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WHILE RUPERT Murdoch hogged the headlines with his appearance at the Leveson Inquiry into malpractice at his newspapers, his UK operations were facing yet another official investigation that could strip them of their most precious holding, their share of BSkyB television.

On top of Leveson, two Parliamentary committee investigations and three large-scale police probes, now media watchdog Ofcom is conducting an investigation into whether BSkyB is a “fit and proper” owner of a broadcasting licence.

Ofcom has set up a team to scrutinise information emerging from the Leveson inquiry into press practices, phone-hacking and corrupt pay-outs to public officials. News Corporation still owns 39 per cent of BSkyB since its bid to take complete control collapsed in such ignominy last year.

There were demands while that bid was being considered for the “fit and proper person” test to be applied. Culture Secretary Jeremy Hunt said it was not possible since the investigation was only on competition criteria, but Ofcom has acted on its own. A great deal more information about the corruption surrounding Murdoch companies has come out since then.

Ofcom set up a group of “seven or eight” staff under the name Project Apple early in 2012 but did not announce it publicly. Its existence came to light through a Freedom of Information application by the Financial Times.

The work has continued even though Rupert Murdoch’s much criticised son James (pictured top) resigned as chairman of BSkyB in April. He remained on the board, but his removal from there could be a condition of News Corp keeping their holding.

If Ofcom concluded that either James Murdoch or News Corp were not appropriate owners, it could revoke Sky’s licence to broadcast in the UK, forcing it to switch off its channels, unless Murdoch stepped down from the board or News Corp sold its 39.1 per cent stake.

● **THE MURDOCHS at Leveson. What they said, and didn’t say.**
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NOT FIT NOR PROPER



UNIVERSITY OF SALFORD

Hunted: the Minister for Murdoch

THE MURDOCH scandal looked set to claim its highest-profile victim to date with Culture Secretary Jeremy Hunt clinging to his job as Free Press went to press. Devastating revelations about his favouritism towards the Murdoch bid for BSkyB which he was supposed to be judging impartially left him dependent on the protection of Prime Minister David Cameron.

A pile of 163 emails between Jeremy Hunt’s special adviser Adam Smith and News Corp’s chief London lobbyist

Frederic Michel came to light at the Leveson Inquiry, in which the minister’s office promised support for the bid and passed on confidential information.

Next day Jeremy Hunt threw Adam Smith to the wolves to save his own skin. The pressure was on David Cameron, himself a Murdoch hanger-on, to refer him through the proper channels to the official responsible for assessing ministers’ adherence to their code of conduct.

Unions told to have their say

The agenda of the Leveson Inquiry might give the impression that the main targets for media dirty tricks have been celebrities. But most victims of unfair coverage are ordinary people -- those caught up in public events, those in minority groups or those engaged in activities that media owners don't like.

Top of the list among these for 100 years or more have been trade unionists, and in March the TUC organised an event to bring unions into the national debate.

TRADER UNIONS and their members have been "treated despicably by the press," the movement's top lawyer told the TUC conference on March 17. "Most are seriously anti-union. They are shoving out the voice of the unions and their 6 million members."

John Hendy QC is the NUJ's counsel at the Leveson Inquiry, where he successfully fought the union's battle to be allowed to present evidence from journalists suffering the bullying management of News International.

The union had collected statements from members too scared to speak publicly and presented it anonymously. Lawyers from NI and the Daily Mail group sought injunctions to prevent it being heard, but the courts came down on the union's side.

John Hendy said that any reformed press regulatory body must include the NUJ and its Code of Conduct. There must be a conscience clause to enable journalists to refuse to obey instructions to work unethically.

He made a plea for the TUC and trade unions to submit evidence to the inquiry.

Chris Frost, chair of the NUJ Ethics Council, said there was a need for "a change of culture in the media. Journalists are scared to do their job responsibly."

Harriet Harman, deputy leader of the Labour Party and shadow secretary of state for Culture, Media and Sport, the keynote speaker, admitted that many senior figures in her party did become too close to News International and Murdoch. "We turned to courting, assuaging and persuading the media after 18 years of opposition and the, at times,

ferocious hostility of parts of the media. It was hard to see any alternative.

She said Labour did things that Murdoch objected to by strongly supporting the BBC and establishing Ofcom. "But we didn't sort out media ownership or complaints.

