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Britain

# News Corporation: crime, corruption and class rule

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**In the last few years in Britain there have been major scandals concerning Members of Parliament " on expenses; banks " the buying out of failing banks by the government and yet enormous payments of salaries and bonuses to those responsible; and now in the media. On Thursday July the 7th, Rupert Murdoch's News Corporation announced that the 168-year old News of the World (one of the biggest-selling English-language Sunday newspapers in the world) would close down, thus creating over 200 job losses. This followed allegations that journalists and investigators had not only hacked into the mobile telephones of celebrities and Premier League footballers (considered fair game by a large section of the tabloid-reading public) but also of Millie Dowler, a thirteen-year old girl murdered in 2002, and families of British military killed in Afghanistan and Iraq. This swung public opinion firmly against the powerful media company whose top executives have been on close terms with leading British politicians on both sides for years.**

**" IV**

On Sunday, that bastion of scandal-mongering populist reaction, the News of the World (NOTW), departed this earth.

It was the country's biggest selling Sunday paper and the paper that achieved the highest ever sales in the world. Two days later, after what a Guardian columnist described as "European uprising of MPs", the Murdoch empire dropped its bid to take over BSkyB. It was a humiliating retreat for the world's biggest media mogul.

Things looked very different before. Hilarious TV clips from last autumn show Tory London mayor Boris Johnson guffawing about how this is "European load of old codswallop got up by the Labour Party", in response to a press query. More recently, as the unlikely spokesperson for anti-Murdoch militancy, the middle England romcom actor Hugh Grant archly put it, "European fact is that the prime minister and his wife, the leader of the opposition and his wife, members of the cabinet and shadow cabinet were all at [Murdoch's] party on 16 June, sipping his Pimm's and laughing at his jokes, and that's a sad reflection on the people who run out country".

One of those present as the oysters and champagne were served has commented, it now all seems like "European orgy at the end of the Roman empire".

Very late in the day Labour's Ed Miliband, wisely jumped ship " like a rat that can see the poop disappearing beneath the waves " and finally stated his opposition. This was quickly followed by the Lib Dems and finally the Tories.

However this course of events has shown that, but for Labour's stalwart backing over the years, the Murdoch press in this country would never have been in the position of strength that it attained. And whilst the quintessential architect and product of this corrupt relationship was Tony Blair, his successors Gordon Brown (despite knowing that he too was a victim of hacking) and Miliband were content for it to continue.

What's clear is that this "European uprising of MPs" was not a vanguard action but more a case of being dragged screaming and kicking after years of knee-bending to corporate capital and its media fronts.

The Murdoch method, which is by no means exceptional, depended on a tactically sophisticated combination of flattery, bribery, blackmail and corruption to create a consensus across the political spectrum on the basis that no serious party could afford to cross swords with the News International press "for fear of vilification and harassment on the pages of the tabloids or at the very least the withdrawal of vital political support.

Of course many innocent people will have lost their jobs. And no doubt this victory will prove cosmetic as the News of the Screws is replaced by stable mate or rival. But the significance of the unfolding drama as a challenge to core power bastions for global and national corporate capitalism and its political servants should not be underestimated.

The story started six years ago with the jailing of the NOTW royal correspondent Goodson and private detective Mulcaire over the hacking of the phones of members of the Royal family. News International and police investigations, involving the seizure of 11,000 pages of Mulcaire's notes and company emails led to quiet assurances that no one else was involved and there were no other victims.

But a growing trickle of celebrities couldn't understand how papers were getting hold of very private information. This led to a second police investigation and the further reassurance that there was no evidence of any wrong doing. Not a view taken by James Murdoch as he then proceeded to authorise six-figure payoffs to some of these celebs.

The whole affair might have rested there, given the public's difficulty in envisioning the rich as victims. Then in June it was revealed that Mulcaire had hacked into the mobile phone of Milly Dowler the teenage victim of Levi Belfield just sentenced to life imprisonment for her abduction and killing in the days after her disappearance. Worse still he deleted messages, causing false hope in the minds of her parents that she might be still alive and accessing the phone. This from a newspaper that carried as its badge of pride the militant support for victims, particular children.

