COMPETITION AND MARKETS AUTHORITY
21st CENTURY FOX/SKY MERGER INQUIRY

Notes of a hearing with Sir Peter Stothard
held at Competition and Markets Authority, Southampton Row, London
on Friday, 3 November 2017

PRESENT:

FOR THE COMPETITION AND MARKETS AUTHORITY

Anne Lambert	- Chairman
John Krumins	- Member
Tim Tutton	- Member

FOR THE STAFF

Mary Ayinde	- Project Officer
Joel Bamford	- Project Director
Sabrina Basran	- Project Manager
David Du Parc Braham	- Assistant Project Director

FOR PETER STOTHARD

Sir Peter Stothard	- Former Editor of The Times & Former Editor of The Times Literary Supplement.

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THE CHAIR: Let us do introductions. Firstly, thank you very much for coming in to talk to us. At this side of the table you have a mix of Inquiry team. I am Anne Lambert. I am the Chair of the Inquiry Team and staff. Other members of the Inquiry group …

Q. (Mr Tutton) I am Tim Tutton.

Q. (Mr Krumins) John Krumins.

THE CHAIR: Our staff team is …

Q. (Mr Bamford) I am Joel Bamford, so I lead the staff team. I am a Project Director here at the CMA.

Q. (Mr Du Parc Braham) I am David Du Parc Braham. I am the Assistant Project Director.

THE CHAIR: Behind you have Mary and Sabrina, who keep us all in order. Let me start with some of the things of what we are about. As you know, the transaction of Fox's proposed acquisition of 100 per cent of Sky has been referred to us to investigate on public interest grounds, media plurality and broadcasting standards.

We have published a timetable. We have also published an Issue Statement, which sets out the areas that we are looking into. We have invited you to this hearing as a former Editor of The Times, obviously, part of the Murdoch Family Group, 39 per cent held by the Murdoch Family Trust. The aim of this hearing is to explore the issues that arise on this case with reference to our two public interest considerations. Namely, whether it will result in a reduction in media plurality and whether the merged entity will have - I use the words of the legislation - a genuine commitment to broadcasting standards.

We also have certain formalities I have to go through. We have previously

sent you information on our procedures at hearings and about our treatment of evidence. We are having a transcript taken, as you see and in the spirit of openness we intend to publish that on our website, but we will send it to you beforehand to a view for accuracy.

We would say that if you wish to add to or amend the evidence you give today you do not do it by amending the transcript by in a separate letter. We need to remind you, as we remind everyone, that it is a criminal offence under Section 117 of The Enterprise Act 2002 to provide false or misleading information to the CMA at any time, including at this hearing.

We have got a number of questions. The staff will lead off, but members of the Inquiry Group will probably intervene as appropriate. Is there anything you would like to ask or say before we start?

A. (Sir Peter) No, I will try to be as helpful as I can.

Q. Thank you very much. Joel is starting.

Q. (Mr Bamford) I am just going to start with some general questions and changes to the media landscape and your views on what has occurred and how it has had an impact. In terms of the growth of online media, how have you seen that impact on traditional media sources, such as newspapers and broadcasters?

A. (Sir Peter) Can I just preface my answer to that by saying, I do not know how much you know about me, as opposed to others to whom you are talking - you are obviously talking to lots of different people. I have not had a direct active role in news gathering or the promotion of news since I stopped being Editor of The Times in 2002. In relation to this august body, I would say that my views on matters of the internet and: "Is Facebook a good idea? or

whatever, are frankly not hugely more driven by direct knowledge than anybody you could pick up in the square.

THE CHAIR: We know that, yes.

A. (Sir Peter) Just to say that. I had a long period of very direct experience of working with Rupert Murdoch and his executives and family because I was Editor of the TLS until a year ago. Just so you understand, I am essentially a classicist literary critic, a long-time observer of issues relating to the Murdoch family, the criticism of them, the basis for that criticism, the motives for doing it and it is possible I might have something that I can tell you about that.

In terms of what difference my job would have been when I was doing it, if I was doing it in a world of the current electronic media, to be honest I do not think my answer is very interesting. I do not think I want to waste your time with it. You can set me an exam if you like, but I do not want to waste your time with platitudes.

