

Preface, fourth edition *Good Times, Bad Times* 2012 by Harold Evans

There is a clear connecting thread between the events I describe in *Good Times, Bad Times* and the dramas that led so many years later to Rupert Murdoch's 'most humble day of my life'. I was seated within a few feet of him in London on 19 July, 2011, as he was cross examined by a cross-party select committee of MPs investigating the hacking of thousands of phones by his *News of the World* newspaper. Not many more than a score of observers were allowed into the small room at Parliament's Portcullis House, across the road from the House of Commons and Big Ben.

A portcullis is a defensive latticed iron grating hung over the entrance to a fortified castle. It's a perfect metaphor for News Corporation, which perpetually sees itself as beset by enemies. The company's normal style is to soak assailants in boiling oil, but this time Murdoch, as chairman and only begetter of the giant multimedia enterprise, had little choice between defending the indefensible and denying the undeniable. He chose humility, the honest man betrayed by vassals.

It must be wearing for Murdoch to have been let down so frequently over so many years by unscrupulous hacks in his employment who had not learned of his passion for public service journalism; let down, too, by so many of his executives who recklessly risked his reputation and large sums of his money in the concealment of crime. But if he is to be cast as a victim, it can only be in the sense that he was a victim of his own ambitions and his ingrained cynicism. Clearly, despite his spectacular career, he fell short as a competent head of the major media corporation he created. For all his business prowess, which is redoubtable, he presided over a rotten corporate culture. The experiences I describe in *Good Times, Bad Times* have turned out to be eerily emblematic. The dark and vengeful undertow I experienced in my year editing *The Times* correctly reflected something morally out of joint with the way he ran his company. Of course, News International newspapers, including the *News of the World*, did some good work. Of course, the direct competitors have hardly been free of the excesses typical of tabloid circulation battles – invasions of privacy with not a shred of justification in the public interest; entrapment, fabrication, and malicious gossip; and the occlusion of facts that may stand in the way of a good story. But News International (the News Corp subsidiary) practiced the worst of these vices on an

industrial scale, supplemented them with bribery and intimidation, and came to consider itself above the law.

There are two consolations in the whole sorry story, one, that good journalism defeated lousy journalism and, two, that the giant corporation was first called to account by a humble – that word again – Manchester solicitor-advocate, 47-year-old Mark Lewis. He thought there was something fishy in the way the way the *News of the World* responded to his complaint in 2006 about the harassment of his client, Gordon Taylor, in the paper's pursuit of a non-story about his private life. The whole story slowly unraveled because Lewis pressed and pressed for damages. If he had yielded to the ensuing bullying and blandishments, it's likely the scandal would have festered unnoticed; when it did start to become public, Lewis lost his job with his Manchester employers who recoiled from "controversy".

The paper Murdoch most affects to despise, *The Guardian*, was not afraid of controversy or Murdoch. It persisted with periodic stories of hacking in the face of repeated denials by News International and its lackeys, the sloppy exonerations of News International by Scotland Yard and the Press Complaints Commission and, perhaps most shameful of all, sneers by incompetent reporters. With very honourable individual exceptions, the British institutions of Parliament, press and police, taken as a whole, failed the big test; only the judiciary justified the public trust. The exceptions to a lamentable performance by the press in taking up of *The Guardian* lead were *The Independent*, the *Financial Times* and BBC News. Peter Oborue at the *Spectator* and *Daily Telegraph* had long warned of Murdoch's undue influence, and the media analyst Claire Enders was very early to sound an alarm. Various bloggers stuck to the story, notably Brian Cathcart (Hacked Off) and Tim Ireland (Bloggerheads). Otherwise, the Guardian was virtually alone. It was left to the *New York Times* to secure decisive interviews with former *News of the World* reporters, published on September 1, 2010. Their testimony demolished News International's defense that hacking had been confined to a single editor of royal stories. Throughout all this, the law officers of the government remained inert, misled by Scotland Yard, but a number of Parliamentarians called valiantly for truth, notably the Speaker of the House of Commons John Bercow; Lords Puttnam, Fowler, Prescott and Donoghue; and MPs Tom Watson, Paul Farrelly, Chris Bryant, and Christopher Huhne. Most courageous of all were the varied victims of phone hacking who risked much in challenging News International.

Only when cornered did the company start offering damage money for its intrusions. In the meantime, it did not confine itself to rebuttals. It hired private investigators to build a dossier on its pursuers. Confronted by a critic, the cry in News International seems not to have been 'is there anything to this allegation?' but 'what

have we got on him?’ Lewis, who came to be engaged by the family of Milly Dowler, was one of those subjected to this squalid tactic of covert surveillance.

Surveillance was a breach of the law, but so were the means by which Rupert Murdoch acquired a seminal concentration of power and influence. The 1977 Royal Commission on the Press concluded that diversity was a central issue for improving the quality and caliber of the British press and remedying the political imbalance of national and mass circulation newspapers: ‘It follows that we should try to encourage this process [of diversity] by practical means, rather than simply pay lip service to the concept.’ How then could it happen that four years later Murdoch was allowed to add *The Times* and *The Sunday Times* to his ownership of the biggest-selling daily tabloid, *The Sun*, and the biggest-selling Sunday paper, the *News of the World*?

In the first edition of this book, I spelled out some of the artful dodges by which the government allowed itself to be deceived thirty years ago. The Labour opposition and Liberal leader Jo Grimond were not duped, but Ministers swallowed the lie that Murdoch was the only plausible bidder for both famous newspapers, that the papers would cease to exist without him. I reported that the Prime Minister Mrs Thatcher arranged for Murdoch’s bid to avoid scrutiny from the Monopolies Commission, which would have assuredly turned it down. Normally the apostle of competition, the lady on this occasion was ready for turning. She executed a U-turn while expecting that Murdoch’s affinity with her politics would impel him to ensure favorable coverage – as indeed he did, as I experienced firsthand as editor of *The Times* in 1981–2. She was at a low point in her premiership, in the depths of a recession, with Social Democrats yapping at her heels on the left and on the right former Prime Minister Edward Heath ungrateful for being relieved of the cares of office. Mrs Thatcher needed unquestioning allies. She was a vital force in reviving British competitiveness, but by overriding the monopolies law in the case of Times Newspapers she enabled a dangerous concentration of press power. She did it again ten years later, again in the service of Murdoch, enabling him to gain his first foothold in British broadcasting.

Successive governments of both parties, scared and charmed, did no better. In 2011 Murdoch already had the dominant position in the British press, but Culture Secretary Jeremy Hunt was ready to roll over and beg for a biscuit rather than reject Murdoch’s bid for control of satellite broadcasting, too. Script for Prime Ministers: What does Rupert want? Hurry, give it to him.

