayside (Pete Wishart) has secured the debate, but I want to pull in a slightly different direction from him and other Members who are interested in the subject.

Of course, the music industry is phenomenally important to the United Kingdom. Whether one is a republican or a monarchist, one must acknowledge that last week was an enormously significant event in terms of public relations for this country. Generations of British musical talent performed at Buckingham palace in classical and pop concerts, showing a cultural breadth and excitement about Britain that will have been attractive to tourists around the world. I congratulate the Department on its involvement in the jubilee weekend, which provided perhaps the best piece of PR for the country in many years.

The music industry has been especially important to the Celts among us, and I reckon that about 50 per cent. of those in the Chamber are English and 50 per cent. are Welsh or Scottish. *[Interruption.]* All right, the Celts have the majority.

The Minister is to visit my constituency on Friday, travelling a great distance from Pontypridd to Rhondda, to see one of the most interesting innovations in a traditional, post-industrial constituency. The Pop Factory is where Corona - "Every bubble's passed its fizzical" - was originally made. Now, it is where pop music is made and where all the greats of British and Welsh music over the past few years have played. Television programmes are made there and young people are encouraged to get involved in the music industry, not just in its traditional forms, but in new online and digital versions of music. That is all very exciting, because it brings economic opportunities to an area that was associated solely with decay following the closure of the mines.

Historically, the Government and the law have protected the rights of artists and the recording industry through copyright legislation. Almost all the discussion over the past few days in anticipation of the debate has centred on the economic rights of rights holders - those who make the music - but moral rights are equally significant. People should have the right to say, "I wrote this piece of music and no one else can use it without my permission. If they use it, they must attribute the music to me."

Many people do not think of copyright as dramatically affecting their lives, yet how we consume music, television and theatre is affected by copyright law. For example, we never hear "Happy Birthday To You" sung in a movie because copyright must be paid to use it. Invariably, one hears "For He's A Jolly Good Fellow", even if it is a woman's birthday, because no one wants to pay the extremely expensive rights for "Happy Birthday".

Similarly, one reason for our strong church music tradition, which does not exist elsewhere in the European Union, is the exemption for such music under British copyright law. That exemption has allowed the Church to invest significantly in music, which can then be used in every other church in the country without additional moneys being paid to the composer when it is used in a church setting. That caused complications for Princess Diana's funeral, due to uncertainty about whether the music written by John Taverner, which was subsequently made available on CD, was exempt. Much of the preferred music for the funeral could not be used because of copyright law.

"Top of the Pops" has been so successful in this country and around the world partly because British copyright law enables broadcasters to reach an easy resolution of copyright issues with the recording industry. Furthermore, a French, Spanish or German satirical television programme that uses a song that takes the mickey out of someone renders it exactly whereas in Britain a version is used - for example, a song that sounds like a Sting song. Other countries have exemptions for music used for satirical purposes.

Copyright law goes to the heart of whether we enjoy our music and television programmes. It also affects news broadcasts. In Belgium, there is no exemption for showing public works of art and buildings, which means that one cannot film a news clip in front of the European Parliament building, for example, without obtaining permission from the architect. There is such an exemption in the United Kingdom, which is why it is unnecessary to obtain permission from Richard Rogers or any other architect involved before filming in front of the Lloyd's building. I happen to think that the exemption is right, but others in Belgium, France and other EU countries take a different view.

There are also exemptions in the United Kingdom for the blind and throughout Europe for copying for libraries. The nub of my argument is private copying, and a different resolution of that issue has been arrived at in each EU member state. In the United Kingdom, it has been accepted that individuals might legitimately record a television programme or a CD on to tape for use at a different time, on the condition that they bought the original CD.

That practice is written into the life of British society, as thousands of people record television programmes on a Friday evening and watch them the following week. The law presumes that

they will then wipe the tape. We would certainly enter interesting territory if every Member in this Room who has kept a tape of a television programme recorded several years ago declared themselves pirates. However, the assumption is that every private copy of a CD or a television programme is in some sense pirated.

We must establish a clear and balanced position that benefits the artists, the recording industry or broadcaster and the consumer. Governments should be wary of responding on the rightful claims about privacy by saying that all private copying must stop. In Germany, there is a blank tape levy under which video and audio tapes are more expensive, with the extra money going to the recording industry. There is provision in the EU copyright directive for the United Kingdom to take or not to take that option. Politicians should be wary of treading on consumers' toes in respect of such issues.

Although I have heard a lot from the recording industry about possible damage to artists - that industry is one of the most effective lobbying organisations in the world - I also hear from artists, who say that their rights are often not protected by the recording industry. Nina Simone is unable to be with us today, but if she were here she might point out that she has not received a single penny for the song that plays in every bar in the country - I cannot remember its name. Many recording artists get a bum deal from the recording industry.

Dr. Howells : The song is called "My Baby Just Cares For Me".

Mr. Bryant : I thank my hon. Friend. Everyone in the Room knows the name of the song apart from myself - I feel very inadequate.

When the Government implement the copyright directive later this year through a statutory instrument, I hope that they continue to allow for private copying when it does not lead to commercial use. That is the nub issue.

