

John Lloyd, First
Financial Times
24 April 2012

IN THE MATTER OF AN INQUIRY UNDER THE INQUIRIES ACT 2005
INTO THE CULTURE, PRACTICES AND ETHICS OF THE PRESS

**WITNESS STATEMENT OF
JOHN LLOYD**

I, **JOHN LLOYD**, a Contributing Editor to the Financial Times and Director of Journalism at the Reuters Institute for the Study of Journalism at the University of Oxford, contactable c/o 1 Southwark Bridge, London SE1 9HL, **WILL SAY AS FOLLOWS:**

1. I make this statement in compliance with a Notice sent to me on 5 April 2012 pursuant to section 21(2) of the Inquiries Act 2005.
2. In this statement, I have answered the questions raised in the notice in good faith and to the best of my knowledge and belief. I believe my answers to be true. I am happy to expand on any answer if required to do so.
3. Nothing in this statement should be taken to waive privilege in any legal advice that I have received.

Question 1: Who you are and a brief summary of your career history.

4. I am a Contributing Editor to the Financial Times, and also Director of Journalism at the Reuters Institute for the Study of Journalism at the University of Oxford.

5. Much of my career in journalism has been spent with the FT, as reporter on industrial and labour issues, as a correspondent in East/Central Europe and in the former Soviet Union, as the founding editor of the FT Weekend Magazine and latterly as a Contributing Editor - now no longer a staff post. I write opinion pieces, feature articles for the weekend FT and book reviews.
6. The Reuters Institute, of which I was a co-founder, is in part a fellowship programme for journalists, largely from abroad, in mid career. We have greatly extended its work by adding, over the past five years, a centre for research into issues in journalism. As its name suggests, it is funded by Thomson Reuters, the news and information corporation. It is a research institute within the Department of Politics and International Relations of Oxford University.
7. Those of us who sought to found and develop it believed that journalism reflected too little on itself, that the increasing complexity of the public world needed better journalistic tools to help us understand it and that research and debate would assist in that aim.

Question 2: How the dynamic of the relationship between politicians and the media has developed over recent years, what effect this has had on public life, and how far that has been beneficial or detrimental to the public interest. The Inquiry is particularly interested in the following themes – some of which are developed in further questions below – among others:

- a. **the conditions necessary for a free press in a democracy to fulfil its role in holding politicians and the powerful to account – and the appropriate legal and ethical duties and public scrutiny of the press itself when doing so. The Inquiry would like the best examples – large or small – of the press fulfilling this role in the public interest;**
- b. **the nature of professional and personal relationships between individual senior politicians on the one hand, and the proprietors, senior executives and senior editorial staff of national newspapers on the other; including matters such as:**
 - i. **frequency and context of contacts;**
 - ii. **hospitality given and received, and any social dimension to the relationship;**
 - iii. **the perceived balance of advantages, including the ability of politicians and journalists to promote or damage each other's fortunes and reputation at a personal level;**

- iv. **selectivity and discrimination – as between titles on the one hand, and as between political parties on the other;**
 - c. **the economic context within which the media operate, and politicians' ability to influence that;**
 - d. **media influence on public policy in general, including how that influence is exercised, with what effect, how far the process is transparent and how far it is in the public interest;**
 - e. **media influence on public policy having a direct bearing on their own interests, and the effectiveness of the media as lobbyists;**
 - f. **the extent and accuracy of the perception that political journalism has moved from reporting to seeking to make or influence political events, including by stepping into the role of political opposition from time to time;**
 - g. **politicians' perceptions of the benefits and risks of their relationships with the press and how they seek to manage them, including collectively at party level, through No.10 and other government communications organisations, and in the operation of the Lobby system;**
 - h. **the extent and limitations of politicians' willingness and ability to constrain the media to conduct, practices and ethics which are in the public interest, whether by legislation, by regulatory means or otherwise.**
8. A free press – which includes every kind of journalism: printed, broadcast, on the Net – is an essential part of a democratic state. Where democracy exists, there is always a press, more or less free. Where it does not, there is never a free press. In political coverage, investigations and revelations are important; but so too is the quotidian job of reporting the work of legislatures and other assemblies; speeches; policy proposals and implementation. Thus, in the UK, the disclosures by the Telegraph of MPs' expenses, and by the Guardian of alleged criminality at News International and beyond, were of great importance with large consequences. But the reporting of the daily work of government is also vital: without a background context and a tradition of building up understanding of the political processes, investigations can be largely meaningless.
9. In the UK, contacts and relationships between journalists and the political class are wide and sometimes deep, though varied. In general, left leaning media have strong contacts with left leaning politicians; the same holds true for the right. But most editors will seek relationships with politicians of differing views to their own media – as will politicians. Paul Dacre, editor in chief of the Daily Mail and Mail on Sunday, reportedly long

