1 (10.00 am)

1 LORD JUSTICE LEVESON: I wish to take the opportunity to inform you of the circumstances in which I became aware of statements, which had been made in the press about concerns at the Inquiry.

2 LORD JUSTICE LEVESON: Iacobacci was asked to consider whether he wished to make a statement to the Inquiry. Without acknowledging in any way the substance of the complaint, he refused. Subsequently, the editor of the Daily Mail, in a broadcast on the BBC programme "The World at One" on 21 March 2012, confirmed that the Daily Mail had complained to the Inquiry of a "threat to quit" and that any such statement would involve the Inquiry's "highly confidential material".

3 I asked the Inquiry whether they wished to make a statement. The Inquiry has made it clear that they do not wish to make a statement. In these circumstances, I felt it appropriate to raise the matter in the Inquiry and in that capacity will not comment on the subsequent statements by the Inquiry.

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5. At the heart of this story are two allegations, first that I sought to prevent Mr Gove from exercising his right to free speech, including by making a threat to resign and, secondly, that I misused the process of the inquiry to summon Mr Gove in order that I could challenge his behaviour.

6. In the light of the story and the follow-up, I felt it appropriate to raise the matter in the Inquiry and, had I been sitting on 18 June 2012, I would have done so then. In the event, I was not sitting that week and I was conscious that section 17(3) of the Inquiries Act 2005 requires me when making any decision as to the procedure or conduct of the Inquiry to have regard (among other things) "to the need to avoid any unnecessary cost (whether to public funds or to witnesses or others)". In the circumstances, I decided to refer all core participants (who are entitled to raise any issues which concern them as and when they wish) to these articles and to invite submissions within 48 hours.

7. It has been suggested (in rather more colourful language) that my intention is to challenge the Mail on Sunday. In fact, my intention is and always was very different. The papers had, after all, felt it appropriate to make very serious allegations, expressly and inferentially to the effect that I had behaved improperly, challenging my position in the Inquiry. Usually, applications about the conduct of a judge in the exercise of his or her judicial functions (which, in view of their seriousness, are rare) are made in public to the tribunal against whom the allegation is made and backed by evidence; any decision can then be challenged on appeal. My purpose was simply to give Associated Newspapers Limited the opportunity to pursue the allegations they made on the front page of their newspaper before me; this obviously had to be done quickly and I should certainly have preferred it to have
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<td>5</td>
<td>I do not need to set out what he said in detail but it is important to underline that he went further than emphasising the importance of freedom of expression and gave as his opinion that there is a chilling atmosphere which emanates from the debate around the Inquiry. He spoke of the danger of the cure that is worse than the original disease and the danger that &quot;judges, celebrities and the establishment, all of whom have an interest in taking over as arbiters of what a free press should be, imposing either soft or hard regulation&quot; and that, effectively, it is sufficient if we vigorously uphold the laws and principles that are already in place while encouraging &quot;the maximum of freedom of expression&quot;.</td>
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<td>On many occasions throughout the hearings, I have consistently and repeatedly emphasised the fundamental importance of free speak and a free press. Further, I have recognised that everyone is entitled to an opinion on a topic such as this which is of widespread public interest and the subject of vigorous public debate. All are entitled to express personal views that they hold in whatever way and whatever circumstances they consider fit and Mr Gove is no exception. It is worth pointing out that many others have spoken about the inquiry and about me, both inside and outside the formal proceedings, and I remain entirely supportive of their right to do so.</td>
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| 7 | Q5. [95251] Tom Blenkinsop (Middlesborough South and East Cleveland) (Lab): On Tuesday the Education Secretary that the Prime Minister's decision to set up the Leveson Inquiry was having a "chilling" effect upon freedom of expression. Does the Education Secretary speak for the Government? "The Prime Minister: The point I would make is this. It was right to set up the Leveson Inquiry, and that is a decision fully supported by the entire Government, but I think my right honourable friend is making an important point, which is this: even as this inquiry goes on, we want to have a vibrant press that feels it can call the powerful to account, and we do not want to see it chilled. -- and although sometimes one may feel some advantage in having it chilled, that is not what we want. "13. It seemed to me at the time (as, indeed, the Daily Mail, on 18 June, has now sought to suggest by saying that the Prime Minister was "defending" Mr Gove) that the Prime Minister's response was open to the interpretation that he was, indeed, agreeing with Mr Gove's views. I also recognised that it was open to the interpretation that the Prime Minister was not saying that free speech was being chilled but only that "we do not want to see it chilled". Of greater concern to me was the question whether what he had said was or had become the government's position in relation not just to the effects of the Inquiry, intended or otherwise, but also that there was a danger that I (as a judge) had an interest in taking over as arbiter of what a free press should be, imposing either soft or hard regulation, and that it was sufficient vigorously to uphold the laws and principles that are already in place while encouraging "the maximum of freedom of expression". What I did not appreciate at the time (but have been referred to in a submission by a core participant in response to these articles) is that Dr Martin Moore and Professor Brian Cathcart had similar perspectives.

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he was offering support and the place of such support in his relationship with politicians was, in the judgment of the Inquiry, highly relevant to the terms of reference. The fact that for many years Mr Gove had been a journalist employed at the Times, and therefore was able to look at the relationship between politicians and the press from both perspectives, further added to his interest as a witness. The decision that Mr Gove should be asked to give evidence was made before his speech to the Press Lobby but there was obviously an opportunity, after he had made it, to invite him to say more about these views as well if he chose to, as indeed he did.

"17. One great value of the way in which the Inquiry is being streamed on the website means that everyone can see the extent to which I have consistently and repeatedly emphasised the critical significance of free speech and, in that very important context, can watch the exchanges that I have with witnesses and reach their own conclusions.

18. It is absolutely correct that the press should be able to hold this Inquiry, in general, and me, in particular, to account; the Mail on Sunday, the Daily Mail and those other newspapers that published the story are and were entitled to do so with whatever comment they considered appropriate. Having said that, however, it is at least arguable that what has happened is an example of an approach which seeks to convert any attack on free speech. For my part, I will not be deterred from seeking to fulfil the terms of reference that have been set for me.

19. I add only this. I understand only two well the natural anxieties of editors, journalists and others of the dangers of a knee-jerk response to the events of last July. Whilst I continue to state my belief in a free press at every possible opportunity (and not a single witness has sought to suggest that healthy and vibrant journalism is not essential to our society) I also understand that on every day of the Inquiry, every exchange I have with a witness will be analysed and considered in order to reveal a hidden agenda. There is none. No recommendations have been formulated or written; no conclusions have yet been reached.

Testing propositions is not any equivalent to the expression of views concluded or others.

Thank you.

I now also hand down a decision which I shall not read on the applications for core participant status for module 4.
| MR CAPLAN: May I say one thing. I am very grateful for that, but I would like to apologise if it was felt we hadn't responded to a specific issue that should have been responded to.  
   The position, very briefly, was that the editor of the Mail on Sunday perceived that this was a story of public interest and the perception that the Inquiry might be undermined was a matter of public interest. The editor of the Daily Mail did not know that story in advance. Like other newspapers, they picked it up on the Monday and made, I hope, proper inquiries of the government and the Inquiry, and I apologise when an opportunity to make an application about me, that is, what I wanted. Thank you.  
   Yes, Mr Barr.  
   MR BARR: Good morning, sir.  
   Our first witness is the Right Honourable Peter Riddell.  
   LORD JUSTICE LEVESON: As long as you have had the opportunity to make an application about me, that is what I wanted. Thank you.  
   Yes, Mr Barr.  
   MR BARR: Good morning, sir.  
   Our first witness is the Right Honourable Peter Riddell.  
   LORD JUSTICE LEVESON: Thank you.  
   MR BARR: Your long career as a journalist has included working for the Times, you were responsible for signing off expenses. Could I just pause there to ask you what type of person you were?  
   A. Yes. My name is Peter John Robert Riddle.  
   Q. Are the contents of your witness statement true and correct to the best of your knowledge and belief?  
   A. They are indeed.  
   Q. You are currently director of the Institute for Government, which is a non-partisan charity concerned with improving the effectiveness of government?  
   A. I am.  
   Q. You have been active in the Hansard Society for about two decades and you have chaired it for the last years?  
   A. And since making the statement, I stepped down from chairing it about two weeks ago.  
   Q. I see. You are a Privy Councillor?  
   A. Indeed. That was related to being on the Detainee Inquiry.  
   Q. And for nearly 40 years you were a journalist, first of all between 1970 and 1991 for the Financial Times and after 1991 the Culture was when you first assumed responsibility for the FT and then I came back near the end of 1991 and essentially, between 1991 and 2010, I was a commentator. The distinction between the two is in one, I was an analytical, essentially, for the Times, of political developments, interpreting them, their significance, and also for a period wrote a political column on what is known as the op-ed pages, which expressed my opinion. But there is a wide range of things between -- well, a commentator is someone who is all opinion and not much fact within it, and I always regard myself more as the analytical end of that. That was very distinct from doing news stories which were fact-based. There are clear lines between the two, but basically on the FT, I was a news reporter and on the Times I was a commentator and analyst.  
   Q. You have had some managerial responsibilities. While working for the Times, you were responsible for signing off expenses. Could I just pause there to ask you what the culture was when you first assumed responsibility for expenses?  
   A. Well, that was -- I am trying to think. It would be the kind of mid-1990s. By that time, it was very tight, mainly because of what was then Inland Revenue, now HMRC, which required full itemisation of bills. So all expenses I signed off had to have specific bills, even if you are talking about an editor of your newspaper or -- there were problems identifying tube rides when you got on to the Oyster card system. But it was very specific because that was the Inland Revenue. The Revenue would only allow those as legitimate expenses of News International if they were itemised, so they were very specific. It was, by that stage, very tight.  
   Now, certainly, when I first became a journalist in  }
1. **1970** there was a culture which was much more lax than that. They didn't have to be fully itemised. That was less true on the FT. The FT was fairly more on the more tightly managed proper end of the scale, as you may not be surprised, but there was certainly a culture of giving expenses out on a more generous scale. But that had changed really by, I would say, the 1990s and whilst I was signing of expenses, it was always pretty tight and expenses were sent back if they weren't with an individual docket. As I say, that is mainly because of the Revenue.

2. Q. You touch upon the question of opinion polling within the context of budgetary responsibility. Can I ask you to go a little further and tell us about the way in which the Times approached opinion polls. When you had commissioned an opinion poll, was it the usual practice to report all of the result or to be selective in order to advance an argument one way or the other?