Pete Wishart : I am interested to hear the hon. Gentleman's views. How would he make a distinction between private copying for individual use and illegal pirating for sale? What distinction would he draw between the rights of those who make private copies and those who undertake illegal mass production of CDs?

Mr. Bryant : The issue is complicated, and many battles were fought in the European Union, the Commission and the Council over the wording. In fact, all parts of the industry are happy with the wording in the copyright directive on that issue. I am simply worried that the Government may be pushed into being more restrictive than the copyright directive allows for. When they implement the copyright directive, the Government should consider allowing some of the additional exemptions in this country that would have no commercial significance and that are available in other countries. Harmonising copyright throughout the EU would be in the interests of all concerned, because many of those issues are not purely national. People can pirate from one country to another. I hope that Ministers will be keen to point out that although not all copying is piracy - one can be a legitimate copier - we need to put an end to illegitimate piracy.

It is worth pointing out that an MP3 does not provide a perfect copy. It has been said that digital copies are always perfect, and that that causes many more problems than in the past, but that is simply untrue. Embedded phonographs - music used in television programmes - should be treated as a legitimate form of copying and not immediately submitted to harsh restrictive practices, otherwise broadcasters in the UK would find it difficult to sell programmes abroad that provide a good showcase for British talent.

The UK recording industry faces a few substantial challenges, one of which must be finding a new revenue stream. I doubt whether more trading standards officers or more restrictive copyright laws will be able to stem the tide in the change of the revenue stream. It is up to the music industry to find that alternative source. I know that many recording artists have chosen to bypass the recording industry in an attempt to achieve that. The recording industry must establish better contractual arrangements for artistes. Many artistes get a bum deal, and they need a better deal. It needs to find a way of building long-term talent, and not only the "Pop Idol" style of talent that we have seen during the past few years.

David Cairns (Greenock and Inverclyde): Shame.

Mr. Bryant : I supported "Pop Idol" and watched every programme, but - [*Interruption.*] I voted for Will. I always support the winning team.

It is important that we make use of the slow-build talent; it may be more costly for the recording industry, but in the end it may prove far more beneficial for it and for the country. Some of the biggest names associated with UK recording are those who have been around the longest - the Stings, the Elton Johns and others - who would not have got to the top if they had been judged only on their first album.

My final challenge to the industry - it is one that the Select Committee has issued to the recording industry several times - is to make CDs cheaper, because that is the best way of ensuring that people buy more of them. It is disgraceful that CDs are still dramatically more expensive in this country than in the United States or Canada. Despite much special pleading from the recording industry, responsibility for that still lies with industry itself.

Mr. Eric Illsley (in the Chair): Before I call the hon. Member for Ribble Valley (Mr. Evans), I remind hon. Members that if they are brief I should be able to call everyone who seeks to catch my eye before the wind-up speeches begin.

11.33 am

Mr. Nigel Evans (Ribble Valley): I start by congratulating the England team. My hon. Friend the Member for Vale of York (Miss McIntosh) and I watched the match on the Terrace, and we are delighted at the result. [*Interruption.*] That was on our Terrace, not theirs. Anything that gives Sir Cliff Richard an opportunity to rush out another version of "Congratulations" as England win the World cup is good.

It is good to take part in a debate that might even get clipped on MTV - who knows? - and I congratulate the hon. Member for North Tayside (Pete Wishart) on securing it. Part of the problem is that people treat the music industry as if it were peripheral and unimportant, and as if it can take care of itself. The music industry is important to the nation. It creates billions of pounds-worth of revenue, and hundreds of millions of pounds, if not more than £1 billion, of tax revenue flows from it. It also creates employment.

When we talk about jobs in the music industry, we all think of the musicians themselves. Of course, they are vital; without them, the many other jobs would not exist. Those involved in selling CDs and DVDs are important, as are those involved in holding concerts in venues such as theatres, pubs and clubs throughout the country, although I know that there is a licensing problem, which I hope the Minister will address in his speech, and those who manufacture and sell the merchandising that goes along with music, and the music press.

When I was involved with the original all-party group on music many years ago we went to Abbey road and walked across the famous zebra crossing, and we put out a press release saying that we had walked in the footsteps of the Beatles. My researcher was not as au fait with the spelling of their name as I was, and we were ribbed in the New Musical Express for not being able to spell the name of the most famous group in the history of music. One has to take the rough with the smooth.

Without a shadow of a doubt, the music industry is vital. We have already heard from the hon. Member for Rhondda (Mr. Bryant) about "Pop Idol" and how important that was. It gripped the imagination of the entire nation, and I understand that the format is being sold all over the world. Undoubtedly, royalties will accrue from that as well. More people voted in "Pop Idol" than voted Liberal Democrat at the last general election - which I am sure we all understand. It is absolutely amazing how that gripped everyone, and it is not just Will Young who has done well out of it, but Gareth Gates and several others. I went into the pub the next day and just said "Will or Gareth?" to people at random, and they knew fairly well what I was talking about, and were able to say who they had voted for.