"The new system must be independent of politicians and also end the power of serving editors. They can't be allowed to go on marking their own homework," she said.

Frances O'Grady, TUC deputy general secretary, said there was a "once in a generation opportunity to curb the power of the media moguls. The idea of a different system is the stuff of dreams but if we

don't act quickly and work towards a fairer system we will be back to business as usual."

The conference, organised by the NUJ, TUC and Campaign for Press and Broadcasting Freedom, brought together media experts, journalists, academics and trade unionists.

Michelle Stanistreet, NUJ general secretary said: "We must use the events unfolding in courtroom 73, which are genuinely gripping the interest of the public, to ensure that we put a stop to the power of editors and the proprietors who are desperate to maintain the status quo."

Thais Portillo-Shrimpton, a former NUJ chapel leader who works for the Hacked Off! campaign, said: "For as long as we have reporters forced to write untrue stories, and being put under pressure to deliver stories fast with no regard for accuracy, this industry is going to decline.

"Journalists need to be free from the shackles of commercial pressure and proprietorial influence."

Dan Sabbagh, the *Guardian's* media editor, said the Leveson Inquiry had exposed unacceptable, intrusive, inappropriate and illegal practices in a section of the press where the proprietors had an inside track with government and an overweening power that made them think they were invincible.

Seamus Dooley, the NUJ's leader in Ireland, told the conference there could "an Irish solution to a British problem." The Irish Press Council, he explained, had union involvement and an ombudsman, who is a NUJ member.

"The NUJ has a key role and finds itself sitting around the table with representatives from News International, who would not touch the union with a barge-pole in the UK."

"The Irish model is by no means perfect but it may yet provide the foundations for a new and more acceptable system in the UK."



John Hendy (right, with the NUJ's Chris Frost) speaking at the TUC conference

News International

Rupert gives a nod as a union returns

THE NUJ has established a chapel at News International in Wapping for the first time in 26 years – and the goal of proper union rights may just be in sight.

For Rupert Murdoch in his evidence to the Leveson Inquiry in April made the astonishing concession that he would recognise the union if staff voted for it.

Under questioning from John Hendy QC, representing the NUJ, he also said that the proposed “conscience clause”, giving journalists a contractual right to refuse instructions to act unethically without losing their jobs was “a good idea”.

Under the 1999 Employment Relations Act independent unions cannot apply for recognition if there is an agreement with another union – even a tame employer-financed

“sweetheart” union like the News International Staff Association – without staff first voting to get rid of the existing one.

This is a practical impossibility given the conditions attached to the process.

The clause was a late addition to the Act, which unions have always suspected arose from lobbying by Rupert Murdoch or his managers, through the proprietor denied it in his evidence to Leveson.

But he did say that “if they could find a majority of our journalists who want to join the NUJ, we would accept their democratic decision.”

At Wapping, journalists are returning to the union fold as their workplace has been thrown into turmoil by the closure of the *News of the World*, by management’s attempts

to make staff take the blame for editorial malpractices, by the arrests of colleagues and uncertainty over the future.

The NUJ was derecognised by NI in 1987, a year after the infamous dispute in which nearly all the 6,000 production staff were thrown out and their unions with them.

Chapels did continue for a short time on the titles but union members decided to work through the NISA as the only form of representation on offer.

NUJ leader Michelle Stanistreet said: “It was heartening to hear Murdoch envisage a future where the NUJ will be back representing journalists in News International.

“Now that the owner of the UK’s largest media group has conceded that he has no problem with his staff choosing to be represented by an independent trade union of their choice instead of a management-imposed staff association, I’m sure recruitment and organisation across the titles will see a big boost

“We’re also pleased that Rupert Murdoch gave his support for a conscience clause in journalism contracts – a long-standing campaign by the NUJ. We hope that other media owners and editors now commit to back our plan.”

WHEN MURDOCH MET HIS MATCH

Rupert Murdoch gave away little if anything in the two-day session at the Leveson Inquiry, but he did make concessions when questioned by John Hendy QC for the NUJ. This is an extract from the transcript

John Hendy: [At News International] there is endemic bullying, huge pressure to deliver stories, whatever the means; overwhelming commercial pressures which are allowed to dictate what is published; and the overweening power and control of editors over their

journalists and of employers over their editors. [The NUJ] gave evidence to this Inquiry of bullying, in the words of journalists who ... were too scared even to come here and tell Lord Justice Leveson about that.