3. A. Well, what happened, I mean, we first worked with MORI, what is now called MORI, and then Populace on polling. There was a slight gap in between when we didn't do polling for budgetary reasons, but effectively those two firms. What happened is I would discuss with a senior executive of the two firms what questions had been asked -- some of the standard questions -- you would always ask about voting intention and that involves about six different questions to get a proper voting intention, and some others were kind of regular ones. Then we would add on questions and it would a dialogue between myself and the person.

4. Would we report all answers? Not necessarily, mainly for space reasons. However, what we did do, certainly in the latter period, is put all the answers on the internet. What would be after the results were published -- sometimes they would be published over two or three days, mainly so we got maximum bang for our buck on that. The person concerned, say when I was working with Populace, would say, "Can we put it all on the website?" So even if there were two or three questions which weren't published, they would all be there available to see. And the reason they weren't published -- it was purely for space reasons. I mean, I took a judgment on what the story was. There would often be a dialogue with the news desk but also, crucially, Populace and MORI were members of the British Polling Council, which has very high standards about how polls are represented, partly to do with phone-in polls, phone-in things and things like that, but it has very high standards for polling.

5. I was actually, for a period, on their kind of high standards for polling.

6. Q. It is important, isn't it, that people can see the question?

7. A. Absolutely. On the internet, that makes it much easier. What we do -- the very interesting thing also is there are two websites which monitor all published polls. There's something called betting.com(?), which is actually a very good analyst, and then there's a UK polling report. So every time a poll was published, I would be held to account by the two guys running those: Ashley Wells(?) and Mike Swiston(?). They would hold me to account. I mean, I often had a dialogue with them, saying, "Why do you ask that question?" Totally healthy to want them holding the press to account.

8. Q. Moving to the question of the Westminster press lobby, the Inquiry has heard conflicting opinions as to how best to move forwards with the press lobby; do you have any views one way or the other?

9. A. It is a very, very long time since I was actively involved at all. I mean, I seriously didn't have a lobby ticket until two years as a commentator.

10. I wasn't involved in meetings at all --

11. LORD JUSTICE LEVESON: Could I ask you to slow down a little bit? This is all being transcribed and it might be your speed is catching people a little bit --

12. A. By surprise. I will absolutely respect that, for the record.

13. What was true, on the lobby -- when I started off 31 years ago, as a reporter, it was a closed system, very male dominated, and it was -- there are three things like blue and red mantle. It did have more than explicit masonic links for some of the participants involved, which I thought was rather ridiculous myself, and it was a closed world.

14. That broke down during the 80s when I was in the FT, largely because of a new generation of political reporters -- which believe it or not I was one then -- and also because, at the end of the decade, 24 hours news. So the lobby as a system -- people have a lobby ticket which entitles them to have access to parts of the income panel. We had to rule on what -- the use of one poll. But in general, there were high standards about how they could be presented, if you presented a sample size, when it was done, all that. But they wouldn't all be published, entirely for space reasons, but they were accessible to readers.

15. And the question -- what was very clear at that time, for example -- and this isn't always true -- is that people could see what the actual question being asked was, because often that could be distorted quite easily.
the palace of Westminster, although it doesn’t really
matter very much any longer, and there are daily
briefings -- there will be one in half an hour at
11 o’clock -- by the Number 10 spokesman. But a lot of
that now goes on the Internet. I regard the whole lobby
system as a problem of 20, 30 years ago, rather than
an issue of the present.

Because of 24-hour news, because of the internet, it
is largely defunct.

MR BARR: Going forwards, do you think that the press
spokesman for Number 10 ought to be a civil servant or
a non-civil servant?

A. It is a bit horses for courses, that. I regard it as
a very personal role in relation to the Prime Minister.
What happens now when you have a civil servant spokesman
and in fact a different person as director of
communications, I think on the whole works quite well.
You probably have to recognise that it will depend on
the personality of the Prime Minister. Actually,
I thought it worked quite well under Alastair Campbell
in a way because that everyone knew where Alastair was
coming from and who he was and what he was. But I think
the current system of having a civil servant spokesman
to deal with governmental matters as opposed to part
matters, even though they get blurred in Number 10

A. Some of it is inevitable because there are different
interests. Politicians want to get elected, they want
to prosper in their political careers. Journalists want
to find out what is going on. So there is going to be
tension. But equally, there is a dependency. None of
this is particularly new. If you go back historically,
Palmerston used to go out riding with Delane, the great
19th century editor of the Times and gave him exclusive
stories which I would have loved to have had in my days
as a political journalist, to treaties and everything.
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obviously, is quite a good idea. 10 Downing Street is
inherently a political place, so one can’t be too purist
about it, but I think what they have now makes sense.

Q. You describe in paragraph 2 of your statement an
inherent tension between politicians and political
journalists. You describe it as “locked in an embrace
of mutual dependence, the occasional friendship,
frequent suspicion and barely hidden bitterness and
scorn”.

Is that a relationship that you see as inevitable
and is going to endure?

A. Some of it is inevitable because there are different
interests. Politicians want to get elected, they want
to prosper in their political careers. Journalists want
to find out what is going on. So there is going to be
tension. But equally, there is a dependency. None of
this is particularly new. If you go back historically,
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But equally the Times often had a go at the governments
of the 1850s, as memorably recounted by Trollop.

None of this is new so there is always going to be
a tension there. The danger is when the tension gets

I don’t -- you don’t have to read the papers too closely
to realise the Sun and Daily Mail and Daily Express at
present aren’t total supports of Ken Clarke as justice
secretary.

Q. In your experience as a political journalist, is this
a manifestation of the editor's power which the
politician fears most, being singled out for a personal
attack?

A. I don’t think it is the one they fear most. They fear
it. The one they fear most is something about their
personal lives. In my experience, politicians are most
 apprehensive about stories about their families, about
infidelities or about their financial affairs. That is
the one they really fear. On the whole, politicians
certainly are more robust than people in business about
attacks on what they do professionally, what they do in
their professional life. In my experience, businessman
are very, very thin-skinned.

Q. You describe a recent trend of the media seeking to
supplant politicians as wielders of power whilst
disavowing that they are doing that. Can you help us
with how, in your opinion, the media has been trying to
supplant politicians as wielders of power?

A. I would really go back to the two long periods of one
party government we had, from 1979 to 1997 with the

Conservatives and 1997 to 2010 with Labour, when

one party rule, the opposition were never really

competitive. So in that sense, the opposition were not

seen as effective. Certainly some papers saw themselves

as the only mechanism to hold the government of the day

to account. They would regard themselves as having that

role. You heard it in 2001, really up to Iraq, exactly

the same in the mid-1980s.

A. Can I just emphasise: that was a total exception,

because in general the events I went to nobody would

behave like that, because there was a real separation --

this is a very important point to make -- between my

activities as a commentator at Westminster, and indeed

the reporters at Westminster, and the commercial

interests of News International. There was a complete

separation. This was the only occasion in my 19 years

when I saw that happen. The other occasions, if they

were talking about business, they would certainly not do

it within my earshot at all.

LORD JUSTICE LEVESON: You are getting a bit speedy again.

A. I will slow down. I will look for the flag.

LORD JUSTICE LEVESON: If you see steam coming out of the

shorthand writer.

MR BARR: Are you aware of any deals between politicians and

newspapers about exchanging one benefit for another?

A. None I observed at all. Because -- the reason I say

anything like that was kept very separate, that anything

the executives, who I didn't see much of anyway, of

News International, or indeed the successive editors

with whom I worked -- any discussions they would have

with senior politicians, they certainly wouldn't want to

involve the people of Westminster in that.

Anyway, I think most of them were not at that level.

It wasn't a kind of formal tit for tat. They would

express their views. You have heard that from Rupert

Murdoch, you have heard it from various editor. They

would express their views and the politicians would

listen and things would carry on. Not to say the
outcome. You describe this as being unhealthy for the public interest. Could you help us with what you think would be in the public interest so far as relationship at this very senior level should be?

A. Well, what I would think is probably not country suppers in the Cotswolds. A bit more professional -- yes, they're bound to mix socially, and I certainly mixed a lot socially with politicians, but as I think I say in the evidence, you have to be -- you can't be too close that you can't be robust in criticism of someone. They have to accept your professional role is to analyse, hold to account and sometimes be quite tough, and I think it gets over-intimate. I would favour -- of course people talk to each other, and that is inherent, it is always going to happen -- but less a kind of pretence of friendship.

I think what one saw or has seen, really, in the last two decades, has been an aspect that the newspaper executive, sometimes the editor, and the senior politician aspire to friendship. Well, those friendships invariably go sour. You don't have to do much political history to see that when people have tried to be -- and often it is the wives as much as the husband as Prime Minister -- pretend to friendship when in fact is is acquaintanceship and in fact it is clearly as campaigning papers where the facts are subsidiary to the opinions of the papers. You can flick through the papers this morning and readily see a blurring of fact. It is very difficult to define "fact" absolutely. If you are writing 450, 500 words you don't have the space to put in every nuance and every subtlety. I don't believe you can be purist on this because of space and also it is unfolding; any journalist only knows part of what is going on, normally.

So you are looking at the tip of the iceberg -- I am trying to avoid mixing too many metaphors here. I am not sure you can have fast-moving icebergs. But you are observing one thing at one time, observing only part of it at best, let alone if you are working for a newspaper which has a particular slant on it. So whilst I always believed in trying to separate as far as possible, often the space constraints make it quite difficult.

When I was a commentator, it was quite clear I was a commentator. I hoped to analyse and not be over-opinionated. When I was a news reporter, I tried to present the facts, but the selection of facts inevitably is inevitably a subjective process. It is not the same as delivering a judgment for a judge or anything like that. So one has to recognise in the distinction made clear -- of conduct that the two should be kept apart, the reality -- we know the extremes, but it is going to be blurred.

A. Absolutely. Particularly given length. I mean, I point I would stress here is length of stories and that is quite an important point in that respect.

A. Absolutely. As I said -- absolutely.

Q. And where the journalist reports in a way which enables the reader to make an informed choice in his or her democratic participation in society?

A. Absolutely. I mean, I always regarded my job, both -- going back to your earlier question -- as a political reporter on the FT and a commentator on the Times, as being interpreting and explaining what was happening in the political world to readers. That is my absolute function in that.

Q. And to communicating important facts accurately?

A. Absolutely. Accuracy is crucial to it.

Q. Moving now to the question of fact and comments and whether or not it is possible to separate the two. What has been your experience?