The music industry is enormously important. Of course, "Top of the Pops" has been mentioned in the debate, and rightly so. That programme has been sold all over the world. I was in South Africa this week and managed to watch on BBC Prime editions of "Top of the Pops" and "Top of the Pops 2", which featured some of the bands that I grew up with. The format has been sold in a number of other languages, which is vitally important as well.

Just because we are supporters of the music industry, it does not mean that we support every type of music. That is clearly not the case. There is some music that I do not like, and I understand that there is some that the Minister is not so keen on at times, but I suspect that we will not hear too much about that today. We have preferences, and as vice-chairman of the all-party music group it was great to go with the chairman and the Minister to the Ivor Novello awards and see people such as Kate Bush - I was at university when she became very popular - and the enormously talented Sting receive awards.

The jubilee concert was mentioned and I understand that it has raised £150 million between the classical one on the Saturday and the popular one on the Monday. Rights have been sold all over the world for that absolutely enormous showcase for British talent. We have heard about Ozzy Osbourne, but of course several great British musicians have already been knighted, and Mick Jagger may be the next in line to get his knighthood and hear the words "Arise, Sir Mick." He has made an enormous contribution to the music industry.

I have to declare an interest. I grew up with two brothers, one of whom played the guitar, and the other of whom played the drums. Despite that, I still appreciate music. The guitarist actually got a record into the shops in the 1960s as part of a group called the Outer Limits. People see how much the most famous musicians earn, and think, "Those musicians are OK, aren't they?" I am not sure if the hon. Member for North Tayside wants to intervene at this moment. The vast majority of people who play in clubs on a Saturday use the money that they earn to pay for fuel to get to some of the clubs that are many miles away. At times, they are a bit like a social service. They appreciate the music in its own right, while hoping that at some time in the future somebody will recognise their talents and they will do very well out of it.

It is important that we have mentioned the new technology today. When I was growing up, even CDs were not available. Now we have CD burners, the internet, Napster - well, not any more - and other look-alikes on the horizon. Who can say what will be developed during the next five to 10 years? Digital radio used not to be available, but is now becoming more popular in this country and throughout the world.

We have heard about some of the initiatives that the Government may take, such as putting a levy on blank video and audio tapes. There is, however, an opportunity, through the work of scientists and the industry, to use the technology that produced the opportunities for people to pirate music or access it for nothing to rectify that problem. There was a time when any software for computers could be downloaded from the internet, but Microsoft developed a technology that prevents the copying of particular pieces of software. As downloading times become faster and faster people will want the convenience of downloading music and the music industry will, I hope, be able to harness technology to allow them to do so. However, the industry must not lose out because people are not buying music in the traditional way in a shop or store. It needs to get money through subscription or some other means to allow it to make the profits that it needs to invest in new talent.

I offer my congratulations on the jubilee concerts and also congratulate the BBC on the proms, which it organises every year. They are an enormously successful showcase for classical music and are incredibly popular throughout the country.

Small music festivals provide an opportunity for both more and less well-known talent to have an airing. The Ribchester festival in my constituency starts on 26 June and finishes on 30 June. George Melly and John Chilton's Feet Warmers are opening the concert, and they will be followed by opera and quartets. It is superb that a small village is able to put on such a festival with the support of sponsors. We should not forget the enormous sponsorship required by music festivals. It is important that businesses of all sorts are able to create

profits in one area and share their wealth with another, such as the arts, while taking the opportunity to grow.

I hope that the Minister will say something about schools and education. It is important that youngsters are given an opportunity to learn to play musical instruments, and that should not be pushed out of the curriculum because of the intense pressure on youngsters to concentrate on core subjects. It is important that we give talented youngsters the opportunity to learn to play musical instruments, as is the case with the Brit school.

A number of small and medium-sized enterprises rely on Britain having a healthy and vibrant music industry. I started by saying that the industry is seen as being hugely successful in this country, second only to that of the United States of America. That is not an excuse, however, for turning a blind eye, walking away and thinking that it does not need nurturing to ensure that it will prosper and flourish in the future. I hope that when he replies the Minister will be able to say how the Government will encourage the music industry to flourish in this country.

11.48 am

Siobhain McDonagh (Mitcham and Morden): I am grateful for the opportunity to contribute to the debate, and I congratulate the hon. Member for North Tayside (Pete Wishart) on securing it. I was afraid that we would all come along today and say exactly the same things, but it has been exciting to hear other Members' views about the diverse issues that face the music industry.

I should like to declare an interest in that I am the secretary of the all-party group on music, which was relaunched earlier this year to give MPs and peers an opportunity to become aware of the issues facing Britain's multi-billion pound music industry by meeting its representatives who include both performers and producers. This debate is just one example of the high profile that the industry rightly holds in the minds of politicians. As many hon. Members have said, Britain's recording industry accounts for about 15 per cent. of the global market and Britain's domestic market for music sales is the third largest in the world.

Since I took over the job of secretary of the all-party group on music, I have had the opportunity to meet a wide range of people. Outside politics, music is my greatest passion. A long-term constituent of mine in Mitcham and Morden told me that in the mid -90s he put up one of his most important clients for the night on the settee; the postman was given the surprise of his life the next morning when he bumped into Stevie Wonder leaving a small terraced house in Courtney road, Colliers Wood - who said that Mitcham and Morden in south-west London suburbia was boring?