Rupert Murdoch: Our journalists are perfectly free to make complaints and perfectly free to join the NUJ.

JH: [reading from this evidence] A journalist with six years’ experience ... During my time at the *News of the World*, I experienced pretty much constant bullying. My section editor would find fault with ... and so on. Clear evidence that at the *News of the World* at least there was a culture of bullying.

RM: Why didn’t she resign?

Lord Justice Leveson: I think the problem with that might be that she needs a job.

RM: I will certainly look at it.

JH: As far as you’re aware, there’s been no investigation within News International of allegations of bullying of staff?

RM: I’ve never heard of it. They always strike me as a very happy crowd.

JH: The NUJ, indeed no independent union, is not permitted to represent journalists or any other staff to this day on any United Kingdom News International title. That’s right, isn’t it?

RM: If they could find a majority of our journalists who want to join the NUJ, we would have no choice.

JH: Would you accept their democratic decision?

RM: I’d accept their democratic decision.

JH: One of the journalists who

gave evidence through Ms Stanistreet said that the absence of the NUJ meant that there was nowhere to turn.

RM: No, there’s the staff association. ... And there’s the editor. Everyone has access to everybody.

JH: Are you aware that the NUJ has for a long time been seeking the insertion in contracts of employment ... of a conscience clause, that’s to say a provision by which it is forbidden to discipline a journalist who refuses to do something which is unethical or against the code of practice?

RM: I have never heard of it.

Leveson: Do you think it’s a good idea?

RM: For us to say as a condition of employment in a contract for a journalist they have the right to do that, I think that’s a good idea.

MIRACLE OF THE

The agenda of the Leveson Inquiry might give the impression that the main targets for media dirty tricks have been celebrities. But most victims of unfair coverage are ordinary people – those caught up in public events, those in minority groups or those engaged in activities that media owners don't like. Top of the list among these for 100 years or more have been trade unionists, and in March the TUC organised an event to bring unions into the national debate.

By **NICHOLAS JONES**

IT HAD BEEN a wait of 30 years to hear chapter and verse on the unprecedented access which Rupert Murdoch has enjoyed with successive Prime Ministers.

But time and again, as he was confronted at the Leveson Inquiry with entries from an engagement diary and telephone log which stretched back as far as a hitherto secret lunch at Chequers with Margaret Thatcher in 1981, he denied the recollections of those involved and their interpretation of



The online campaigning group Avaaaz paraded their giant Murdoch puppets outside the High Court in London as father and son gave their evidence to Murdoch in Court 73.

events.

He was adamant that he had never used his newspapers to further his commercial interests, and he “never asked any Prime Minister for anything”.

The Inquiry’s lead lawyer Robert Jay QC struggled to persuade Rupert Murdoch to accept that there must have been a pay-off for the Sun’s endorsement during general election campaigns.

Rupert Murdoch smiled enigmatically: “Yes that perception irritates me ... because I think it is a myth. Everything I do every day proves it is a myth.”

We were watching a miracle before our very eyes. Rupert Murdoch has contacts to die for; he has met UK Prime Ministers 67 times, and afterwards their governments did just what suited his business interests.

He never asks for anything, and yet it happens. Truly a miracle of Biblical proportions.

All those who have had dealings down the years with Rupert Murdoch’s press and TV companies must have been screaming at Robert Jay to ask: was Rupert Murdoch seriously trying to suggest that the repeated failure of governments to refer his takeovers and acquisitions to the Monopolies and Mergers Commission and to other regulators was just a happy coincidence?

Whether it was police protection at Wapping, a loophole to keep out the trade unions, or a refusal to investigate predatory pricing on his newspapers, he invariably had his way.

He never wavered in his stance: it was Prime Ministers who initiated meetings or telephone calls.

When it came to the accounts of others, from former editors Sir Harold Evans and Andrew Neil, to diarists such as Alastair Campbell, Lance Price, Woodrow

Wyatt and Jonathan Aitken, he either could not remember what happened or their versions were incorrect.

Rupert Murdoch rejected Jay’s assertion that he must have discussed his newspapers’ support for the Iraq War during three telephone calls with Blair in March 2003. “I don’t remember the calls.”

He even denied the most rational explanation of the phenomenon that came up during questioning about Tony Blair’s famous summons to a News Corporation jamboree on Hayman Island off the coast of Australia in 1995.

