

James Murdoch's evidence to British parliamentary committee challenged

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News of the World executives have challenged the evidence that James Murdoch gave to a House of Commons select committee last week. Murdoch, the 38-year-old son of Rupert Murdoch and a top executive in the Murdoch-owned News Corporation, was answering questions about the phone hacking case in Parliament.

James Murdoch told the House of Commons Media, Sport and Culture Committee that he made a payment of £700,000 to Gordon Taylor, head of the Professional Footballers' Association, in an out-of-court settlement. Taylor had brought a civil suit for breach of privacy after his voicemail was hacked by someone working for the *News of the World*.

Murdoch testified that when he made the payment he believed that Taylor's was an exceptional case. He denied knowing that phone hacking was rife at the *News of the World*. He insisted he had made the payment because of the potential costs involved if the court ruled against the tabloid.

Murdoch's claim that he believed that the phone hacking was the work of one rogue *News of the World* reporter was refuted within days. Former editor Colin Myler and Tom Crone, who was head of legal affairs at News International, issued a statement saying that Murdoch was "mistaken" when he claimed he had not seen an email which indicated that hacking was common practice at the *News of the World*.

Crone and Myler claim to have shown Murdoch the email, which has become known as the "For Neville" email, in 2007. The email is a transcript of a phone hack and is thought to have been addressed to Neville Thurlbeck, then chief reporter at the *News of the World*. If Thurlbeck is implicated in the phone hacking and Murdoch knew that this was the case, then it becomes impossible for him to claim that he thought it was limited to one rogue reporter.

The "For Neville" email is being described as "the smoking gun" in the Murdoch phone hacking affair. It is suggested that it played a part in convincing Murdoch to make an out-of-court settlement in the Taylor case. The large size of that settlement has always been questioned. If the court case had gone against News International, experts estimate that it would only have cost the company in the region of £60,000.

James Murdoch has denied that the huge payment News International made to Taylor was intended to buy his silence. He rejected suggestions that there was anything unusual in the non-disclosure clause which the settlement involved. Murdoch insisted that out-of-court settlements often had a privacy clause.

The revelation from Crone and Myler, however, suggests that the

purpose of the £700,000 payment was indeed to silence Taylor. According to Crone and Myler, Taylor's lawyers gave them the email. If this was so, then the Taylor case threatened to expose the full extent of phone hacking at the *News of the World* if it came to court.

With Parliament in recess, the media select committee may take the step of holding a special session at which Murdoch will be asked to clarify his earlier statements. He cannot be charged for giving false testimony to a select committee. He is open to prosecution, however, for conspiracy to pervert the course of justice if he already knew that the hacking was widespread at the *News of the World* when he made the payment to Taylor.

Tom Watson, the Labour MP who has focused on hacking in the Commons, said, "I think this is the most significant moment of two years of investigation into phone hacking."

"What Myler's statement shows, if it's true, [is] that James Murdoch knowingly bought the silence of Taylor, thereby covering up a crime," he told the BBC, "Now in the UK that is called conspiring to pervert the course of justice and it's a very serious matter."

Crone and Myler lost their jobs when Murdoch closed down the *News of the World* as the phone hacking scandal began to dominate headlines in the UK and caused advertisers to shun the newspaper. His attempt to draw a line under the affair has apparently backfired. Crone and Myler have previously denied any knowledge of extensive phone hacking. It seems they are now eager to take revenge on their former employer.

Watson clearly hopes that other former employees of News International will testify against the Murdoch media empire.

"I think we're getting near to the core of this now, we're getting nearer the truth," he said. "People are beginning to speak out. The company effectively closed ranks three years ago. Now that *News of the World* is gone, now that the world's media hold this company in the spotlight, I think individuals are beginning to speak out and we will get the full picture."

Watson is being ingenuous when he says that he wants "the full picture" to come out, since if it did, the Labour Party to which he belongs and the governments of Tony Blair and Gordon Brown would certainly be in that picture. The relations between the Labour Party and Murdoch were exceptionally close.

To a great extent, Watson is hoping to deflect attention from Labour's record and focus attention on the allegations of criminal activities at the *News of the World*. But the case raises wider political implications that

neither the Labour nor Tory Party can entirely escape.

Prime Minister David Cameron was no doubt congratulating himself in having got through to the end of the parliamentary session. He could hope that in the recess the spotlight would shift from his employment of former *News of the World* editor Andy Coulson as his chief of communications.