Mr. Bryant : Stevie Wonder.

Siobhain McDonagh : No, I think that he came back.

My main concern is the lack of opportunities for new bands to make live music. Through my teenage years from the age of 17, a week had not ended properly if I had not had the

opportunity to see a live band in some small pub or club not far from where I lived. Many of those venues have now gone, and people now in their late teens will not be able to see the equivalent of the Jam, or say that they saw them in a small pub in Croydon on the Sunday night that their first single hit the charts. Many such stories have built my love for music, and I should like young people to be given the opportunity to attend concerts at little cost and to watch bands thrive and develop.

It is a tragedy for live music in this country that many venues have gone. It is also a tragedy for live music of the future - there are fewer places where bands can start out and learn the craft of live performance. It is not the fault of the Government's new deal for musicians, which has been welcomed by the Musicians Union, and which has given a hand-up to more than 9,000 young musicians; nor is it the fault of the union learning fund, which is a small grant scheme that was set up by the Government in 1998 to encourage unions to help their members develop their talents. The decline in small music venues is largely the fault of local authorities and their public entertainment licences, and all the Government's good work will be stymied without positive licensing reform.

For a nation that rightly takes pride in the global success of its music industry, it is strange that licensees commit a criminal offence if they allow three singers to perform in a pub, or in any other premises covered by the Licensing Act 1964. Even spontaneous singing - which I have been known to do, particularly in the Strangers Bar - is technically an offence. *[Interruption.]* Yes, my singing is an offence. Such activity is an offence unless a special permit called a public entertainment licence has first been obtained from the local authority. Last week's BBC Music Live community sing-a-long was therefore an act of mass civil disobedience for most of the pub customers who took part.

Without a public entertainment licence, premises may provide unlimited recorded sound, and radio, live satellite and terrestrial television broadcasts. The maximum penalty for unlicensed public entertainment however is a £20,000 fine and six months in prison - a bizarre state of affairs. The two-performer exemption from public entertainment licences is undeniably derided by musicians who call it the two-in-a-bar rule. Only 5 per cent. of 111,000 liquor-licensed premises in England and Wales hold an annual public entertainment licence, which is why the word "rule" is more appropriate than "exemption." It means that a live gig tonight performed by more than two musicians would be illegal in more than 100,000 bars, pubs and other liquor-licensed premises.

The low take-up of public entertainment licences is largely due to rising costs and red tape. Home Office circular 13 published in April 2000 warned councils against excessive conditions and asked them to consider lowering fees for public entertainment licences. Few have taken any notice. Annual public entertainment licence revenue for local authorities in England and Wales rose by about 20 per cent. a year between 1998 and 2001; for the record, the figures are £11.005 million between 1998 and 1999 and £16.067 million between 2000 and 2001. That data comes from the Chartered Institute of Public Finance and Accountancy. In fact, the totals are almost certainly higher, because a small percentage of councils do not provide CIPFA with such information.

To me, revenue from public entertainment licensing looks suspiciously like a music and dancing tax. Local authorities argue that public entertainment licence fees are justified on the polluter pays principle, but since alcohol sales of some £30 billion a year generate some £12 billion in VAT and duty, perhaps some of the money should be available to local authorities to underwrite the legitimate costs associated with regulating music and dancing premises. Surely, that would be better than a locally set tax, which often bears no relation at all to the polluting capacity of the premises.

The two-in-a-bar restrictions on live performance are ludicrous by any standards. In Ireland, whose team has also had significant World cup success in the past few days and which many of us support, a pub without a live band is the exception. No entertainment licence is required in rural areas, although a permit costing £24 a year is needed in towns. In Scotland, most pubs can provide live bands before 11 pm without a public entertainment licence, and Scottish pubs - indeed, all workplaces - are regulated by UK-wide safety and noise legislation, which begs the question of whether a public entertainment licence is the only way to address safety and noise concerns.

On the face of it, the rationale for public entertainment licensing is eminently reasonable. Public entertainment licences are supposed to ensure public safety and minimise noise nuisance, and prevent crime and disorder. However, if it is deemed safe for pubs without a public entertainment licence to entertain customers with live sport on widescreen television, as they are doing with the World cup, surely it is safe to provide a folk band, a jazz trio or, in the case of some restaurants, a string quartet.

It would be a mistake to assume that noise from live music is a major problem for local authorities. According to the Noise Abatement Society, 81 per cent. of complaints are caused by noisy people in the streets outside premises. The remaining 19 per cent. of complaints relate to noisy neighbours, noisy machinery or loud recorded music escaping from bars and nightclubs. Loud amplified bands may be a problem, but there is effective legislation to address it, as the Scottish example shows. Licensing justices have the power to attach noise conditions on the grant of liquor licences. It seems that the power is not widely used, but it is there.