THE CHAIR: We will definitely come on to your relationship with the Murdoch family. We just thought we might get some views of you as a very experienced journalist and observer of the scene. But if you think you --

A. (Sir Peter) I could give a lecture on it, but to be honest I think it would be a waste of your time.. Newspaper editors have to have something to say about everything. That goes with the territory and I suppose maybe 20 years ago I would have leapt at the opportunity to talk about that. Or, indeed, Manchester United's football formation for something about which I was, frankly, knew no more than any man in the street.

One of the benefits of returning to my roots and doing what I am doing now is that I do not do that anymore.

THE CHAIR: I think we can go straight into --

Q. (Mr Bamford) Let us move on from that and maybe if we go back to your period of work at The Times and more recently at The Times Literary Supplement. Firstly, with The Times, could you just talk us through the editorial process that you worked under in terms of how stories were decided upon, where the running agenda would go and how that worked, just a general overview?

A. (Sir Peter) The Leveson Inquiry showed me how little people understood, [✂] how newspapers worked. That was very striking to me that all seemed to me So many seemed to me to exaggerate the extent to which everything was directed top down and to ignore that what goes into a newspaper depends on huge numbers of tiny decisions taken by people at all levels.[1]

A story goes into a newspaper and it is picked up by someone, it is passed on to somebody else, is it interesting, is it new, does it end up on a news list all over the world. A lot of those stories have come from someone who was involved in them in some way. People say: "What about pressure on this?" or, "Why were you pressured by that?" The whole of the stuff that appears on a news schedule is there because someone either wants it or does not want it to appear there. The notion of influence and how stories become stories is based on an enormous plurality of inputs.

A car explodes and you can see it and it is there and there are four policemen there; the kind of thing that local reporters do. That is quite a rare kind of story. There is no doubt that that is an event. It is story and it goes through the process. Most stories are not like that. Every day on The Times and

[1] Clarified by Sir Peter following review of the draft transcript.

everywhere else, I think, the Editor, through a series of layers is in a meeting presented with what several layers of people starting with the original - have decided constitutes the most interesting things of the day. From that the Editor will then interrogate that list - and we used to do it twice a day - and ask for some things to be followed up, as they say and others deemed to be not very interesting and: "Why are you bothering me with that?".

Out of that becomes the series of stories that appear later in the day, from which the Editors and the Sub-editors select material and then late in the day the Editor looks over the whole thing and says: "Hmm, yes, well that is, sort of, more or less what I had in mind" and, "Why on earth have you done that? That picture is terrible". That is on the news agenda.

We could talk about the opinion and leaders separately, if you like. But the point that I think people do not understand, is quite how many people are involved in this and that if one is interested in influence and pressure - which I know an Inquiry such as yours is bound to be - it is always important to remember the number of people who are concerned with persuading a newspaper editor, or indeed the junior reporter, that such a story is worth including in their paper and to a rather less extent, perhaps, not being included in the paper. The numbers really are very, very large.

Q. (Mr Bamford) In terms of those leaders and opinion pieces, as you say, where does that come from? Is that driven by the individual who is writing it, or are there choices of what to use and when to use and so on?

A. (Sir Peter) Different newspapers have different traditions in here, but essentially the leaders are the expressions of the Editor. On The Times that has been the tradition for decades and decades. Therefore I could never go

into a broadcasting studio and see someone produce a Times' leader and I would say: "I don't agree with that". Some American papers do have such a system where you can do that, but we do not. Everything that appeared under the crest as a leader column was either written by me or written by someone picked by me and I always had to stand by it.

Those decisions as to what we have said in those leaders were based on the views of an analysis of a large-ish number of very diverse people who met, again, once a day formally and often informally to discuss what The Times' view of this particular event or person or treaty or whatever it was, was. Fundamentally the Editor stood by all of those.

Q. (Mr Bamford) In terms of the coverage of certain events rather than, say, the car blowing up on the street as you raised, but an election or a party political conference, where does the leadership for The Times' view on that particular event or series of events come from?

A. (Sir Peter) The Editor, wholly and solely.

Q. (Mr Bamford) You have talked about a bottom up and every journalist bringing something in. In taking that view, how does that sit with the culture of the news' room or the journalists that are working to you? Is it something that they need to buy into, they need to be part of? How does that work?

A. (Sir Peter) No, I do not think it would. But all newspapers are different. The Guardian, I think, does have an open system whereby everybody can go to the news room. Every person can go and put their two-penn'orth in for what the leader should be. The Times was not like that and never has been. I do not think most newspapers are.