There followed a growing river of other allegations: including that the phones of relatives of victims of the 7/7 bombing had been hacked and those of soldiers killed in Afghanistan. Public revulsion was immediate.

Despite this Murdoch, incredibly, appointed Rebekah Wade (editor of NOTW at the time of the Dowler hacking, now Rebekah Brooks) to conduct an internal investigation even as there were growing calls for her sacking. All party leaders and Cameron in particular, up to their necks in a web of close personal relationships with senior News International executives, were caught like rabbits in the headlights.

A breathtaking series of further revelations and developments followed on a daily basis: extending the scandal to other News International papers, The Sunday Times and the Sun; and involving allegations of (using trickery to obtain personal information).

It has also turned out that the Surrey police were aware at the time of Milly Dowler's disappearance that the NOTW had been hacking her phone but did nothing about it. This, information from NOTW that it had paid £100,000 to corrupt police officers for information and a well-established close history between the Metropolitan Police and the Murdoch press confirmed a general picture of police complicity and cover-up.

Assistant-Commissioner Andy Hayman, who ran the original investigation was simultaneously wining and dining with the executives of the company whose alleged criminality he was supposed to be looking into. Having exonerated them he then left the Met and got a job on a Murdoch paper. Even Tory MPs laughed and deride him as a dodgy geezer as he protested his innocence in front of a parliamentary committee that for years

had swallowed this nonsense. The stench has become so over-powering that the only question is how it was kept under wraps for so long

The initial political focus has been on the criminal responsibility of individuals and how far up this stretched in the Murdoch empire. Once it became apparent that this brutal invasion into often highly vulnerable people's lives was taking place on an industrial scale (thousands of phones are believed to have been hacked or at risk of it) and that this is likely to have happened across a number of publications over a period of years actual knowledge of particular acts of criminality becomes largely irrelevant. There has to be executive responsibility. Front page exclusives were being generated and £100,000s being spent.

The other focus was NewsCorp's bid to take a controlling interest in BSkyB and the implications this has for pluralism in the media, particularly the news. Until a fortnight ago there was not a whiff of opposition from the political establishment and good money could be put on it sailing through.

Over the previous six years none of the main media outlets (except The Guardian which has led the fight) now obsessing over the scandal had the courage to follow the story to where it truly led. So much for a free press. The reason: not simply fear of Murdoch, but jealousy and the probable fact that they were all up to the same games.

There seems to be an inescapable argument for individual culpability of one sort or another at senior levels in the NewsCorp. But more important is what all this says about the organisation as a whole.

News Corporation owns News International which runs the stable of papers at the heart of the scandal. It is a major global player with a multi-billion pound turnover. It was, as top plod Peter Clarke (admittedly one of those anxious to shift blame, given his responsibility for the original investigation) put it, "a major global organisation with access to the best legal advice, in my view deliberately trying to thwart a police investigation". Having invested large sums and significant resources in crime, corruption and cover-up, it only began "fessing up" when presented with its DNA on the bloodied knife. This tells you everything you need to know about its business, political, legal and moral perspectives.

Clearly there are no ethical boundaries. Hacking and blagging will only be part of the story. Remember Benjamin Pell (aka Benji the Binman, aka The Fleet Street Sewer Rat)? He spent the later part of the 1990s extracting secrets from people's dustbins and selling them to papers ending up with little more than a £20 fine. And does anyone believe that mobile phone call and cell site (showing location) data or CCTV images (council, police and private) have been immune from this type of theft and corruption, particularly given police access? The planting of evidence and fabrication of stories are also quite possible.

What has been exposed is not a rogue corporation or some immoral individuals. It is nothing less than the ruthless maximisation of profit at almost any cost, even in a commercial field so highly sensitive to public opinion. The veil has been taken off the underlying motor-force of all capitalism.

Hardly surprising that the media and the political establishment are running around like headless chickens. The entire capitalist class and its relationship to the state is implicated. How else explain Cameron's eventual volte-face to kick in the teeth close personal friends of many years standing?

Potential consequences include a massive loss of public confidence not just in the such media corporations but in the private sector as a whole. In a period of austerity people will put up with a lot of hardship if they can be persuaded of two things: that "we are all in it together" (already under a lot of strain as public support for the June 30 strike showed) and that we can trust the main pillars of the social order to sort things out.