favoured Gordon Brown, when the latter was Chancellor, over Tony Blair, then Prime Minister, believing, it was said, that the former had moral substance and the latter lacked it. At the proprietor level, the most powerful figure has long been Rupert Murdoch, who cultivates – and encourages his senior executives to cultivate – strong relationships with politicians. Murdoch is unusual in that he brings a personal interest in the political life of several countries – especially Australia, the UK and the US – into play, in a way no other major proprietor does. Piers Morgan's memoir – "The Insider" (2005) – is extremely revealing about the relationships he, as the then editor of the most popular, Labour-supporting newspaper (the Daily Mirror), developed with senior Labour politicians, especially with Tony Blair and his wife, Cherie. On Morgan's side, there was (as he reports it) a good deal of condescension, even contempt: at one point, after Cherie Blair had complained of expenses entailed in her life, he tossed a £20.00 note at her during a dinner. In his, and in other tabloid editors' scale of importance, even top politicians were secondary to celebrities: especially, in his period as a tabloid editor, the late Princess Diana. But all proprietors, and/or the chief executives of media companies, have frequent contacts, mainly apparently informal through receptions, social occasions and dinners. This is not a one-way affair: politicians, especially leaders and the senior members of an administration or an opposition, seek out news media executives and reporters, and give them large access. The visit Tony Blair made to a conference of Murdoch executives at Hayman Island, Australia in 1995 soon after he had become leader of the Labour Party has been much commented on as an example of the power which Murdoch wielded, and the obeisance politicians felt necessary to make to him. Prime Minister David Cameron's frequent contacts with senior News International executives and his employment of the former News of the World editor Andy Coulson as director of communications is also instanced in this context. Both politicians strongly believed that a party leader, and a Prime Minister, had no choice but to woo, win and retain the support of as many media groups as possible, with Rupert Murdoch's news media at the head of the queue. By contrast, proprietors and journalists in the US have generally much more distant relations. With the evidence to this Inquiry in mind, I asked, on a recent trip to New York, Joe Lelyveld, a friend and former editor of the New York Times, what relationships he and his proprietor – the Ochs-Sulzberger family – maintained with politicians, and what were, in his experience and belief, the relationships between his fellow US editors and other proprietors. Lelyveld said that he and his colleagues had distant relationships with politicians, confined – he believed – to professional contacts. His proprietor did not, as far as he knew, have any special relationship with any politicians, beyond an occasional meeting at a social occasion. He believed that would be a model for most proprietors and journalists. However, he made

an exception for Rupert Murdoch – who, he said – especially through the medium of Fox News – had developed exceptionally strong links with politicians, especially of the right.

10. Newspapers now operate in a very restricted financial context. Many UK newspapers lose money: the once highly profitable tabloids now return, at best, anemic returns. This is especially true for regional and local newspapers, many of which have been forced, or shortly are likely, to go out of business. Major newspapers, including The Guardian and The Times, lose between £30m and £50m a year. In broadcast, the BBC has cut fairly deeply, but remains exceptionally strong in news and current affairs, probably still the strongest in the world in this field. ITV news is well funded, but current affairs are – compared with its own past – weak. BSkyB has a well-funded news operation which is efficient, though it loses a good deal of money. Like the ITV news service, it is a loss leader. No broadcast news is – insofar as the economics can be separated out – profitable. Politicians can influence that in different ways. The most obvious and routinised is the BBC licence fee, which the legislators have the power to set, and which they can increase or decrease in real terms. For newspapers, the tax rates are the most readily available means of changing the economic context. Less obvious is legislation which would set a limit on ownership, or a ban on forms of ownership – for example, a ban on ownership by foreigners. The experience of the last few decades, in which all kinds of regulation have been made lighter, has been that ownership bids have been permissively handled – as with Rupert Murdoch's purchase of the News of the World and The Sun in the late 1960s, and of The Times and The Sunday Times in the 1970s; Richard Desmond's purchase of Express Newspapers in the 2000s; and Alexander Lebedev's purchase of the Independent titles, also in the 2000s.
11. Media policy is strong in particular areas, and in different ways. The influence of the tabloids is generally strong in the areas of entertainment, including the celebrity circuit and especially in television; in politics (see above); in sport, especially football. The tabloids have used their power at times coercively, demanding cooperation from TV channels, entertainment PRs and sports clubs in return for coverage – with the ever-present threat of revelations or adverse comment. The upmarket press is influential in political and social debate. Their role is both to report, more fully than the tabloids, the formal agenda – and to reveal what is going on behind the scenes. All parts of the government machine, all large corporations, all significant social institutions and NGOs pay close attention to their media coverage: public relations is now highly focused on influencing journalists – though the focus is now tending to swing towards greater use of social media. In elite debate, newspapers like the FT, The Economist, The Guardian,