Other guests included Australian Labour Prime Minister Paul Keating, who was also close to the Murdochs.

Robert Jay quoted Alastair Campbell’s diary entry on the event, in which he reported that Paul Keating had said of Rupert Murdoch: “You can do deals with him without ever saying a deal is done.”

He asked: “Do you think that’s a fair observation?” “No”, replied Rupert Murdoch.

“Do you understand the point that Mr Keating is making there?”

“I understand what you’re saying, yes, but that’s not true. Mr Keating is given to very extravagant language.”

Of all the telling contradictions in Rupert Murdoch’s testimony perhaps the most revealing was his mantra that Prime Ministers had no need to seek his views because the Sun was interested in political issues and not political parties.

“If Gordon Brown – or any other Prime Minister – wanted my opinion he only had to read editorials in the Sun,” he said

Again the question eluded Robert Jay: how did News International’s editors know the line to take if Rupert Murdoch was not giving instructions?

Another miracle, obviously.

Leveson

E ASSUMPTION

DESPITE seven hours of questioning at the Leveson Inquiry – and his apologies for the phone hacking scandal at the *News of the World* – Rupert Murdoch was not challenged directly over several patently inadequate responses.

The main one was over the “culture of illegal payments” which the Metropolitan Police have alleged became a regular practice among some journalists at the *Sun*.

Although counsel for the inquiry, Robert Jay QC – and Lord Justice Leveson himself – asked repeatedly about the illegal phone hacking at the *News of the World*, there were no questions about Scotland Yard’s allegation that authorisation had been given at a senior level in the *Sun* for the payments of “regular, frequent and sometimes significant sums of money” to police and public officials.

Since his personal pledge to a House of Commons select committee in July 2011 that he would “clean up” News Corporation he had spent

WHAT RUPERT MURDOCH DIDN'T SAY ... because nobody actually asked him

“hundreds of millions of dollars” on internal investigations and in introducing new compliance procedures.

In view of Rupert Murdoch’s admission that he had failed to pay enough attention to the *News of the World*, it was surprising that the inquiry failed to probe the reasons for widespread illegality at the *Sun*.

If he had on his own admission he failed to pay enough attention to the *News of the World*, that same failure could apply to the *Sun*, a question of greater importance in view of its influence on British politics.

There was another failure over NI papers’ relentless promotion of other News Corporation products in their pages. Robert Jay asked whether Rupert Murdoch had ever instructed them to “pursue

stories which promote your own newspapers, TV channels or other business interests?”

“I don’t have any other business interests,” he replied.

“Well, your other business interests are within other newspapers and TV channels, aren’t they?”

“Yes,” Rupert Murdoch replied, “but I certainly do not tell journalists to promote our TV channels or our TV shows or our films.”

There was no more on the subject, yet the *Sun* in particular is full of editorial plugs for Sky programmes and Fox movies every day; even the *Times* suffered the rare resignation of an executive when arts editor Tim de Lisle went over being made to run a plug for a Sky Arts programme. And of course he does have other businesses, in movies, marketing and

broadcasting technology, such as the digital subscription company NDS which was exposed by BBC Panorama in March for allegedly swindling Sky’s competitors by hacking into their computers.

Similar charges have been levelled at NAM, a Rupert Murdoch marketing company in the USA. News Corp has spent \$650 million settling lawsuits brought by competitors, and NAM’s former chief executive Paul Carlucci was quoted as threatening another company starting up in the field: “If you ever get into any of our businesses, I will destroy you. I work for a man who wants it all, and doesn’t understand anybody telling him he can’t have it all.” All this is on the record, yet questions came there none.

Nicholas Jones and Tim Gopsill

And this was the way things really were

JOY JOHNSON sets the records straight

COLLUSION between the politicians and the press is widely known and well documented. It ranges from the press barons of old to today’s media moguls, none more so than the Murdoch empire.

Margaret Thatcher had in Rupert Murdoch an ideological soulmate. They shared the same neo-economic liberalism philosophy: privatise state assets and hammer the unions. His personal lobbying of Thatcher was rewarded when she refused to refer his bid for control of the *Sunday Times* to the Monopolies

and Mergers Commission even though he already owned the *Sun* and the *News of the World*. This paved the way for the creation of the largest newspaper group in Britain.

