

Independent Newspapers and Irish society, 1973-98

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Writing in 1889 the legendary nationalist MP and newspaper editor, T.P. O'Connor took a side-swipe at those publications that proclaimed their independence of all political and business interests. He declared that he liked 'an "independent" journal as little as the politician who assumes to himself the same adjective'. In his long experience of newspapers and politics, he had, he declared, ultimately found that 'independence' was simply 'a euphemism for personal vanity, personal interest, or mere crankiness of temper and opinion'.¹ As we have seen in chapter two, despite its declaration that 'The extravagances of partisanship will be unknown in the *Irish Independent*', William Martin Murphy was not shy in using the *Irish Independent* to defend his commercial interests during the Great Lockout of 1913.² Similarly, the *Irish Press*, although declaring that it would not be 'the organ of an individual, or a group or a party', was the political organ of Eamon de Valera and, to a lesser extent, Fianna Fáil.³ In contrast, the *Irish Times* was upfront about where it stood: its first edition had declared 'As Irishmen we shall think and speak; but it shall be as Irishmen loyal to the British connection...'⁴

As Ireland modernised in the 1960s and as RTÉ began television broadcasting that was, by statute, obliged to be fair and impartial in relation to news and current affairs, the role of the newspaper as an advocate or defender of its owner's political or commercial interests became outdated. Briefly put, the *Irish Press* gingerly attempted to distance itself from its Fianna Fáil roots through the adoption of the 'fair to all, friendly to Fianna Fáil' mantra. For its part, the *Irish Times* transformed itself into an ownerless trust, 'free from any form of personal or of party political, commercial, religious or other sectional control', in 1974.⁵ That left the *Irish Independent*. In 1973 the Murphy and Chance families sold their voting shares in Independent Newspapers to Tony O'Reilly. What followed was the rise of a media magnate, the growth of Independent Newspapers and concerns about the dominant position the company came to hold, and, ultimately, debates about what all this meant for Irish society.

The rise of a media magnate

In the early months of 1973 rumours abounded that Independent Newspapers was set to undergo a change in ownership. At this time, the company published the *Irish Independent*, the *Sunday Independent*, the *Evening Herald*, the *Drogheda Independent*, the *Dundalk Argus*, the *Wexford People* and the *Kerryman*. When, on 22 February, the board confirmed that 'certain approaches have been made' the quoted share price jumped from 145p to 200p in the space of one day of trading. Among those mentioned as being behind a possible takeover were Tony O'Reilly, Rupert Murdoch (who, the *Irish Times* reported, had apparently been spotted at Dublin Airport), Michael Smurfit, and Patrick McGrath, who had been incensed at the *Sunday Independent's* exposé of the running of the Irish Hospital

¹ T.P. O'Connor, 'The New Journalism', *The New Review*, 1:5 (1889), 423–434 at 433.

² *Irish Independent*, 3 Jan. 1905. See chapter 2.

³ *Irish Press*, 5 Sept. 1931.

⁴ *Irish Times*, 29 Mar. 1859.

⁵ Irish Times Trust Ltd, memorandum of association, article 2.d.ii.a.

Sweepstakes.⁶ The prospect of such a large number of newspapers passing into Murdoch's ownership prompted the then minister for industry and commerce, Patrick Lalor, to declare that 'a situation in which ownership or control of Irish newspapers passed into non-Irish hands would be unacceptable' to the government.⁷

However, it was not Murdoch, but Tony O'Reilly that was talking to the Murphy family about the purchase of their voting shares that controlled Independent Newspapers. Born in Dublin in May 1936, O'Reilly studied law at University College Dublin and in 1980 earned a PhD in marketing from the University of Bradford. A talented rugby player, he earned twenty-nine caps for Ireland between 1955 and 1970. He joined the Irish Dairy Board as its general manager in 1962 where he developed the hugely successful 'Kerrygold' brand for exported butter and in 1966 he became managing director of the Irish Sugar Company. Thereafter, he made in name in international business.⁸ Having made contact with Independent chairman T.V. Murphy through Murphy's financial advisor, Russell Murphy, O'Reilly encountered no resistance to his proposed takeover.⁹ As takeover talks continued, speculation about the mystery buyer reached fever pitch. As this was the first time since 1919 that a national newspaper group look set to be taken over, all who worked for the company were nervous.¹⁰

