

Rupert Murdoch pledges to fight back as corruption scandal spreads

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News Corporation boss Rupert Murdoch addressed his UK staff yesterday, pledging to launch a Sunday edition of his daily tabloid, the *Sun*.

He pledged support for the 10 current and former senior staff at the paper that have been arrested since November as fallout has spread from the phone-hacking scandal at his now-defunct *News of the World* involving alleged bribes paid to police and other public officials. All staff suspensions were lifted.

His appearance was a dramatic move in the face of speculation that he might have to sacrifice the *Sun* in order to safeguard more lucrative parts of his global media concerns and of anger among journalists who believed he was throwing them to the wolves in order to shield himself, his family and his companies.

Even so, the difficulties facing his newspaper-publishing wing in the UK are massive.

Last week, eight people were arrested in dawn raids by police attached to Operation Elveden, which runs parallel with the Weeting Inquiry into phone-hacking by journalists at Murdoch's British subsidiary, News International (NI).

Those arrested included news editor John Sturgis, deputy editor Geoff Webster, chief foreign correspondent Nick Parker and chief reporter John Kay. A serving Surrey police officer, a Ministry of Defence employee and a member of the armed forces were also arrested in the raids on suspicion of corruption, aiding and abetting misconduct in a public office, and conspiracy. Allegations have been made that police officers and other officials were on £10,000 "retainers" to the tabloid to pass on information.

Weeting was set up by the inquiry headed by Lord Leveson to investigate the "culture, practice and ethics" of the British press in the wake of the *News of the World* scandal. Elveden widens that inquiry by

investigating "any alleged inappropriate payments to police and public officials".

A total of 21 people have been arrested in the investigation, including Rebekah Brooks, former chief executive of NI, and ex-*News of the World* editor Andy Coulson, who was Prime Minister David Cameron's communications chief before being forced to resign as a result of the scandal. No one has yet been charged.

The arrests drew an angry response in a column by the *Sun*'s associate editor, Trevor Kavanagh. A close friend of Murdoch's and a strident advocate of his boss's right-wing nostrums, Kavanagh claimed the tabloid was being "witch-hunted" and its journalists hounded like "members of an organised crime gang" for "unearthing stories that shape our lives, often obstructed by those who prefer to operate behind closed doors."

This is rich, coming from a representative of the Murdoch empire, which certainly operates behind closed doors as it courts politicians and others willing to hitch themselves to the multibillionaire's political wagon and justify the destruction of jobs, welfare, trade union rights and civil liberties.

Kavanagh's column and other statements made on BBC's "Radio Five Live" were interpreted by some as a thinly veiled attack on his boss. In fact, Kavanagh made his complaint solely against what he described as "heavy-handed" policing, saying little on the Management and Standards Committee (MSC) set up by Murdoch to provide evidence to Operation Elveden.

The MSC is chaired by Lord Grabiner QC and includes Will Lewis, former editor of the *Daily Telegraph*, and NI executive Simon Greenberg, along with the law firm Linklaters. Working out of an office in NI's Wapping HQ, it trawls a database of some 300 million e-mails for evidence of potential crimes.

Information considered relevant is handed over to a team of approximately 20 police working out of another office. Overseeing the whole process is Joel Klein, a board member of NI's parent, News Corporation.

The MSC was set up after the collapse of NI's claim that phone hacking was the work of a single rogue reporter. It is designed to take the heat off Murdoch, his son James and other senior members of News Corporation and NI by proving their willingness to collaborate with police and the phone-hacking inquiry.

Kavanagh defended this set-up, writing that it was "absolutely right the company co-operates with police on inquiries ranging from phone and computer hacking to illegal payments."

He continued, "It is also important our parent company, News Corp, protects its reputation in the United States and the interests of its shareholders."

In a letter sent to all *Sun* employees. Murdoch stressed, "News Corporation has empowered an independent body, the MSC, to cooperate fully with the Police. The MSC has reiterated to me that this is being carried out with regard to the protection of legitimate journalistic sources."

The *Guardian* had reported that senior journalists at the *Sun* were preparing a legal challenge to the MSC, while the *Times*, sister paper of the *Sun*, carried a column in which Geoffrey Robertson QC urged journalists to protect their sources under the Human Rights Act.

Murdoch made his reputation in Britain through his union-busting activities, and the *Sun* has been the most vocal opponent of human rights legislation.

The *Sun* reportedly makes £175 million in profits a year, but that pales against the billions that could potentially be adversely affected in Murdoch's global business, above all in the US.

Although Operation Elveden has concentrated so far on journalists at NI, its remit goes much further to cover every area of the press.

Elveden's supreme commander, deputy assistant commissioner Sue Alkers, told Lord Justice Leveson last week it was "boosting its numbers from 40 to 61 in order to trawl this *Sun* material in detail."

For years the ruling elite protected Murdoch, and they continue to do so. The Murdochs have been treated with reverence and have still not been charged with any

offence. Meanwhile, the phone-hacking inquiry is being used to stifle a genuine investigation of the corrupt relations between the forces of the state, the political class and the financial oligarchy.

The police are due to appear before the Leveson inquiry shortly to answer allegations of corruption and their abject failure to pursue the phone-hacking inquiry for years. In March 2003, Brooks told a parliamentary committee that her newspaper had paid police for information. NI had to issue a statement that this was "not company practice".

The latest arrests are in part aimed at diverting from this record.

As for the politicians, they are equally eager to draw the spotlight away from Murdoch. Culture Secretary Jeremy Hunt said that the Leveson inquiry had shown that "misconduct" in the newspaper industry "was a lot more widespread than I initially thought."

It was "greatly to their credit that News Corporation are co-operating fully" with the police investigation, he said. He hoped that a "consensus" could be reached on regulating the news industry.

Hunt is the minister who was ready to sign off on Murdoch's planned £8 billion buyout of BSkyB satellite TV, until it was scuppered by the phone-hacking scandal. It emerged that he held a private meeting with Murdoch's son, James, shortly after the BSkyB bid was made public.



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