There is a pattern to the Murdoch sagas. He responds to serious criticism by a biting wisecrack or diversionary personal attack. What is denied most sharply invariably turns out to irrefutably true. As with the hacking saga, so with my charges. It’s fair to say *Good Times, Bad Times* was well received, but several commentators suggested I

had exaggerated the influence of Mrs Thatcher, and that Murdoch had honoured the editorial independence he promised the editors of *The Times* and *The Sunday Times*. Mr Charles Moore said the story should have waited until I had died; it was ungentlemanly, he thought, to write so soon of events of which I had knowledge. I am sorry I disappointed him by staying alive.

It must disappoint all the apologists that on 16 March, 2012, the Churchill Archive Centre (CAC) in Cambridge released two discomfiting documents from the Margaret Thatcher Foundation. They give the lie to the official history of *The Times* from 1981–2002. The historian engaged by *The Times*, Mr Graham Stewart, wrote that Murdoch and Mrs Thatcher ‘had no communication whatsoever during the period in which *The Times* bid and referral was up for discussion.’¹ On the contrary, the documents reveal that on 4 January, 1981, the Prime Minister and Murdoch had an extraordinary secret lunch at Chequers. The record of the ‘salient points’ of the meeting by No. 10’s press officer, Mr (now Sir) Bernard Ingham, testifies that in accordance with Mrs Thatcher’s wishes he would not let his report go outside No. 10, which is to say Ministers would not be briefed on the meeting. It must be galling for Stewart that the source he relied on for the falsehood in his history was the man who engaged him to write it. The meeting that Stewart writes never took place was highly improper. Moreover, Ingham’s ‘note for the record’ reeks of cover-up in triplicate. It bears some parsing.

First, the pretence is that Murdoch was afforded a private meeting with the Prime Minister so she could be briefed on the takeover battle. That’s absurd enough, given the coverage in the press and the responsibilities of the Department of Trade. The larger absurdity is that the Prime Minister’s redundant ‘briefing’ is being done by only one bidder, and by one who has an urgent interest in rubbishing his competitors. Interestingly, Murdoch’s list of rivals makes no mention of someone Stewart refers to as making a ‘serious offer’²: Vere Harmsworth, the third Lord Rothermere, the most formidable of the newspaper owners whose great uncle Lord Northcliffe owned *The Times* between 1908 and 1922, a newspaper genius whose mind failed him at the end. Murdoch also chose not to inform the Prime Minister of the bid by the *Sunday Times*’ management buy-out team, which submitted its offer to the Thomson Organisation on 31 December 1981. The monetary amount of £12 million sterling was the same. He deliberately conflates the bid by the profitable *Sunday Times* editors and managers with the less credible bid by journalists of the loss-making *Times*.

Secondly, Ingham’s note is obviously drafted to deal with the eventuality that the clandestine meeting would one day come to light. On that account, it is ludicrous. We are asked to believe that there was no mention at the lunch of the clear legal requirement for Murdoch’s bid to be referred to the Monopolies and Mergers Commission. The Prime Minister had a duty to remind him of the laws she had sworn

to honour and enforce. Did she not emit at least a polite cough? If she did not, she was uncharacteristically negligent. And if she did murmur something, why did Ingham choose not to record it? Sir Bernard is alas unable to help us with anything. He has no memory of the meeting.

As the narrative in this book makes clear, it is significant that in the crucial Cabinet meeting three weeks later it was Mrs Thatcher who claimed that the fine print of the act would exempt Murdoch from its provisions on the grounds that both papers were unprofitable. I relate in the chapter entitled 'Biffen's Missing Millions' that this statement was not true of *The Sunday Times*. Indeed, one of the unremarked ironies in Ingham's account of the meeting is Murdoch's enthusiasm for the success of the paper: '...even at the depths of a recession, this newspaper was turning down advertising....' And: 'the market clearly permitted' an increase in advertising rates.

Thirdly, there's the exchange at the end of the lunch. The statement that Mrs Thatcher concluded the visit by wishing Murdoch well would have been polite, if, again, improper in the circumstances. But that is not how Ingham records it. He writes (my italics): 'The Prime Minister...did no more than wish him well in his bid....' Why 'did no more'?

The second document released is a handwritten letter from Murdoch to Mrs Thatcher from his Eaton Place home. 'My dear Prime Minister', he writes, saying he greatly enjoyed seeing her again. Ostensibly the letter thanks her for letting him interrupt her weekend at Chequers. It is dated 15 January. This is very odd.

Murdoch is traditionally punctilious on such matters. (Denis Hamilton told me that Murdoch was the only one of the directors of Reuters who thanked him for his work as chairman.) The idea that he delayed eleven days to thank his most important connection for the newspaper acquisition of his career does not scan. The smell of documents being cooked is discernible. Moreover, Murdoch is at pains to make a point of emphasizing his dilatoriness, first saying his thanks are 'belated' and then hammering it home by adding that it is 'ten days' since they met. Moreover, in the date line, 15 January is a correction for another date. Is one meant to infer that he began to write on his return from Chequers, and was interrupted; or is it a slip? Trifles, perhaps, but things are often not what they seem in events suffused with so much subterfuge.

Of course, this ancient history was not on the agenda when Murdoch flew in to London on 11 July, 2011, to face the 19 July examination by the select committee of MPs with his then heir apparent, his son, James, who'd recently been appointed deputy chief operating officer of News Corporation, the parent company of News International. Among those waiting patiently – one might say humbly – for admission

to the Portcullis House committee room was Nick Davies, the back-packing *Guardian* reporter, who led the paper's investigation courageously sustained by his editor Alan Rusbridger. It was cheering to think of the impetus for good contained in Davies' little notebook as he assiduously scribbled away during the hearing.

Rupert Murdoch had begun badly on jetting into London that summer, all smiles in a jaunty Panama hat and embracing his ex-editor and CEO Rebekah Brooks whom he called his 'first priority'; she was arrested days later. He made his first humbling visit, this one to apologize to the family of Milly Dowler, a missing schoolgirl whose cell phone was hacked by the *News of the World*. Messages on her phone had been erased, giving the family brief hope she might be alive. The immediate suspicion was that the erasures had been made by the hacker to make room for more messages the paper could milk for despicable 'exclusives'. It turned out that the erasures were made neither by Milly, who had been murdered, nor by the hacker, but by the instrument itself which automatically deleted the messages 72 hours after they had been played. Murdoch hoped to expunge the memory of that obscenity by expunging the *News of the World* itself. In 1969 it had been his first acquisition in Britain but the immediate end of 168 years of publication was left to his son James, its chairman.