In early March the company's NUJ chapel held a meeting that resulted in the non-appearance of the *Irish Independent*. In a statement, the chapel noted that the 180 journalists had been given no information about the impending takeover or any guarantees about their continued employment. It noted that 'a group of faceless men is buying an important newspaper chain [and] its workers are being sold as if they were bonded slaves'. It also called for journalists to be represented on the board of directors.¹¹ The board of directors responded by sacking all 180 journalists.¹² The *Independent* remained off the streets for five days and several journalists staged a sit-in at Independent House. Although the board gave a written assurance that there would be no redundancies, the newspapers would 'maintain their character', and that these conditions would be written into any takeover contract, the NUJ rejected it on the grounds that it had not been made by the new owners.¹³ The union eventually received the same assurances from Tony O'Reilly and the employment of the journalists was deemed not to have been terminated. However, the request for journalistic representation on the board was rejected.¹⁴

In a radio interview, O'Reilly stated that his takeover of the company was 'primarily commercial'. His ambition for the company was for it to 'continue its aggressive commercial standards and for reasonable commercial expansion, whether in Ireland or indeed abroad'. The concerns expressed by the journalists, were, he observed, 'legitimate' and he had given them 'specific assurances in

⁶ Irish Times, 23 Feb. 1973.

⁷ Ibid., 24 Feb. 1973.

⁸ For more on O'Reilly's business life, see, C.H. Walsh, *Oh Really O'Reilly* (Dublin, 1992), I. Fallon, *The Player* (London, 1994), or F. O'Toole, 'Brand Leader', *Granta*, 53 (1996), 47-74.

⁹ Fallon, *The Player*, p. 200.

¹⁰ In 1919 the *Freeman's Journal* Group had changed hands before collapsing in 1924.

¹¹ *Irish Times*, 13 Mar. 1973.

¹² Ibid., 14 Mar. 1973.

¹³ Ibid., 16 Mar. 1973.

¹⁴ Ibid., 19 Mar. 1973.

relation to editorial freedom [and] quality of employment'. He declared his intention to be a hands-off proprietor and noted that he 'drew a specific difference between ownership and management'. Asked whether the *Independent* would become a Fianna Fáil newspaper, he re-stated his point that editorial freedom had been assured. Asked whether he supported Fianna Fáil, he noted that he had been variously described as a supporter of 'all three parties' though he had never declared which political party he supported. When questioned on the power that control of so many newspapers might bestow on one person, O'Reilly was forthright in his view:

That concern is legitimate. Each man in his own way has to show that he means what he says in terms of the commercial and editorial freedom of his papers. If he abuses that decision, the concern expressed will be shown to be legitimate.¹⁵

At least one newspaper expressed concern about the concentration of such a large number of newspaper titles in one pair of hands. The *Anglo-Celt* noted that Independent Newspapers held 'a commanding position in Irish newspapers [and] 'such power should not be transferred to one company never mind one person'.¹⁶

In late March 1973 the chairman of Independent Newspapers, T.V. Murphy wrote to its shareholders to inform them that the holders of 'over 80%' of the company's 100,000 'A' voting shares (owned mostly by the Murphy and Chance families) had agreed to sell their shares to O'Reilly for a price of £10.95 per share.¹⁷ While O'Reilly had been fortuitous in his timing of his offer to the two families (both of whom wanted out of the newspaper business) he was less fortunate with the regulators. The stock market rules had recently changed and since O'Reilly was gaining control of the company, he was now obliged to make a bid for the 2.3 million non-voting 'B' shares. This had not been the original plan. According to O'Reilly's biographer, Ivan Fallon, 'he [O'Reilly] and the bankers argued furiously with the takeover authorities, who refused to yield'.¹⁸ Ultimately the 'B' shareholders were offered £2.00 per share and several companies, including Fitzwilton and New Ireland Assurance (O'Reilly was a director of both companies), purchased over 900,000 'B' shares.¹⁹ The holders of the 'B' shares were later given voting rights, with O'Reilly receiving additional shares, depending on the profitability of the company, to compensate for the loss of the exclusive voting rights of the 'A' shares. After all these manoeuvres O'Reilly's shareholding was estimated at 30 per cent.²⁰ In August 1973 O'Reilly wrote to the shareholders and informed them of his vision of the company expanding into the fields of advertising, publicity and commercial radio and television. Such activity would not, he maintained, be confined to Ireland: the company would, in due course, become 'an international communications group'. It was, by any standards, a prophetic letter.

