

# UK Media Scandal Rocks Rupert Murdoch

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A scandal rocking Rupert Murdoch's media empire deepened on Thursday with claims his best-selling News of the World paper hacked the phones of relatives of British soldiers killed in action.

Britain's military veterans' association broke off a deal to campaign with the paper on improving conditions for service families, signaling how far the scandal is alienating a core readership, already horrified by suggestions that journalists accessed the messages not only of celebrities and politicians, but also missing children and the relatives of bombing victims.

The British Legion also said it may join major brands in pulling advertising from The Sun, which like its sister paper the News of the World mixes a diet of stories exposing scandal among the rich and famous with populist campaigning.

The long-running saga has taken on dramatic new proportions this week and threatens to delay a planned multi-billion-dollar takeover by Murdoch's News Corp of news and entertainment broadcaster BSkyB.

It has also raised fresh questions about the power the Australian-born Murdoch has wielded for 30 years over the British press, politicians -- including Conservative Prime Minister David Cameron -- and the police.

"We have let one man have too far great a sway over our national life," said lawmaker Chris Bryant, who secured a debate in parliament on Wednesday in which politicians lined up to vent their fury at News of the World and its powerful proprietor.

"No other country would allow one man to garner four national newspapers, the second-largest broadcaster, a monopoly on film rights and first-view movies."

The government has already backed a deal for Murdoch's News Corp to buy out the 61 percent of pay-TV company BSkyB it does not already own, and says the two cases are not linked. But U.S. shares in News Corp fell over 5 percent on Wednesday, while shares in BSkyB also eased on fears the deal may be delayed.