In laying bare the brutal and repugnant consequences of the profit motive, the scandal threatens to expose to ridicule all the many assurances we still receive (despite the crisis triggered by finance capitalism) that the private sector can be trusted to run public services. We are told that even when a problem arises the state is there sort it out and failing that self-regulation ensures that other private sector companies can be relied upon to tame the rogues in the pack.

Well thatâEuros" has been proven to be a load of nonsense âEuros" police and parliamentary enquiries were either hopeless or cover-ups and everyone thinks the Press Complaints Commission should be renamed Poodles for Craven Capitulation. Gordon BrownâEuros" attempt to blame the Cabinet Secretary for his failure to institute a judicial inquiry when he could have as Prime Minister, is just another example.

Coming at the same time that Southern Cross, a private company running care homes for 31,000 elderly people, has collapsed in disarray putting tens of thousands of the most vulnerable people in a great deal of anxiety and with the real risk of many fatalities if they have to be transferred âEuros" we have all learnt something very important about whether we can trust the private sector with those aspects of life that we most cherish.

That developments that led to this scandal are typical of normal capitalist operation, rather than exceptional is underlined by considering the longer term processes that produced them.

Although MurdochâEuros" operation has been going for well over four decades, it is since the 1980s that he has made a particular impact in this country. Having bought a succession of newspapers he used them as an ideological battering ram to front up the Thatcherite assault on the working class and the accompanying transformation of capitalism to a neo-liberal market model.

This involved a systematic vilification of oppressed groups through sexism, racism, homophobia and xenophobia. It relentlessly preyed on the increasing economic insecurity of working class people under the yoke of unemployment, âEuros" flexible workingâEuros" , low wages and declining pensions focussing the resulting anxiety on a fear of crime, disorder and immigration and vilifying any radical oppositional political explanation.

The relentless campaign for more repressive laws in the name of âEuros" victimâEuros" rightsâEuros" and ridiculing the Human Rights Act âEuros" one result of which was Labour passing laws to create 3,000 new criminal offences âEuros" now appears deeply ironic when one considers the treatment meted out to victims by News International employees.

But at its centre was a union-bashing crusade at the heart of which was one of the mighty trade union struggles of the 1980s as News International transferred its operations to Wapping provoking a bitter and lengthy strike and pitched street battles with mounted police. The legacy of that defeat, coming after the miners strike, paved the way for two and a half decades of decline in union militancy, membership and organisation.

The absence of strong unions with an ethical code of conduct in the print room and at journalistsâEuros" desks also freed up editorial policy from any constraint. If there is any one measure that can help ensure there is no repeat of the crime and corruption that has been revealed it is the presence of strong ethically committed unions in a pluralistic, independent, publicly accountable media âEuros" all sorely missing at present.

The deepening influence of neo-liberal economics have played their own role. The past three decades has seen a growth in inequality and an increasing determination of value in money terms. Privatisation and the assault on the welfare state has seen not only an attack on ethical standards across all public sector professions but a gradual shift towards valuing everything in money terms rather than public benefit.

From top executives on massively inflated bonuses to the lowest paid trying to scrape a bare living there has been a dangerous slide towards a culture in which everyone is expected to have a price. Hardly surprising that there has been a mushrooming of prostitution and the return of below-minimum wage "slave labour" in domestic service. Hardly surprising that bank employees, civil servants, telecoms workers and police officers can be bought "either corrupted by the culture or simply desperate.

Alongside this there has been a massive growth in surveillance and "data farming". In part this is an outgrowth of the digital and internet revolutions. But it has also become a new sector of the economy, with its own need to maximise returns. The collecting, storing and dissemination of this data has largely been sub-contracted to private companies. Its very existence has created a marketplace for secret information upon which a populist reactionary tabloid media with money to throw around has thrived. Phone hacking is but a minor extension of this process. The cutting of the odd corner.

And finally the process of privatisation has seen the delegation of core roles of the state to the private sector. This has gone well beyond the main utilities, public transport and so on. It has included the state's monopoly on the use of force. There has been a massive growth in the private security industry to the point where over half a million are employed; the Iraq and Afghanistan wars saw the widespread deployment of private military organisations in a web of corruption as billions of pounds and dollars were doled out to buy off local leaders in the occupied countries.

