

To the Leveson Inquiry

Relations between politicians and the press

1) Acquisition of Times Newspapers by Mr. Murdoch

This was the seminal event in the rise of Mr. Murdoch's dominance of the British press and his subsequent influence on the conduct of British democracy. In the written submission I made to the Inquiry, and in *Good Times, Bad Times*, I have set out the sequence of what I regard as a political deal between the Prime Minister Mrs. Thatcher and Mr. Rupert Murdoch: She would see to it that his bid would not be referred to the Monopolies Commission, as the Fair Trading Act stipulated, and – no need to write this down! – she could expect consistent political support from Times Newspapers.

The published diaries of Mr. Woodrow Wyatt are also revealing. He was an intimate of Mr. Murdoch and the go-between with the Prime Minister. The Prime Minister consulted Wyatt weekly for many years. As Bruce Page accurately observes in *The Murdoch Archipelago* (Simon and Schuster 2003, New York), he regarded it as one of his duties to increase the number of 'pro Margaret' newspapers. I had personal experience of this, attending as a frequent guest at Mr. Wyatt's home; one occasion included Mrs. Thatcher when I was editor of *The Sunday Times* and one included Mr. Murdoch when I was editor of *The Times*.

Sunday June 14, 1987:

Directly relevant is a Wyatt entry on June 14 when he was talking to Mrs. Thatcher about the way to avoid a reference to the Monopolies Commission of Mr. Murdoch's bid for *Today* so there would be "another pro-Margaret newspaper."

This could be achieved, Wyatt suggested, by citing the fact that the paper was losing money. He quotes Mrs. Thatcher responding:

“Yes, I remember The Times didn’t get referred to the Monopolies Commission when he bought them both, The Times and The Sunday Times because they were making a loss” [she was misinformed].

Reporting to Murdoch later Wyatt writes:

"I reminded Rupert during the evening how at his request and my instigation she had stopped the Times acquisition being referred to the Monopolies Commission though the Sunday Times was not really losing money and the pair together were not".

Title: *The Journals of Woodrow Wyatt*
Author: Woodrow Wyatt (edited by Sarah Curtis)
v. 1 pages 369 and 372

The secret meeting

The Wyatt entries confirm what a number of people, in addition to Evans and his colleagues, suspected that a deal had been made between the Prime Minister and Mr. Murdoch (“How Woodrow and Margaret helped their chum Rupert,” Ian Hargreaves, *New Statesman*, 23 October 1998).

Good Times, Bad Times: “Hugh Stephenson at *The Times* had it from a friend in the Cabinet Office that “Mrs. Thatcher’s deep debt of gratitude” was the crucial factor. Lord Donoughue had a similar report.

It is significant that thirty years later – just in time for the Inquiry - we have documentary evidence. Alone of all the bidders for Times Newspapers, Mr. Murdoch was afforded a private meeting with the Prime Minister which was followed by her intervention on his behalf with the Secretary of Trade, Mr. John Biffen. The ostensible “briefing” Mr. Murdoch offered was, in fact, highly prejudicial as I have explained in a document submitted.

Mr. Murdoch denied he ever did have such a meeting with Mrs. Thatcher. His specific denial is recorded in his interview for the history of *The Times* he himself commissioned:

Mr. Graham Stewart, historian of *The Times* for the Murdoch period, writes on page 28 that Mr. Murdoch told him he had “no communication whatsoever’ with Mrs. Thatcher in this period.

I discuss this intrigue in a Preface to the fourth edition of *Good Times, Bad Times* included among the documents with this submission.

Brief excerpt from that preface to 4th edition of *Good Times, Bad Times*:

“...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.’ 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.”

I have amplified this statement in the Preface sent to the Inquiry.

The fiction that *The Sunday Times* was not a going concern.

I refer to:

- 1) Chapter 7, *Good Times, Bad Times* “Biffen’s Missing Millions” analyzes the profit and loss figures. Mr. Biffen was in India, and did not have the papers with him. Twenty four hours after returning to the Department he approved. He overlooked \$4.7 million in profit.
- 2) Narrative of Mr. Bruce Page, former editor of *Insight*, in which the finance director of Times Newspapers and the finance director of the Thomson Organisation state that *The Sunday Times* was very clearly “a most profitable business.” Page demonstrates that for all the conventional admiration for our civil service, the [misleading] accounts got virtually no professional scrutiny. (p.268-278)

- 3) Testimony by Mr. Gerhard Adolf Weiss, Institute of Chartered Accountants on 7 February, 1981, then a leading practitioner in insolvency who studied the figures and concluded:

“I consider The Sunday Times a going concern as a separate newspaper. If I were a receiver of Times Newspapers, and decided to close down The Sunday Times instead of continuing it, and trying to dispose of it as a going concern, I should expect a claim against me for negligence as a receiver.”