Observers in the Portcullis room that July day were divided on the efficacy of Rupert Murdoch's testimony. Some thought his answers revealed a dodder, amnesiac, jet-lagged octogenarian. He cupped his ear occasionally to ask for a question to be repeated; at one moment he referred to the Prime Minister David Cameron when he meant Alastair Campbell, Prime Minister Blair's press adviser. Others saw the testimony as a guileful imitation of 'Junior', the ageing mentor to Tony, the capo in *The Sopranos*, who feigned slippered incompetence to escape retribution. I thought, on the contrary, that Murdoch was a good witness, more direct than his thirty-eight-year-old son James, who sported a buzz cut unnervingly reminiscent of Nixon's chief of staff, Bob Haldeman. His father was as taciturn as James was loquacious. Murdoch *père* paused to run each answer through his shrewd mental calculations of the legal implications of his own words, occasionally smiting the tabletop in front in a kind of brutal authoritarian emphasis that began to make his wife Wendi distinctly nervous. She leant forward to restrain the militancy.

The MPs at the committee hearings did their best to nail responsibility on the Murdochs. It was all the more a pity that all the forensic word play at the main hearing on 19 July was interrupted by a young anarchist loon behind me with a plastic bag containing a paper plate he'd surreptitiously filled with Burma-Shave foaming cream just a moment before he bore down to deposit it on Murdoch. The foamer proclaimed his victim to be a 'greedy billionaire'. Everyone marveled at the elegant Wendi Murdoch uncoiling with ferocious speed to land a left hook on the assailant. I was

impressed, too, but more so by the curious fact that we'd all jumped to our feet while PC Plod lumbered in ('hello, hello, what have we here?'), but Murdoch himself stirred not at all. He sat still, staring straight ahead throughout the assault and the eviction of the press. The effect of the intrusion was to take the heat out of the interrogation. 'Rupert must have fixed that', said one of the pressmen forced to leave the room and watch on closed-circuit TV.

Certainly on the resumption, the MPs were gentler with Murdoch, who now faced them in his shirt. His testimony had flashes of mordant directness, one of his more engaging qualities. When a committee member referred to the 'collective amnesia' of his executives, he riposted, 'you mean lying' and he was right. James, the eager mollifier, was too ready to seek refuge in convoluted references to 'distinguished outside learned counsel' mixed with patronizing explanations for the plebs on how large corporations delegate small details like paying off villains.

In fact, the only telling evidentiary moment in that summer hearing was the extraction of an admission that News International was still paying said villains. Murdoch *père* murmured they had to do it by 'contract' – hush money to you and me though nobody thought to call it that and nobody, alas, asked to hear the details. Next day, NI announced they would stop the payments. The concession to decency lost impact because on its heels, the former editor of the defunct *News of the World*, Colin Myler (now editor of the *New York Daily News*), and the paper's legal adviser Tom Crone united to say James was in error when he testified they had never told him that more than one reporter had offended. They persisted in so accusing James when recalled to the committee in November, just before Armistice Day. James wore the commemorative red poppy in honor of the fallen, but the MPs were in no mood for peace. This time, without his father, he faced a bruising assault on his memory and his integrity. Had he heard of the word 'Mafia' to describe an enterprise that got its way by intimidation, corruption and general law-breaking? Had he heard of the word 'omertà' the Mafia's word for a code of silence? James was the innocent abroad: 'I am not an aficionado of such things.' One was left to wonder how Rupert would have reacted on being told, as James was, that he must be the first Mafia boss in history who didn't realize he was running a criminal enterprise.

Two weeks later James was further discomfited by the investigators' discovery of a storage crate locked away during the *News of the World* shutdown. In one of the files was a hardcopy of email from Myler to James on 7 June, 2008, which seemed to bear out Myler's claim that he and Crone had indeed alerted James to hacking by multiple reporters. Worse yet, the email included a complaint by Gordon Taylor, the prominent chief executive of the Professional Footballers' Association, who claimed he could

prove he was hacked. James authorized a remarkable payment of £700,000 sterling (\$1.4 million) to compensate Taylor. Still, in December, in a letter to the select committee, he maintained his stance that he'd made this payment on the advice of learned counsel. He hadn't realized the abuses might have been widespread because he didn't read the whole email, missing the memo from Crone and a reference to a 'nightmare scenario' for the whole company.

It is not a wholly implausible excuse. Busy people don't invariably have the patience to follow all the threads of every email. My own guess is that James, who had been an able leader at BSkyB, got lost in the intricacies of the cover-up first orchestrated when he was not in charge of *News of the World*.

The Murdochs' appearance in London, offering full co-operation to catch scoundrels in their employment, and financial compensation for hacking victims, was intended to effect closure on a series of regretted mishaps. Instead, the summer hearing turned out to be a prelude to a cascade of more unfortunate events. In a pantomime of scurrying lawyers and investigators, files vanishing on a passage to India, corporate denials giving way to rueful admissions and what used to be called barefaced lying, News International found supposedly lost and deleted emails. High Court judge Geoffrey Vos, who presided over settlements in the civil lawsuits for invading privacy, was not amused to learn that even after the company received a formal request, 'a previously conceived plan to delete emails was out in place by senior management'. News International, he declared in January 2012, 'are to be treated as "deliberate destroyers of evidence"'.

Through 2011 and into 2012, clouds of possible wrongdoing enveloped other newspapers in the Murdoch empire. Nine current and former staffers from Murdoch's tabloid flagship, *The Sun*, were arrested on suspicion of bribing public officials. In July 2011, News Corporation, the parent group of News International, launched a Management and Standards Committee to investigate business practices within NI. Murdoch-watchers originally assumed this committee was largely a publicity exercise to cool the phone-hacking scandal. However, it was set up independently of News International and gained in credibility with the appointment of Lord Grabiner, QC, Will Lewis, Simon Greenberg and Jeff Parker, who report to Joel Klein, former New York City school reformer. Of Grabiner's appointment, Klein said, 'it clearly demonstrates that we are serious about putting things right that have gone wrong in the past.' The revelations of wrongdoing are humiliating for Murdoch but they are prudent, the best defense against a possible prosecution under the Foreign Corrupt Practices Act in the United States.

The Management and Standards quartet oversee the work of a posse of cops trawling through hundreds of millions of emails. Murdoch had to fly to London again,

this time to assure angry *Sun* staffers he wasn't ratting on them and was fully committed to keeping the paper open. Indeed, he was going ahead with a Sunday edition. However, more fur is likely to fly as the email ferrets hunt through the *Sun's* electronic trash.

And then there's the bizarre episode at *The Times* in which the watchdog didn't bark in the night but bit itself. A staff reporter hacked into the email of "Night Jack", an anonymous critic of police ineptitude, with the extraordinary intention of blowing his cover. The editor of *The Times* should, like Caesar's wife, be above suspicion and I know James Harding to be a straight shooter. It seems he was unaware that the reporter, now fired, was busy betraying a source, instead of defending his identity to the death. It's a rum affair.