A. Well, obviously you can find had examples where they have been muddled and confused. I mean, some papers run

A. It is possibly like the Sermon on the Mount. Well, perhaps the Sermon on the Mount is more read than

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the PCC code of conduct.

A. Well, in some of the aspects of it, certainly.

MR BARR: Do you think that it's a helpful part of the code or do you think it really is impractical?

A. What matters is what the culture of the news desk is, and the news room. That is what matters. The PCC code sounds absolutely fine, but in practice I practically never heard it invoked by anyone I worked for. It is the culture of the news desk dealing with reporters is what matters.

Q. You talk in your witness statement about the danger of journalists being too politically identified with MPs or ministers; could you expand about that and tell us a little bit more about what you mean?

A. There are two issues there. One is you can become too close. It is a danger. I, as a political journalist for a long time, got to know senior politicians very well, some socially. It has been referred to in some of your earlier evidence. I have been mentioned. You do get to know them very well, of all parties. People come to one's parties, I go to their parties and so on, and I believe that is an aspect of it. Again, you have to guard against it. Can you write about them in a way you would do about other people? It is a very difficult one because political journalists are unlike a lot of other journalists, partly because people do it for longer, on the whole, and also because of the very intimacy of Westminster. In most journalism, you make an appointment to see someone and you interview them; in political journalism, you are bumping into them all the time in Westminster and therefore you will have a casual conversation. For example -- I can't remember if I put it -- yes, I did give it in the evidence -- after the 1983 election, I asked John Smith which Labour MPs I should get to know, and he said Gordon Brown and Tony Blair, of course, in that order at that time, and I did get to know them and it was hopefully interesting in the readers and well as me that I did over the period. You get to know them quite well, certainly in their rise, less so when they're at the top. And that is true of any political journalist doing their job, and you have to guard against that. The other one is the ideological call point. There's an ideological thing of -- perhaps I am naturally someone in the centre, in the middle, but some colleagues, perhaps increasingly so over my period as a political journalist, felt an ideological identification too.


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A company tends to be much monolithic in structure and its presentation of its image. Governments are much less so.

Q. If we take, for example, stories about new government initiatives or policies, have you ever sensed that politicians have tried to control their supply to the media, perhaps through selectively supplying them to certain favoured journalists in advance?

A. Absolutely. I mean, some of that happens. But there is an awful lot of news around. It doesn't mean there is a dearth of news in other papers. It was true that certainly when the Times was supporting New Labour, the Times was -- and other brands -- the Sun was and other papers -- were favoured with some kind of stories, but it is only a small part of the stories the paper runs.

Q. Are you able to help us as to why they were so favoured?

A. They thought they would get sympathetic treatment -- I mean, you can argue -- I wouldn't say tit for tat, but there was an implicit aspect to it. It was more they would get sympathetic treatment. The other factor is -- and it's a very difficult one for a journalist -- that if you are told of a new initiative and obviously you know there is a motive behind it, they want to get the most favourable treatment they can, you are not going to say, "No, I am not going to listen to this, I am not going to take this story"; what you will do is you will say, "This is a very good story", but you will try to balance it with other information.

Q. Is the selective or careful supply of government news stories to selected journalists something that was confined to a particular period in our political history or is it something that continues?

A. Well, it is perennial.

Q. Moving now to the question of the influence which newspapers have, you express a scepticism about the impact which the press have on the outcome of elections, but what you say in your opinion does matter is the tone and substance of press coverage between elections, rather than during campaigns. Perhaps an example of that is you think the Sun's earlier hostility to the Major government started pretty early on, and what was not said between Kelvin McKenzie and John Major. The gist of it was very clear; the coverage was very hostile. So when the Sun, on the eve of the election campaign came out in 1997, came out backing Tony Blair -- as much backing Tony Blair as Labour -- all the opinion poll evidence showed quite clearly that the Sun's readers had switched away from the Conservatives and in favour of Labour a long time before.

In fact, the net effect, which you could easily measure in the polls, of the Sun's declaration of support was non-existent, because the change had already happened. It had been the earlier coverage which had been more significant. Indeed, in many respects, newspapers follow their readers, rather than lead them.

Q. May we explore that in a little more detail in a short while, but can I ask you this: some newspapers have pretty obvious and fixed political perspectives; others have been known to change their support from one election to the next. Is the latter type of publication perhaps the floating voter of the newspaper world? Do they have a particular hold and power over politicians who wish to court them?

A. That is where it features in my point about being too close. I think that the politicians understandably -- I mean, both Tony Blair and Alastair Campbell have been quite frank about it. They wanted at least to neutralise the Sun and were pleased obviously when the Sun supported them, naturally, because they would rather have them on-side rather than off-side and they did court them.

But again, I think the key point there is it wasn't -- on the whole, the papers which switched sides switch to backing winners. Anyone who has studied the history of Rupert Murdoch around the world knows he likes backing winners. Perfectly reasonably thing to do commercially, perfectly sensible commercially.

So it is not a kind of floating voter; it is much more seeing where power is going. Again, it is virtually all following a shift in public opinion which has already occurred.

Q. Turning now to what you have to say at paragraph 6 of your witness statement about how journalists and politicians should interact. You described the Private Eye test; could you explain that to us, please?

A. That goes back a long time to my period on the Financial Times when I was a financial journalist. This is way before the FSA and formal rules on that. The then editor of the Financial Times, called Freddie Fisher, remembers saying, "Just think what would happen if what you were doing and any contacts you had appeared..."
Day 87 - AM  
Leveson Inquiry  
25 June 2012

1 Q. If it comes down to very subjective questions like that, is more basic than that; does it feel right?
2 A. I seldom thought explicitly in those terms. I think it is a principal thought. You could say that when professional compasses frequently?
3 if it did, could I say, "Well, that is okay. Why not?"
4 Q. Does it amount to an exhortation to check the moral and
5 professional compasses frequently?
6 A. I seldom thought explicitly in those terms. I think it is a principal thought. You could say that when professional compasses frequently?
7 if it did, could I say, "Well, that is okay. Why not?"
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23 if it did, could I say, "Well, that is okay. Why not?"
24 Q. Does it amount to an exhortation to check the moral and
25 professional compasses frequently?

Page 41

1 how does one imbue a culture where journalists follow that rule?
2 A. I just hope more of my colleagues would follow it, partly through sometimes when it is exposed and they are embarrassed -- and we have had a few bits of
3 embarrassing evidence before this Inquiry, both for
4 politicians and for journalists, and that public
5 exposure is quite a corrective, actually.
6 Q. No doubt exposure and shaming can have a corrective
7 effect but does it require more than that? Does it
8 require leadership from the top?
9 A. It requires an ethos in any organisation about how
10 people should behave. I think that is the key, that it is
11 quite clear how things should be handled and that
12 ethos does affect how the staff on a newspaper should
13 behave. I am now a chief executive director of a group
14 of 35 people. I hope my behaviour influences that of my
15 colleagues. Leaving aside any formal rules we have
16 (inaudible) government, naturally people do follow what
17 the leadership does.
18 Q. Turning to the question of what meetings between
19 politicians and journalists should and should not be
20 recorded. The views you set out are that contacts
21 between ordinary journalists and, should I say, ordinary
22 politicians ought not to be recorded at all, but at the
23Page 42

1 more senior level, where there are contacts with editors
2 and corporate executives and ministers and civil
3 servants, there ought not be just recording meetings in
4 the way they are at present but going further; is that
5 right?
6 A. There are two aspects. The first aspect is I think it is impractical to have every conversation between
7 a politician and a journalist recorded and if you put
8 down rules they would be evaded. So again, it comes
9 back to subsequent disclosure, shaming.
10 I think it is slightly different with news
11 executives because of the possible commercial aspects to
12 it. So I would be in favour of extending what the current government has introduced, and all credit to
13 them for introducing it. I mean, I am in favour of extending that, because again, there are quite a lot of
14 loopholes there, again as exposed in this inquiry.
15 Q. Do you have any particular ideas in mind, or is it just a principal thought?
16 A. It is a principal thought. You could say that when there is a social meeting that should be recorded. You could extend the definitions and I would, on the whole, be for a tighter definition, rather than the current one, which is a bit narrowly based.
17 Q. You tell us a little bit about your perception of the
18Page 43

1 modern media environment at the top of page 5 of your
2 witness statement and you say the tone of political
3 debate has become more heated and biased against
4 information and understanding in favour of the
5 expression of often angry opinion. Do you think this has been good or bad for the public interest?
6 A. Can I preface that by one thing; that is very much associated with the rights of the Internet. I am very much in favour of the expression, freedom of expression provided by the Internet and I think it is fantastic. I think voters, citizens, are much better off than they were 20 years ago. There is much greater access, a lot of it is free access. It presents a lot of dilemmas for newspaper groups but I think it is a good thing.
7 However, it has also freed the kind of ranter. So I think there is now -- and it certainly applies to newspapers as well as on the Internet -- a bias towards vigorous expression of opinion, rather than necessarily analysis. I mean, analysis and factual reporting are expensive; ranting costs nothing.
8 Q. My question is whether --
9 A. Sorry, it is a bad thing.
10 Q. -- it is a bad thing?
11 A. Yes.
12 Q. If it is a bad thing, is that something that can be
13Page 44

11 (Pages 41 to 44)

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remedied or is it simply past the point of no return?

A. I don't think it is actually past the point of no return. I think we are now, with the Internet, we are still in a massively evolving state, and certainly with newspapers and their response to the Internet. I think it is a matter of partly what consumers want and it is also a matter of partly a shaming process. I mean, I am very much in favour -- and I know you are hearing John Lloyd later on, who strongly takes this view as well -- of rigorous self-criticism, that when papers produce things which are clearly biased in various ways, there ought to be people -- the Internet provides a perfect opportunity for that -- who take them to task. I am in favour -- previously, there has almost been a feeling of dog doesn't bite dog. Now I think I am in favour of saying if something is manifestly nonsense, if an allegation is made about something, there ought to be something else in the broader media firmament which takes it to task.

Q. Moving to the question of proprietors --

LORD JUSTICE LEVESON: Just while you are talking about the Internet, it is, of course, one of the great problems:

12. that good, vibrant healthy journalism costs money,
13. because your journalists have to investigate the stories and write them up, whereas the Internet has given everyone access, for free, to something which does actually cost money to produce. If you have any ideas in that area, I would be very interested to receive them.

A. A think a lot of other people would be very interested to receive them to. I think that the route taken by my former proprietor -- in fact, just at the time I was leaving the Times -- of charging -- you have to monetise it, to use a horrible bit of jargon. Ultimately, charging is the only route. There's no reason why journalism has to be provided freely, but when so much quality journalism is basically available free, obviously people take the free journalism.

