

Murdoch, Rothschild and the nuclear lobby ¹

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In his 1956 book *The Power Elite*, C. Wright Mills illustrated the way in which the elite work together, are interconnected – both socially and in business – and therefore take each other into account when they make decisions.....

Rupert Murdoch and the financial sector

Lord Jacob Rothschild was appointed to the board of British Sky Broadcasting in 2003 as Senior Independent Non-Executive Director and Deputy Chairman of Murdoch's organisation. (Shah 2003) Having graduated from Oxford University, Rothschild joined the family bank N. M. Rothschild & Sons before leaving in 1980 to pursue his own interests in the financial sector. (Shah 2003) Rothschild co-founded Global Asset Management and J Rothschild Assurance, now part of the St James's Palace Group. A less direct connection is through Murdoch's daughter, Elisabeth, who married the grandson of Sigmund Freud, Matthew in 2001. (BBC 2001) Matthew Freud is the multimillionaire owner of PR company Freud Communications (Harris 2008) and, aside from being Rupert Murdoch's son-in-law, British Sky Broadcasting is one of Freud's clients. (Sanghera 2001)

In 1997 Freud Communications is listed as a Labour Party sponsor, donating a sum in excess of £5,000. (Aisbitt 1998) Freud had previously sold Freud Communications in 1994, when it was known as Matthew Freud Associates, and

¹ This an extract from the author's undergraduate thesis at the University of Birmingham, *The Labour Party's movement to the Centre: an explanation using the Wright Mills approach.*

he continued to run the company until 2001, when he bought it back with money borrowed from the directors of the company, Barclays Bank and Neil Blackley – a Merrill Lynch media analyst – illustrating Freud's connection to the financial sector. (Sanghera 2001) Freud's clients included Pepsi, KFC, Asda and Nike. (Harris 2008)

Peter Mandelson, Minister without Portfolio from 1997 until 1998, when he became Trade and Industry Secretary, acquired responsibility for the Millennium Dome. Despite opposition from most of the Cabinet, Blair decided that the project would go ahead. (Carrell 2000) The Millennium Dome was granted £400m of lottery money, and British Sky Broadcasting were among an array of corporate sponsors. (Carrell 2000) Prior to Mandelson's appointment as Secretary of State for the DTI, Freud allegedly set about galvanising support for him in the press, placing the story 'Peter's Friends' in *The Sun* (owned by Rupert Murdoch's News Corporation) which stated that Mandelson was a friend of various celebrities, including Tom Cruise, whom he had never met. (*Guardian* 2000) Mandelson subsequently appointed Freud to work on one of the Millennium Dome's senior committees, (Harris 2008) and he had a significant impact on the arena's content. (*Guardian* 2000)

Freud organised the party that celebrated Labour's general election victory in 2001, and played a role in recruiting one of his clients, Spice Girl Geri Halliwell, to Labour's party political broadcast in 2001, and persuading Chris Evans to campaign with Tony Blair in 2005. (Harris 2008) According to Harris, 'It is Freud's talent for hosting high-powered get-togethers that underpins the bond with Blair.'

In 2005, Blair's former special advisor Kate Garvey became Freud Communications' head of public and social affairs, (Harris 2008) and Blair's former health secretary Alan Milburn is paid £25,000 a year to sit on the nutritional advisory board (sic) of one of Freud's clients, Pepsi. (Harris 2008)

Shortly after Elisabeth Murdoch's 40th birthday party in 2008, Rothschild hosted a dinner at his family's villa in Corfu, where Peter Mandelson was also a guest. (Harris 2008)

Jacob Rothschild and the nuclear power lobby

Rothschild's interests extend beyond the financial sector. In 2005, the newspaper *Sunday Business* reported, 'N. M. Rothschild, the London merchant bank, is leading an initiative to finance, build and manage Britain's next generation of nuclear power stations.' (Orange 2005)

Rothschild's involvement in nuclear power was centred on his ambition to 'dominate the next phase of nuclear power development'. (Orange 2005) British Nuclear Fuels plc is an international company owned by the government, involved in all stages of the nuclear process: designing reactors, manufacturing fuel, decommissioning reactors and dealing with radioactive waste. (British Nuclear Fuels 2006) In 2005, Rothschild assembled a plan for British Nuclear Fuels plc suggesting the means for funding nuclear power through the private sector. (Orange 2005) In April 2006, Rothschild was appointed by British Nuclear Fuels plc to handle the £1bn sale of the organisation's nuclear clean-up arm, British Nuclear Group. (Pfeifer 2006)

By 2003 David Sainsbury had donated over £11 million to the Labour Party. (Brennan & Hastings 1998) Mark Seddon, a member of Labour's National Executive Committee, referred to Sainsbury in an interview with the BBC, in which he said:

'In any other country I think a government minister donating such vast amounts of money and effectively buying a political party would be seen for what it is, a form of corruption of the political process.' (Brennan & Hastings 1998)

In October 2005, having been made a Labour peer, he declared his support for nuclear energy in the House of Lords, saying, 'Lady O'Cathain offered me the opportunity of...

agreeing that nuclear is a renewable energy source – it clearly is so.’ (Mortished 2005). One month later, Vincent de Rivaz – Chief Executive of EDF energy, which has at least two contracts with British Nuclear Fuels plc (British Nuclear Group 2011) – called for the relaxation of planning and licensing laws, arguing that if this were to happen, new nuclear power stations could be built within ten years. (Parliament 2005) De Rivaz’s more explicit connection with the New Labour government was through Gordon Brown’s younger brother Andrew, who joined EDF Energy, as head of media relations. (He is now director of corporate communications.) Andrew Brown previously worked for Weber Shandwick, where Philip Dewhurst – now Director of Corporate Affairs at British Nuclear Fuels – was the UK Chief Executive. (*Private Eye* 2006) Weber Shandwick also provided consultancy services for British Nuclear Fuels plc in 2005. (Register of members and clients 2005)

In 2009, EDF energy acquired British Energy, which owns and operates two thirds of the UK’s nuclear power stations. Incidentally, de Rivaz shared corporate ties with David Sainsbury until 2010, as Sainsbury’s supermarket offered ‘Sainsbury’s Energy’ in a partnership with EDF. (Williams 2011)

The former Labour government Housing Minister, Yvette Cooper, also has links to the nuclear industry through her father, Tony Cooper, who is the former chairman of the Nuclear Industry Association and is currently the director of the Nuclear Decommissioning Authority. (Wheeler 2010a)

One might conclude that New Labour’s ties with the nuclear lobby heavily influenced policy formulation with regards to energy prioritisation.

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