Following their appearance before Parliament, Murdoch father and son rode out a subsequent confrontation with dissident shareholders, but James' reappointment as BSkyB chairman was short-lived. He resigned in May 2012. Critics of his father wanted to force him out of his position at the annual meeting in Los Angeles in October 2011. They made what sports reporters like to call a 'gallant' effort in the face of Murdoch's control of some 40% of the voting shares (with only around 12% of a stake). They assailed his pay (\$33 million); his morals; his gerrymandered corporate structure; his arrogance ('you've treated us like mushrooms for a long time'). Meeting in Fox Studios in Los Angeles, Murdoch *père* was on home ground, able to brag about the performance of the US broadcasting units, which contribute more than half the company's adjusted income, and BSkyB's contracts with more than 10 million subscribers. No mention of his humiliating withdrawal of a bid for full control. Yes, there was this hacking problem. It had brought the company 'understandable scrutiny and unfair attack' but it had to be put in context. The story of News Corporation was 'the stuff of legend'.

He was more relaxed than when facing Parliament. His responses were a mix familiar to Murdoch watchers of brusque put-downs, wit and obfuscation. The Church of England holds \$6 million of News Corporation shares. The secretary of its ethical investment advisory group tried to complain that they had difficulty getting News Corporation to listen to their concerns. Murdoch interrupted, 'your investment hasn't been that great'. He ridiculed the director of the Australian Shareholders' Association who'd said he hadn't decided how to vote: 'I'd hate to call you a liar, but I know exactly how you're going to vote.' He dodged the only real bullet when Tom Watson, MP, tried to probe the ongoing police investigations in Britain of computer hacking. 'Recent rumors', said Murdoch, embellished with a promise – 'we'll put this right' – and a bang on the desk to make up for the evasion.

How much Rupert Murdoch knew and when he knew it may not be pinned down because he exercises what the sociologist Max Weber defined as 'charismatic authority', where power derives from how the leader is perceived by others rather than by instructions or traditions. The concept of charismatic authority as applied to the Murdoch empire may be best understood – as a concept, I emphasise, and not a personal comparison – in the use made of Weber's definition by Sir Ian Kershaw, historian of the Third Reich. Kershaw argues that Hitler was not much absorbed by the day-to-day details of Nazi Germany's domestic policy, but was nonetheless a dominant dictator. Kershaw explains the paradox by adopting the phrase of a Prussian civil servant who said the bureaucrats were always 'working towards the Führer'³. They were forever attempting to win favor by guessing what the boss wanted or might applaud but might well not have asked for. Similarly, in all Murdoch's far-flung enterprises, the question is not whether this or that is a good idea, but 'What will Rupert think?'. He doesn't have to give direct orders. His executives act like courtiers, working towards what they perceive to be his wishes or might be construed as his wishes. A few examples follow from my experience in 1981–2 at *The Times*. They act this way out of fear, certainly, because executions are so brutal, but the fear also reflects a more rational appreciation of the fact that his 'wild' gambles so often turn out to be triumphs lesser mortals could not even imagine.

Murdoch has chutzpah like nobody else. Even as the hacking scandal started to erupt in 2007, and full control of Sky was within his grasp, Murdoch was protesting that hacking was 'not part of our culture anywhere in the world' when it plainly was part of the culture to anyone who bothered to look. In actions settled out of court in the United States, he's had to shell out hundreds of millions of dollars to companies who testified, among much malefactions, that their business secrets were stolen by his News America hacking into their password-protected websites. According to court testimony, the executive who presided over the thefts, Mr Paul Carlucci, explained to the victims: 'I work for a man who wants it all, and doesn't understand anybody telling him he can't have it all.' Carlucci was subsequently promoted to publisher of the *New York Post*.

The story in *Good Times, Bad Times* is of Rupert Murdoch at the real beginning of his inexorable rise. There is pathos in it. Here is a man who dared to think big and had the energy and skill to realize his vision. Nobody gave much credence at the time to his determination to challenge the somnolent TV networks in the US and to create a fourth network, albeit freighted now with political bias. Here is a newspaper romantic with the strategic nerve to do what no other newspaper management had been able to do, free the British press of the stultifying burden of the corrupt and violent press-room unions. Here is an owner who won't let his staffers be bullied by Authority. Here is a movie buff who saw immediately the force in director Martin Scorsese's plea to

preserve the libraries of great movies decaying on old film – and acted at once at his Fox studio, while other studio managements equivocated. Here is a man capable of personal loyalty to trusted courtiers who know their place as satellites of the sun, but of remorseless betrayal when he thinks he is in the shade.

Paradoxically, *The Independent* was also nourished at birth by Murdoch's redemptive blow for press freedom early in 1986 when he finally defeated the print unions at Wapping. This triumph, fashioned from the original conception of *Today* by Eddy Shah in 1984, broke the disruptive power of the chapels and altogether transformed the economics of the British press. The carnivore, as Murdoch aptly put it, liberated the herbivores. Of course, if the print unions had behaved a whit less treacherously and corruptly in the seventies and early eighties, when their anarchy forced out the most enlightened commercial ownership a newspaper group has ever known, Murdoch would never have got his chance to take over Times Newspapers from the Thomson Organisation in the first place. And he would never have succeeded in that chance if the print union leaders had stayed faithful to the staff buy-out we planned with them under the aegis of the former Prime Minister, James Callaghan. They took Murdoch's shilling and he put them to the sword. It was an equitable sequel.

Murdoch's acquisition of Times Newspapers in 1981, and his ability to manipulate the newspapers after 1982, despite all the guarantees to the contrary to Parliament, were crucial elements in building his empire. He lies with consummate ease and conviction, but he is also remarkably prescient about how politicians will swallow the most gigantic fiction with barely a gulp. None of us knew at the time what he was saying privately while he was trying to buy Times Newspapers in 1981 but it turned out to be spot-on both about his insouciant cynicism and the attention deficit disorder of political leaders: 'You tell these bloody politicians whatever they want to hear', he said to biographer Thomas Kiernan, 'and once the deal is done you don't worry about it. They're not going to chase after you later if they suddenly decide what you said wasn't what they wanted to hear. Otherwise they're made to look bad, and they can't abide that. So they just stick their heads up their asses and wait for the blow to pass.' If Prime Minister David Cameron wishes to demonstrate the sincerity of his new aversion to capitulating to News International he could take this opportunity to insist on enforcing the promises of editorial independence for Times Newspapers that Murdoch made to Parliament in 1981 when ministers performed exactly the gymnastic feat Murdoch described.

The way he became the dominant figure in satellite television broadcasting in 1991 has its piratical precedents in the way Times Newspapers fell into his hands in 1981. The artful dodge which worked then to evade the Fair Trading Act's provision for a reference

to the Monopolies Commission, that the newspapers were in imminent danger of closing, was dusted off again for *Today*, then owned by Lonrho, with about as much justification: none. The Ministers responsible for enforcing the law, John Biffen in the first case and Lord Young in the second, fully lived up to Murdoch's classification of politicians as invertebrates. They were both, of course, hardly free agents. At their back they could always hear Boadicea's chariot hurrying near. Whatever the anti-monopoly law might enjoin and the public interest in pluralism might require, Mrs Thatcher would tolerate no defence of competition when the would-be press monopolist was her faithful flak. And when he appeared in the role of interloper, as he did with satellite television, she would tolerate no defence of monopoly.