Ultimately, one has to move to a stage where people can make money out of the Internet. I believe absolutely that is going to happen, and whether the decision on the Times is the right time or not -- and it is different for the FT because that is a niche product and if they were to do it internationally, very successfully. But ultimately that direction is the right direction.

MR BARR: On the question of proprietors, on your long experience working for the FT and the Times, have you ever been pressured in any way whatsoever as to what you should write?

A. No. But that may be because of me. A friend of mine described me as a professor in the attic. I always have had a slightly detached role, which may be because I wasn't at the centre of the paper particularly, certainly on the Times, of writing my own commentaries, and I was never pressured up the opinion I expressed at all.

Obviously, there is a discussion about the topic I raised. It is perfectly legitimate for editors to say, "Well, you know, we don't want you to writing about X subject for the fifth time in two weeks. Why don't you write about Y subject?" But the opinion I took was mine and the analysis I took -- and I was never under any pressure on that, and I might add, that made quite good commercial sense for the papers, at a far more elevated level than me.

During the Iraq war, the Times, which was vigorously pro-war, had two of its most prominent columnists, Matthew Paris and Simon Jenkins, who were vigorously opposed to the war. I think that pluralism of opinion was actually a strong selling point for the Times and remains so too.

In that respect, it is very different in the Sun or News of the World, and so on. But I was never under any pressure, certainly not in the FT and not in the Times.
Day 87 - AM Leveson Inquiry 25 June 2012

Q. That takes us on to the extent to which newspapers do speak for their readers. You say that sometimes they do but on other occasions, the words you use are:
1. "Claims to speak for their readers are humbug."
2. Can you put some flesh on the bones of that assertion, please?
3. A. When I read either a column or a leader in the paper saying, "Our readers think this", I am very sceptical.
4. They either judge it by totally unscientific methods,
5. which is either volume of emails or, less often now,
6. letters. They don't actually analyse what their readers
7. think. Indeed, in most cases, most newspapers' opinions
8. are formed by half a dozen people. The leaders on
9. virtually every paper are written by half a dozen
10. people. Most of the staff aren't involved. I was
11. a leader writer for year on Times. I became very
cynical about the process. There are half a dozen of us
12. sitting round with our opinions. Most of the several
13. hundred staff involved at the time weren't involved at all. It was editor and half a dozen people.
14. So when editors claim to speak for their readers, they haven't analysed their readers' opinions. I would
15. qualify that in one way: that when there is an issue coming up -- and some papers have done some really good
16. campaigning on this, at all ends of the spectrum -- that
17. often it is an issue of consumer complaint or whatever,
18. A. Yes, I think a very long-term -- it really goes back to
20. It is also generational change too. Not to say that
21. hasn't reflected -- I mean, you have a chicken and egg issue here. It hasn't reflected the views of readers.
22. I certainly do not believe that any kind of prevailing
23. Euro-sceptic current in British public opinion is the
24. creation of the Sun or the Mail or the Telegraph. That
25. is absurd. Britain's attitude to Europe has always been different from that of many continental countries. But
26. it has been a reinforcing factor. It's not been not a creating factor; it has been a generally reinforcing
27. factor over a considerable period of time.
28. Above all, the really important point, it's made the
29. politicians risk averse. If you look through the whole Blair premiership, for better or worse -- in some respects, you may regard it as better -- he was wary of
30. joining the euro because he realised it would be
31. a massive political battle because of the Euro-sceptic
32. press. It was another hurdle which would have to be faced.
33. Q. On that very subject, you say the urgency of 24-hour
34. news can also force policy decisions or often gimmicky
35. initiatives; is there anything that can be done about that?
36. A. Politicians can be a bit more robust. I would say the sensible politicians are those that pause and think. It is difficult to do. It is not easy to do. For all --
37. their advisers are saying, "Look, something appeared in the Today programme at 7.30. We have to have our response in by 8.00, often, to hit the headlines at 8.00", or: "Something has happened mid-morning. We have to get it right by lunchtime news."
38. I think an ability to say, "We need to think about things", or -- the latest development isn't necessarily the most significant development. That is easy for me to preach; it's very hard to do in practice, very hard indeed.
39. But the danger often is of instant initiatives which are self-defeating, don't actually help the politician in the long-term at all. But the long-term is frequently a long time away when you have 24-hour news.
1. breaking news phenomenon is an important difference from
2. the past.

Q. On the question as to the impact the media has on public
1. to speak for their readers. That is where I am sceptical. It is not the actual complaints raised
2. by readers about, say, some consumer thing -- the
3. controversy of a fare pack, for example, that type of thing. I think they do reflect their readers' concerns
4. and some really good campaigns have been fought on that.
5. I don't denigrate that at all. I think a lot of really good things have happened. But what I am sceptical of is when they suddenly, in a rather Stentorian way, claim to speak for their readers.
6. Q. On the question as to the impact the media has on public appointments, both appointments and sackings, we are all aware that there are lots of campaigns for members of the government at various times to resign, and there is no criticism of that taking place, but do you have any observations about the way in which the media goes about campaigns for the scalps of individual politicians?
7. A. Well, it is part of a broader issue, a blame culture, that if something goes wrong there is a demand for resignation. We see this in the debate about ministerial code, that any breach of the code is regarded as immediately a resignation matter and the sense of -- in life, lots of things going wrong. I am very struck with this now, working at the Institute for...
Government, where we deal with government effectiveness.

If you look at virtually any project, quite a large number of them in the private sector, let alone government, will go wrong. That’s what happens in business. There seems to be no awareness of this in a lot of political debate and certainly a lot of media treatment of it, so when something goes wrong it is always treated as an immense scandal and therefore someone’s head must roll, when in fact what most people want is it put right.

You could argue, for example, about what’s happened over the weekend, about what’s happened with NatWest and the bank accounts. What really matters to people who have accounts there is that they have access to them. There is a later matter to find out what happened but to immediately demand resignations, as I am sure is being demanded, is the wrong way to approach it. But the media coverage on a lot of appointments is: whenever anything goes wrong the person must resign. It is hard for the politician, in the context of 24-hour news, to stand up to that and say, "Hold on, I am going to see what the overall picture is." There were a number of instances during the Blair era when the demand for resignation almost became self-fulfilling very quickly, that the Prime Minister felt they had to accede to the build up of pressure, throughout all the media, Parliament and so on, for a resignation, instead of saying, "This is not necessarily a resigning matter."

Q. In your current work, is any thought being given to the work of special advisers, and what are your views about any guidance that should be given to them about working with the media?

A. I was very struck in the last session with the Prime Minister, the exchange Sir Brian had on special advisers. We at the Institute of Government — we have a strand on political leadership, on — we work with ministers, we work with opposition politicians and we work with special advisers. It is quite clear that the weakest area for induction and preparation is special advisers. The ministers — we at the Institute have been very active in that, both in opposition, providing help and advice to understand how government works — it is all about machinery, not policy — and we have done a programme with opposition politicians now. But with special advisers, the politicians — the ministers and opposition leaders have been reluctant to involve social advisers in this, partly because they are not clear who is going to be in government as a special adviser, then they are quickly appointed in government and there is no time.

I think some of the problems which have emerged in this inquiry are the result of insufficient induction and training. We are trying to do some stuff now at least with the Government on that. We are working quite intensively on that. We wish we could have done it a little bit earlier.

Our involvement is much more on the effectiveness side than the ethical side, which is understandably what you are concerned with in the Inquiry, but the same principle applies, because unlike ministers, most of whom have been politicians for a long time — and they have been around, the know ethical standards — a lot of special advisers are 24-, 25-year-olds with minimal background in the political process. They’re then put into positions of considerable influence and pressure on both sides.

So I am strongly in favour of proper induction, proper training, if possible, whilst the party is still in opposition, although that is not always easy, but certainly when they come into government, and the way I read what David Cameron is saying, he is aware of that but there is a long way to go. We are certainly, at the Institute of Government, doing some work at present with special advisers, and we’re trying to do more, mainly on the effectiveness, how they operate. But there are clearly some big problems here.

LORD JUSTICE LEVESON: Actually, I am not sure there is a distinction, because they can’t be effective if they don’t understand the parameters in which they have to work.

A. I agree. The point being we’re mainly concentrating on how — I don’t disagree with that, but our emphasis is more on understanding the government machine and so on. But I agree with you. Absolutely, it is vital they get the ethical dimension right. I am not disagreeing with that.

LORD JUSTICE LEVESON: Have the Institute of Government yet put any proposals or formulated any proposals in that regard?