According to the Musicians Union, in Finland, Denmark and Germany there is no separate licensing requirement for live music. Its provision is assumed when the equivalent of a liquor licence is granted. As one would expect, the premises are subject to noise-limiting conditions, particularly if they are open after midnight. I understand that the Department for Culture, Media and Sport has announced that the Government do not intend to require live television sport in pubs to be licensed under the proposed new alcohol and entertainment Bill. Perhaps the Minister would confirm that. Yet the Government propose that, in future, even one amplified guitarist in a bar will be illegal, unless such entertainment has been declared when applying for a premises licence and subsequently approved by the local authority.

I recognise that the Minister publicly acknowledged in his Department's press release of 12 April that simply abolishing the two-in-a-bar rule was not enough. Indeed, the licensing White Paper "Time for Reform" carried a risk assessment that musicians could lose work as a result. So how exactly do the Government expect that live music will benefit if the starting

point for all licensees becomes none in a bar? Sweeping away red tape and making licensing simpler and cheaper will undoubtedly benefit the licensed trade. The Government are to be congratulated on the scope of their proposed licensing reforms, but surely a thriving musical life at all levels in society is somewhat more important than the potential for 24-hour drinking.

Setting licence fees centrally may help, but only if the levels are low. The Government have an obligation to explain more clearly how their reforms will not just stop but reverse the decline of grass roots entertainment. Pop icons such as Elton John and Dave Stewart have recently complained about the lack of talent and depth in the contemporary pop scene. Composer and performer Big George Webley, who wrote the music for "Have I Got News For You" and won Sony Music broadcaster of the year last month, said:

"Over the past two decades this once great musical nation has lost its breeding ground for talent. Pre-packaged lightweight muzak fodder has replaced grass roots entertainment. If the Beatles, Queen or Dire Straits were starting their careers today, they would never get on stage, let alone make a record or get on the radio."

12 noon

Mr. Mark Oaten (Winchester): When the title of this debate came up on the Order Paper, I thought that it would be fun and informative, and it certainly has been. We have had an excellent debate and I have learned a great deal about the music industry. I feel apologetic that I do not have a regional accent and only come from Hampshire. It is interesting that so many contributions have come from the Celtic fringes.

I warmly congratulate the hon. Member for North Tayside (Pete Wishart). For a moment I thought that I might be responsible for some of his royalties - I must check my record collection, but we passed notes and I may have had the wrong band in mind earlier. He rightly said that this important industry is an incredible success story with a turnover of £4.6 billion, 10 or 15 per cent. of the world share, and employs more than 100,000 people in this country. We are rightly proud of an industry that I believe sets us apart from many other countries.

As we have heard, however, the industry faces important challenges. I disagree with several hon. Members - I spoke in advance of this debate to people in the industry whom I know, and the message that came across is that it is indeed successful. It has problems, but for goodness sake, let us not panic. Let us not have the Government ploughing in and over-interfering - many in the industry think that that would be the kiss of death.

What, then, should be done about the issues that have been raised? The most important problem, which was touched on by the hon. Members for Jarrow (Mr. Hepburn) and for Rhondda (Mr. Bryant), is that of piracy. We must split that issue into the different forms that it takes, because different responses are required from the Government. The first and most difficult, which requires tough regulation and tough action, is organised criminal activity. Countries such as Mexico now have their own music awards for the best-selling artist, which is based on piracy sales. Clearly, the system has got completely out of hand. Unsurprisingly,

the artists are never there to receive the awards. The Government must take tough action to tackle that type of industry, which has many criminal undertones.

There are other forms of piracy, such as CD burning - sales of blank CDs have been soaring. CD burning is the kind of thing that people's mates do for them. As the hon. Member for Rhondda asked, do we really want to clamp down on individuals who do that? Another is e-piracy, which involves the internet. Again, I am concerned about over-regulation in that area. We know that it is phenomenally difficult to regulate the internet and that those involved in the industry say that they do not favour a heavy-handed approach. It is practically impossible to track down the source of the music, and although we may be able to regulate in this country, can one regulate if music on the internet is sourced from Spain, Italy or Australia? It is virtually impossible to tackle some of those issues.

Although about 17 per cent. of people who use the internet have admitted downloading and using music, I think that we should be relaxed about that, and accept that that is the new world that we are moving in. We should be relaxed about CD burning, but very tough indeed on organised piracy.

We know that piracy has an impact on the music industry. In 1999, if an album went into its second week its sales would dip by about 20 or 25 per cent. We know that sales are now dipping by about 40 per cent., which demonstrates that people are not going out to buy records in that second week. Things cannot have changed so much that all artists are producing bad records two or three years down the line.

Although there is clear evidence that piracy is having an impact, I would question how hard the Government's response should be. The Bill proposed by my hon. Friend the Member for Twickenham (Dr. Cable) examines copyright issues. We should be exploring issues such as that rather than over-regulating the internet.

There are other reasons why such problems occur. Reference has been made to the high cost of CDs. We were promised that, with new technology, prices would fall. That has not happened, and the problem must be tackled. We cannot blame some of the problems of the music industry purely on piracy or the cost of CDs. Other issues are involved, such as trying to get products of our music industry into America. As has been said, for the first time in 38 years we do not have a record in America's top 40. Is it likely that a Government initiative, in line with the British Council, can solve that problem? I do not think that it can. The success of music is based on what happens on the street, not what happens in Downing street. A Government endorsement of a record would be the kiss of death. After all, the most successful popular music has been about rebellion, not Government endorsements.