In this case the monopoly was one her own government had approved when the Independent Broadcasting Authority awarded British Satellite Broadcasting the licence from among seven competitors, including Murdoch. The groups owning BSB, having risked hundreds of millions of pounds, discovered their exclusive contract was not worth the paper it was written on the moment Murdoch challenged them. He beamed into Britain his pan-European satellite service, Sky, whose satellite was under Luxembourg ownership, and did it before a fumbling BSB was ready with its satellite. The BSB directors protested to Mrs Thatcher and had their ankles bitten: competition was good for them.

Once again, Murdoch was to prove above the law. The cross-ownership regulations provided that a national newspaper could not own more than 20% of any British television company. There was never a prayer that Mrs Thatcher would force Murdoch to abandon either medium. In 1990, when he negotiated a merger between Sky and the BSB partners with a 50% stake for himself, the cross-ownership rules made the deal plainly illegal. It was also a clear breach of BSB's contract with the Independent Broadcasting Authority. The Home Secretary, David Waddington, conceded the unlawful nature of the merger in Parliament. But Murdoch had seen Mrs Thatcher privately four days before the deal was announced and once again the fix was in. The Government washed its hands of the affair. A murmur of regret that the law could be broken with the prior knowledge of the Prime Minister might have given a touch of decency to the proceedings, but it would have taken a bolder spirit than Mr Waddington. *The Independent* pinned down the essential hypocrisy:

The fact is that Mr Murdoch employs his media power in the direct service of a political party, which now turns a blind eye to what it has itself depicted in Parliament as a breach of the law in which Mr Murdoch is involved. So much for Mrs Thatcher's lectures on media bias. In other spheres she endorses the principle that accumulations of power are bad for democracy. Why not in this one?

Why not? The reasons for Mrs Thatcher's perverse interventions on all matters

concerning Murdoch may be more diverse than the simple wish to entrench a political ally. Murdoch is the kind of freebooter she admires; she may have been seduced by his dash, and his contempt for the liberal intelligentsia, into thinking that what is good for Murdoch is good for the country. It would be interesting to know her reasoning: one searches in vain in her 1993 memoir for any explanation of her contradictory actions, or even a mention of Murdoch.

The period when Murdoch flung himself into the battle against BSB demonstrated the force of his concentrated energy and his relish in gambling for high stakes. It also demonstrated his disdain for independent journalism. His five newspapers, including *The Times* and *The Sunday Times*, blatantly used their news columns to plug their proprietor's satellite programmes and undermine the competitor. It was left to the *Financial Times* to show that a commercial interest need not entail a sacrifice of integrity. Its owners, the Pearson Group, had a stake in BSB, but the readers would never have known it from the *FT's* treatment of the news. The *FT* journalists should have petitioned for the canonization of their chairman, Lord Blakenham, who in 1987–8 had seen off a bid by Murdoch to add that newspaper to his collection.

The British story has parallels in the United States. When Murdoch bought Metromedia's six big city television stations in 1985, the Federal Communications Commission, with a Reagan-appointed chairman, gave him an unprecedented two-year waiver of cross-ownership rules so that in New York, Chicago and Boston he could run television stations and newspapers. Nobody, however, could waive for him the requirement, on acquiring a television station, of forsaking Australia and taking American citizenship, but arrangements were made to spare him the egalitarian stress associated with it. Instead of sitting it out for an hour or two with the huddled masses in the courtroom, he emerged from the judge's chambers just before the judge herself.

The secret of Murdoch's power over the politicians is, of course, that he is prepared to use his newspapers to reward them for favors given and destroy them for favors denied. The way the cross-ownership struggles worked out provided an intriguing demonstration of this in 1993. Murdoch hoped that the two-year waiver on cross-ownership agreed with the FCC might become permanent, but in 1987 Senator Edward Kennedy slipped a late-night amendment on an Appropriations Bill resolution that had the effect of killing the deal. Murdoch had to sell the *New York Post*; it lost money but he was loath to lose it. He had never been able to make a success of it, but he valued the base it gave him for politics and character assassination. Kennedy's amendment was defended in the press by committee chairman Senator Ernest Hollings on the high ground: 'The airwaves belong to the public. Concentration of media ownership threatens free speech. No man is above the law.' But Kennedy's tactic was also widely seen as

revenge for his years in the Murdoch pillory: he had been regularly savaged in the *Post*, the *Boston Herald* and the supermarket tabloid *Star*. The *Herald* was pleased to refer to Kennedy as Fatso. The surprising sequel in 1993 was that this war looked to be over. Who should back Murdoch when he offered to save the bankrupt *Post* if he could also keep New York's WNYW, part of the Fox network? Kennedy. Kennedy who had forced him to sell the *Post* in the first place. But why? The first clue came the day Murdoch took over the *Post*. He announced that he had secured an option to buy back the television station in Boston WFXT, and not long afterwards that he was ready to give up the *Herald*, Kennedy's tormentor. Allan Sloan surely had it right in his *Newsday* column: 'What we've got here is a your typical winking and nodding mutual-back-scratching deal. If you doubt that Kennedy and Murdoch have come to terms, I've got a bridge I'd love to sell you.'

Murdoch had bad times as well as good in the past decade. His record of broken promises was much bruited in 1983-4 when he tried to buy Warner Brothers and failed, and did buy the *Chicago Sun-Times*. The Chicago deal had echoes of the Times Newspapers sale: a consortium headed by the publisher Jim Hoge was betrayed by its owners, the Field family. Murdoch's chameleon charm was brilliantly deployed in appearing square and safe to Marshall Field V and maverick to his racier half-brother Ted Field. The *Sun-Times* journalists were not so biddable. Hoge quit and the columnist Mike Royko crossed the street to the *Tribune* with the Roykism that no self-respecting dead fish would want to be wrapped in a Murdoch newspaper. It was a sour experience for Murdoch. He sold the paper, profitably, in 1986, after moving into television. He had a happier time acquiring a controlling interest in Fox movie studios and using the former Metromedia television stations to build a fourth national television network with the creative genius of Barry Diller. That was a considerable achievement, but he was spending other people's money like a Master of the Universe. In October 1988 he paid just under \$3 billion for *TV Guide* and precipitated his worst time. The man so apt to eviscerate a manager for a minor miscalculation took his company into a debt of more than \$7 billion that it could not service and did it on the advent of a recession and a credit squeeze. By 1990 his international holding company, News Corporation, was on the brink of bankruptcy. At the same time a Channel 4 television exposé and a subsequent book by Richard Belfield, Christopher Hird and Sharon Kelly stripped away some of the mystique. At a critical time the programme demonstrated how News Corporation, headquartering itself in Australia, had for years concealed its true condition. It had exploited the lax accounting and taxation standards of Australia to create a web of intercompany debt and avoid taxation. Murdoch had seemed unstoppable, but in his sixtieth year he was obliged to go on a humiliating global roadshow, in the words of *Australian Business Monthly*, exhorting

and pleading with bankers to give him breathing space.