He had his reward and she had hers – support from his titles for their shared political and economic ambitions. With the press tied up and with a mutual dislike of the BBC her government was able to come to his aid again and Sky was able to acquire exclusive football rights. When Thatcher was ousted News International titles stuck with

John Major for a while but Rupert Murdoch quickly turned his political power onto Tony Blair, who was haunted by memories of the monsterring of Neil Kinnock by the *Sun* and was determined this would not happen to him and his New Labour party.

To ensure a favourable relationship with News Corporation he acquiesced in the Tories’ 1996 Broadcasting Act which gave Rupert Murdoch control of the digital future.

Then, against his own natural instincts, he appeased the rabidly anti-European Rupert Murdoch by writing in the *Sun* that “New Labour” would have “no truck” with a European super-state. Nor would a single currency be imposed on the British people.

Blair got his payback, and not just election endorsement. All

Rupert Murdoch’s titles, around the world, supported the war in Iraq despite huge public opposition.

When Labour fell out of favour David Cameron became the winner.

Support was switched. James Rupert Murdoch used his Edinburgh TV festival speech to attack the BBC with chilling effect, coming to what he called the “inescapable conclusion [that] the only reliable, durable, and perpetual guarantor of independence is profit.”

David Cameron took on Andy Coulson, former editor of the *News of the World*, as his principal media adviser. News Corporation came within a whisker of taking total control of BSkyB. But the Milly Dowler voicemail hacking expose caused outrage and politicians broke free.

Be careful what you wish for

Media reform campaigners want a voluntary body to take over regulation from the PCC. But could it work? **TIM GOPSILL** isn't so sure

AS A PROFESSIONAL funny man, Private Eye editor Ian Hislop might agree with Groucho Marx that he wouldn't want to join a club that would have him as a member.

The club in question would be the News Publishing Commission (NPC). Or it might be the Media Standards Authority (MSA). Or it might have another name.

Numerous groups are dreaming up bodies to regulate the media to offer to Lord Justice Leveson as he ponders his remit to replace the Press Complaints Commission – among them the PCC itself, which has yet to announce a title.

The NPC is the blueprint from the

The kitemark could be proudly vaunted by the most unscrupulous gossipmongers and liars

Co-ordinating Committee for Media Reform (CCMR, co-ordinated by academics at Goldsmiths College, London, of which the CPBF is a component). The MSA comes from the Media Regulation Roundtable, co-ordinated by media lawyers.

Both their proposals, like the PCC and its likely would-be successor, would be voluntary “membership” organisations.

Publishers would join and be obliged to adhere to the rules of the scheme and the code of practice it administers, and to accept the penalties it imposes. The members would pay a levy to finance the system.

Regulations would work through an ombudsman who would handle complaints and order rapid redress – possi-

bly a correction or apology, a fine or compensation of some kind.

According to the various proposals, there might be mediation or even arbitration of complaints if they proved intractable. If the ombudsman failed to resolve the complaint the case might go to the body itself, whose ruling would be binding.

All the proposals are in accord with the CPBF's historic policy of a Right to Reply and all are worthy ideas that should be able to offer decent redress to aggrieved parties and eliminate the worst elements of popular newspaper practice.

THERE'S JUST one problem, which is: what about publishers that don't join? This is where Ian Hislop comes in. At his appearance before Leveson he said Private Eye had declined to join the PCC and he did not support media regulation.

“I believe in a free press and I don't think it should be regulated, but it should abide by the law,” he said. Activities such as phone hacking, contempt of court and police taking money were already illegal and what was required was enforcement of the law.

Private Eye is not the only PCC refusenik. Richard Desmond's Express Newspapers also boycott it, a fact which Ian Hislop admitted was “a bit embarrassing”; the Daily and Sunday Express and Star titles are arguably the worst of the UK's national titles – and perpetually attacked for being so in Private Eye. The fact that aggrieved readers cannot complain about them to the PCC has been a big drawback to the self-regulation system.

If the discredited PCC regime is to be improved on, this is a state of affairs to

be avoided. But why should publications join a body whose discipline they'd have to accept? The authors of alternative systems have been scratching their heads to devise incentives.

