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"KRM31"  
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**IN THE MATTER OF THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS  
OF THE PRESS**

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**EXHIBIT "KRM31"**

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This is the exhibit marked "KRM31" referred to in the witness statement of Keith Rupert Murdoch dated the 12<sup>th</sup> day of April 2012.



"THAT BOTTLE IS FOR THE WINNER AND THIS ONE'S FOR BERNIE ECCLESTONE!"

# WE'LL SMASH THE SERBS IN A BLITZ

# ADmits: I BUNGLed

By TREVOR KAVANAGH, Political Editor

MILITARY chiefs are planning a huge 'Desert Storm-style' attack on Serb forces inside Bosnia.

Western leaders meeting in London today will sanction the massive attack if the Serbs continue bombarding Gorazde.

Low-level British and French bombers, along with American A10 tankbusters, will lead the assault.

Stealth bombers—invisible to radar—will continue the bombardment at night.

They will target tanks, bridges, ammo dumps, gun batteries, command posts and supply lines.

Western leaders are resigned to UN troops—including Brits—being taken hostage.

### Assaults

Sources say the offensive will be massive compared with previous 'pin prick' assaults.

An insider said: "The object will be to make it clear this time we mean business."

"We cannot let them take Gorazde."

Last night Foreign Secretary Malcolm Rifkind met Russian counterpart Andrei Kozyrev to persuade him to back the assault.

### IT'S NO CHOKe

Drivers face big fines for cars churning out fumes under new powers given to councils.



Rifkind... attack plan



Sir Richard... quitting

THE boss who led the probe into fat cats' pay yesterday admitted his committee got it wrong — and had told Chancellor Kenneth Clarke to rethink his tax changes.

But Sir Richard Greenbury ruled himself out of further involvement by dramatically telling MPs: "I've hedged enough."

The Marks and Spencer chairman warned the new income tax on profits from share options will hit thousands of modestly-paid people.

And he claimed Mr Clarke acted before he had even seen a copy of the wide-ranging report into pay and perks.

Sir Richard added: "We did not think it through. We made a recommendation that was too broad and I accept that was a mistake."

### Fears

Sir Richard, himself paid £807,000 salary, has written to Mr Clarke with his fears over tax changes.

He told the Commons Employment Select Committee: "I am personally deeply concerned at the extent to which this action will impact upon employees on modest salaries."

### BA'S HATWAVE

British Airways is spending £100,000 designing a straw boater hat so its female staff can beat the heatwave.

## Baker to quit Commons

FORMER Home Secretary and Tory chairman Ken Baker is to quit as an MP at the next election.

He brings the number of retiring Tory MPs to 36 with at least a dozen more planning to announce their resignation soon.

As party chairman, Mr Baker battled to save Margaret Thatcher being dumped as Prime Minister in

1990. His resignation after nearly 30 years in the Commons came as deputy Prime Minister Michael Heseltine tore into Labour leader Tony Blair.

He said: "He has replaced old Labour dogma with soundbite politics. There are just words and phrases to try and capture the public mood."

## DASH DOC IS 999 victims LOCKED OUT

AN emergency doctor was barred from reaching a critically ill boy because of a hospital's locked security door.

For four minutes the medic tried to crack the code at the Princess Alexandra Hospital at Harlow, Essex.

He finally used another door to reach the asthmatic child.

## 3 BOMBERS SENT BACK

THREE more terrorist bombers were transferred to jails in Ulster yesterday — bringing the total sent back from mainland prisons to 18.

The three included IRA man Gerard Macle, who got 25 years in October. The others were INLA men Sean Cracksbank and Emma O'Donnell.

At present, no attempt is made to separate the non-urgent cases.

## THE SUN SAYS

# Not a piece of cake for Blair

THE candle will burn bright today on Tony Blair's first birthday cake.

In the 12 months since he became Labour leader, he has forged a remarkable change in the party, rewriting its sacred Clause Four and telling the unions they will have no armlock over a future Labour government.

The icing on the cake came when Maggie Thatcher described Blair as "probably the most formidable Labour leader" since Hugh Gaitskell.

There is no doubt Tony Blair is changing the face of politics. But can he make it stick?

Blair delivers fine words, spoken with sincerity, that have attracted 120,000 new party members in a year. But where it really counts, in Parliament, is "new" Labour a one-man band?

### Conviction

Not even in the wildest flight of fancy can you imagine old Labourites like John Prescott or Margaret Beckett endorsing with any conviction the Blair line on private enterprise, welfare reforms or opt-out schools.

The only conviction held by most socialists is that if they shut up for long enough Blair will win them the next election.

That done, the old Labour of big spending, State control and union muscle would be swift to rise again. All the costly demands of the Left, thwarted for almost two decades, would explode.

No one knows if Blair is strong enough to resist them.

The Sun has already said it likes the look of Blair. He has vision, he has purpose and he speaks our language on morality and family life.

But what he hasn't told us is precisely HOW he would change Britain, WHAT it would cost and WHO would pay.

### Instincts

He pins much on getting Britain back to work again. But he doesn't say how "new" Labour would reduce unemployment — other than talking airily about partnerships with industry.

One thing we do know is that it, won't happen without money being spent.

Blair must tell us where that money will come from: Will other areas of public spending be cut or will taxes go up?

Blair's first challenge will come at his party conference in October, when the unions will demand he puts a figure on a minimum wage. Blair knows he must beat them off or risk being committed to a policy that would threaten jobs — and votes.

All that hot air could easily blow out Blair's candle.

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