Coulson resigned as editor of the *News of the World* when the newspaper's royal reporter Clive Goodman and private investigator Glenn Mulcaire were imprisoned for hacking into royal phones. Coulson has always insisted that he was unaware of their activities. Sean Hoare, the *News of the World* reporter who recently died of unspecified causes, claimed the Coulson was well aware that phone hacking was widespread at the publication.

The new revelations from Crone and Myler, who took over from Coulson at the *News of the World*, put fresh pressure on Cameron. Coulson was editor at the time of the Gordon Taylor story. He told a House of Commons select committee that he knew nothing about it.

"I never asked for a Gordon Taylor story, I never commissioned a Gordon Taylor story, I never read a Gordon Taylor story, I never published a Gordon Taylor story," he said. "With all respect to Gordon Taylor, he is hardly a household name."

In fact the sportsmen that Taylor represents are household names in any part of the world where the English premier soccer league is followed. Millions of pounds change hands in legal and illegal betting on their activities on the pitch. Many more millions change hands when they transfer from one club to another. Stories about their off-the-pitch activities grace the pages of every tabloid and gossip magazine. There was every incentive to hack his phone.

Even if Cameron succeeds in distancing himself from Coulson, he is not off the hook. Questions are now being raised about his role in ditching proposals to "top slice" the BBC's licence fee and distribute the money to private sector broadcasters. The Tories put forward the "top slicing" proposal in early 2008. In November 2008 Cameron rejected the idea and it never appeared in the party's election manifesto. Tim Montgomerie, who runs the ConservativeHome web site and writes for the *Sunday Telegraph*, claims that a top Tory told him that Cameron had abandoned the top-slicing plan at the request of James Murdoch.

It appears that the Murdochs thought that the plan would help other broadcasters too much and increase competition. They preferred what is effectively a duopoly between the BBC and Sky. The attempt of News Corp to secure a majority shareholding in BSkyB in which they currently hold only a minority stake would have consolidated that position. The phone hacking scandal has forced News Corp to drop its bid to buy a 61 percent holding in the satellite broadcasting company.

Before the phone hacking scandal blew up it seemed that the purchase of BSkyB was a foregone conclusion, and that Secretary of State for Media and Culture Jeremy Hunt would simply wave through the share deal despite the dominant position it gave News Corp. Hunt's role was already being called into question because of his social contacts with the Murdochs. The revelation that the sudden change in Tory policy over top-slicing was down to Murdoch pressure has led a number of right-wing journalists to doubt the long term viability of the Cameron government.

Even before the latest revelations, Peter Osborne, political editor of the *Telegraph*, was warning that through his association with the Murdochs,

Cameron might have irrevocably damaged his credibility. He identified the Chipping Norton set, "an incestuous collection of louche, affluent, power-hungry and amoral Londoners, located in and around the Prime Minister's Oxfordshire constituency," as the source of the problem. Cameron must distance himself from them, Osborne advised. More than two weeks later, Cameron's best efforts to do so, at least in public, have failed.

Cameron is being drawn ever further into the scandal because the link between him and the Murdochs is not an accidental one; it expresses the character of the super-rich layer that now runs politics, the business and the media in Britain. It is not just that he happened to appoint the wrong man to a key post. His government and the Murdoch empire are inextricably intermeshed in a web of shared interests.

Writing in the *Telegraph*, the newspaper's former editor Charles Moore, wrote of a "debased democracy" in the wake of the phone hacking scandal.

He writes "[A]s we have surveyed the Murdoch scandal of the past fortnight, few could deny that it has revealed how an international company has bullied and bought its way to control of party leaderships, police forces and regulatory processes."

The Metropolitan Police Force is currently investigating some 4,000 phone hacking cases. Little confidence can be placed in an investigation by a force which, as Moore says, has been "bought" by a media mogul. It has failed to carry out an investigation into these allegations for the last four years.

It is estimated that the Met's investigation will take several years. During that time the judicial inquiry under Lord Justice Leveson, himself a social intimate of the Murdochs, will argue that it cannot prejudice an on-going police inquiry. The same is true of any further parliamentary inquiry.

News International executives and employees may be breaking ranks, but the establishment as a whole is closing ranks and is eager to scapegoat a criminal few, while concealing the criminal character of the entire political and business elite.

The only way that the full extent of the collusion between successive governments and the Murdoch media empire can be brought into the light of day is if the working class intervenes directly. It is vitally important that they should do so.



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