¹⁵ Ibid., 19 Mar. 1973.

¹⁶ Ibid., 5 Mar. 1973.

¹⁷ Ibid., 29 Mar. 1973.

¹⁸ Fallon, *The Player*, p. 201.

¹⁹ *Irish Times*, 29 Mar. 1973.

²⁰ See *Irish Times*, 14 & 15 Sept. 1973.

The growth of Independent Newspapers

Once in control of the company O'Reilly remained true to his word and kept an eye out for expansion opportunities. One of his first acquisitions was the *Sunday World*. Launched by Hugh McLoughlin and Gerry McGuinness of the Creation Group as a brash tabloid, the *Sunday World* literally exploded onto the staid Sunday newspaper market in March 1973. As pointed out by John Horgan, the *Sunday World* 'absorbed many insights from its UK competitors, notably a cheeky willingness to engage in sexual innuendo ... occasionally delivered tough and fearless journalism ... adopted a campaigning mode ... [and] ... specialised in short paragraphs, screaming headlines, and huge by-lines for journalists'.²¹ It was an instant success; by December 1973 its circulation stood at 200,000 and its annual profit was £100,000. O'Reilly could not resist making an offer: in 1978 Independent Newspapers purchased 54 per cent of the *Sunday World* and bought the remainder of the shareholding in 1983. By 1984, Horgan notes, the newspaper was contributing £1m per annum to the profits of Independent Newspapers and was a significant cash generator for the group.²²

O'Reilly's next attempt at an acquisition did not go quite as smoothly. Established by Hugh McLoughlin and John Mulcahy, the *Sunday Tribune* made its debut in October 1980. The following year, it had a circulation of 110,000. The initial success of the newspaper was, however, effectively gambled on the launch of a daily tabloid, the *Daily News*, launched in October 1982.²³ The gamble did not pay off and the tabloid dragged the *Sunday Tribune* down with it. Purchased by Vincent Browne and Tony Ryan, the Sunday title survived but encountered severe financial difficulties in the late 1980s, during which approaches were made to the *Irish Times* for investment. Instead, a large tranche of its shares was put on the market and in late 1990 Independent Newspapers purchased 29.9 per cent of the title. As Horgan has pointed out, given the lacklustre financial performance of the *Tribune*, the purchase was most likely a defensive move to prevent any other investor from taking an interest in the title and challenging the position of the *Sunday Independent*, which had, the year before, finally overtaken the *Sunday Press* as the biggest selling Sunday newspaper.²⁴

In 1992 Independent Newspapers proposed to increase its shareholding to 53.09 per cent in return for an investment of £1.9m. To protect the independence of the title, an editorial charter was agreed upon.²⁵ However, under new legislation, the Competition Act 1991, the move was referred to the Competition Authority, the report of which declined to sanction the merger by concluding that it would 'be likely to prevent or restrict competition ... and ... would be likely to operate against the common good'.²⁶ The then minister for industry and commerce, Des O'Malley, agreed. From then on, Independent Newspapers simply maintained the *Tribune* on a hugely expensive financial life support machine, most likely to prevent any inroads being made by the expanding *Sunday Times* or the newly established *Sunday Business Post*, until it finally pulled the plug in

²¹ J. Horgan, *Irish Media: a critical history since 1922* (London, 2001), pp 108-9.

²² *Ibid.*, pp 109-110.

²³ *Ibid.*, pp 111-113.

²⁴ *Ibid.*, pp 138-9.

²⁵ *Ibid.*, p. 141.

²⁶ *Competition Authority report of investigation of the proposal whereby Independent Newspapers plc would increase its shareholding in the Tribune Group from 29.9% to a possible 53.09%* (Dublin, 1992), 6:17.

January 2011. One estimate put the value of Independent Newspapers' loans to the *Tribune* at €40m.²⁷

Taking on the Press Group

It was, however, the targeting of the Press Group by Independent Newspapers that is most illustrative of the company's aggressive expansionist policy. Effective control of the Press Group had passed down through three generations of the de Valera family, and from the early 1980s the Group seemed to be in permanent crisis mode. The introduction of computerised production resulted in a three week gap in production in 1983 and a twelve week gap in 1985. The transformation of the *Irish Press* to tabloid format in April 1988 was countered by a joint venture between Independent Newspapers and Express Newspapers that launched a cheaper colour tabloid, the *Star*, in February 1988. As losses mounted at the Press, Independent Newspapers upped the ante for market share by launching a series of promotional games – 'Fortuna' in 1988 and 'Scoop' in 1989 – that forced the Press Group to react. The loss of 20,000 readers a day to the *Irish Independent* during the first week of 'Fortuna' forced the *Irish Press* to launch its own promotional game that cost in the region of £250,000. It responded to 'Scoop' by highlighting the 5p price increase of the *Irish Independent* through the use of a promotional tagline – 'Our scoop is no price increase'.²⁸

