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"Dirty Digger": Murdoch's News of the World Phone Hacking Scandal

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The phone-hacking scandal which has engulfed Rupert Murdoch's News International - a British subsidiary of News Corporation - has exposed shocking levels of collusion between media and politicians; but also media and police going back three decades.

Ongoing investigations by London's Metropolitan Police have revealed at least 3,700 cases of phone hacking by journalists at the 168-year-old tabloid News of the World newspaper. To try to dampen down public outrage, Murdoch – nicknamed "The Dirty Digger" in Britain - closed the newspaper down on July 10, and flew to London to issue an apology in front of a parliamentary committee. Yet, for years, police and politicians appeared to turn a blind eye to the practice of phone-hacking, partly out of a fear of reprisals from Murdoch's papers, and partly because they craved the good publicity to be had from cosying up to the Australian media magnate.

Jonathan Tonge, a Professor of Politics at Liverpool University, said the scale of the phone-hacking affair, as well as the scale of public anger, would transform relations in what might be described as a "triangle of collusion" between media, police and politicians.

"Politicians and the media will have to become more at arm's length. For decades, it's been too cosy to be healthy. You could say the tail has been wagging the dog. We've seen Tony Blair travelling half way around the world to curry favour with Murdoch because of a fear of his influence over political opinion. What's been lacking is a healthy distancing. We won't lose the relationships entirely because politicians rely on good publicity, but we will see less fawning and pleading," he said.

Professor Tonge said Murdoch had had a direct influence on Government policy for three decades. "There are many examples, but one of the most important was when Labour Prime Minister Tony Blair was considering going into the euro and Murdoch refused to back him. They had a lot of arguments about it, and Blair decided to stay out."

Murdoch has also had a major influence over public opinion whenever Britain has gone to war.

"There were several phonecalls between Blair and Murdoch in the days leading up to the Iraq invasion," said Professor Tonge. "Blair was reliant on Murdoch's support to dilute antwar sentiment. In the event, public opinion was split 50-50, but Murdoch's backing prevented it becoming 60-40 or 70-30 against the war. When you consider Blair lost half his majority as a result of the war at the next election, you see the importance of Murdoch's support."

The fawning attitude of politicians towards News International began with Conservative Prime Minister Margaret Thatcher's decision to allow Murdoch to take over The Times and Sunday Times in 1981 without referring it to anti-trust authorities, even though he already owned The Sun and the News of the World.

Since Thatcher, every British Prime Minister has feared Murdoch's power. Mainly staunchly Conservative, Murdoch's papers switched to Labour ahead of the 1997 election, after Blair promised in a meeting with Murdoch that media ownership would not be onerous under his party. Blair later flew all the way to Australia for further talks with Murdoch. No doubt helped by News International's patronage, Blair won the biggest landslide in Labour's history, a majority of 179 seats, and the new Prime Minister headed off to enjoy Murdoch's hospitality on a sun-kissed island.

"There's no doubt that Murdoch's backing influenced the percentage of votes for each party because his papers reached millions of voters," said Professor Tonge. "Blair would have won the election anyway, but with far fewer seats.

"An even better example of Murdoch's sway over voters was when The Sun published its famous front page on the day of the 1992 election, which Labour's Neil Kinnock was expected to win. The headline read: 'If Kinnock wins today, will the last person to leave Britain turn out the lights?' When Labour lost, The Sun's boast the following day that: 'It's The Sun wot won it' was not at all absurd. Analysis of voting patterns showed that a much higher percentage of The Sun's readers voted Conservative than would be expected from their age and class position."

The current British Prime Minister, Conservative David Cameron, learned many lessons from Tony Blair, not least the importance of Mr Murdoch. Like Blair, he met Murdoch frequently in the run-up to the 2010 general election, and was rewarded with the Australian's support. Murdoch was one of the first guests to congratulate Cameron after he won a narrow victory, entering number 10 Downing Street through the back door to avoid the unwanted attention of journalists and photographers.

But the Conservative Party's collusion with News International is best exemplified by the appointment of the the former News of The World editor, Andy Coulson, as Communications Director in June 2007. Coulson had resigned as NoW editor just five months earlier over the first phone-hacking affair, which saw the jailing of journalist Clive Goodman. The Tories were well aware of the suspicions surrounding Coulson, but they appointed him in any case. This month, Coulson was arrested by the Metropolitan police under suspicion of ordering phone-hacking at the News of The World.

Cameron has also shamelessly socialised Rebekah Brooks, News International's Chief Executive. The pair have become such intimate "friends" that Cameron attended Brooks' Christmas party at her Oxfordshire home in December. The gathering came under scrutiny because it came just 48 hours after Cameron had stripped his Business Secretary, Vince Cable, an avowed enemy of Murdoch, of the power to decide if News Corp would be allowed to buy out the 61% of satellite broadcaster BSkyB it did not own.