It would be wrong, I always thought. I always tried to separate as much as

possible, particularly the political team, from my views or, indeed, the views of - I had political leader writers who were very distinguished political journalists themselves, but whose work did not appear under their own name. But whose main role was to advise me.

That was a tradition that went back long, long in The Times r In the 19th Century it was not unfairly said that they had more people, advising the Editor on what to say in the leaders, than they did people writing articles for publication. The newspapers were very different, but one of the reasons why the Editor of The Times internationally and nationally was deemed so powerful was because, effectively, because of advertising and the general construction of the industry, huge amounts of what was submitted each day to the Editor for publication never appeared except in as much as it influenced the views of what they called the College of Cardinals; the guys who advised the Editor on what to say.

Not surprisingly, the Editor often had sometimes more knowledge of what was going on in the world than the Foreign Secretary did, although the practise of that was rationalised to a degree. Since the 60s, I think, The Times have published more of what these people have written and less has exclusively gone to the leader writers. Nonetheless, the notion was that the leader writers were separate and that they were separately informed and that you did not really want your agricultural correspondent, whose job was to be close to farmers and to find out what was going on in the farming industry, to be very close or, indeed, have to support your leading article which had just called for, I do not know, massive changes to farming which farmers did not like. It was very unhelpful for these to be connected and we tried to keep them as

separate as possible.

Q. (Mr Bamford) You talk about the Editor of The Times being powerful --

A. (Sir Peter) I was describing situation in the late 19th Century just in order that you should understand how [✂]that sort of mystique does go back quite a long time and sometimes it is properly represented by current reality and sometimes it is not.

Q. (Mr Bamford) In terms of that reality, when you were Editor of The Times did you find that there was a perception within the political world that The Times had influence over either the public or politicians?

A. (Sir Peter) Yes, I think so. The extent to which that was true is, I think, sometimes is always going to concern me. But I think it suited everybody to think it true. Certainly, if you are writing leaders for The Times on the future direction of the Department of Employment or something, it is slightly depressing to think that nobody was taking the slightest bit of notice of that. Therefore, perhaps, when I look back, do I think that sometimes we exaggerated our influence? Possibly we did, but frankly, when you are writing saying X must change or Y must change, one is liable to at least hope that someone is taking some notice.

Whether they ever did and whether leaders were as influential as possibly we thought they were, or worth the resources that we put into them, I think future historians might have some doubts about that. But remember in those days we had no idea what people read. Now online you can see by how many people click a piece whether or not people are reading it. Of course, that does not necessarily tell you how influential it is, because the people reading it maybe have no influence whatsoever. A leader read by one person, it can

make a difference and might be more influential than a leader read by 10,000 people who cannot. But nonetheless, you have some idea who is reading them. In those days, of course, we had no idea at all.

Q. (Mr Bamford) Did you get any feedback from politicians that particular articles or campaigns or views that had been expressed within The Times --

A. (Sir Peter) Oh, yes, absolutely. Oh, yes, particularly in the leaders, yes. It was a dialogue. Different politicians take different views. Like actors and theatre critics, it was fashionable, I think, at one point when I began my career, both for actors and for politicians to take a rather grand approach to the papers and a slightly sort of Duke of Wellington approach. They would be appalled at the idea they should actually talk to a reporter.

They might call the Editor of The Times and say: "Look, I thought that you really did not understand what I am doing". But it was considered slightly bad form to do that, I think. But over the years, we did enter an era where people were more sensitive to the point where the actors, who would never had dreamed of replying to a theatre critic, it would be absolutely the most shameful thing to do, or a writer, more my field now, replying to a critic, that would be considered very poor form when I started, now you get more comeback.

Some people might think that could be deemed a healthy thing in some ways. There is more interaction, but it is also more opportunity for a very diverse form of pressure and influence, if you like. In some ways it dilutes the influence of any particular person.Hamlet is going to come back to you and says: "You do not understand what I am trying to do" that would not have happened before. It does happen now.

Is that a good thing? I think good journalists have got to withstand pressure and they always have whether you are on a local newspaper, or writing about the People's Republic of China, or whatever; dealing with people who are trying to persuade you of something or, in a brutal term, trying to tell you what to say.