So these are the main benefits that members might receive:

- Exemption from VAT. Print media are already VAT-exempt, so this would mean imposing liability for the tax onto non-joiners.
- Permission to use a “kitemark” logo indicating their adherence to the scheme and its code of practice, and their willingness to take part in its processes and comply with its rulings.
- Legal advantages in the event of subsequent court actions. Complainers would have to take their cases to the regulator first, and if this failed and the case went to court member publishers would have an enhanced defence and liability for reduced damages.

There are big drawbacks to these. Payment of tax is a statutory matter

No one has ever accused Ofcom of imposing the government's will on editorial content

determined by Parliament in the Finance Act. This makes the whole scheme dependent on the Treasury and HMRC agreeing; it's hard to see them putting VAT liability in the hands of a private organisation.

The principle of employing commercial motivations for editorial matters seems the wrong concept, somehow.

As for the kitemark: that is supposed to be a guarantee of quality, but here, available to all, it could be proudly vaunted by the most unscrupulous gossipmongers and liars.

The legal incentives could fall foul of the Human Rights Act entitlement to a fair trial for claimants and intensify the unfairness of the whole project: a person maligned in the media would receive different treatment according to

Regulation

the status of the publisher.

If the publication is not in the scheme they could only try their luck in the courts. If it is and they don't get satisfaction from the regulator and go to court they will face legal obstacles and, if they win, get lower damages.

There's yet another snag with a voluntary scheme: it's very 20th century. Although it is touted as being open to any publisher, the fact is that there are hundreds or thousands of small publications and websites and bloggers; it's no longer really clear what a publication is.

There's no way they'll all be covered. They may not even know about the scheme. Yet victims of their reporting should be as entitled to redress as much as those defamed by the newspapers of Richard Desmond. The right of reply must surely mean a right of reply for everyone.

THERE MIGHT be an alternative to provide it, in the form of an independent media tribunal with universal jurisdiction. You could have a body that administers quick and cheap procedures to deal with complaints, working, as the schemes propose, with an ombudsman to handle cases in the first instance.

Statutory backing would be needed to enforce its rulings, but that is true of the existing proposals. The problem is that it would have to be state-sponsored, authorised and financed, but that's as far state involvement would go.

Broadcasters are regulated by Ofcom, a fully fledged state body. It judges and fines radio and TV for breaches of its various codes but no-one has ever accused it of imposing government's will on editorial content. A media tribunal could be a lot less state-oriented than Ofcom.

It would not have the remit to defend and safeguard press freedom that many would like to see, but the media themselves could organise that; a job for the NUJ here, I'd have thought. That doesn't need Leveson or legislation.

Campaigners are looking for a body that will set and maintain decent editorial standards and offer amends to the victims of bad practice. These are quite separate things and it might not be the same body that does them.

Whatever proposals on regulation people come up with, they have first got to be promoted by Leveson and then enabled by legislation – everyone concedes that statutory back-up is needed to make judgements stick, given the failure of self-regulation to do so over the years.

There's more chance of an independent tribunal going through, I'd have thought, than of George Osborne letting a bunch of journalists meddle with his tax regulations.

Local press: bleak future if 5% is 50

THE ANNOUNCEMENT that regional newspaper group Johnston Press is to switch five daily titles to weekly production as part of its latest package of cuts triggered renewed concern for the sector.

Halifax, Kettering, Northampton, Peterborough and Scarborough are the towns to lose their dailies as the group struggles to pay off the debts it built up during the takeover mania of the early 2000s.

The titles, though printed weekly, will be published on an iPad app. New chief executive Ashley Highfield, a former top BBC digital media executive, unveiled a plan to generate 50 per cent of revenues from online advertising within eight years – an announcement greeted with scepticism.

Company results for 2011 showed that online revenues grew by only 0.7 per cent, to comprise just 5 per cent of total income, while newspaper sales actually remained "resilient" with revenues down just 1.1 per cent.

Pre-tax losses were £144 million. Johnston Press spent £38.5 million on interest payments, with debt at year end standing at £351.7 million.

Many editors' jobs are to go, and two of the biggest remaining dailies, the Leeds-based Yorkshire Post and Evening Post, will share an editor.

Pete Lazenby, joint father of the NUJ chapel at Yorkshire Post Newspapers, told the TUC media conference in London in March that when he joined the staff in 1972 there was a staff of 1,350 and a circulation of 230,000.

"Today there is a staff of 400 and a circulation of 35,000."

