

MUSIC DOWNLOADING

Would you pay 5 cents for a song?

McGill academic has a plan to end file swapping and save the music industry

BY GUY DIXON

WEDNESDAY, MARCH 9, 2005 PAGE R1

An academic at McGill University has a simple plan to stop the plague of unauthorized music downloads on the Internet. But it entails changing the entire music industry as we know it, and Apple Computers, which may have the power to make the change, is listening.

Peering out from under his de rigueur cap, music-industry veteran Sandy Pearlman, a former producer of the Clash and now a visiting scholar at McGill, spoke with a kind of nervous glee while describing his idea at the Canadian Music Week conference in Toronto last week.

Pearlman proposes putting all recorded music on a robust search engine -- Google would be an ideal choice, but even iTunes might work -- and charging an insignificant fee of, say, five cents a song. In addition, a 1 per cent sales tax would be placed on Internet services and new computers -- two industries that many argue have profited enormously from rampant file-sharing, but haven't had to compensate artists.

The assumption is that if songs cost only 5 cents, people would download exponentially more music. Daniel Levitin, a McGill professor also associated with the project, said that a simple computer program, such as those already in use on Internet retail sites, could track people's purchases and help them to dig through what would become a massive repository of music on the Web.

The extra windfall for musicians and those who own the publishing rights to the songs could be in the hundreds of millions of dollars, or more, Pearlman said his study predicts.

It may all sound like a pie-in-the-sky idea, academically elegant but impractical. Or is it?

The head of the British recording industry, who also spoke at the conference, made much the same point: music companies need to get used to the idea of selling more music to more people more often, but for less money. It was a notion repeated often during the conference.

Users of file-sharing services made roughly 25 billion unauthorized downloads last year, dwarfing the legitimate music industry, and it's only getting worse. Some upstart technology companies are trying to figure out ways to profit from file-sharing, but the potential market is limited.

Pearlman added that nothing concrete is in the works with Apple beyond talks, and he has not yet spoken with Google. Still, Apple is listening, and this is the company that has already changed the industry by creating, many believe, the best working model for on-line downloading services.

Pearlman argued that his plan isn't a revolt against the industry. It's merely a pricing decision. Apple should simply be charging 5 cents instead of 99 cents a song, he said. This would bring in millions upon millions of more customers. And he believes that the best place to test this would be in Canada, which has laws he regards as being more supportive of artists and accommodating to an initiative such as this.

Yet, Pearlman went further. He said that since this plan puts the onus on a massive Internet presence to distribute all the music in the world, why not have such computer companies as Apple and such major Internet companies as

Yahoo simply buy up the world's four major record labels? Pearlman was careful to add, though, that he doesn't see his plan killing off demand for CDs.

The recording industry is against Pearlman's plan. Richard Pfohl, general council for the Canadian Recording Industry Association, refuted Pearlman on numerous points at the conference forum, arguing that the plan would violate every international intellectual property law that Canada has signed in the last 100 years. It would also obliterate musicians' choices on how their music could be sold by conscripting them into a 5-cents-a-song system. And it would destroy record companies' incentive to invest in new acts, Pfohl said.

Pearlman said that Pfohl misunderstood the idea. Then again, another record-industry type, casually speaking to Pearlman after the talk, had perhaps the most succinct counter suggestion. Why not charge 10 cents, instead of 5, and double the revenue?

© Copyright 2005 Bell Globemedia Publishing Inc. All Rights Reserved.