A top man in the Rugby Football League[2] rings us and says - sorry, I do vaguely remember something like that - giving me an astonishing lecture about what I ought to be saying about Rugby League about which I had no knowledge or interest and very aggressively, actually, more aggressive than the Chinese Ambassador. What I am saying is that the numbers of people who want to influence what you do is large and you have to use your intellect and your powers of argument and your sensibility to negotiate your ways through all those different sources every day.

That is pretty much true whether you are the the church fete correspondent of the village paperor the person who is covering politics at The Times.

THE CHAIR: Can you just describe your relationship with politicians? You said you had a dialogue, how might it work with Cabinet Ministers?

A. (Sir Peter) There is a range of ways of doing this. My particular way was to keep a great distance, but I basically employed other people to do it.

Q. How was The Times' relationship with --

A. (Sir Peter) This is not designated as the way to do it, but as newspaper editors write their diaries or their reflections you learn that some editors did not really consider it a proper day unless they had lunch with a Cabinet Minister. I am not going to criticise that, it was just not what I did. I prized

[2] Clarified by Sir Peter following review of the draft transcript.

very heavily the freedom that comes from the analysis of what I could see and hear and allowed other people who I was - I am not saying there was anything morally wrong with it - I was employing people to find out the things that other people did not want us to know. It was a job for somebody else. It was not a job for the Editor to becross-examining the Chancellor over lunch.

Q. Your Political Editors might be having lunch with Cabinet --

A. (Sir Peter) Their job was to find the news and they were under a range of pressures, if you like. You can call it pressure, everybody from the back bench MP to the Minister to the civil servants, rather more quietly, might have a whisper in the ear of the Political Editor, or, indeed, the Agricultural Editor on any particular issue.

My personal way of editing The Times was to maintain as far as possible a position above that. I tried to avoid having any individual meetings. We did occasionally have lunches with Cabinet Ministers, but I always took my leader writers with me. It was quite unusual for me to have a meeting with a senior politician by myself. That was not the way I did it.

Q. (Mr Bamford) You mentioned at the beginning your long history with the Murdochs. Could you talk me through your relationship during your time as Editor of The Times?

A. (Sir Peter) Yes, I have thought about that, because it was extremely patchy. It was not very systematic I think that is one thing to say. It might be months when I would not hear from him at all and then you might hear from him every day for a few days and then nothing for a week. In no sense my relationship was any part of any system of control. What Rupert had and has always had in my view is an absolute passion for news. He does like to know what is

going on. That is an extremely important part about him, because if anybody fulfilled Crabbe's definition of: "A master passion is the love of news" it is Rupert.

In those days when there was no 24/7 thing, newspaper editors knew a lot of stuff that other people did not know. I think that is probably less true now. Even journalists do not really hold back scoops online pretty much as soon as they get them, because if they do not put them out online, somebody else will get them. The idea of holding stuff back for the edition is mostly over.

I always thought Rupert's interest was: "What's up? Have you got a minute, what's up?" It was nice to be able to tell him something.

Q. (Mr Tutton) Was he largely based in London whilst you --

A. (Sir Peter) No, no, no. Probably - although, I am not sure I ever thought of it like this - when he would possibly be in more touch, he almost never came to The Times, a fraction, a tiny number of times. I guess when he was in London he might be in contact more, but not necessarily. He toured the World and I think sometimes I rather imagined - and whether it is relevant to this - but if you are in Los Angeles and you own a newspaper people might ask you what is going on. It would be a reasonable question and he might feel he needed an answer to it, so it would be reasonable under the way of finding out what was going on to call you more if he was further away. But I do not recall asking particularly where he was, so I do not know.

Q. (Mr Bamford) In terms of your description of patchy, not for several months and then every day for a period of time --

A. (Sir Peter) I did say a period of time. I cannot remember any long period of time when he called me every day. There might be a few days if there was a

running story that was particular of interest, but this is a long time ago and it is just my recollection.

Q. (Mr Bamford) I appreciate that. What would be the instigator of that intense interest?

A. (Sir Peter) First of all, I do not think I ever called him. There was not much email then. I do not think I ever instigated a conversation with him in my life, so we did not have a relationship where I ever thought: "Well, before I do X I'd like Rupert's view on it". I am pretty certain of that. It was never part of my - to ask him anything. I never felt it would …

Q. (Mr Bamford) We talked about a particular story, what would be the issue that meant that you would have that more frequent engagement or discussions or phone calls?