It was touch and go. He had to sell assets, including *New York* magazine and *Premiere* in America, he had to launch even more draconian cost-cutting programmes, and he had to dilute his equity below 40%. But Murdoch is no Robert Maxwell, though at that time it was natural to regard the two as tabloid twins. Maxwell was the meat axe, a muddler, a volatile sentimentalist, a bully and a crook. Murdoch is the stiletto, a man of method, a cold-eyed manipulator. Using all his persuasive talents and powers of concentration, he held on to his newspaper holdings in Britain and to Sky, and to Fox and Channel 5 in the United States, and by 1993 he had bounced back. He was again one of the world's most powerful media barons, and certainly the dominant force in British communications. He controlled Sky Television and HarperCollins publishing, and nearly 33% of national newspaper sales. Somehow he had also convinced the BBC, in the prone personages of Marmaduke Hussey and Michael Checkland, to let Sky have a monopoly of live premier league soccer on television. Both ITV and BBC were bidding high for live premier league soccer (and less for recordings), but the BBC is said to have indicated that its offer to pay for the right to broadcast *Match of the Day* recordings was confined to an FA deal with Sky. ITV executives could be forgiven for thinking that Murdoch's personal relationship with Hussey – he had made the gesture of keeping him on a consultant at Times Newspapers in 1981 – had as much to do with this debacle as BBC rivalry with ITV. In any event, terrestrial viewers of both BBC and ITV were deprived of the long-time excitement of watching the highest level of the national sport as it happens.

To William Shawcross, who had access to Murdoch for his 1992 biography, nobody should lose any sleep over this accumulation. Shawcross is particularly dismissive of the criticisms I made in the first edition of *Good Times, Bad Times*, about the conduct of Times Newspapers. 'If Murdoch had been running a chemical company and Harold Evans had been a dismissed foreman, his complaints would never have gained such wide currency. Much of the criticism of him [Murdoch] by journalists and media experts has been repetitive and uninteresting.' Students of the British class system, on show in the Shawcross lexicon, will be amused to note that I am put in my place as a foreman. It is never to be forgiven that a horny-handed son of toil somehow got to edit *The Times*. But there are other more important curiosities about this Murdochian statement. 'But the whole point', as the journalist and author Robert Harris remarked in a review in *The Independent*, 'is that Murdoch is not running a chemical company. He is seeking to become the most powerful disseminator of opinion and entertainment in the world, and a different standard of judgment must apply'. Not one of Murdoch's five national newspapers, read by ten million, deviated from his anti-Labour party line in the British General Election of 1992, a decisive

feature of the bias in the British press whereby the Conservative Party could count on 70% of the total circulation of national dailies.

The second curiosity of the Shawcross-Murdoch defence is that he is at pains, here and throughout, to skip over the fundamental issue at Times Newspapers. A newspaper owner who imposes a political policy and fires a recalcitrant editor can invoke his right to do what he will with his property. At Times Newspapers Murdoch had unequivocally forsworn that right. Parliament, the Thomson Organisation and the *Times* board would never otherwise have agreed to his purchase. It was the breach of all the guarantees he gave that made the case rather more interesting than Shawcross is willing to concede. How did Murdoch get away with it? How did he? It is an important question about Times Newspapers, but it is one to be asked of many of Murdoch's initiatives. Shawcross objects to the repetitious nature of journalists' complaints about Murdoch, but it never seems to dawn on him that the repetition is produced by a significant repetition in Murdoch's behaviour. He makes solemn promises, then breaks them when it suits him. He pledges loyalty to people, then double-crosses them. He commits a wrong, but disguises his motives in a smoke trail of disinformation.

There are scores of instances on three continents, but one need only consider the case of William Collins Publishing, which in 1988 so closely followed the parallel at Times Newspapers in 1981-2. In 1981 he had failed in a hostile bid for Collins, but held on to a 19% shareholding that gave him 42% of the voting stock. He made a significant promise to Ian Chapman, the Collins chief executive and architect of its fortunes, in the presence of Lord Goodman, representing Murdoch, and of Sir Charles Troughton, deputy chairman of Collins. He swore he would never again make a hostile bid for the company. (He also said that he would not exercise his right to acquire in the market 2% a year of the stock and he didn't.) Collins flourished under Chapman. His good name and his recommendation of Murdoch were decisive in persuading the board of Harper & Row in New York to sell control to Murdoch in 1987. Chapman was rewarded the following year in exactly the same manner other Murdoch benefactors have been rewarded: he was betrayed and traduced. Murdoch broke his pledge of 1981. He made a hostile take-over bid, he suborned Chapman's deputy, and he denounced Chapman's management. When Chapman and the board resisted, Murdoch charged, in an unpleasant offer document, that staff morale was low and the performance of the core business was bad – charges, as Chapman retorted, that had been manufactured for the bid. The Collins board finally capitulated when Murdoch raised his offer from £290 to £400 million and gave the directors promises about the future editorial and management autonomy of Collins, London, and HarperCollins in the United States. These promises, too, were soon forgotten.

The global trail of recidivism was less distinct in 1981, when Murdoch sought to acquire control of *The Times* and *The Sunday Times*, but I have come to regard the judgments I made then as the worst in my professional career. The first blunder was not to campaign against Murdoch, the second to be tempted from my power base at *The Sunday Times* where, with a world-class staff behind me, I would have been much harder to assail. My professional vanity was intrigued; I thought I could save the loss-making *Times*. In the event, I did not save anything. Two of the most important newspapers lost their cherished independence. The anti-Labour bias of the press then was given a further twist. A proprietor who had debauched the values of the tabloid press became the dominant figure in quality British journalism.

There was a critical opportunity, as I describe, to block Murdoch in 1981. At five to midnight the *Sunday Times* journalists chapel were on the verge of applying to the courts for a Writ of Mandamus to force the Government into referring the take-overs to the Monopolies Commission; the Fair Trading Act provided that in principle all newspaper take-overs should be referred. If Murdoch had persisted, he would have had to testify publicly about his international dealings, his cross-ownership of media, and his record of promise-keeping. The London management of the Thomson Organisation would have had to defend its cooked-up presentation of *The Sunday Times* as a loss-maker. All the issues which have subsequently become key to the Murdoch question would have been brought into the daylight. The *Sunday Times* journalists voted down that initiative at the eleventh hour by more than a hundred votes, but the fourteen dissenters of the so-called Gravediggers' Club felt the result might have been different if I had given a lead. As editor and chairman of *The Sunday Times* executive board, I was not a member of the chapel, but I believe they are right in their assessment. I did give the chapel every financial statement I possessed so that they could debate the issue in the crucial meeting and prepare evidence if they decided to go ahead with a Writ of Mandamus, but I did not try to persuade any of them to vote for it.