A. One of my colleagues gave evidence to a current inquiry going into special advisers by the Public Administration Select Committee of the Commons. Bernard Jenkins, Committee of the Commons, is currently investigating special advisers, and the gist of our evidence, which I can certainly forward to the Inquiry — and we have done a certain amount of work on this — is all about induction and training and how that can be strengthened. Certainly, the ethical fits into the effectiveness and I can certainly let the inquiry have that.
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<td>1 LORD JUSTICE LEVESON: I would be grateful if you would.</td>
<td>1 Mr Riddell, thank you very much indeed.</td>
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<td>2 MR BARR: Final from me, Mr Riddell. Looking at the</td>
<td>2 A. I am sorry I was a bit fast at the beginning. My</td>
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<td>3 concluded thoughts section of your witness statement,</td>
<td>natural enthusiasm.</td>
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<td>4 you say:</td>
<td>4 LORD JUSTICE LEVESON: I have no doubt.</td>
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<td>5 &quot;In general, politicians and the media are bound to</td>
<td>5 We will just take a few minutes, thank you.</td>
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<td>6 have a close relationship, but it needs to be less cosy,</td>
<td>6 (11.25 am)</td>
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<td>7 more open and more robust.&quot;</td>
<td>7 (A short break)</td>
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<td>8 Is there anything you wish to add to what you have</td>
<td>8 (11.32 am)</td>
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<td>9 said already as to how we can go about achieving that in</td>
<td>9 MS PATRY-HOSKINS: Good morning, sir. The next witness is</td>
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<td>10 the future?</td>
<td>Mr Andrew Grice.</td>
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<td>11 A. All I would say is it is behavioural rather than by</td>
<td>11 LORD JUSTICE LEVESON: Good. Thank you very much.</td>
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<td>12 rules. I think it is very, very difficult to have rules</td>
<td>12 MR ANDREW JOHN GRICE (sworn)</td>
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<td>13 to do that. It has to be by behaviour, exposure. If</td>
<td>13 Questions by MS PATRY-HOSKINS</td>
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<td>14 I might describe the truth and reconciliation aspect of</td>
<td>14 MS PATRY-HOSKINS: Take a seat, Mr Grice, and make yourself</td>
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<td>15 the current Inquiry, which is quite a big aspect of the</td>
<td>comfortable. Would you please give your full name to</td>
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<td>16 Inquiry, by lifting up, forcing all kinds of people --</td>
<td>16 the Inquiry.</td>
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<td>17 from people like me to senior editors, politicians,</td>
<td>17 A. Andrew John Grice.</td>
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<td>18 proprietors to explain what they have done will itself</td>
<td>18 Q. You provided a witness statement dated 19 April 2012;</td>
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<td>19 have a valuable impact. Perhaps not forever, perhaps</td>
<td>19 can you confirm that this is your formal evidence to the</td>
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<td>20 for a time. I think people will ask their internal</td>
<td>20 Inquiry?</td>
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<td>21 clock, as a good clock will ask things. Essentially, it</td>
<td>21 A. That's correct.</td>
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<td>22 is about personal leadership, rather than rules.</td>
<td>22 LORD JUSTICE LEVESON: Mr Grice, you mentioned Liverpool</td>
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<td>23 Q. Thank you.</td>
<td>23 Echo, where I believe you were the editor.</td>
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<td>24 LORD JUSTICE LEVESON: Is there a space at all for rules?</td>
<td>24 A. The political editor.</td>
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<td>25 I understand entirely what you said and there is</td>
<td>25 LORD JUSTICE LEVESON: The political editor.</td>
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<td>1 A. Yes.</td>
<td>15 (Pages 57 to 60)</td>
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<td>2 LORD JUSTICE LEVESON: And therefore it is not impossible</td>
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<td>3 that over 25 years ago I acted for you and your paper in</td>
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<td>4 connection with issues that arose in court, in the local</td>
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<td>5 Crown Court. I make that clear to anybody who is</td>
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<td>6 interested in it. It is all a very long time ago.</td>
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<td>7 A. Indeed.</td>
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<td>8 LORD JUSTICE LEVESON: But I am right?</td>
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<td>9 A. Yes, sir.</td>
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<td>10 LORD JUSTICE LEVESON: Thank you.</td>
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<td>11 MS PATRY-HOSKINS: We have now touched on part of your</td>
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<td>12 career history. Let's go on to the rest of it, please.</td>
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<td>13 In the first paragraph of your statement, you explain</td>
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<td>14 that you have been the political editor of the</td>
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<td>15 Independent for the past 13 years. You were previously</td>
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<td>16 a political editor of the Sunday Times, where you worked</td>
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<td>17 for 10 years. You have been a member of the</td>
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<td>18 Parliamentary lobby based at Westminster for 30 years,</td>
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<td>19 and prior to that point, you worked on local newspapers,</td>
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<td>20 including the Slough Observer and the Coventry Evening</td>
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<td>21 Telegraph; is that correct?</td>
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<td>22 A. Correct.</td>
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<td>23 Q. I have quickly summarised your career. I'm going to ask</td>
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<td>24 you a number of questions arising from your evidence.</td>
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<td>25 Can I make clear right from the start that your witness</td>
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statement doesn't have any page numbers or paragraph numbers so for the sake of convenience, I think we will just take it page by page so we don't get too lost in what you say.

On that basis, can we start, please, with the changing relationships between politicians and the media over the years as you perceive it, in the last 30 plus years you have been a journalist.

You explain in the first paragraph under your career history paragraph that the relationship has changed markedly during that time and for the worst; can you expand on that a little for us and explain what you mean?

A. Yes. I think that newspapers have been looking for a different role during that period because of the pressures of 24-hour television news, the Internet. It has all become a much quicker process, the way that news, political news is disseminated to the public -- all news, not just politics -- and so newspapers have had to seek out a new role to try and maintain their circulations. Obviously the total circulation of newspapers has been falling dramatically in the period I have worked for newspapers and they are trying to provide added value. They no longer want to be what you might call a newspaper of record; they want to provide more added value to try and maintain readership, and I don't think it is going to be possible or easy to turn the clock back in the way that the line between news and comment has become blurred. I think it is a fact of life.

Q. As a matter of just sheer fact, can you tell us whether journalists are aware that the code prohibits this blurring?

A. I think some younger journalists might not be aware of it and I think even if they were, it would be frankly washed away in the day to day pressure of events of producing a newspaper. I think unfortunately, while it doesn't hurt to be reminded of such things in a code, it is a good example perhaps of what you can put down on paper and what is put down on paper and whether or not that has any impact and effect. Some of these issues are incredibly difficult to regulate and I think the horse has bolted on this particular one.

Q. I will come on to ask you whether you think there should be any changes made in a moment. Can we look again at the practicalities. As a matter of sheer practice -- obviously you have been at the Independent and the Sunday Times and I am going to ask you about each of those. At the Independent, are there ever discussions along the lines of: "Are we being careful?" Is that article blurring the lines?" Is that something that gets discussed or is it something that is just now -- the horse has bolted so far out of the stable that those discussions don't take place any more?

A. No, we do regularly have those discussions and we would regularly discuss whether to run a particular piece with a headline analysis, with a headline comment or just run it as a straight news story. So we do, on an almost daily basis, have those discussions on the Independent because obviously the way you brand a piece, the way you label it for the reader, does, at least if you are running a comment piece on a news page -- there needs to be a much clearer divide between the news pages and the comment pages. A lot of newspapers, including my own, now run pieces of analysis and comment on the news pages. But it is at least a bit fairer and a bit more honest for the readers if we headline a piece "analysis" or "comment" when it appears on the news page, rather than just have the traditional separation between: "This page is a new page, that page is a comment page", which was the traditional way.

Q. Can you give us the benefit of your experience at the Sunday Times and whether or not those discussions happened there?

A. That is going back quite a long way, so there was a much clearer divide between what was a news page and what was a comments page. That is going back 13 years. So I think, even looking at today's Sunday Times, there is
A. Well, all politicians want the best coverage in all newspapers and they spend an increasing and, some would say, inordinate amount of time trying to achieve that. We, over the years, have regularly heard people involved in politics say, "Oh, well, we are going to worry less about the headlines", but in practice they don't worry less about the headlines. They know that even if they have written off a certain newspaper and know it is never going to support them, they do worry about the impact the newspapers have on setting the agenda for the broadcasters. That is still very powerful. Even newspapers with relatively low circulations are read and discussed within the Westminster and the media village and do have a lot of influence on what the broadcasters pick up and run with on their own agenda. That is why newspapers are still very important to politicians.

Q. From your own personal experience, have political parties sought to influence you in order to influence your coverage of politics in your newspaper?

A. Yes, on a daily basis.

Q. Is there a particular example you could give us?

A. Well, there is a constant dialogue between political editors like myself and the officials, the spin doctors, the press officers, working for opposition and governing parties. It is literally a day to day dialogue where we discuss trade with which we work.

Q. Just moving down page 2, please, you explain that you make an important speech tomorrow and we are giving you this bit of it in advance. That is the day to day terms of trade with which we work.

Q. You go on to say that this has caused problems and you say in other words, have written off a certain newspaper and know it is this bit of it in advance. That is the day to day terms of trade with which we work.

Q. You go on to say that this has caused problems and you say in other words, have written off a certain newspaper and know it is this bit of it in advance. That is the day to day terms of trade with which we work.

A. No, I think I would regard the Independent as healthily sceptical. I would say the Guardian is healthily sceptical. I would say that papers like the Daily Mail and the Daily Telegraph have become a bit too cynical about politics as a trade, as a profession.

Q. You go on to say that this has caused problems and you say in particular -- about halfway down that paragraph, you say that politicians don't deserve the deference of a bygone age but they do deserve a little more respect than they get from many newspapers. You say:

"I fear the way politics is covered today by most
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<td>newspapers will discourage some of the brightest and</td>
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<td>of Investigative Journalism did to expose lobbyists,</td>
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<td>best people from going into politics, notably from</td>
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<td>like the recent story the Sunday Times obtained by</td>
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<td>business.”</td>
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<td>posing as a potential donor for the Conservative Party,</td>
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<td>You go on to explain:</td>
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<td>a story which became known as &quot;cash for access&quot; and</td>
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<td>“This will accelerate the trend towards a political</td>
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<td>resulted in the immediate resignation of the</td>
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<td>class of advisers turned MPs turned ministers with</td>
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<td>Conservative Party treasurer earlier this year.</td>
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<td>little experience of the outside world, which would not</td>
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<td>The difference with the Vince Cable story is that in</td>
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<td>serve the public well.”</td>
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<td>my view, although it did produce a sensational story, it</td>
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<td>What is it about the coverage that people receive</td>
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<td>was a fishing expedition designed to obtain what could</td>
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<td>that puts people off going into politics, in your view?</td>
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<td>be anything from tittle-tattle to anything that would</td>
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<td>A. I think that a lot of people in the business world, for</td>
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<td>embarrass him or his party or the coalition in which he</td>
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<td>example, now look at the newspapers and realise that if</td>
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<td>was a minister.</td>
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<td>they were to cross the line into politics that they</td>
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<td>I think that particular one crossed a line. It was</td>
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<td>would be opening themselves and more importantly their</td>
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<td>criticised by the Press Complaints Commission, although</td>
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<td>families to a level of intrusion that they do not want</td>
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<td>I am not sure how many people in the wider world are</td>
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<td>to put their families through. In some cases, it might</td>
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<td>aware of that, and I think PCC was right to criticise</td>
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<td>be about their own personal circumstances. It could</td>
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<td>even be about their financial affairs or past financial</td>
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<td>Q. So the difference, you would say, between the examples</td>
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<td>affairs. But I do know MPs who -- backbench MPs who are</td>
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<td>you have given, is that you consider the Vince Cable</td>
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<td>reluctant, for example, to become ministers, because</td>
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<td>Telegraph situation to have been some story where they</td>
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<td>they do not want to open up their families to the level</td>
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<td>didn't have a huge amount to go on but they decided to</td>
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<td>of scrutiny, intrusion, that they fear would apply to</td>
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<td>do it in order to see if they could get a story, but in</td>
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<td>them in today's media.</td>
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<td>the other cases, they thought there was a story, they</td>
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<td>Q. So that relates to the coverage of their personal life,</td>
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<td>investigated it and yes, sure enough, the story was</td>
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<td>their financial affairs and so on. Does it also touch</td>
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<td>there?</td>
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<td>Page 73</td>
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| 1. A. Yes, there was an element of subterfuge in the stories about lobbyists and Conservative Party donations I just mentioned, which I would justify because it was the only way, frankly -- the only way to find out the bad practices that were going on to pose as a company seeking the -- seeking an account, a contract with a lobbyist, or as a potential donor offering money to the Conservative Party and asking about how to meet ministers or the Prime Minister. 
So I think that -- it is a difficult line to draw, but I think it is possible to draw it.  
12. Q. All right. Because some might say, obviously, Mr Grice, that what the Daily Telegraph did on that occasion was uncover a series of views that it was in the public interest to know about? 
16. A. Yes, they could argue that, and obviously that story had huge implications, some of which you have discussed at this Inquiry, and it was a very important part of that story. But I think there is a difference between exposing bad practices through, if you like, acting as an agent provocateur, to posing as a constituent of an MP in the hope of finding out something interesting. 
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What they are up to, but an important part of the job of political journalists is to find out what they don't want to talk about and try and get to the bottom of it. 