A. (Sir Peter) He was very good if we were in trouble. After all, I was not the only person in London he was talking to, or even the only person in the company. I think if he thought that the Editor of The Times was under pressure from somebody else. I do recall that. I do recall the occasional cheerful: "Yes, so and so is on your back. Don't worry".

Remember some of this stuff was quite high stake stuff sometimes. They are not important stories now. Most of the stories that were deemed to be important they were forgotten, but if you had somehow offended some high-ranking person, or deliberately exposed something about someone, he was supportive of his editors. There is no doubt. He was certainly supportive of me. That is what I would recall possibly most.

Occasionally he would tell you something that you did not know, although, normally that was just apropos of nothing, rather than actually apropos of

something in the paper.

Q. (Mr Krumins) Could we explore that a little bit, perhaps? I appreciate it is a while ago, but it is helpful the tonal nature of the engagement. For example, he would call you and say: "What's up, Peter?"

A. (Sir Peter) Yeah.

Q. (Mr Krumins) You might say: "Rupert, our headlines today were, blah, blah, blah"?

A. (Sir Peter) Oh, no, he would know. He would always know that. He had some system long before the electronic age - I do not know quite he did it --

Q. (Mr Krumins) A faxed copy --

A. (Sir Peter) -- but he did a very good sort of clothes peg horse and donkey kind of system. He read the paper.

Q. (Mr Krumins) Right, so why is he asking you what is up?

A. (Sir Peter) Because there is a lot that is up between the morning paper that he would have got if he was in London and that did get wherever he was. Then he would call me. If he called you at 4 o'clock he would not have - I know it is a totally different age now, but if he calls you at 4 o'clock an awful lot has happened since we published anything.

Q. (Mr Krumins) Then would it be, "Thank you. Keep up the good work" or would he engage on that story and want to debate it?

A. (Sir Peter) I have thought about this. He tried very hard not to engage in the substance of argument. He knew that could be misinterpreted and frankly, I was never particularly sensitive about it, because I was completely confident in my freedom to believe what I wanted to believe and say what I wanted to say.

Since we had no track record of him attempting to make me say something that I did not want to say, or believe what I did not want to believe, I was probably more relaxed about it than he was. I do not ever recall myself feeling under pressure to change something.

Where he was often quite good and quite outspoken was on certain technical matters, curiously. He was a very powerful - and one of the easiest things you can do in newspapers if you want to criticise them is the classic hindsight thing. You get everybody's papers and they have all done the same story and The Guardian has a better headline on the story about the cat that stuck up the chimney than we did. The Telegraph has the worst one and The Daily Mail has a better picture.

The next morning when all newspaper editors are onto the next day, they are not particularly interested - they are quite: "Why didn't we have that picture? Why was our headline not as good?" Rupert always had a little bit of the early days in Australian newspapers about him and he was technically very accomplished. Occasionally he would say: "Your headline was not as good as theirs". Frankly - although it is a lot easier to do after the event than it is at the time - he was often right. If he said: "Your picture was not as good as somebody else's" and I would say: "Well, actually do you realise The Daily Mail paid £5,000 for that picture and he would say: "Oh, well".

Q. (Mr Krumins) I am missing a piece somewhere because I am trying to work out what was he doing in the UK in the 80s and the 90s that enabled him to have such access to prime ministers and for him to hang on his every word and input?

A. (Sir Peter) What was he doing? He owned a lot of things. He owned The

Sun, did he not, for instance? This would be no secret to anybody that politicians of all persuasions are quite sensitive to what The Sun was doing and saying. . I do not think my view of politicians' fears of The Sun or otherwise or why they wanted to talk to Rupert are much different from anybody else's.

Q. (Mr Krumins) At the time did you feel that he had a different relationship with the Editor of The Sun than he had with you?

A. (Sir Peter) Yes. There were certain formalities, after all, that were totally different. He had made serious undertakings about the freedom of the Editor of The Times. I do not think I ever needed to refer to those, but I was very conscious of the strengths of those undertakings and I got the impression that he was always very careful surrounding them. He was conscious of them. I do not think we ever had a discussion on them, but since there were no undertakings in relation to The Sun maybe it was different. But I was not there. I do not know.