That was a mistake. Short of sitting in the stocks in Gray's Inn, I do not know what more I can do to acknowledge the error of my ways. I did not then know that the Thomson Organisation in London had given the Government a set of figures at variance with those presented to our Times Newspapers board meeting and at variance with the Warburg prospectus in their attempt to make *The Sunday Times* appear a loss-maker. Knowledge of that squalid stratagem might well have changed my attitude even at that late stage. The circumstances are set out in the following pages for the reader to judge. My decision was to resist Murdoch from within rather than challenge him in public. One of the leading Gravediggers, Magnus Linklater, later editor of the *Scotsman* (1988–

1994), has written to say that in my position he would probably have taken the same actions. This is generous. It is, as Maitland remarked, hard for historians to remember that events now past were once in the future. The reasons for the decisions I took seemed good at the time: the determination of the Thomson Organisation and especially Gordon Brunton and Denis Hamilton to sell only to Murdoch and to sell *The Times* and *The Sunday Times* together; the mutual distaste for each other as a body of journalists on *The Times* and *The Sunday Times* which militated against *The Times*' editor, William Rees-Mogg, and myself joining forces – as we should have done from the start; the unprecedented editorial guarantees we had secured from Murdoch; the risk of a second choice purchaser closing *The Times*: the *Daily Mail*, which bid £8 million more than Murdoch, insisted on the freedom to do this.

None of these risks was as great as the risk we took with Murdoch. It was not that we trusted him. The outgoing board and both editors thought we had shackled him, locked him in a trunk in an inviolable castle tower, given one key to a group of honourable men and entrusted the other to the highest court in the land, Parliament. But Murdoch is the Houdini of agreements. With one bound he was free. His machinations are almost Jacobean in their strategic cunning. How all this occurred and how it seemed at the time are worth describing in detail because it suggests the manner in which institutions are vulnerable when they rest on moral assumptions which a determined, clever man can exploit. My own abrupt and painful severance from *The Times* is the least of it, though revealing of his methods of defenestration. I was the twelfth editor in nearly 200 years. Murdoch is on his eighteenth editor in thirty: the late Charles Douglas-Home was the thirteenth, Charles Wilson the fourteenth, Simon Jenkins the fifteenth, Peter Stothard the sixteenth, Robert Thomson the seventeenth and James Harding the eighteenth. It would be interesting to know how successive *Times* editors, with Rupert Murdoch hovering over them on the satellite, have worked out their responsibilities for the once cherished independence of the titles we had so carefully written into the Articles of Association. Andrew Neil at *The Sunday Times* is the only one who has written an account, in his book suitably titled *Full Disclosure*. (Robert Thomson, *Times* editor from 2002 to 2007, is in charge of Murdoch's newly acquired *Wall Street Journal* and Peter Stothard, *Times* editor from 1992 to 2002, heads the *Times Literary Supplement*.) I hope all the editors will one day share with us as I share my own experiences with readers of this book.

When I first told of the pressures I had resisted, which are described in this book, there was some disbelief. The stance of Murdoch, to judge from his interviews with William Shawcross and 'private' briefings during his moves to buy the *Wall Street Journal*, was that these were fictions of my imagination. It is no pleasure to be

vindicated by events. A corporate culture that regards truth as a convenience was bound to prefer a cover-up to candor; in this respect the response to the hacking scandal was instinctive. And but for *The Guardian's* revelation about Milly Dowler it might just have worked as it had worked before, given the ample supply of cash and the scarcity of political courage.

I had not dreamed up the idea that my principal difficulty with Murdoch was my refusal to turn the paper into an organ of Thatcherism. That is what *The Times* became in the eighties. I'd seen many things to praise in Mrs Thatcher and her administration, and we said so after the robust editorial discussions to define a collective voice which I describe here. I wasn't alone on the editorial board in believing that the independence of *The Times* required discrimination rather than automatic submission to the requirements of No. 10. We did not believe that support for the government in the editorials ('leaders' in UK parlance) required us to deny dissenting views access to the op ed page. The editorial writers who related how they'd been sent for, behind my back, and pressed to reflect Murdoch's own opinions, were not phantoms. No doubt Charles Douglas-Home was personally more in sympathy with Thatcherism than I was though we'd have agreed on resisting Argentine aggression in the Falklands but a succession of editors struck the identical note and, as Shawcross concedes, Murdoch's voice soon resonated in other editorial opinions designed to appease him. Shawcross mentions 'constant sniping criticisms of such Murdoch bêtes noires as the BBC and the British television establishment in general'. I had not dreamed up the row I had over insisting on the proper reporting of Parliament. Under my successor, who had felt as keenly as I did, the famous Parliamentary page and its team disappeared overnight.

I had not dreamed up the way Murdoch would not scruple to subordinate editorial independence to his other commercial interests, as he did when he secretly transferred the corporate ownership of the *Times* titles and then suggested I suppress the news in *The Times* itself. In the following decade extraneous commercial pressures became manifest, especially in the reporting of his ambitions for Sky Television and his take-over of Collins. The convictions supposedly animating the crude campaign against the BBC vanished the moment it agreed to a commercial partnership with Murdoch.

I had not dreamed up the proprietor's determination to give orders to staff, in breach of the guarantees. It was by his direct instruction that Douglas-Home, soon after becoming editor, dismissed Adrian Hamilton as editor of the Business News at *The Times*. I had not dreamed up the scandal of the eviction of his father, Sir Denis Hamilton, as chairman of Murdoch's national directors; on that gallant man's death, *The Times* obituary suppressed this entire period of his life. I had not dreamed up

the threats to the reputation for accuracy and fairness. When Murdoch lied about the circulation of *The Times* in my editorship, *The Times* published the falsehood, and then Murdoch's appointee, Douglas-Home, refused to publish my letter of response or any form of correction (for which he was censured by the then Press Council). The same lie was retailed to Shawcross. Douglas-Home suffered a tragically early death, but the truth is that he was the fig-leaf behind which Murdoch began the rape of *The Times* as an independent newspaper of unimpeachable integrity.

I am often asked my feelings about Murdoch today. My concerns are professional rather than personal. I have been happily engaged in the United States as an editor, publisher and historian, and when I came across Murdoch socially in New York I found I was without any residual emotional hostility. I share his romantic affection for newspapers. He is for his part agreeable and sometimes vividly amusing. I have to remind myself, as he wheels about the universe of 'The Big Deal', that Lucifer is the most arresting character in Milton's *Paradise Lost*. There are many things to admire: his courage in taking on the unions at Wapping (though not his taste for Stalag Luft architecture), in challenging the big three television networks in the US with a fourth, and altogether in pitting his nerve and vision against timid conventional wisdom. If only these qualities could throughout have been matched by an understanding of journalistic integrity, he would have been a towering figure indeed rather than, at the climax of his career, having to submit to a grilling by MPs on the most humble day of his life.

