This is one of the most remarkable public relations moves of modern times. To close a massive profit-making business because it has become a reputational black hole is both bold and a gamble.

It seems that Newscorp have finally caught up with the public mood and are trying to get a grip on the narrative of this crisis. Yes, the advertising boycott meant that it would be worth less but no-one really thought that would be permanent. This is obviously a drastic attempt to show real contrition and clear the ethical decks. Of course, that's scant consolation to anyone working there, but we won't be surprised to see a Sunday Sun rise at some point.

From the Newscorp point of view this is a sensible way to try to put this scandal into the past and to separate it from the BSkyB deal. It does not get to the bottom of the phone-hacking issue, however, leaving big questions against Rebekah Brooks. It does seem that Rupert Murdoch would rather shut a newspaper than sack his loyal lieutenant.

What's interesting – but difficult to judge – is whether this is working. Rebekah might be the firewall that protects James, but as the day wears on, I suspect that the cynical view of this move is in the ascendant.

It really is worth reading this remarkable statement in full:

"News International today announces that this Sunday, 10 July 2011, will be the last issue of the News of the World.

Making the announcement to staff, James Murdoch, Deputy Chief Operating Officer, News Corporation, and Chairman, News International said:

"I have important things to say about the News of the World and the steps we are taking to address the very serious problems that have occurred.

It is only right that you as colleagues at News International are first to hear what I have to say and that you hear it directly from me. So thank you very much for coming here and listening.

You do not need to be told that The News of the World is 168 years old. That it is read by more people than any other English language newspaper. That it has enjoyed support from Britain’s largest advertisers. And that it has a proud history of fighting crime, exposing wrong-doing and regularly setting the news agenda for the nation.

When I tell people why I am proud to be part of News Corporation, I say that our commitment to journalism and a free press is one of the things that sets us apart. Your work is a credit to this.

The good things the News of the World does, however, have been sullied by behaviour that was wrong. Indeed, if recent allegations are true, it was inhuman and has no place in our Company.

The News of the World is in the business of holding others to account. But it failed when it came to itself.

In 2006, the police focused their investigations on two men. Both went to jail. But the News of the World and News International failed to get to the bottom of repeated wrongdoing that occurred without conscience or legitimate purpose."
Wrongdoers turned a good newsroom bad and this was not fully understood or adequately pursued.

As a result, the News of the World and News International wrongly maintained that these issues were confined to one reporter. We now have voluntarily given evidence to the police that I believe will prove that this was untrue and those who acted wrongly will have to face the consequences.

This was not the only fault.

The paper made statements to Parliament without being in the full possession of the facts. This was wrong.”