

# A cosy pact falls apart

**Lance Price** says the deal between Murdoch and politicians is finished

**T**he sight of Rupert Murdoch being pursued around London by an aggressive media pack demanding answers is rich with irony. Tight-lipped and uncomfortable, he has struggled to manage more than a gruff “no comment” as he watched his power ebb away.

Bringing down the over-mighty and the arrogant is one of the trademarks of Murdoch-style journalism. The list of ministerial careers ruined and the reputations of public figures trashed is a long one. This week he has discovered just how it feels to be on the receiving end.

Murdoch has never been a popular figure in Britain, but only a very vocal minority have cared enough to loathe him. His papers certainly have been popular. The tabloid *Sun* and *News of the World* have outsold their rivals for decades. Now the “News of the Screws” as it became known has gone and *The Sun* is damaged goods as well.

Murdoch himself is widely seen to embody the sins of his newspapers and he is not enjoying the experience.

To appreciate the extent of his fall from grace we should remember how much clout this man — Australian born, now a citizen of the United States — has had in Britain.

A decade ago I worked inside 10 Downing Street for the recently-elected Prime Minister Tony Blair. After what I saw and heard I described Rupert Murdoch as being like “the 24th member of the cabinet”. It seemed to me his views carried more weight with Blair than those of most of the ministers who sat around the cabinet table.

Before joining Blair’s staff I had been a journalist myself for many years, so I wasn’t naive. I knew all prime ministers had their favourites in the media. People in power always do. But Murdoch and his editors were more than just favourites at court. If anything, it was the elected Prime Minister who seemed to be paying court to him.

Soon after starting work behind the famous black door I was told by somebody in the know that “we’ve promised News International we won’t make any changes to our Europe policy without talking to them”. Had that been known publicly we would have been accused of handing something close to a veto over a key aspect of government policy to an unelected foreigner.

It was part of a deal done off the coast of Queensland as long ago as 1995. Blair, then leader of the opposition, had flown all the way to Hamilton Island to address executives of Murdoch’s News Corporation parent company. Before he got there Blair received some telling advice from Paul Keating, then in power himself. Murdoch, he said, was “a big, bad bastard and the only way you can deal with him is to make sure he

thinks you can be a big, bad bastard too”. If you succeeded in that, said Keating, “you can do deals with him, without ever saying a deal is done”.

And that’s what happened. Blair and his team returned to Britain convinced that if they left Murdoch free to pursue his business interests in Britain without interference then he would swing his best-selling titles behind Blair.

In 1997 Blair did become prime minister. And while he would have won — and won big — with or without Murdoch’s help, he was grateful to the tycoon nonetheless. At that point Rupert Murdoch was at the very peak of his power and influence.

Today he is at his lowest ebb. He thought he could have prime ministers dancing to his tune, no matter what party they came from. Blair wasn’t the first and nor was he the last. Margaret Thatcher had skirted round the rules to allow him to purchase *The Times* and *The Sunday Times*. She, too, had been rewarded with editorial support.

Prime Minister David Cameron, who this week announced a judicial inquiry into the abuses at News International, started his premiership with every sign of cosying up to Murdoch in the same time-honoured fashion. He changed his tune only very recently when public opinion, outraged by what had been going on at the *News of the World*, forced his hand.

Shortly after he took office, Cameron was asked about my own comments on Murdoch’s power. “I don’t particularly notice the presence of a 24th person round the cabinet table,” he said. It was a misleading answer. His then communications director, Andy Coulson, was a former editor of the *News of the World* who had resigned from that job over earlier phone hacking allegations. Moreover, Rebekah Wade, chief executive of News International, was a personal friend of Cameron’s.

## “He thought he could have prime ministers dancing to his tune”

The morning after Cameron became Prime Minister, Rupert Murdoch himself was seen slipping out the back door of Downing Street. The press office refused to say what his visit had been about. It was hard to escape the conclusion that for News International it was business as usual.