The endless disputes over who controlled the Press Group were also manna from heaven to Independent Newspapers. The much-feted partnership with Ingersoll Publications in July 1989, which had promised to give Independent Newspapers 'a contest they did not expect', led to nothing other than acrimony and prolonged litigation.²⁹ According to the then *Irish Independent* editor, Vinnie Doyle, senior Independent executives were only too well aware of the infighting between the various board factions that were tussling for control of the Press Group. This presented Independent Newspapers with an ideal opportunity to increase the marketing of its own titles and put further pressure on the ailing Press Group. According to Doyle, a decision was taken 'to attack the Press on three fronts':

The Independent Group's response then, was to put a trickle of money into the *Irish Independent* to fight the *Irish Press* which we were ahead of anyway, but we poured money into the *Herald* to attack the *Evening Press* and poured money into the *Sunday Independent* to attack the *Sunday Press*.³⁰

The strategy paid off: as the infighting within the Press Group worsened and the circulation of its titles continued to decline, the benefactor, in circulation and advertising revenue, was Independent Newspapers. In December 1994 the unthinkable happened: Independent Newspapers purchased 24.9 per cent of Irish Press Newspapers and Irish Press Publications for £1m and a loan of £2m secured on the three newspaper titles. The move was condemned by the National Union of

²⁷ *Irish Times*, 2 Feb. 2011.

²⁸ M. O'Brien, *De Valera, Fianna Fáil and the Irish Press* (Dublin, 2001), pp 189-193. See also E. McCann, 'Scoop!', *Magill*, Feb. 1990, p. 46.

²⁹ *Irish Press*, 8 July 1989. See also R. Burke, *Press Delete* (Dublin, 2005).

³⁰ Interview with Vincent Doyle.

Journalists as being ‘designed to drip feed the only real source of competition to the Independent Newspaper Group’.³¹

Having investigated the deal, the Competition Authority found that the acquisition represented both an abuse of a dominant position contrary to section 5 of the Competition Act and an anti-competitive agreement, contrary to section 4 of the Act.³² It also found that the purchase would further strengthen Independent Newspapers’ dominance in the various markets for newspapers and advertising and that it was designed to prevent a rival of Independent Newspapers acquiring control of the Press titles. In a strong rebuff to the growing might of the company the Authority unsuccessfully recommended that the then minister for enterprise and employment, Richard Bruton, seek a High Court order to void the purchase.³³ At the AGM of Independent Newspapers, O’Reilly denied that the company held a dominant position or had abused its position in its acquisition of a minority share in the Press Group.³⁴

In May 1995 the *Irish Press*, the *Evening Press* and the *Sunday Press* ceased publication and the scramble for their readers produced an interesting example of the market power that Independent Newspapers now yielded. When, in 1996, the *Cork Examiner* re-launched itself as the *Examiner*, the price of the *Irish Independent* was reduced from 85p to 15p for three weeks in Co. Cork, the main market for the *Examiner* title.³⁵ All of these moves – the blocking tactics and the predatory pricing – were, of course, motivated by commercial logic. But where does commercial logic end and press freedom begin? It was this issue that the Newspaper Commission attempted to address in 1995 as it examined how best a society might structure its newspaper industry so that it represented as many viewpoints as possible.

In its deliberations the commission considered two options; plurality of ownership (the idea that ownership and control needs to be dispersed among a wide number of companies and owners, each with their own viewpoint) and plurality of titles (the belief that ownership and control do not matter, as editorial diversity is ensured in large newspaper groups by journalistic and editorial integrity and competition for readers). After much debate about whether the position of Independent Newspapers hindered diversity or acted a bulwark against imported British newspapers, the commission simply concluded that ‘any further reduction of titles or increase in concentration of ownership in the indigenous industry could severely curtail the diversity required to maintain a vigorous democracy’.³⁶

While plurality of ownership might involve state regulation of ownership and control, the adoption of editorial charters and the cross-subsidisation of different newspaper companies³⁷, journalistic and editorial integrity very much

³¹ *Irish Times*, 23 Dec. 1994. IPN was the publisher and IPP was the owner of the Press titles.