This private security sector has seamless connections with the official sector represented by the police, armed forces and secret services, with the regular crossing over of personnel. A consistent feature of the NOTW scandal has been the presence not just of corrupt police, but ex-detectives working for private agencies and using their contacts.

A careful examination of the core activities revealed in this scandal shows that it simply replicates what MI5 and the anti-terrorist, special branch and serious crime sections of the police have been doing for decades with the full backing of government and parliament. Earlier this year police were exposed for using systematic deceit, gross invasion of privacy and entrapment as part of a long term infiltration of the environmental movement. Neo-liberalisation of the economy and privatisation has simply and naturally led to the transfer of these skills and operations to the private sector. Hardly surprising that NOTW journalist Mazher Mahmood (aka "The Fake Sheikh") boasted in the final edition of the paper that he had "clocked up 250 successful prosecutions" through his use of undercover surveillance and entrapment.

Of course this cross-over between the dark arts of the secret state and the capitalist media is hardly new. The BBC famously had an MI5 office in its building to vet employees. And foreign correspondents in a variety of news organisations over the past century have doubled up as MI6 agents (as shown by Phillip Knightly in *Truth: the First Casualty*).

Media corporations have undoubtedly benefited from a trade off for their assistance to the imperialist state "an implicit understanding that their misdeeds would be overlooked.

Why has all exploded now? Nothing new has actually happened. All that occurred is that a vast bank of highly incriminating information, in existence for years, has suddenly come to light.

The obvious cause of the delay is the British bourgeoisie's traditional method of containing revolt, scandal and crisis "to suffocate it in an endless series of parliamentary and police inquiries, relying on the false veneer of trust in the "integrity" and "fairness" of these state institutions and particularly their "independence" from the interests of the soiled sections of the ruling class in

question.

All anger and protest is diverted and diluted down the gloomy corridors of Scotland Yard and the House of Commons. Overlaying that is the cover up. ItâEuros"s a tried and tested model that held firm for nearly four decades after Bloody Sunday, when troops massacred civilians in Derry 1971.

One obvious lesson is that the righting of wrongs will only effectively occur by the exercise of power independently from and outside of state apparatuses. Preferably in a mass and militant exercise in organised people power. The Egyptians have shown the way.

Nonetheless there must have been some trigger for the sudden outpouring. Why now? Why not last year or two years before? It would be glib and inaccurate to suggest that the previous weekâEuros"s historic one day public sector strike by teachers, lecturers and civil servants was the cause. But in a sense the timing wasnâEuros"t simply coincidental.

Everything has changed since 2005-6, when the first glimmers of the hacking story emerged. The banking crisis has thrown the ruling class into disarray, leading in turn to a political crisis âEuros" not only because of deep divisions and the lack of strategy to deal with the economic crisis nationally, regionally and globally. It was quickly followed by the MPs expenses scandal and then an election in which none of the political parties got a majority mandate for itâEuros"s austerity policies and a coalition government was cobbled together to implement policies that had no electoral mandate.

This slide into a state of almost permanent political weakness and instability and on the part of the political elite was made possible by the earlier and still running crisis of confidence created by the debacle of successive military invasions, based on lies and at huge financial cost, from Iraq onwards.

But this has been met in the past 9 months by an upsurge of working class militancy âEuros" with the student protests, followed by half a million on the March 26 TUC demonstration against the cuts and then the successful 30 June strike. Meanwhile the past six months has also seen a mass revolt in the Arab world, mass struggles in Greece and Spain and major developments elsewhere.

Against this background the Wapping crooks and their friends in the police began to fall out. The outcome of the ruling class austerity offensive is looking far less sure. The traditional political mechanisms for ensuring ruling class political stability and hegemony have begun to weaken. No one wanted to be left still standing when the music stopped. So a mutual blame game has started.

A further lesson, therefore, is that if even the most powerful anti-union globalised capitalists can be confronted and rolled back âEuros" others can too. Many people have said that the anti-austerity movement badly needs a victory. Well, it may have been unexpected, but now itâEuros"s got one. With the political establishment weak, now is a good time to shake off the legacy of past defeats and fight back whilst it is on the back foot.

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