I accept the concept of the embassy providing back-up and support in America, but I would be worried if we were entering into a new Labour, cool Britannia phase trying to over-promote British records. That would be counter-productive. We must think about the quality of music. The best and most effective way to break into the American market is to have better records. The hon. Member for Rhondda referred to "Pop Idol". I also watched it and became interested in how the Hear'Say band was developed. It has been successful in this country, but we will

not break into the American market with artists like that. Robbie Williams is the sort of artist who could have broken into the American market - but there comes a point when such artists may not want to go to America. They do not want to start on the bottom rung, play at venues where no one knows who they are, and have to graft away to break into the industry.

David Cairns : I appreciate the financial imperative behind United Kingdom bands wanting to make it big in the American charts, but could the explanation not be that most of the music in the American charts is absolute rubbish, and our music is superior, but does not appeal to the mass market in the States? We should not necessarily beat ourselves up about that.

Mr. Oaten : The evidence from the charts shows that a lot of big American hits get to No. 1 and No. 2 over here, so British people do like American music.

As for other ways in which the music industry could develop, we must encourage new bands: those that start from the grass roots, from the streets, and are not a product of high-level marketing. The Government could become involved in that. For example, they have helped the film industry, especially by giving tax breaks to individuals who have invested in small film companies. Similarly, there may be a case for giving tax breaks to individuals who invest in smaller record labels.

The hon. Member for Ribble Valley (Mr. Evans) and the hon. Member for Mitcham and Morden (Siobhain McDonagh) talked about ensuring that live venues go on being successful, so that artists can have an early opportunity to hold gigs. There has been much discussion about the "two in one bar" law, and I hope that the Minister will mention that. My hon. Friend the Member for Somerton and Frome (Mr. Heath) has tabled an early-day motion on the issue, and that has attracted 94 signatures.

Mr. David Heath (Somerton and Frome): Since yesterday, my early-day motion has now attracted 133 signatures. There is enormous support for a change in the licensing law. The Minister unfairly castigated Somerset folk singers and, although he will become the subject of the first Somerset fatwa since Judge Jeffreys, I still believe that he wants a change in the law. There will be enormous disappointment throughout the country if there is not a licensing Bill in our next Session. I hope that the hon. Gentleman will take that suggestion away with him and tell the business managers that there is a need for a change to what he agrees is a daft law.

Mr. Oaten : My hon. Friend is right. I am sure that the Minister will come out with a glowing endorsement of folk music when he responds to the debate. The law is illogical. The previous Speaker was fond of holding musical evenings and performances at Speaker's House. Did they have to be licensed?

I shall end by raising the issue of live music outdoors, such as pop festivals and concerts held at open air venues. The Homelands event is a very successful concert that is held in my constituency. It is organised by the Mean Fiddler, and about 40,000 people come to Winchester to attend it. Winchester is, perhaps, not what one would think of as the normal kind of venue for such an event, but it has been extremely successful for the past four years.

However, for pop concerts there is a particular problem with ticket touts. I understand that ticket touting is illegal for football matches, for example, but not for pop concerts. I would be grateful if the Minister would consider that issue.

12.10 pm

Miss Anne McIntosh (Vale of York): I warmly congratulate the hon. Member for North Tayside (Pete Wishart) on securing the debate. The House benefits greatly from his musical talents and experience, and the fact that he is here with us shows what a big country the UK is.

I turn to today's football match. As a Celt, I was delighted to see England qualify, but as my team, Scotland, is out of the World cup, I will have torn loyalties when my mother's home country of Denmark plays England in the next round - so that is one match that I might miss.

I welcome this opportunity to recognise the important contribution that the music industry makes to the UK economy, and to our cultural life. There has been much talk in the debate about the contribution that our musicians and creative artists make to the US, but nobody has yet mentioned that the economic downturn that the industry - especially its retail and distribution sectors - suffered after 11 September was particularly notable in the US market. That event has had a major impact; it is not that our music is bad, but the US market is particularly difficult to penetrate at present.

I also wish to praise the pop and classical concerts that were held for the golden jubilee, which were hosted by Buckingham palace and put together and broadcast by the BBC. As the hon. Member for North Tayside said, it is especially noteworthy that the Black Sabbath day came, because Ozzy Osbourne was invited. We should give special congratulations to those who organised that, and recognised heavy metal music in this way - *[Interruption.]* I cannot be the only person here who listened to Radio Luxembourg and Radio Caroline in my youth. The singles chart was extended to the top 20 in 1954. That was a particularly good year, and we have never looked back since.