³² *Competition Authority interim report of study of the newspaper industry* (Dublin, 1995).

³³ *Ibid.* Section 6 of the Competition Act allowed for the enforcement of the regulations of the Competition Act by way of High Court action on behalf of the minister for enterprise and employment if the case were believed to be of ‘especial public importance’.

³⁴ *Irish Press*, 28 Apr. 1995, cited in Burke, *Press Delete*, p. 196.

³⁵ See *Phoenix* annual, 1996, p. 34. When, in 2000, the *Examiner* changed its title to the *Irish Examiner* the *Irish Independent* warned it about it ‘straying outside their market’. See *Irish Independent*, 16 Aug. 2000.

³⁶ *Report of the commission on the newspaper industry* (Dublin, 1996), p. 30 (1.10)

³⁷ See C. Rapple ‘Newspapers are being squeezed by pressures of commercialisation’, *Irish Times*, 24 May 1995.

depends on the political or commercial interests of an owner not being allowed to influence the content of their titles. It also depends on owners not seeking to influence coverage or using their titles to advance or defend their interests. Upon taking over Independent Newspapers in 1973, Tony O'Reilly gave an emphatic assurance he would not interfere with what journalists wrote. While there is no evidence that he has not kept his word, from the early 1980s concerns began to be expressed about the commercial and political power that Independent Newspapers appeared to yield.

Commerce, politics and Independent Newspapers - 1

Of primary concern was how the Independent titles would report on O'Reilly's other business interests. One such interest was Atlantic Resources, an oil exploration company that was publicly floated in April 1981. On its first day of trading its share price quadrupled and many commentators expressed surprise as the company had no oil, only a 10 per cent stake in an American company that was due to begin drilling off the west coast.³⁸ The following June a dispute arose between Independent Newspapers and the NUJ after the then editor of the *Sunday Independent*, Michael Hand, removed part of an interview that a journalist, Martin Fitzpatrick, had conducted with the president of the stock exchange. The excised piece referred to 'dealings on the exchange in shares of the oil exploration company, Atlantic Resources'. After a mandatory chapel meeting that disrupted production, the NUJ received 'assurances from management that they had freedom to write about companies in which the newspapers' directors had interests on the same basis as any other company'.³⁹

The links between Atlantic Resources and Independent Newspapers did not stop there, however. In an interview in September 1983, O'Reilly told *Forbes* magazine that the geologist hired by Atlantic Resources had chosen six blocks of seabed for exploration and that 'Since I own thirty-five per cent of the newspapers in Ireland I have close contact with the politicians. I got the blocks he [the geologist] wanted'. The perception of the then Taoiseach, Garret FitzGerald, was that while O'Reilly received the blocks he wanted he was unhappy with the terms attached to the exploration licences. As remembered by FitzGerald, after the government refused to amend the terms 'the *Independent* swung somewhat' in its support for his government. It was FitzGerald's belief that 'the oil thing was a major factor' in this.⁴⁰

In the late 1990s the relationship between Independent Newspapers and O'Reilly's other business interests came under sustained scrutiny. In May 1998 *Magill* magazine revealed that in June 1989 the then minister for communications, Ray Burke, had received a cheque for £30,000 from Rennicks Manufacturing, a subsidiary of Fitzwilton, a company in which O'Reilly had a stake.⁴¹ The cheque had been, Fitzwilton explained, intended as a political donation to Fianna Fáil.⁴² In September 1989, Burke, as minister for communications and justice, announced that an Independent Newspapers subsidiary, Princes Holdings, had been awarded

³⁸ *Irish Times*, 7 April 1981.

³⁹ *Ibid.*, 1 June 1981. Hand also spiked Kevin O'Connor's story on the Sean Doherty affair; see J. Joyce and P. Murtagh, *The Boss* (Dublin, 1983), pp 268-71.

⁴⁰ O'Toole, 'Brand Leader', pp 64-5.

⁴¹ V. Browne, 'O'Reilly's Fitzwilton gave a £30,000 cash cheque to Ray Burke in June 1989', *Magill*, 28 May 1998, pp 16-22.