You say that the treatment meted out to Mr Kinnock by the tabloids in the run up to the 1992 election was personal and nasty and that Tony Blair and his colleagues vowed: never again. Then, just slipping a sentence or two, you say this: "Although I never witnessed such a discussion while working on the Sunday Times, I suspect that there was an understanding that Labour would not implement its previous policy of curbing cross-media ownership, in return for which Murdoch papers would not subject Labour to the Kinnock treatment." I understand you say you never witnessed such a discussion, but given your role at the Sunday Times at that time, what was the basis for your suspicion? 

19 (Pages 73 to 76)
A. Well, there was a culture as the two sides got closer together and the background is quite important. There was a major industrial dispute at Wapping in 1986/87. During that period, officially at least, the Labour party was not even talking to the Murdoch papers and Murdoch paper journalists were banned from any briefings or press conferences that the Labour Party held. So the back cloth was not just difficult relations but no official relationships at all.

I joined the Sunday Times a year after that dispute ended. One of my jobs was to cover the Labour Party and the trade unions, and so I did witness the early stages of getting back to normal business, the normal sort of transactions and discussions that any newspaper would have with any political party, and after that, as you know, it ended with the Sun literally coming out for Labour in 1997. Not many people would have thought that likely when the industrial dispute ended.

The reason I say I suspect there was an understanding is that Labour did have a policy previously of restricting cross-media ownership, which would have affected the Murdoch empire. That policy was dropped, quietly forgotten, in the most part, and I suspect, although I have no direct evidence or was not party to any discussion of that -- I suspect there was likelihood Neil Kinnock received as Labour leader and the trade unions, and so I did witness the early stages of getting back to normal business, the normal sort of transactions and discussions that any newspaper would have with any political party, and after that, as you know, it ended with the Sun literally coming out for Labour in 1997. Not many people would have thought that likely when the industrial dispute ended.

The reason I say I suspect there was an understanding is that Labour did have a policy previously of restricting cross-media ownership, which would have affected the Murdoch empire. That policy was dropped, quietly forgotten, in the most part, and I suspect, although I have no direct evidence or was not party to any discussion of that -- I suspect there was an understanding, not a written down agreement or some grand bargain but an understanding in the "You scratch my back, I will scratch your back" culture that developed in the relationship between the Labour Party and News International. It would have been very odd at a time when the Labour Party was trying to get back in the game, trying to win the support of newspapers and potentially saw the opportunity, certainly under Tony Blair's leadership, of winning the endorsement of the biggest selling daily paper -- it would have bee very odd for them to, at the same time, pursue a policy which would have had a pretty big commercial impact on the Rupert Murdoch empire.

So at one level it was, if you like, a piece of common sense, that the Labour Party, at a time when it was trying to get more favourable treatment, more equal treatment -- the Labour Party was haunted by the treatment Neil Kinnock received as Labour leader and they were absolutely determined not to go through that again. They wanted a fair hearing. If they couldn't get the endorsement, they wanted a more level playing field; as you know, in the end they got the endorsement. But it would be very strange from their point of view, at the same time as seeking that endorsement or level playing field from one or more you Murdoch papers, to have pursued -- to have retained a policy which would have had a big impact on the commercial operations of the same group.

Q. You have answered that question with a certain level of generality. Of course, you were at the Sunday Times in 1997 and for a couple of years thereafter. How did this understanding manifest itself, if at all, at the Sunday Times?

A. I was much more concerned in the day-to-day, week-to-week coverage. There was no sort of tablet of stone handed down from on high. It's sometimes slightly misreported, in the sense of the whole Murdoch empire supported Blair in 1997. That is not actually true. It wasn't true of my own paper, the Sunday Times, but the one that obviously has had all the attention, for good reasons, is the decision of the Sun to switch sides.

So I wasn't told at all to be nice to the Labour Party or be positive about the Labour Party in terms of week to week reporting. Obviously there was a huge interest in what Tony Blair and the Labour Party might do if they were to win the election. They were very, very strong favourites to win the election, they were streets ahead in the opinion polls, and so there was a healthy interest in what the new government might do if Labour were to win power. But that was always about news values, news judgments, not about the political line. I was never told to be nice to the Labour Party.

Q. I was going to ask you that. My next question was there was never a conversation along the lines of: "Let's start being a bit nicer to Labour"; nothing like that?

A. No.

Q. All right. You then go on to tell us at the bottom of page 3 that the determination of New Labour to avoid the Kinnock treatment also saw the introduction of a more ruthless approach to news management. You say, at the top of page 4, that this was led by Peter Mandelson and Mr Campbell with the full blessing of Mr Blair and Gordon Brown. Now, why do you say, first of all, as a matter of interest, "with the full blessing of Mr Blair and Mr Brown"?

A. I knew Tony Blair and Gordon Brown when they were relatively junior members of the Labour front bench, and so I was fully aware of their attitude to the media. It goes back to what I said about the ghosts of the Kinnock era, really. They were determined that their generation was not going to be treated in the same way by the press, and so they were both, Gordon Brown particularly, as a former journalist, both fully aware of the way the media, the newspapers, operated and they were going to not take it lying down, frankly. They were going to...
they feel they are not getting fair treatment, they will...
occasions they were fighting the last war or the last battle. The world is changing so -- the media world, the communications industry is changing so fast that it is incredibly difficult to keep up with it, so any piece of legislation would, I think, be very, very difficult.

Nobody had heard of Twitter a couple of years ago. There will be something else that takes over from Twitter that we can't even imagine today. And obviously I know you have been debating ways of deciding what would full within the net, and what would fall outside it.

But nobody in journalism thinks that the current system is adequate and in my view strenuous and serious and sincere efforts are being made to come up with some sort of system of independent regulation which obviously I know you are going to go on and look at in the next phase of your inquiry in great depth.

From a journalist's perspective, there are, as you know, real fears that investigative journalism, legitimate investigative journalism, could be unwittingly curbed, restricted, by whatever new system we have, but I know that would be uppermost in your minds when you produces your proposals, and there is nobody that I know in my trade who thinks we can go on as we are. The dramatic events of recent years and the

practices that have been exposed mean that a lot has to change and I think most journalists accept that and we are ready to embrace those changes.

MS PATRY-HOSKINS: Mr Grice, thank you very much. Is there anything else you would like to add or you would like to draw Lord Justice Leveson's attention to?

A. I would just make one final point about the lobby. I am not an elected officer of the lobby. We do have, you may be surprised to learn, elected officers and they would welcome perhaps the opportunity to send a written statement to the Inquiry explaining what we are, more importantly, what we are not, just to put on the record some facts about the lobby, given some of the comments that have been made in previous hearings.

LORD JUSTICE LEVESON: Well, if you pass back to the relevant officers of the lobby that they are very welcome to submit a statement. I shall, of course, consider it.

A. Thank you, sir.

LORD JUSTICE LEVESON: Thank you.

MS PATRY-HOSKINS: Thank you very much, Mr Grice.

LORD JUSTICE LEVESON: Thank you very much. Thank you.

MS PATRY-HOSKINS: I think we might need just a few more minutes, sir, because the next witness is outside.

Would you like to rise?
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<td>Q. Did they all share a similar political worldview or were they different?</td>
<td>A. No, I think they would have been people with whom -- with whom Rupert Murdoch, the News Corporation, would have been comfortable, but they were all very different people. I don't recall all of them expressing political views. Again, Mr Wilson, particularly, I don't remember him expressing strong political views on different matters. Simon Jenkins, a completely different character to James Harding, for example, who you have already had before the Inquiry.</td>
<td>Q. Moving to the question of unattributable utterances by politicians to journalists, you say that that is often the way to get hold of the deeper insights from the politician; can you help us with an example, please?</td>
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<td>A. You describe as a mutual dependency between the politician and the reporter, the politician wanting to spread or his or her message and the reporter wanting a story to report. You say that during your career, you have seen an increase in confrontation between reporter and politician and a decrease in the deference evidence paid by the reporter to the politician. You also mention, later in your statement, a decline in the respect which has been shown by the reporter to the politician, and I gather that that is something which, on occasions, has concerned you; could you explain, please?</td>
<td>A. Well, there were occasions I think where the treatment of certain leaders got a little bit -- was over the top, I think. I recall newspaper treatment of Neil Kinnock, John Major, latterly of Gordon Brown, where it got too personal and in a sense I felt that was going a little bit too far. But I don't regret the passing of the age of deference at all. I remember in the late 1960s, when I joined the Times, there was a much more deferential attitude of reporters towards politicians. I am rather glad that is all gone. It is just in some cases I think the treatment has been just a little bit too personal at times.</td>
<td>A. That's right. Material that can be published but just not with attribution?</td>
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<td>A. Sometimes, on occasions, has concerned you; could you explain, please?</td>
<td>A. Well, you will get more out of a politician off the record than you will on, and that is always going to be the case. Thinking back in my career, I would have done a story 10 years ago that Tony Blair was likely to move towards a referendum on the European constitution. I got that from a very senior source on the government, but I can assure you he would not have told me on the record at the time; it was such a sensitive subject. It's that -- people will tell you more off the record than on. A young reporter coming back into my office will often say, &quot;He said this, he said that&quot;, and I would often say to him: &quot;What did he say off the record?&quot; I would often be more interested in what the politician had to say off the record than on.</td>
<td>Q. Is it incumbent on the journalist to be particularly careful about checking such stories or is the reality that it is just not possible --</td>
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<td>A. Yes.</td>
<td>Q. You describe, rather like Mr Riddell, a cycle whereby recent prime ministers -- and you name John Major and Tony Blair -- initially have very good relations with the press but eventually become disillusioned; would you add to Gordon Brown to that list?</td>
<td>A. Oh no, you have to be sure about what you are writing and the biggest certainty there is that you would never use that source again if that source gave you a piece of information that turned out to be totally wrong. That was always the discipline that I would apply. I don't think I was ever badly misled, but you certainly wouldn't use the source again if he or she told you something which turned out to be wrong.</td>
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<td>Q. You draw a clear distinction between deference on the one hand and the respect on the other?</td>
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good relations. John Major built good relations with
the press on his way to Downing Street, but he became
very quickly disillusioned with the press afterwards.