The Times and others will play a large role -- with commentators intervening sometimes decisively in internal or public debates.

12. I know little about the effectivity of the media as lobbyists in their own interests. It's often observed and reported that their power over public opinion gives them a particular edge when lobbying, or negotiating with, politicians.
13. Most academic and journalistic accounts of the development of journalism in the last several decades agree that journalism, especially political journalism, has moved significantly in all democratic countries away from reporting (speeches, conventions, decisions, policies and their effects) towards commentary, in which the reporter, in any medium, expresses his or her own analysis of an event, or at times an opinion on it. That which is the content of the third module of the Inquiry - relations between the press and politicians- has become an increasingly arid area in that less and less journalism is concerned to explain policy, programmes and political processes, as well as trends and changes in society - while more and more is concerned with discovering scandals, speculating as to who will win whatever contest or confrontation is on the horizon, or representing the political decisions and initiatives as merely moves in a political game rather than having any intrinsic content or merit (or lack of it). That politics should be increasingly represented as a scandal ridden space in which the actors make only self- or party-interested moves and all politics is merely a matter of win and loss is to drain it of too much meaning. The more so since politics is itself a fragile pursuit, as is the trust which underpins it. This is not so much being part of an opposition, in the sense of espousing a left wing position when the right is in power, and vice versa. Rather it is the creation and development of a third power -- that of the news media -- which increasingly has come to regard politicians and politics as a dirty game, and expresses constant cynicism about it. Thus while the Telegraph's revelations of politicians' expenses was valuable (since it uncovered some crimes and a misuse of public funds), the commentary in that paper and even more in others was that this showed a hopelessly corrupt political class. In fact, in comparative terms with other political classes, the expenses scandal, while important to reveal and to be corrected, was trivial.
14. Politicians are increasingly wary of links with the news media, especially when they are in office, even in opposition. Most politicians believe, with some justice, that most media look first of all for scandal. Thus they increasingly use the services of PR managers, both those who work for their parties or government and those who are hired for specific tasks. No politician of any stature, or who wished to gain stature, would embark on a

career without PR advice and protection. This is true everywhere in the democratic world to some extent: it is particularly true in the UK. New Labour, when in power, was famously interventionist in this, seeking to control press statements and appearances by all Labour ministers and even MPs. However this was not merely a manifestation of paranoia: New Labour came to power when the news media had become a 24-hour, scandal driven operation, and it has remained so.

15. Politicians have some power over the media. In power, they can of course pass legislation to constrain media power: in practice, it is almost never done, in part because politicians in democratic states believe in media freedom (to greater or lesser degrees) and more urgently because of fear of an inflamed response from the press. They can point the media towards certain kinds of coverage – and especially where they can set up televisually attractive occasions, will often succeed in securing coverage. They can to a limited degree persuade the news media to cover “good” issues in the public interest. In the case of the broadcast media, the main effect of regulation is to ensure that political coverage is balanced and neutral over time, and that works fairly well.

Question 3: What are the specific benefits to the public to be secured from a relationship between senior politicians at a national level and the media? What are the risks to the public interest inherent in such a relationship? How should the former be maximised, and the latter minimised and managed? Give examples.