I recognise the problems of piracy, which have been referred to by many hon. Members, in particular the hon. Member for North Tayside, who is closest to the industry. As recently as 15 May, I received a written answer from one of the Ministers who has managed to maintain her place at the Department of Trade and Industry after the reshuffle. It says:

"Accurate figures for losses due to internet piracy are difficult to gather and distinguish from other misuse of copyright material on the internet." - *[Official Report, 15 May 2002; Vol. 388, c. 635W.]*

I gather that for the year 2000, a £20 million loss was estimated for the music industry alone. That is very damaging to the industry in terms of lost revenue, drain on business and a brake on investment in new music talent, development and promotion.

I vigorously state that in no way would we, as the official Opposition, wish to be seen to be discriminating against young people in this debate. However, it happens to be the case that young people have a special penchant for adapting new technologies in imaginative ways, and it is because of that that this loophole has been exploited.

Many young people enjoy enormous work opportunities in the creative industries - or in their retailing and distributive sectors - and I pay tribute to the work done by BARD, in its entertainment retailing yearbook of 2002, in recognising the unique opportunities that are offered to talented young people either as creative artists or in the retail and distribution sectors.

As for trading standards and the extra resources that are required, I seek a commitment from the Minister. We must see whether we can take some positive measures and provide trading standards departments with extra resources from the Government to enable them to do the work that they seek to do.

We robustly support the recent private Member's Bill, the Copyright, etc. and Trade Marks (Offences and Enforcement) Bill, which enjoys cross-party - indeed, all-party - support. I learned on 8 May from the same Minister, in answer to a different question, that the Government

"will be strengthening copyright law relevant to online use and misuse of copyright material in regulations to implement the EC Directive on copyright". —[*Official Report*, 8 May 2002; Vol. 385, c. 247W.]

That is in addition to the Government's support for the copyright Bill. I hope that the Minister will take the opportunity to update the House on when the Government expect to finalise the implementing of the measures, particularly the EC directive. He might also like to comment on whether the EU competition rules always make as positive a contribution to the music industry as the industry would like. I realise that he may be in some difficulties because most of the issues that we have raised relate to the Department of Trade and Industry, but I am sure that the two Departments often speak to each other.

I recognise, as have several other hon. Members, that the figures that we got this morning from the IFPI are horrendous. Internationally, piracy increased by 50 per cent. last year alone. The EC copyright directive extends copyright protection to sound recordings, particularly in an online environment. We need effective implementation, and we look to the Government to secure that for us.

The IFPI sets out the recording industry's four key priorities, which are: that copyright law be brought into line with international standards; that optical disc regulations to control pirate CD manufacturing be secured; that there be proactive and effective enforcement by police and customs; and that there be aggressive prosecution and deterrent sentencing of such crime under judicial systems. What is the Government's response to that? The Minister might not have had time to consider the matter, but I would welcome a written answer about those four priorities.

I was amused by many of the contributions, not least that of my hon. Friend the Member for Ribble Valley (Mr. Evans). I shudder to confess that I am the proud owner of a Spanish guitar, but I am not yet as fluent on it as I should hope to be. I am grateful to the hon. Member for Mitcham and Morden (Siobhain McDonagh) for hosting the Radio 1 party two years ago, which was greatly enjoyed by all, and for which I say yet another big thank you to the BBC. She raised the serious matter of the decline of small music venues. All of us are deeply concerned about such subjects as they affect our constituencies. Bearing in mind where that most famous group, the Beatles, started from, we do not want to lose those facilities completely.

The British Phonograph Industry – BPI - has set out a shopping list of key issues for the British record industry. I should welcome the Minister's response on the subject. The BPI's No. 1 priority is copyright protection for sound recordings. The second is

"Promoting a legislative framework that encourages investment in new technology and encryption services".

The third is

"Supporting and promoting self regulation for content", and the fourth is "Promoting a level playing field for the US/European tax regimes".

Many who have contributed this morning would welcome a more level playing field in respect of tax, anti-trust and competition regimes on both sides of the pond.

The BPI goes on to ask for support for

"multi-platform delivery of public service broadcasts" and "Improving awareness of the role that intellectual property plays in enabling creative industry to flourish".

Finally, it asks for support and effort in fighting piracy and cyber crime, and concludes that the important progress on the adoption of the Copyright, etc. and Trade Marks (Offences and Enforcement) Bill is most welcome.

It is important to recognise the phenomenal amount - the hon. Member for North Tayside said £4 billion - that the British music industry contributes to the national economy. The industry generates significant exports, with estimated overseas earnings of £1.3 billion, and provides 122,000 full-time jobs in the UK; 13 per cent. of the UK record industry's turnover is reinvested in artists and repertoire to discover new talent.

The Government have a pivotal role to play in delivering a regime that is light touch and not over-regulatory, and will lead to an environment that enables business, culture and artistry to flourish. We are committed to that. Do the Government share that commitment?

12.19 pm

The Minister for Tourism, Film and Broadcasting (Dr. Kim Howells) : I add my congratulation to the hon. Member for North Tayside (Pete Wishart) on securing a debate on the music industry. He was right to say that it was long overdue. This place rarely debates successful industries; we usually debate failing industries. By the way, I hope that that is not a harbinger for the music industry; I do not think that it is.