⁴² *Ibid.*

the bulk of the contracts to supply a multi-channel television service around the country.⁴³ This company operated a microwave system called MMDS to deliver TV channels, but many areas already operated their own, albeit illegal, deflector systems to receive British channels. In February 1991 Burke wrote a letter of comfort to Independent Newspapers, stating that once the MMDS system was available in any franchise region, his department would apply ‘the full rigours of the law to illegal operations affecting that franchise region’.⁴⁴

Some years later, in August 1996, the then Taoiseach John Bruton met with O’Reilly. In his recollection of the meeting, Bruton observed that O’Reilly had ‘expressed a general dissatisfaction about the way he and his interests were being recognised by the government’.⁴⁵ Among the issues raised by O’Reilly was the inaction on the part of the government against the illegal deflector operators. By then the deflector systems had become a political hot potato with huge pressure being put on politicians to legalise the systems.⁴⁶ Nonetheless, Bruton asked his senior advisor, Sean Donlon, to follow up on O’Reilly’s concerns. At a meeting with Independent Newspapers executives in September 1996, Donlon was left, he recalled, ‘in no doubt about Independent Newspapers’ hostility to the government parties if outstanding issues were not resolved to their satisfaction’.⁴⁷ Bruton later recalled that he subsequently felt that Independent Newspapers ‘did take a negative view, both towards the government and towards me personally’.⁴⁸

In May 1997 O’Reilly informed the Independent Group’s AGM that Princes Holdings had accumulated losses of £21m. ‘Various governments’, he noted, ‘did not police the enforcement of their licences in an effective way’.⁴⁹ As outlined in a previous chapter, in June 1997, on the eve of polling day for a general election, the *Irish Independent* published a front page editorial entitled ‘Payback Time’ that strongly criticised the economic policies of Bruton’s outgoing Fine Gael, Labour and Democratic Left government and urged readers to vote for Fianna Fáil and Progressive Democrats (PD) alternative.⁵⁰ The decision to run the editorial was made by the paper’s editor, Vinnie Doyle, who also directed its general thrust, although the bulk of the content was written by editorial writer, James Downey.⁵¹ Doyle’s reasoning for the editorial was, according to Downey, based on a memorandum from finance editor Brendan Keenan that postulated that the country could afford tax cuts if the government restrained public spending. The view taken by the editorial was that a Fianna Fáil and PD government would cut taxes and restrain public spending.⁵² As Fianna Fáil returned to power, the reaction was swift; the leader of the Labour Party, Dick Spring, labelled the editorial as ‘disgraceful and despicable, a new low in Irish journalism’.⁵³

⁴³ *Irish Times*, 5 Oct. 1989.

⁴⁴ *Ibid.*, 14 June 1997.

⁴⁵ V. Browne, ‘Challenging a Taoiseach’, *Village*, July 2007, p. 28.

⁴⁶ One deflector activist, Tom Gildea, was elected in the 1997 general election for Donegal South West.

⁴⁷ *Irish Times*, 31 Mar. 2004.

⁴⁸ *Ibid.*, 24 Mar. 2004.

⁴⁹ *Ibid.*, 14 June 1997.

⁵⁰ *Irish Independent*, 5 June 1997.

⁵¹ J. Downey, *In my own time* (Dublin, 2009), pp 250-1.

⁵² *Ibid.* While the Fianna Fáil & PD coalition did cut taxes it also allowed public spending to soar.

⁵³ *Irish Times*, 14 June 1997. Whether the editorial had any real impact on the election result is debatable. Bertie Ahern was a popular leader and Fianna Fáil ran a campaign based on thorough vote management. Fine Gael actually increased its number of seats. The Labour Party was hardest

When the *Irish Times* revealed what had transpired at the Donlon / Independent Newspapers meeting, the latter company clarified that there was no connection between the meeting and the editorial. Editorial policy was, it noted, ‘a matter for editors, not senior executives’. It asserted that, as a commercial organisation, it had a legitimate right to meet with government representatives and to encourage them to enforce the law. It also explained that when the representatives of Independent Newspapers had told Donlon that the government ‘would lose Independent Newspapers as friends’ they were referring solely to the mediating role that the newspaper company was playing between Princes Holdings and the government.⁵⁴ For his part, O’Reilly denied having any input into the editorial and declared that he was ‘absolutely unequivocal’ that the reference to the government losing Independent Newspapers as friends was a reference to potential litigation (in relation to the government’s refusal to shut down the deflector systems) rather than editorial content.⁵⁵ While the event left a sour taste in many mouths, there, for some time at least, the matter rested.