Q. At paragraph 9 of your witness statement, you relate to
us the decrease of reporting from the parliamentary
chamber and so that source of factual information about
politics has obviously withered away. But can I ask
you about the volume of factual political reporting
itself; has that declined or increased over the years?

A. I would say it has increased considerably over the
years. The space -- certainly at the Times, we once
had -- we always had, in my early days, a full page of
the Times, eight columns, without an advert, devoted to
gallery reporting. All of that space and more has been
taken by political stories. News desks and newspapers
are voracious in their appetite for political stories.

It is more personality based than it was in those days
gone by, but newspapers believe political stories sell.

Q. If there has been an overall increase in factual
information published about politics and a decrease in
straight parliamentary reporting, where is all this
factual information coming from?

A. It comes from all the people we would call sources
around the place: civil servants, advisers, MPs,
ministers. All of those people are our sources of
information, as well as government departments.

Q. You also tell us about the development of a class which
you term the "commentariat". Can I take it there has
been an increase not only in factual political reporting
but also in political commentary?

A. Yes, when I talk about the commentariat, I am talking
about those people who appear on the op-ed pages of the
Times, the piece set aside for commentary.

Most reporting now of political stories will have
a commentary alongside it, and your previous witness,
Peter Riddell, wrote the commentaries in the Times. But
it was very clearly delineated on the page that this was
commentary and not straight reporting. So it would say
"Peter Riddell's political briefing" but it might be
alongside a story by me about whatever, and Peter would
be commenting on it.

So there was a separation and as I regarded my job
as the news gatherer in chief and I was very, very
careful to make sure that my stories didn't contain any
views or anybody else's views; they merely presented
what was going on.

Q. So do you think it is possible, going forwards, for
newspapers conscientiously to distinguish facts from
comment?

A. I think the Times is a living example of the fact that
that can happen. I think it does happen now and I think
it should continue to happen.

Q. From your knowledge of the newspaper industry, would you
like to make any comments about whether or not your
competitors have been able to do the same thing?

A. Well, the Times is an independent paper. It switches
between parties. It has switched between parties in
recent years. But I would say that papers like the Mail
and the Telegraph, which are associated with the
Conservative Party, make a very strong job of reporting
factually what is going on. Just occasionally, the
headlines might be much more comment than the stories
that appear under them. You sometimes feel with
a headline that it is reflecting the view of the paper,
whereas the story underneath that headline is perfectly
factual. That is the only thing I would say there.

I think most papers, whether they have a concern -- if
a paper has a Conservative bias, that does not mean that
its readers are all Conservative and the readers
wouldn't like it if they felt the information was being
stuffed down their throats.

Q. Can I take it with your answers that you are entirely
comfortable with the PCC code which contains a clause
requiring separation --

A. I am happy with it, yes. I am perfectly happy with that

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20 stuffed down their throats.
21 Q. Can I take it with your answers that you are entirely
22 comfortable with the PCC code which contains a clause
23 requiring separation --
24 A. I am happy with it, yes. I am perfectly happy with that
25
Q. But with prior thought, great care and --
A. Huge care. I mean, I know that we had several weeks of
discussion about how to carry out that investigation at
the Times and it is bearing fruit now and it has
produced, I think, stories that are very much in the
public interest.

LORD JUSTICE LEVESON: Mr Webster, do you think that it is
possible to distinguish between taking steps such as you
have just outlined for stories in the public interest
and being able to restrain yourself from doing similar
things for stories which do not necessarily have
a public interest?

A. I think it is, and I think you are on to an issue that
we discussed in the Times office over recent weeks. We
did not want to go on a fishing expedition, which
I think is what you may be referring to. We found from
our own sources certain pieces of information. We
needed to check it out. The only way we could do it was
to use an undercover reporter in that situation, but we
didn't just send him out there and say, "Go and on talk
to these -- go and pretend that you are something else
in this situation."
It was very carefully planned, the whole operation.

So I would say yes, it is. I imagine the Sunday Times --
I had no involvement in the Sunday Times

Q. I appreciate that considerable
thought, particularly in the present circumstances and
with everything going on as it is, would be obviously
given to that sort of story, but is there any reason, in
your long professional experience, why proper
investigative journalism should be chilled, if you
like -- that is the word that is frequently used -- if
there are mechanisms -- and I am not suggesting what
they would be, and whether they would be in place --
that actually criticised the use of such techniques
where there was no public interest?

A. No. I don't know what is going to come out of this
inquiry or the joint committee's inquiry, but if there
is a strong public interest defence, which of course is
not available at the moment in law -- the stronger the
public interest defence written into law, the better.

I can't see any reason why comments of that kind should
stop future investigative journalism.

LORD JUSTICE LEVESON: I am not sure it needs to be written
into law, because it is there already. You do it
already, don't you?

A. I mean, we do it, but I think we would like a firm
defence of public interest journalism.

LORD JUSTICE LEVESON: Now, let me just test that with you
for a moment, because doesn't that create a real risk --
because you will never disclose your sources, and I am
not asking you to disclose a source. Wouldn't there
then be a risk that every single time somebody had
undertaken what, in truth, was a fishing expedition for
something comparatively trivial, the answer would be:
"Oh well, we had a source we are not prepared to name
who told us A, B and C and that justified doing what we
did. The fact we didn't get it was fine, but we did get
something, and once we got it, then we were entitled to
report it." It is almost impossible to challenge it,
isn't it? Do you see the point I am making?

A. I can see the point. I think in the wake of what has
happened over the last year and more, newspapers would
have to take a totally responsible approach to such
investigations and there would have to be an audit trail
from the start of the investigation to show that it
wasn't just, as you call it, a fishing expedition and it
was based on information that you had received and that
you wanted to prove to the reading public.

LORD JUSTICE LEVESON: I understand that, but my concern is
that it isn't difficult, is it, to say, "I had a very
good source. I have used him 26 times before. He has
been right 26 times out of 26, and this provided me with
a tremendously good potential line. Don't ask me who it

Q. I think we need to look at
what happened in the climate --
and I hope it continues to be
the climate -- newspapers would not do that in a
misleading way. That is my hope.

LORD JUSTICE LEVESON: Well, all right.

MR BARR: Looking at that from a slightly different
perspective, under the present system, where there is no
explicit public interest defence, public interest still
comes into the equation. The prosecutor has to decide
that is in the public interest to mount the prosecution,
the judge can stop a prosecution, and the jury are also
the ultimate arbiters. So there are three layers of
defence, as it were, to the properly conducted public
interest story already built into the system.

A. Yes, I can see that.

Q. Do you sense that that current arrangement is not
working, or is your belief that it is working properly?

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Q. I think we have had a recent example, haven't we?

A. No, I think --

Q. Turning to the question of party conferences and the meals, which I think you had a hand in organising, at some of which very senior News Corp and News International executives were present, can you help us by painting a picture of the atmosphere and the nature of the conversation and what the upshot of these events --

A. We would have the meals in the evening after a hard day's work at the coal front. Very convivial and this would be the opportunity for members of the office who did not work in the lobby or House of Commons to meet politicians and for politicians to meet senior figures in the office. I found them slightly frustrating because exponentially the chances of getting material out of politicians fell the larger the group of people. But they were meant to be social occasions.

Q. News International receptions -- you tell us it was high quality champagne and late night bacon sandwiches?

A. Mm-hm.

Q. Can you tell us a bit about who was invited to these receptions and why?

A. Well, if it was the governing party, every member of the Cabinet would be invited, almost certainly most of their special advisers, senior MPs, MPs who had particular influence, chairmen of select committees. I would always be sent a list of the names that they intended to invite just to see if there was anyone I felt should be added to the list -- a contact of mine, a contact of somebody else -- that we felt should be there.

But it was across the spectrum and at Labour Party -- when Labour was in opposition, it would be very similar. You would have the shadow Cabinet, you would have their special advisers, you would have the MPs who mattered, and you would invite people from other newspapers as well, because they tended to invite you to their parties.

Q. Were there any deliberate omissions?

A. I am not aware of any blacklist of people we wouldn't have at a party, no, no.

Q. From your experiences of working for a newspaper owned by Rupert Murdoch -- one, indeed, with a very special arrangement -- did you ever come under any pressure, directly or indirectly, to write in a particular political direction?

A. No, I didn't at all. As I said to you earlier, I regarded myself as the news gatherer in chief. The Times expected the Times political editor to have to be impartial, fair, accurate and to tell the story as he pleased.

Q. What has happened in the past.

A. I think it is common to all forms of journalism.

Q. It may not remain so for very long.

A. Yes.

Q. In your experience, are politicians selective about who they choose to meet and supply stories and tips to?

A. Oh, I think so. But journalists are also very selective about who they invite to lunch, I think. You would invite to lunch people you felt were in a position to perhaps tell you information, to pass on tips.

Q. I personally was quite demanding and if I didn't get anything out of the lunch it was very unlikely the politician would get another invite.

A. But they too I think were careful about who they would lunch with. I was fortunate enough to work for the Times. Not many people turned the Times down, I am glad to say.

Q. Do you see that as a satisfactory system going forwards or is it one that might be criticised for a lack of transparency?

A. I think where you are, whichever branch of journalism you are in, whether you are a medical journalist, an education journalist, a legal correspondent, you will meet, dine and have lunch with people in your world, you will speak to them on a non-attributable basis and stories will come out of it. I think the only difference about the political lobby is that it is based in a small space where we all have access to each other. We are in the same building for a lot of the time. But otherwise, all forms of journalism have their lobbies. Even the famous bloggers that are out there at the moment -- Guido Fawkes, he has his lobby. He has people who go to him with stories. He would never dream of revealing who they are. He would cut off his supply if he did.
A. Well, there are a handful of people that you get to know. So well that certainly in my case I would consider them friends first, politicians second. But because they are friends, they would know that in any awkward situation where they were in some kind of trouble, you would have to report that as fairly and faithfully as you would, as if it was somebody you didn’t even know. That was -- part of the relationship was that they totally understood that you would have to -- in the world of Westminster, friendships are known about. So there would be absolutely no point in you trying to go easy on somebody who happened to be a friend. That just didn’t happen and I don’t think that would happen with anybody.