He blamed the greed of newspaper owners: "Where Tesco has been happy to make 10 per cent profit, regional newspapers were told that 30 per cent wasn't enough. And the answer has been to cut, cut, cut."

A former MP for Northampton, one of the losing towns, Tony Clarke, said: "It's the staff of the Chronicle and us as a town who will now pay for the mismanagement of a bunch of clueless chancers who wouldn't even know where Northampton was even if the satnavs on their executive pool cars brought them here by mistake."

And Louise Mensch, the current MP for Corby, which has been covered by the Kettering-based Northamptonshire Evening Telegraph, has called for the local press to be given tax advantages to help ensure its survival. "If a pure profit model doesn't work, government should look at ways to facilitate local communities and businesses owning their own papers," she said.

Louise Mensch initiated a special Parliamentary debate in Westminster Hall that was packed with MPs protesting at the state of their local papers.

"Of course, as a Conservative, I am naturally suspicious of subsidies. However, let us consider the narrow interests that are subsidised by the Government, such as that proposed to support local television stations ... which will be a further competitor for local newspapers."

The aftermath of the Murdoch crisis and the Leveson Inquiry will be the topic of discussion at the CPBF annual meeting 2012.

It takes place on SATURDAY JULY 7, from 10am, at the NUJ headquarters, 308 Gray's Inn Road, London WC1X 8DP – 3 minutes from King's Cross stations. Admission is free and open to all. To register email freepress@cpcf.org.uk or phone 07729 846 146

Review

The same world upside down



MAN BITES MURDOCH
Bruce Guthrie
 Melbourne University Press

THIS RAGS-TO-RICHES story of Australian newspaperman Bruce Guthrie, the anti-hero of an engaging tale, has extra interest for followers of News International's recent UK shenanigans because it presages events of July 2011 in some familiar ways.

Bruce Guthrie worked his way up from copy boy to editor of some of Australia's most influential newspapers, including its top-seller – from which Rupert Murdoch sacked him.

He reveals glimpses of how Murdoch operates and what he likes most in his newspapers.

During his first Murdoch stint in the 1980s Guthrie was to learn that "audience was more important than journalism".

He recalls a News Corp conference in Aspen, Colorado in 1988, attended by President Richard Nixon, chairman of the US Federal reserve bank Paul Volker, and former UK Foreign Secretary David Owen.

This august gathering was entertained by the lamentable Tom Petrie,

news editor of the *Sun* from London, who announced: "we don't report the news, we make it".

His presentation was "widely entertaining with stories of chequebook journalism, general skulduggery and heavy lifting of rival papers' stories".

Bruce Guthrie was appalled sufficiently to ask the Fleet Street veteran: "Do you have any ethical framework at all at the *Sun*?"

"Ethics? At the *Sun*? You've got to be joking," shouted an executive from a London broadsheet. Tom Petrie admitted: "We don't really have any ethical framework at all".

Murdoch commented: "we have a Fairfax wanker in the room" – a reference to Guthrie's previous career with Fairfax, News Limited's big rival in Australia.

Twenty years later that episode came to Guthrie's mind while he was editing Murdoch's *Herald Sun*.

There was some debate about accepting a rugby club's offer to pay for a Herald Sun's photographer to cover its trip to England.

News Limited, News Corp's Australian subsidiary, the equivalent to News International here, owned the club and Guthrie saw this as a cash-for-comment deal and ethically dubious.

He was told that so far as ethics was concerned, News regarded it as a coun-

ty in south east England.

Of particular interest to those who have worked for Murdoch in Britain is a quote attributed to him by Bruce Guthrie: "I think when you're loyal to people and they're happy, you can get better work out of them. It makes for stability in a company as well as happiness".

Bruce Guthrie wondered how he might join this happy family but, like many others, he never found the answer.

Against this background, what followed can have come as no surprise to him – nor to many who have loyally worked for Murdoch.

In 2008, after increasing the *Herald Sun*'s circulation, profits and internet hits, and winning local prizes, he was summarily dismissed as editor-in-chief of Australia's biggest-selling newspaper.

In May 2010 Bruce Guthrie took a chunk out of News Limited's reputation and its bank balance by winning a huge compensation settlement from News Limited, whose dissembling executives were excoriated by the judge.

So Bruce Guthrie enters the history books – at least the Aussie ones – as the man who took a bite out of Murdoch and showed to a largely disinterested world that Murdoch could be beaten.

John Bailey

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