16. The public benefits from politician/media relationships can be defined as the public gaining a fuller and more rounded picture of public events in their own societies and others. Thus insofar as the relationship produces these goods – whether by more open discussion or by changes to the law or to procedures which permit more transparency, then the public will be likely to benefit. The risks are that politicians seek to use their power to suppress or distort coverage; and that the media do the same, to extract more advantages for themselves, within their business or in securing exclusives which have no value. It is hard to know how far the closeness to (especially) Rupert Murdoch, but also to powerful editors, was a legitimate effort to persuade opinion formers of the merits of the governing party's policies, or how far this closeness resulted in a passive attitude towards, for example, an overweening domination of the news media market in the case of Rupert Murdoch, which may have been promoted by fear of adverse coverage. Some measures to address a too-close relationship have already been mooted - including a greater transparency in the meetings between politicians, officials, police officers and others, and journalists. These are two-edged: as others have warned, a general and

effective block on unofficial meetings and conversations between officials of all kinds and journalists would choke off sources of information on important stories. Such measures, as well as greater regulation, are in any case a secondary issue. The primary issue is the culture of journalism itself. Where journalists see themselves, and are treated, merely as extensions of the demands by proprietors, editors and news desks for sensational stories, irrespective of their public interest, then journalism of little merit and often much harm will continue to be done. Where journalists have both internalised a code of ethics and view themselves - as do lawyers, medical staff, academics, accountants, engineers and others - as professionals for whom some activities are out of the question because of their professional status, then the most insidious material will struggle to find a creator. A culture of more ethical journalism should not - probably cannot - be imposed. Governments cannot do it; and the PCC, which has a good Code (mainly), had little effect on criminal and abusive behaviour. It should come largely from journalists and from public debate. The creation over the past few years of institutes concerned with the news media - the Reuters Institute at Oxford, the Media Standards Trust, and Polis at the LSE - are instances of new thinking. One idea, now being discussed, is for the creation of a Journalism Society - a voluntary body which would proclaim certain standards and seek a membership both of professional journalists and those whose Net-based output is aimed at reportage, analysis and commentary. There are formidable problems here, mainly of money, but it is a venture which should be and is being seriously explored.

Question 4: Would you distinguish between the position of a senior politician in government and a senior politician in opposition for these purposes? If so, explain how, and why.

17. A senior politician in government has many more constraints and responsibilities than one in opposition. We accept that the latter has a certain licence to both oppose and propose in a way which would be regarded, if and when in government, as irresponsible. Opposition, in a highly competitive system like that of the UK political context, should be vigorous. For the news media, a government minister is a much more valuable source than an opposition leader, at least on most occasions. Much of that is right: if the news media are to hold power to account, they must know what it does - both what it says it does, and what it actually does but does not publicise.

Question 5: What are the specific benefits and risks to the public interest of interaction between the media and politicians in the run up to general elections and other national polls? Do you have any concerns about the nature and effect of such

interactions, or the legal, regulatory or transparency framework within which they currently take place, and do you have any recommendations or suggestions for the future in this regard? Please include your views on how you think the relationship between the media and politicians changes in the run up to elections, the extent to which a title's endorsement is related to particular policies, and whether the public interest is well-served as a result.

18. My answer will be brief here because I have little experience of covering elections in the UK. The risks appear to me to be the evident one: that politicians and their staffs will manipulate occasions, especially for the broadcast media, which privilege form and drama over content; and that the media acquiesce in this, and themselves concentrate on drama and the contest rather than what the various parties and leaders are proposing. I believe the legal framework in the UK is in comparative terms fairly good – especially in giving politicians equal access to television. However the trend is towards greater personalisation and dramatic presentation, and combatting that depends on a changed culture. Specifically, all commentary increasingly concentrates on who is ahead and who behind. The televised debates, begun last year, do something to cut against that – though the commentary afterwards in the media was all about who won and who lost. We must find some way of making policy and programmes interesting beyond the elite media.

Question 6: What lessons do you think can be learned from the recent history of relations between the politicians and the media, from the perspective of the public interest? What changes, voluntary or otherwise, would you suggest for the future, in relation to the conduct and governance of relationships between politicians and the media, in order that the public interest should be best served?