Q. On the topic of selectivity, which you deal with at paragraphs 25 and 26 of your witness statement, you say you watch from afar now but it is quite obvious that in recent weeks -- and of course, we are talking about when you wrote your statement back in April -- as the government has taken a knock to the polls, Downing Street or individual ministers have floated a number of stories with their traditional supporters at the Mail and Telegraph. Can you give any examples of that?

A. Certainly, as you say, that was written some time ago, but I think there were stories about welfare, about -- which, again, has come up again this weekend, but I think there were some stories that were being put out at that time about cracking down on benefits, those kind of stories. There were law and order stories around at the time as well. But it was that nature of story that -- I think governments of all colours have tended to go back to their natural home when the going has got a little bit tough, and for the government a few weeks ago, it was getting quite a lot of problems from its own supporters in the press.

So this was only my assumption. I am not there anymore, but this is how it felt to me reading it.

Q. Going to ground where you have actual knowledge, as opposed to a very well-informed intuition, you tell us that there was a time when you and your colleagues were getting selective stories from the government in the early days of the New Labour administration; can you tell us a little bit more about how that worked?

A. Well, I felt -- the New Labour operation was a very professional press operation. I think they had a market for stories. There were certain stories that they thought would sit well in the Times, certain stories that would sit well in the Sun. I can’t pretend that in those early days there were not some stories that did not come by me a lot more easily than others. The great pleasure came from getting the stories that nobody wanted you to have.

But I wouldn’t say that the New Labour operation handed stories solely to newspapers that were at the time friendly. They were very professional at making sure that the Mail, for example, the Express, got the law and order stories at that time. There was a market for them, and I think the New Labour operation at that time was about spreading their support as wide as they possibly could go into the Mail, Express, Sun readerships.

Q. When you received these stories, did you always report them in the way that New Labour would have wished?

A. No. There were several classic examples of what -- of stories that were sent my way that ended up completely the opposite of what was intended. I remember being leaked an IMF report in the early days of the Labour Government which in its early chapter appeared to be extremely laudatory about the handling of the economy by Gordon Brown at the time he was chancellor. I know this was also leaked to the Guardian at the time. We both took it away, my colleague from the Guardian and I. When we read the report in full, in fact in the latter chapters it was deeply critical of the government and we both wrote splash stories in our newspaper which were the opposite, I think, of what the leakers intended. We
both spent the evening getting a lot of angry phone calls. But we didn't move an inch.

Q. Having done that, did you still receive a favourable supply of stories?

A. They certainly didn't stop talking to us. I think it was a lesson for them. I think it was a lesson for them that they realised then that these things are not going to appear exactly as you want them.

Q. Paragraph 35 of your statement, you describe your own reaction to the friendships which party leaders have felt obliged to make with newspaper chiefs, saying that you find it rather demeaning. In what circumstances do you think that a party leader will no longer feel that he and she needs to make friends with senior newspaper chiefs?

A. Well, I think we are probably getting pretty close to that point now, after what we have seen in the last year, after the evidence that has been given to this Inquiry. The Inquiry has heard from a number of politicians who have lamented the fact that they possibly did get too close to proprietors. My own view is that it was totally unnecessary. I don't think it was necessary for Tony Blair to chase after (inaudible) in whenever it was, in 1995. There was absolutely no doubt at that time that support for the Conservative Government was going and that certainly the Sun would end up supporting New Labour.

We, as reporters, had watched this, we would see this happening. We would shake our heads and we would wonder why they were bothering, because it normally always ended in tears, and we have seen that in the most recent case, we have seen it with Gordon Brown and his angry speech to the House of Commons. I mentioned John Major earlier, and Tony Blair, who courted the press, ended up calling us feral beasts. So it did all end in tears, I think.

Q. Moving to the question of future regulation, you talk about the need to avoid statutory regulation; do you mean there the statutory regulation of content?

A. Yes, I would be certainly against the statutory regulation of content.

Q. In terms of the regulation of standards, professional standards, as opposed to newspaper content you plainly think that there should be a new independent regulator with powers to investigate and punish wrongdoing?

A. Yes, I mean, the Times, from the outset, has called for an end to -- I think my editor called it "marking our own homework". We accept that there is a need for a stronger independent regulation. Like everyone else from the newspaper world who has been before this Inquiry, we would prefer that to happen without a statutory backdrop. But the ideas that have emerged in recent days seem to be a start along the way to getting a system of regulation of behaviour and standards in dealing with complaints. Whether it can be done without statute is a matter for Lord Justice Leveson, of course.

Q. Do you see, and it is very much, obviously, an important debate, but an important feature of that is finding a mechanism which will ensure that everyone who ought to fall under the regulatory umbrella does so.

Do you see anything objectionable in principle to having a statutory underpinning to the system to ensure that everyone is included and to confer necessary powers while the actual body itself remains independent of both the press and the government?

A. Well, I know there has been a division on that among the politicians, the senior politicians, you have had before the Inquiry. I personally would much prefer this to happen without a statutory backdrop, if that is at all possible, and if it were felt a contractual relationship, backed up by the courts, obviously, would hold.

Clearly the newspaper industry has been trying in its recent submissions to show that that could happen.

There are a lot of questions immediately raised by the most recent ones that have come into the Inquiry. But they do appear to be the newspaper industry really trying very hard to come up with a solution that does involve much tighter regulation than we have had before, more independent regulation, but possibly not enough yet, but not going down the statutory route.

Q. It might be said that one of the disadvantages of a contractual system is that a party might elect not to join the contractual scheme in the first place or might choose after the fixed term expires not to renew the contractual obligation; can you offer any other mechanism short of some statutory underpinning which will guarantee the participation of all those who should fall within the scheme?

A. Well, without sounding like somebody asking for one final drink in the last-chance saloon, there could be, without putting it into a statute, an agreement of some kind, I presume, that, were this to happen, were one of the newspaper groups to pull out at any stage in the future, there would have to be a fallback at that stage to require them to take part. So you wouldn't legislate at this stage for it, but there would have to be an understanding at the end of this whole, long process that that would be the final resort should a group pull out.
Q. So very much on the basis the way the Calcutt recommendations were made 20 years ago?
A. Mm-hm.
Q. Sir, I have between five and 10 minutes left.

LORD JUSTICE LEVESON: Let's carry on.

Q. How common is that sort of information from civil servants?
A. I wouldn't say it is uncommon, but in all these -- the books get written about ministers briefing against each other at reshuffle time. It is absolutely true that
when we came to write stories about who was going to be in the Cabinet our sources would be other ministers and our sources would be the whips who knew whether a young junior minister was doing well or not. They would keep a record of how well they were doing.

But the way existing ministers were performing in their departments would be commented upon privately by senior civil servants, in a gossipy kind of way, but in a way that put out into the ether that a certain minister wasn't doing a great job or a certain minister was absolutely brilliantly on top of his brief.

Sometimes I don't think it has been recognised that that is another part of the political world that has an interest in telling us how people are doing.

Q. The final topic I would like to ask you about is arising from your experiences in your current position as the editor of the electronic version of the Times. First of all, the Times used a pay wall; can you tell us a little about what you see as the advantages of the pay wall?

MR BARR: Thank you, sir.

Yes, Mr Barr.

A. No, I can see the dilemma. There is also the dilemma between, and you have seen it here, that you want a consensus, but there already is not a consensus on this question of whether there should be a statutory regulation. Some of those who have come before you think there should and some don't. Do you go for what you think is the very best possible solution, or do you go for the solution that you think will get through the House of Commons. So yes, there is a dilemma.

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A. I do.

LORD JUSTICE LEVESON: Do you agree with that? Do you think I am right or wrong, or what? I am interested.
LORD JUSTICE LEVESON: That's right. There are 170,000 of those. So you could say that there are 300,000 people who have access to our digital products, and then you have all the people who buy the paper as well. So it has helped the Times in terms of revenue. We have reached a point where the revenue from our advertising and subscriptions now exceeds the revenue that we got from advertising only when the sites were free.

One of the advantages of the pay wall, and reading the evidence that you have received from other digital editors, is that we do know our readers. We have their details. So those 131,000 plus the other 170,000, we do know their names. They are our subscribers, they pay money for the product. So we can pre-moderate — one of the big things that is happening in online journalism now is the growth of comments on stories. We pre-moderate those comments because we know who they are. We see also — because our circulation is much lower than the Mail, for example, we have enough staff to read those comments before they go out.

I think that is a great advantage but it depends which way newspapers will go. I think the future of newspapers, from my two years, is clearly going to be digital, and one of the big things here is that much of the internet world is going to be outside the control of any PCC — any new PCC. We, in the digital website, are already at a competitive disadvantage with all those websites — English-speaking websites in America, Australia, whatever, who can publish things that British readers can read that we are not allowed to put in the newspaper and we are not allowed to put on our website. All those things I know you have been discussing, but that is quite a big thing to be thinking about.

Q. Would you nevertheless expect the electronic version of the Times to come under the regulation of the successor to the PCC?

A. Without any doubt, yes. As will all the other newspapers that are part of the PCC's successor.

Q. Would you expect to see any UK-based, commercially operated electronic news service also falling within that same regulatory system?

A. It is possible. I think the Huffington Post editor when she came before you, suggested she would sign up. I am not madly impressed by that because it does not mean that their US operation is under similar control, so readers, if they wanted to see material that was not on the UK base, they could certainly go to the US and read it there.

Quite how many of these will sign up to the new PCC must be in huge doubt. There will be some who think that it is a kite mark of quality to be signed up to the new PCC but there will be others who regard it as a badge of honour not to be signed up to it, and they will call it a badge of freedom or something like that, I'm sure. So — I think Guido Fawkes has already said they will not sign up to any successor body. So there is a huge issue here that will have to be covered.

Q. And if you were trying to reply to the body that won't sign up, if there is a choice, would you say to them that what you are submitting to is not a regulation of content but a regulation of professional standards?

A. That would be the line I would certainly take. I mean, I cannot see — a regulation of content, there would be no chance of them signing up to that in any case. But if they did sign up to the behavioural side of things on the basis that they would be considered akin to a British newspaper, that may be the way to approach it. But I have my doubts as to how many of them will voluntarily do it, I really do.
works 21:17 54:18
written 5:6 32:4 47:5,10 65:16,17,23 92:12
X 47:11 68:4
X X 47:12