I may be a Labour man myself, but this isn’t a party political issue. In fact I believe Cameron’s own instinct was to do things differently. He’d seen the way the governments of both Tony Blair and Gordon Brown kow-towed to News International and he didn’t like it. He’d criticised the spin and the



Rupert Murdoch may back winners, but Lance Price argues that he does not have the power to create them. Photo: REUTERS

special favours to Murdoch’s journalists and wanted his own press operation to be much more straightforward. This week he told the House of Commons that my book revealing the extent of Murdoch’s influence had been one of the most depressing he’d ever read.

But the truth is that as leader of the opposition he had lost his nerve. The reason he has been on the back foot politically all this week is that he failed to distance himself from Murdoch when he should have done and he knows it.

When his own ratings failed to take off as he’d hoped, he was persuaded that he needed News International’s support after all. He didn’t have to fly all the way to Queensland to let it be known he was ready to deal. There was no paper trail. The forthcoming inquiry won’t uncover any emails. There weren’t even any mobile phone messages for somebody else to hack into. That’s not how it’s done.

Signals were sent out and discreet approaches made. As a consequence the News International titles swung dramatically behind the Tories two years ago. All the most supportive headlines during the last election campaign were in Murdoch-owned papers. Gordon Brown is convinced to this day that he would still be

prime minister if Murdoch hadn’t turned against him.

I think he’s wrong. Brown would have lost anyway, just as Blair would have won in 1997. The media generally, and Murdoch in particular, don’t have the power so many politicians think they do. They don’t change the weather but they can see which way the wind is blowing. Murdoch made a hard-headed decision in his own commercial interests. He backs winners, he doesn’t create them.

Men like Tony Blair, Gordon Brown and David Cameron have made him appear more powerful than he really is. Why? Because they feared he might understand public opinion better than they did or that he might be able to shift it more easily than he really could. As they couldn’t be certain how much difference he could make to their fortunes, they didn’t dare disbelieve in his power just in case it was true.

The relationship was unhealthy because it was fundamentally undemocratic. Murdoch, elected by nobody, didn’t have to give away anything, but elected governments did make concessions. They were rarely about matters of high policy. The only issue Murdoch cares enough about to flex his muscles over is Europe. He is a businessman, first, second and last.

It’s another irony that the two things he wanted most from Cameron were a lighter touch to media regulation and a clear run for his proposed takeover of the rest of the BSkyB satellite network. In both cases, thanks to the outrageous behaviour of his own journalists, exactly the opposite has happened.

It is not just Murdoch’s fortunes that have been transformed in the past week. The unhealthy relationship between politicians and the media will never be the same again. Cameron has already said there should be no more secret meetings. Late in the day he has spoken out in favour of the kind of transparency that some of us have been demanding for a long time.

In the short term editors and proprietors, not just in Britain but around the world, will be chastened by what has happened. And in the longer term it is for them to restore the reputation of their profession. State regulation is not the answer. If those in power were to use the public’s outrage to shackle the press and make it harder for journalists to hold governments to account, that would serve only to make a bad situation worse.

Editors have to learn that there is a high price to be paid for illegality and unethical behaviour. Most will have received that message by now, although it may take a tougher regulatory regime to make sure they don’t forget. Higher fines for breaking the agreed codes of conduct will be a start.

Nobody wants a chastened or frightened media, but we do deserve a more responsible one. And greater transparency is key to that. Newspapers love to name and shame but they don’t like it when they are on the receiving end. The internet is already proving useful in exposing journalistic as well as political malpractice.

The American commentator HL Mencken famously said the relationship between a journalist and a politician should be like that between a dog and a lamppost. He didn’t say which was supposed to be which. But defenders of press freedom need not be alarmed. Journalists should be free to get on with their jobs, as long as they do it within the bounds of responsibility. And prime ministers should be free to get on with what they were elected to do without feeling beholden to any proprietor, however extensive his media empire.

Transparency is no threat to either profession. After all, the relationship between a dog and a lamp post is the same whether the lamp is lit or not.

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