I thank the hon. Gentleman not only for the debate, but for his work, with my hon. Friends the Members for Jarrow (Mr. Hepburn) and for Mitcham and Mor den (Siobhain McDonagh) and others, in setting up the all-party music group. I was privileged to attend the first meeting, which was a great occasion. I welcome that move to raise the profile of the music industry, which is arguably the most obvious manifestation of cultural life in this country. I also thank other hon. Members for contributing to the debate.

Music is rightly a very important part of British culture, and it has endless variety. I am dreadfully sorry that the hon. Member for Somerton and Frome (Mr. Heath) did not have the chance to stick the knife in a bit further on the question of folk music. When the Wurzels ambushed me subsequent to my outrageous comment, I was delighted when one of them whispered, "Oi married a girl from Pontypridd, you know." The cameras were all arrayed around us as I held up a copy of the Wurzels' Christmas CD, called "Come On Santa". Another member of the band then mentioned an icon of jazz - I am an unashamed jazz fan. He said that he believed that Acker Bilk was the brother-in-law of the great Adge Cutler, who was the leader of the Wurzels. That shows that music is an entirely integrated and wonderful form of cultural expression.

I hope that some of the predictions of gloom that we have heard - not this morning, I may add, because the debate has painted a positive picture - are ill founded. The UK record industry experienced a growth of 5.3 per cent. in 2001, which bucked the global slowdown. However, there are still problems, and I shall discuss those.

I agree entirely with the hon. Members who mentioned what a wonderful showcase the concert at Buckingham palace was. It was a tremendous advert for Britain. By the way, the tourism part of DCMS has managed to get some money out of the Treasury to sell Britain abroad. However, we could never have bought such a wonderful advert for this country as the incredible images that we saw last week. It was absolutely wonderful. However, I grew up thinking that rock music - I could not use the expression "pop music"; I was never interested in that - was about rebellion. Seeing knights up on the stage - well, I will not go into that. Ministers are not supposed to have opinions, by the way. If one expresses them, one gets in big trouble.

We are at an important point with regard to legislating on the music industry. Almost everyone who has spoken has said how desperately we need a new regulatory regime for venues - that is absolutely vital. I share the view of the hon. Member for Winchester (Mr. Oaten) that the industry is successful largely because the Government have kept their sticky fingers out of it. I am not in favour of heavy-handed regulation or, God forbid, an initiative

from the Government - we have had enough of those. However, I am keen for us to tackle the real problem of the diminishing number of venues, which I have seen in my own constituency. The hon. Member for Ribble Valley (Mr. Evans) comes from Swansea, which had a wonderful music scene. It still does to some extent, but the number of venues is way, way down on what it used to be. I hope that we shall get this right. We have some good proposals to present.

I hope that the licensing Bill will feature in the Queen's Speech, but that entirely depends on whether adequate time will be available in the view of the Government's business managers. It is vital - and it is not rocket science to reform that law. I should point out to my hon. Friend the Member for Mitcham and Morden that the last thing that I want is a reform that would drive groups out of pubs, which would be the worst of all worlds.

The "two in a pub" rule is idiotic. Its origin lies in a different age. Just last week, I went with one of my brothers to a pub in Aberdare, which is not in my constituency, but is where I come from. We were totally deafened by one guy with two massive amplifiers, singing drivel. However, I shall not talk about that now.

Mr. Heath : There is a problem not only with performance venues - the Minister is right about what needs to be done to reverse that - but with practice and rehearsal venues. It is important for young people to have the opportunity to play without causing a nuisance to people, in a way that will take them off the streets and, perhaps, away from trouble, too.

Dr. Howells : Absolutely. We do not talk about that issue enough. The number of rehearsal venues is diminishing even faster than the number of live performance venues, partly because rehearsals often take place in the day. For those growing up in a small town and putting a band together, the opportunities to practise in the day with at least some volume are likely to be restricted.

The hon. Member for Ribble Valley mentioned one reason for the current situation when he said that we have never taken the industry seriously enough. It is not regarded as mainstream. The hon. Member for Vale of York (Miss McIntosh) was right about the real integration between musicians, performers, singers, writers, music companies and retailers. She might have added those who run venues, such as pub landlords and dance hall owners, who are also extremely important. They constitute a network that is critical not only for the future of the music industry but for creativity in general.

Several hon. Members mentioned schools. The ability to learn music in schools is vital. I have gone on record before - and have got into trouble for it - as saying that I believe that successive Governments, including the one of which I am proud to be a part, have been far too utilitarian in their priorities for education. Education is not just about reading, writing and arithmetic, vital though those basic skills are. Some of our most important exports, among which we must include music, are based on skills that are not taught in that way. We need music teachers, including peripatetic ones, and we need instruments to be available for children. Most importantly, we need to understand the importance of music. It is not a peripheral but a central activity - and of course, we could spend the rest of the morning discussing the rest of the arts, too, in that regard.

The EC directive on copyright and related rights in the information society was formally adopted on 9 April last year. It needs to be transposed into the national laws of EU member states before 22 December 2002, and we are confident that we can do that. There will be an opportunity to debate many of the issues raised by hon. Members this morning while it is being implemented, when we consider the statutory instrument or other legislation.