Commerce, politics and Independent Newspapers - 2

The debate about the commercial or political power of Independent Newspapers reignited dramatically in May 1998 when *Magill* revealed the payment from Fitzwilton to Ray Burke in 1989. In the Dáil, former Taoiseach John Bruton observed that the chairman of Fitzwilton was Tony O’Reilly whose many business interests included ‘the television transmission system, MMDS, which was a source of considerable controversy in the lead up to and aftermath of the general election of June 1997. Mr. Burke was linked to that controversy. Dr O’Reilly’s newspapers took an unprecedented interest in the result of that election’.⁵⁶ Deputy Pat Rabbitte pointedly asked:

When huge donations like this are transferred to politicians most people ask *cui bono*? Who benefits and profits from it? Does it support democracy or are there other reasons for it? We are assured that Tony O’Reilly knew nothing of this £30,000 donation. However, as Minister for Communications ... Mr Burke would have been well aware through Dr O’Reilly of the connections of the Rennicks subsidiary to Princes Holdings, to whom he granted 19 of the 29 licences awarded from the MMDS system.⁵⁷

Independent Newspapers came out fighting. In a front page editorial, the *Irish Independent* declared that the company had ‘been the subject of a vicious, calculated and damaging smear campaign which has sought to suggest that the company was linked in some way with improper payments to a politician’. It was a campaign of ‘malicious denigration’ and the company had, it asserted, ‘been attacked on the flimsiest of evidence’.⁵⁸ Fitzwilton, it noted, had no business connections with Princes Holdings. This riposte, however, only fanned the flames

hit; a result, perhaps, of having campaigned strongly against Fianna Fáil during the 1992 election and then forming a coalition with it.

⁵⁴ *Irish Times*, 16 June 1997.

⁵⁵ *Ibid.*, 1 April 2004.

⁵⁶ Dáil Éireann Debates, vol. 491, col. 998 (28 May 1998).

⁵⁷ *Ibid.*, col. 1004.

⁵⁸ *Irish Independent*, 30 May 1998.

of controversy. In a rancorous Dáil debate, Pat Rabbitte roundly criticised what he called ‘the frenetic four day campaign by Independent Newspapers to defend the economic interests of their proprietor’:

“Lying letters, phantom meetings and calculated smears” screamed yet another front page editorial in the *Irish Independent*. As the tirade continued, one conclusion is inescapable: if ever there was a doubt about the undesirability of a dominant position in such a sensitive industry then the conduct of Independent Newspapers over the weekend removed that doubt. Journalists and columnists were used in such an overkill to defend the economic interests of their proprietor that the public were given a glimpse of what abuse of dominant position means in practice.⁵⁹

The affair prompted at least one *Irish Independent* journalist to write an article that was mildly critical of the whole affair but it was spiked by the editor Vinnie Doyle. After the NUJ made representations to him, Doyle claimed he had acted on legal advice. Who or what entity might have sued the newspaper was never made clear.⁶⁰ Ultimately the government referred the Burke payment to the Mahon Tribunal of Inquiry into certain planning matters and payments. In July 2007 Fitzwilton won a Supreme Court case that prevented the Tribunal from holding public hearings into the payment. The Tribunal had investigated the affair in private, but had, the Supreme Court ruled, not followed proper procedure in its attempts to initiate a public hearing.⁶¹

Conclusion

By the beginning of the twenty-first century Independent Newspapers, under O’Reilly’s tutelage, had come a long way. Having taken control of the company, he shook the titles out of their 1950s slumber and, on the back of them, built a powerful, world-wide, media empire. But for all the titles in all the lands that the company owns, the dominant role that it plays in Ireland’s newspaper market and its power to set the news agenda is still what preoccupies policy makers and commentators concerned about the existence of a diverse and free press. As O’Reilly himself acknowledged in 1973, such concerns are always legitimate. Amid the rapidly changing media industry and calls for greater regulation of media cross-ownership it is unclear what the future holds for Ireland’s largest media organisation. As the first decade of the new century ended, the power of Tony O’Reilly to control the company had been strongly challenged by another rising media mogul, Dennis O’Brien.

⁵⁹ Dáil Éireann Debates, vol. 491, cols. 1153-55 (3 June 1998).

⁶⁰ Private information.

⁶¹ *Irish Times*, 5 July 2007.