- 4) Testimony to the *Sunday Times* journalists quoted in Bruce Page from Mr. Leonard Hoffman, QC (later a Lord of Appeal), that application for judicial review of the Secretary of State’s decision would succeed.

2) The five guarantees

In *Good Times, Bad Times*, the chapter “The Guarantees” describes the meeting on 21 January 1981 in which Mr. Murdoch willingly agreed to the five conditions crucial to editorial independence.

Good Times, Bad Times sets out the evidence of how, within twelve months, Mr. Murdoch broke all these promises. According to his biographer, Thomas Kiernan he did not believe them even as he was making them.

“You tell these bloody politicians whatever they want to hear, 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.” (*Citizen Murdoch*, 1986, page 238)

On Interference:

I have commented in an article in *The Guardian* sent to the Inquiry on the absurdity of Mr. Murdoch’s claim in evidence that I didn’t know what to write in the editorial column and asked if he would privately tell me what to

say. This caricature is his way of suggesting that breaking his pledge to respect the editor's independent responsibility for policy is of no consequence since said editor (i.e. Evans) didn't have any opinions. The technique of the Big Lie. On the very contrary, in the second half of my editorship the arguments were considerable.

Mr. Murdoch made the following statement under oath to this Inquiry:

"The only time I remember ever talking to Mr Evans about policy was when he came to me, shut the door behind him and said: 'Look, tell me what you want to say and it needn't leave this room, but I will do it'," Murdoch told the inquiry.

This another falsehood and a ludicrous one. I have included evidence in the documents, including a note from him and my strong response. Also in *Good Times, Bad Times*, I have described a brawl on the way to dinner at my home.

October 1981 – Vehement arguments on monetary policy. Professor James Tobin Scene, *Good Times, Bad Times*, pages 383-4.

Also see: page 383, re: economic policy; pages 426-7 are relevant both to political policy and to Mr. Murdoch's direct intervention with staff behind the back of the Editor, with a view to changing the political policy of the paper as expressed in editorials. In addition to the pressure not to reflect criticisms of the government's economic policy, there was a denunciation of the Editor (again behind the back of the Editor) for allowing the leader of the Rail Union, Mr. Ray Buckton to put his point of view on January, which was followed on the 12th of January with a reply headed, "Where Ray Buckton got it wrong." Mr. Murdoch objected to *The Times* providing a platform for varied views. The pressure was insistent to play down the rise of the Social Democratic Party, and downplay, or even suppress, news that was bad for the government.

Instructions to staff, evidenced from *Good Times, Bad Times* page 432, 19th August memo from Managing Director Mr. Gerald Long (included), who was the main mouthpiece for Mr. Murdoch's pressures to have his views reflected in the newspaper rather than those of the editorial board.

January 4th- 5th, 1982 Murdoch complained about leftist headlines – again, not to the Editor, but to an Executive Editor (headline in point: EEC snubs Reagan over Poland). *Good Times, Bad Times*, page 426

January 7th – RM tells Editor he has no convictions (memo included). Editor replies, documenting the consistent policies of the paper.

February 23rd – Again, Editor insists there is a clear line of policy.

Instruction to Editor in front of Advertising Director: to cut space for business news and give it to sport. *Good Times, Bad Times*, page 416

Confrontation over Polish coup

Instructions to staff, page 449. The late Frank Johnson, columnist, on how Mr. Murdoch called him to his room, having left a message at the House of Commons that Mr. Johnson should call Mr. Murdoch – again, an advertisement that the proprietor was instructing staff directly.

Page 450 – Johnson said, “I don’t like discussing such things when the editor is not here.” According to Johnson, Murdoch replied, “That’s just why we are discussing them.” Mr. Murdoch denounced our coverage of rebellion in Eastern Europe. Johnson said the paper had done a lot of work on Poland. According to him, Murdoch said, “All over the place.” In fact, *The Times* had scored a spectacular coup in providing the first narrative of how the military in Poland took over the government and held Mr. Lech Walesa hostage. On the day of publication, Mr. Murdoch sent for the Editor and dismissed the coverage, though it was a worldwide scoop. He turned to the Sunday newspaper which had a paragraph or so from Poland, slapped his hand over it, and said, “That’s all you need on Poland.”

Budgets

It’s impossible to run a newspaper independently without an agreed budget and freedom within it to decide editorial priorities. This was why we had made an important point of it in the statement to the press on January 22, 1981 (copy of the full text is included): “The board of Times Newspapers Ltd. is to be responsible, after consultation with the Editors, for fixing an annual budget for editorial space and expenditure. The Editors are to be

responsible for the allocation of space between editorial and advertising day by day, within the strategic framework set by the Board.

The Editors will continue to make all appointments to the journalistic staff, subject to the constraints of the editorial budget.”

Throughout 1981-2 the Editor asked for a budget time and time again, directly to Mr. Murdoch and also through Mr. Long. No budget was ever produced. In the documentation is supporting evidence that he eluded giving the necessary budget.