Since the phone-hacking scandal erupted, Murdoch has pulled out of the BSkyB deal and Cameron has promised to confront the problem of collusion head on. The Prime Minister said:

"The truth is, we have all been in this together - the press, politicians and leaders of all parties - and yes, that includes me.... Because party leaders were so keen to win the support of newspapers we turned a blind eye to the need to sort this issue, get on top of the bad practices, to change the way our newspapers are regulated."

He described the scandal as a "wakeup call" and added:

"Over the decades, on the watch of both Labour leaders and Conservative leaders, politicians and the press have spent time courting support, not confronting the problems. Well, it's on my watch that the music has stopped and I'm saying, loud and clear - things have got to change."

The focus of Cameron's remarks was on the UK's politicians, but he could just as easily have spoken about collusion between News International and the Metropolitan Police. Way back in July, 2009, the prestigious The Guardian newspaper, which has broken most of the phone-hacking stories, reported that several News of the World journalists had intercepted the voicemails of celebrities and politicians, with the knowledge of senior staff, and that its parent company had paid more than \$1.6 million to settle phone-hacking cases that could have unearthed evidence of broader hacking. But the Metropolitan Police refused to re-open their earlier investigations.

But when the phone-hacking scandal broke this year, the decision to ignore the allegations blew up in the faces of police chiefs. Earlier this month, Commissioner Sir Paul Stephenson, the highest-ranking UK police official, stepped down, following revelations that - like Cameron - he had hired a former News International journalist as a Communications Consultant. A few days later, assistant commissioner John Yates, who had taken the decision not to re-open the phone-hacking investigation in 2009, also resigned.

Home Secretary Theresa May announced an inquiry into "instances of undue influence, inappropriate contractual arrangements and other abuses of power in police relationships with the media and other parties".

Professor Tonge said: "A generous view is that the Metropolitan Police were busy doing

other things like fighting terrorism and so phone-hacking wasn't a major priority. But a more sinister, and probably more accurate, interpretation is that the Met and News International were hand in glove.

Frankly, it's laughable to suggest that The Met thought phone-hacking was merely the rogue activity of a minority of reporters. There was mounting evidence back in 2009. A whole range of people, including Labour MP Tom Watson, was saying there was a huge amount of hacking going on, but the police still closed their inquiry."

Like Britain's politicians, The Metropolitan Police knew the value of good publicity. "The Met needed News International's help to publicise their campaigns, such as their Public Assistance Campaign," said Professor Tonge.

"One strong indication of the closeness of the relationship was the seamless transfer into Met Police PR roles of former News International employees. Around 25% of Met PRs started life in Murdoch's organisation. That will all change now. The police are unlikely to take phone-hacking lightly again and we won't see such an interchange of personnel. They will stop cosying up to each other and professionalise their relationship."

One influential US commentator said the phone-hacking scandal exemplified the unhealthy links between power and money in the UK, extending his analysis to the British politicians' desire to toady up to the wealthy elites in the financial sector.

"The bottom line is that for some time there has been undue influence on UK governments and public policy by powerful private interests," said Daniel Kaufmann, senior fellow at the Brookings Institute in Washington DC.

Kaufmann said that, if unchecked, the "elite capture" of political systems became "privatization of public policy". He said this was a growing danger in both Britain and the US.

As with media barons such as Murdoch, the influence of the financial services industry is so strong, Kaufmann argued, that politicians have long avoided questioning it. That acquiescence has contributed to the global financial crisis and has made Britain one of the key banking centres for the world's most corrupt oligarchs and despots.

Professor Tonge agreed that British politicians had also colluded with the Financial Services sector.

"What we need is a reassertion of political authority. The expenses scandal in the UK last year made everyone think the UK's politicians were morally bankrupt, but this is a great opportunity for them to restore political order by holding the powerful to account, such as properly regulating the financial sector," he said.

The level of public interest in the phone-hacking story rocketed earlier this month when The Guardian revealed that journalists had hacked into the mobile phone of a murdered 13-year-old called Milly Dowler, then deleted her messages to prevent rival reporters gaining access to them. The activity on the girl's phone impeded police from investigating her disappearance and gave her parents false hope that their daughter was still alive. The Dowler revelations sparked widespread outrage.

And the allegations kept on coming. The list of alleged targets grew to include victims of the July 7, 2005, terrorist attack in London, and the phones of families of soldiers killed in Iraq and Afghanistan. In the US, the FBI began investigating allegations that News Corporation employees had hacked into the mobile phones of 9/11 victims' families, and several prominent lawmakers suggested that News Corporation may have violated the Foreign Corrupt Practices Act by bribing British officials.

If the scandal hits the US, Murdoch has much more to lose financially. News Corporation has assets of \$60 billion, sales of \$33 billion and profits of \$3 billion, but the News International arm is of marginal economic importance in this empire, which includes the Fox TV network, 20th Century Fox film studio, The Wall Street Journal and the New York Post.

David Smith, EconomyWatch



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