I am still in one respect in his debt. On my departure from *The Times* I became a non-person, and it proved a very happy experience. For years my birthday had been recorded in *The Times*, a matter I felt more and more to be an intrusion into private grief. After my resignation, my name was left out of the birthdays list. I then came to regard each passing year as not having happened since it had failed to be recorded in the paper of record, and I adjusted my stated age accordingly. In the nineties my name was put back in the birthdays list, which is a pity. Perhaps this new edition of *Good Times, Bad Times* will generate another act of rejuvenation.

New York, April 2012

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Harold Evans replies April 25 to testimony by Rupert Murdoch April to the Leveson Inquiry

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Rupert Murdoch: myth, memory and imagination

The version of history told by Rupert Murdoch at the Leveson inquiry bears no relation to what actually happened By Harold Evans

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Rupert Murdoch at the Leveson inquiry. A vivid imagination compensates his fading memory. Photograph: AP

Rupert Murdoch has apparently lost a great deal of his power of memory, but nature has compensated by endowing him with a vivid imagination. He can surely deploy his new gift in the service of Fox movies. There is the great scene he pitched to Lord Justice Leveson on Wednesday morning where the editor of the Times enters left, closes the door behind him and begs: "Look, tell me what you want to say, what do you want me to say, and it need not leave this room and I'll say it." And our hero proprietor, so famously fastidious about such matters, has to tell Uriah Heep: "That is not my job."

And thus, children, was how Mr KR Murdoch honoured the promises of editorial independence that enabled him to avoid the Monopolies and Mergers Commission over his bid for Times Newspapers in 1981. As the editor in question, I am not able to compete with Murdoch in fabrication – he has had a lifetime of experience – but I do happen to have retained my memory of the year editing the Times, made notes, kept documents and even had the effrontery to write a whole bestselling book about it in 1983, called Good Times, Bad Times.

It has gone unchallenged for 30 years in its detailed account of precisely how Murdoch did break all five of the crucial pledges, did press for adopting his rightwing views, did want to know why we reported the Treasury statistics that the recession continued when the government had previously said it had ended.

When counsel waved the book in front of him, Murdoch wanted everyone to know he had not read it. He could not remember the account therein, quoting the news editor Fred Emery who told how Murdoch had sent for him and remarked that the promises of editorial independence "weren't worth the paper they were written on".

Of course, he'd promised not to send for staffers behind the back of the editor: he had only recently sent for the chief editorial writer again to press his own views, but not to tell the editor he was doing so. Counsel did not have time to pursue Murdoch's phantom memory, nor question him on the lie he retailed to the Times historian that he never met Margaret Thatcher secretly during the bidding for Times Newspapers in 1980.

There is a pattern to the Murdoch sagas. He responds to serious criticism by a biting wisecrack or diversionary personal attack. What is denied most sharply invariably turns out to be irrefutably true. As with the hacking saga, so with my charges.

Murdoch is unlucky that his poor memory has been overtaken by documentation. On 16 March 2012, the Churchill Archives Centre in

Cambridge released two discomfiting documents from the Margaret Thatcher Foundation. They give the lie to the official history of the Times from 1981–2002. The historian engaged by the Times, Graham Stewart, wrote that Murdoch and Thatcher "had no communication whatsoever during the period in which the Times bid and referral was up for discussion".

On the contrary, the documents reveal that on 4 January 1981, the prime minister and Murdoch had an extraordinary secret lunch at Chequers. The record of the "salient points" of the meeting by No 10's press officer, Bernard Ingham, testifies that, in accordance with Mrs Thatcher's wishes, he would not let his report go outside No 10, which is to say ministers would not be briefed on the meeting.

It must be galling for Stewart that the source he relied on for the falsehood in his history was the man who engaged him to write it. The meeting that Stewart writes never took place was highly improper. Had this secret meeting come out at the time, it would have destroyed Murdoch's chances of acquiring Times Newspapers, the seminal event of his ascent in Britain. Moreover, Ingham's "note for the record" reeks of cover-up in triplicate. It bears some parsing.

First, the pretence is that Murdoch was afforded a private meeting with Thatcher so she could be briefed on the takeover battle. That's absurd enough, given the coverage in the press and the responsibilities of the Department of Trade. The larger absurdity is that the prime minister's redundant "briefing" is being done by only one bidder, and by one who has an urgent interest in rubbishing his competitors. Interestingly, Murdoch's list of rivals makes no mention of someone Stewart refers to as making a "serious offer": Vere Harmsworth, the third Lord Rothermere, the most formidable of the newspaper owners whose great-uncle Lord Northcliffe owned the Times between 1908 and 1922, a newspaper genius whose mind failed him at the end.

Murdoch also chose not to inform the prime minister of the bid by the Sunday Times' management buyout team, which submitted its offer to the Thomson

Organisation on 31 December 1981. The monetary amount of £12m was the same. He conflates the bid by the profitable Sunday Times editors and managers with the less credible bid by journalists of the loss-making Times.

Second, Ingham's note is obviously drafted to deal with the eventuality that the clandestine meeting would one day come to light. On that account, it is ludicrous. We are asked to believe that there was no mention at the lunch of the clear legal requirement for Murdoch's bid to be referred to the Monopolies and Mergers Commission.

The prime minister had a duty to remind him of the laws she had sworn to honour and enforce. Did she not emit at least a polite cough? If she did not, she was uncharacteristically negligent. And if she did murmur something, why did Ingham choose not to record it? Sir Bernard is alas unable to help us with anything. He has no memory of the meeting. Amnesia seems to be catching.

As the narrative in this book makes clear, it is significant that in the crucial cabinet meeting three weeks later it was Thatcher who claimed that the fine print of the act would exempt Murdoch from its provisions on the grounds that both papers were unprofitable. I relate in my book's chapter entitled "Biffen's Missing Millions" that this statement was not true of the Sunday Times. Indeed, one of the unremarked ironies in Ingham's account of the meeting is Murdoch's enthusiasm for the success of the paper: "Even at the depths of a recession, this newspaper was turning down advertising." And "the market clearly permitted" an increase in advertising rates.

Murdoch's performance before Leveson and his myth about me suggests that he might do well on the road as the man with the most convenient memory in the world.

¹ Graham Stewart, *The History of The Times: The Murdoch Years*, Harper Collins, 2003, p. 28. He is not to be blamed for this error. It should be noted, though, that Mussolini's fake diaries were not bought by the Thomson Organisation in 1968 on my watch, but before I became editor of *The Sunday Times* in 1967.

² Stewart, op. cit. p. 20. Rothermere, writes Stewart, was 'a victim of his own honesty' in emphasising he was primarily interested in *The Sunday Times*.

³ Ian Kershaw, 'Working Towards the Führer: Reflections of the Nature of the Hitler Dictatorship from the Third Reich', *The Third Reich: The Essential Readings*, ed. Christian Lietz, Blackwell, London, 1990, pp. 231–252.