Documentation includes direct instructions from RM on 16 September 1981 that the managing director must approve every expenditure and all private phones were to be withdrawn. October 29, protest by Editor: “... since I started here I have been flying blind. I have had not a single figure.”

Page 116 – *History of The Times* “The failure to agree with the editor the proper budget allocation compounded these problems, although Murdoch refuted Evans’ claims.” He quotes Mr. Murdoch as saying “Evans got budgets all the time.” This was untrue, as the documents confirm.

It was very convenient to Mr. Murdoch to have evaded agreeing on a budget despite persistent requests for this article of the guarantees to be fulfilled, because it enabled Mr. Murdoch later to claim that I had exceeded the non-existent budget.

Titles

The specific undertaking he agreed to was that any future sale of the titles would require the agreement of the majority of the National Directors (paragraph 89, Times Holding Board). In February 1982, the editors of *The Times* and *Sunday Times* discovered that the titles had been transferred to News International by the decision of an illegal board meeting on 16 December 1981. The editors asked for the minutes of the meeting, and received them only on the 16th of February. The minutes recorded transactions that had not taken place, resolutions that had not been passed. This was a clandestine meeting attended by only 2 of the 9 directors, who did not form a quorum. One of those directors was also on the Boards of News International and Times Newspapers, a clear conflict. (See *Good Times, Bad Times*, page 482.)

A note on “The Insurrection”

I received an email from Mr. Fred Emery, former Home Editor of *The Times*, protesting Mr. Murdoch’s denial of Emery’s testimony that Murdoch said that the guarantees were “not worth the paper they were written on.”

Mr. Emery writes:

“... he used his new flavour word 'insurrection' twice -- once relating to the Scottish *Sun*, were he to pressure them now to back off backing the SNP-- and, falsely, to place the word in my mouth. I did not say it, and therefore it cannot be --as he also claimed in his witness statement --the reason why you had to be let go! As I have consistently stated since 1981, to you and others, I certainly told Murdoch of some of the chaos at *The Times*. But more importantly – which he told Leveson he could not recall – was our exchange over his undertakings to Parliament not to remove an editor without the consent of the independent directors. As recently as 2007, I repeated this in an interview with the pre-Murdoch *Wall Street Journal*. *The History of The Times* by Graham Stewart which you've doubtless seen carries a fuller version pp102-3, including my telling Murdoch of the problems Douglas Home might face with the home reporters. Maybe that was the 'insurrection' he was worried about!! (I've told Leveson RM was egregious about the NUJ strike which broke Ken Thomson's back -- it lasted one week. RM claimed it was three months!)

I certainly had some staff opposition to the changes I made at *The Times*, but Mr. Murdoch and his General Manager Mr. Gerald Long were the prime creators of what chaos there was. They suddenly issued an ultimatum – one never discussed by the Board – *The Times* would be closed without major redundancies.

It was a fair demand of the clerical unions, but less so of the journalists. They asked me to seek 25 voluntary redundancies and specified the general terms. I did. Four days later Murdoch withdrew those terms and his general manager, without first mentioning it to the editor, met with the journalists’ chapel and added another ten to the redundancies, 35. The escalation and confusion of the threat to close down the paper was a severe blow to morale.

Historian Stewart on the chaos created by Mr. Murdoch:

“Therefore RM and the senior management could hardly absolve themselves. Murdoch had told Evans to bring in new blood and frequently suggested expensive serializations... When the costs... reached the accounts he then blamed Evans for his imprudence... The failure to agree with the editor a proper budget allocation...

Murdoch’s own manner at this time, frequently swearing and being curt with senior staff, contributed to the unease and feeling of wretchedness... the brinksmanship to bring about a level of tension clearly had negative effects on morale within the building.”

Circulation lie

Mr. Murdoch, after my departure, began a campaign of defamation and disinformation of which the Inquiry had a sample. For instance, *The Times* carried a report quoting him as saying the Evans editorship was marked by a decline in circulation. This was verifiably untrue. *The Times* then refused to publish a letter from its former editor referring to the documentary evidence that it had published a falsehood. *The Times* refused to publish the letter. Subsequently, it was rebuked by the then Press Council.

--

Sydney Morning Herald, 19 November 1983. Statement by Mr. Murdoch during a Q and A interview with Terry McCrann:

“... the real test is that the paper has gone up 30 per cent in circulation since he [Evans] left. Well, 28 per cent. It didn’t go up at all while he was here.”

From the News Corporation Limited 1981 annual report:

The results of [Evans’] energetic editorial program have been extremely gratifying. There have been virtually no complaints. With no promotion, circulation has begun to move upward, from **276,000 at the time of the takeover to more than 300,000 today.**”

Commentary: The late Mr. Hugo Young on effect of Rupert Murdoch’s takeover of Times Newspapers, article supplied from British Journalism Review.

Harold Evans