19. Once again, the culture of journalism is the main determinant. Journalism must develop a greater sense of distance and responsibility from the political arena. I reiterate that where journalists see themselves, and are treated, merely as extensions of the demands by proprietors, editors and news desks for sensational stories, irrespective of their public interest, then journalism of little merit and often much harm will continue to be done. Where journalists have both internalised a code of ethics and view themselves - as do lawyers, medical staff, academics, accountants, engineers and others - as professionals for whom some activities are out of the question because of their professional status, then the most insidious material will struggle to find a creator. Second, the activities of the Guardian, followed by others (including the New York Times) in revealing the apparently criminal activities in News International illuminates a journalistic beat which has been little covered: that of providing a watch upon the news media themselves. One benign result of this affair should be that the watchdogs watch the watchdogs - and in doing so begin to question what the real functions of watchdogs are.

Question 7: Would you distinguish between the press and other media for these purposes? If so, explain how and why.

20. The press is now in peril (as a print medium): TV remains the most powerful medium, and will continue to be for some time. As newspapers move away from paper to the Net, then we will see a greater fragmentation of commentary (already happening strongly in the US). Speculation at this stage is as likely to be wrong as right: but in general, the newspaper press, and the culture that goes with it, will continue to weaken: something different (though partaking of it) is being born, slowly.

Question 8: In the light of what has now transpired about the culture, practices and ethics of the press, and the conduct of the relationship between the press and the public, the police, and politicians, is there anything further you would identify by way of the reforms that would be the most effective in addressing public concerns and restoring confidence?

21. Nothing more to add which is different from that already said. Journalism is a free trade, and should be. Access to it should not be regulated – nor, now, can it be. The urgent task is for those journalists who wish to cover events, including crucially political events, to develop an ethic and a practice which is serious, respectful, investigative and distant from one's sources.

Question 9: What influence do the media have on the content or timing of the formulation of a party's or a government's media policies? The Inquiry is particularly interested in this context in influence on the content and timing of decision-making on policies, legislation and operational questions relating to matters such as:

- a) **media ownership and regulation;**
- b) **the economic context of media operations, including the BBC licence fee;**
- c) **legal rights in areas such as freedom of expression, privacy, defamation and libel, freedom of information and data protection;**
- d) **any relevant aspects of the substantive criminal law, for example relating to any aspect of unlawfully obtaining information (including hacking, blagging and bribery) and the availability of public interest defences;**
- e) **any relevant aspects of legal procedure, such as injunctions, the reporting of proceedings, the disclosure of journalists' sources and the availability of public funding for defamation and privacy cases;**

- f) any aspects of policing policy or operations relating to the relationship between the police and the media.**

Provide some examples.

22. My knowledge here is no greater than general knowledge from reporting of these issues. As said above, the media can and do use, with greater or lesser degrees of insistence, the power their audiences give them to persuade politicians not to damage their interests as they perceive them. In the case of the BBC, there is, I believe, a continuing consensus that the BBC should be well funded, and should be independent. However, the BBC does not take this for granted, and sustains a large lobbying operation.

Question 10: What influence have the media had on the formulation and delivery of government policy more generally? Cover at least the following, with examples as appropriate:

- a) **the nature of this influence, in particular whether exerted through editorial content, by direct contact with politicians, or in other ways;**
- b) **the extent to which this influence is represented as, or is regarded as, representative of public opinion more generally or of the interests of the media themselves;**
- c) **the extent to which that influence has advanced or inhibited the public interest.**
- d) **The Inquiry is interested in areas such as criminal justice, European and immigration policy, where the media has on occasion run direct campaigns to influence policy, but you may be aware of others.**

23. Once again I have little direct experience or evidence. The FT operates at an elite level: as far as I am aware, it does not lobby nor seek for governments to conform to its editorial stances. So these are observations only. In the case of the European Union, the strongly Eurosceptic tone of much of the British press has been both bad and good. Bad, in that it has contained many distortions and outright falsehoods. Good, in that – unlike in most continental European states – there is a vigorous debate. In the case of immigration, the same might be said. I do not believe that the tabloids are now – they may have been in the past – racist in any reasonable sense of the word. They respond more quickly than the upmarket press to the concerns of a mass readership. The public interest is served in having views, especially those held by people who individually have little or no power, made known frankly and fully. The tabloids can at times do this well.

Question 11: What influence have the media had on public and political appointments, including the tenure and termination of those appointments? Give examples, including of cases in which the public interest was, and was not, well served by such influence.

24. I have no knowledge here.

[Redacted signature box]

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Dated: 24th April 2012

John Lloyd