Q. (Mr Krumins) But you would have observed a lot of what they did in terms of how they did coverage?

A. (Sir Peter) I cannot claim that at any time reading The Sun in the morning was my first priority, or that I gave a great deal of detailed time to what The Sun was saying. The Sun itself was, of course, very well informed on particularly some issues. Particularly in relation to royal stories, for instance. It was pretty much a given in The Times, The Guardian area that all those stories about the problems between the Prince and Princess of Wales which obsessed the tabloids, along with anybody about this I would have thought they were mostly fluff and exaggeration and it turned out they were not.

It turned out that if you wanted to find out what was truthful, you would have probably gone to The Sun and The Daily Mail. Did I do that? No. Would I have been better informed on that particular issue if I had? Yes. Did I comb The Sun for the latest insights? No, I did not. Does that reflect well on me? Probably some days it did, some days it did not.

Q. (Mr Tutton) What you outlined, in some ways, is the impression I have always had of The Times of that period, that it was slightly above some of the things - it had, as you said, very experienced leader writers who were taking an opinion. As you say, the relationship with readers, for instance, was very different in that period. Possibly now there may be a stronger interaction in terms of when newspapers - not just The Times - are considering what its view on something is. It is thinking now: "Well, what do our readers think about this?" Was that part of how you approached …?

A. (Sir Peter) Certainly. I think it was always important to me. [✂], I did feel a responsibility, which might now seem slightly exaggerated, maybe - that The Times was a national institution, that overall its positions and sensibility should be quite close to the landscape of the country. Different papers, The Guardian, The Telegraph, had come from different traditions and the important part of plurality, in my view, is as much to do with history as it is to do with presenter ownership and planning.

But these institutions are important and The Times was an important institution. Its readers made it so. This had to be sensitively balanced. One of the problems with being too sensitive to the views of your readersis that you are vulnerable to massive write-ins and people trying to influence you by

numbers.[3] But we had a very sensitive and historically, a basis of a relationship with our readers through the letters' page that had gone on for many, many years and I think people respected it.

I think that did help The Times to become to be not just to represent the governing class and the governors and the civil servants and the politicians, but to be close to the country as it was and certainly what I wanted it to be. I was always very conscious of the neglected areas, partly because of my own background. I come from Essex and from the East Coast and my background and my family are not in what we now would call the elite,. Was part of my understanding of my role at the time to represent the country as it was? Yes.

Q. (Mr Krumins) Could you give me any flavour of his personal style. Would you call him, with his senior executives, a friend? Or would it be more like an army officer and his troops and that you would never dare ask him about his family or other questions like that, you just did what you were told and you took instructions? Could you give us some colour as to how he engages with people?

A. (Sir Peter) Are you asking me about he engages with other people?

Q. (Mr Krumins) No, in terms of as senior executive as yourself, how open is he? Would you say it was a friendly discussion or is it very much that he is the manager and you are the employee in terms of the nature of that engagement?

A. (Sir Peter) No. I think for someone of his position, as it were, I think it would be no surprise to hear that he is extremely informal and quite shy sometimes. I never attempted to have a close, personal relationship. Other people I hear

[3] Clarified by Sir Peter following review of the draft transcript.

did, but that is nothing to do with me.

There was a period - just purely personally - when I was very seriously ill and was given a very short time to live around about 2000 just before the Millennium and at that time there was no doubt, yes. He took a close interest in my health and my family and was an extraordinary support over time. But it is hard to imagine any organisation - I was off work for eight months, nine months, was not certain to be able to come back at all or even to be alive. I stayed in my job.

That was not the permanent state of our relationship, but when his support was needed, he was absolutely there. Did we have cosy family chats and go over for Boxing Day, no. I did not, but I think one or two others did.

Q. (Mr Krumins) In terms of the way he thought about news and the industry and his investments, did you have a sense that there was a lot of long term planning and vision as to what he wanted to achieve and do and was there intent behind his actions?

A. (Sir Peter) I think I would separate that into two, really. I cannot speak for him in this sense, but I would be surprised if for very long in his career he thought that the easiest way to make money out of the media was by having newspapers. He liked The Times to break even and nobody likes buying something which is a massive loss-maker.

There were times when The Times was in really quite serious trouble and it was very important for the staff at The Times - it was not always their fault, sometimes we were doing things right and sometime we weren't - but it was very important that the staff at The Times believed that The Times was ultimately owned by someone who really cared about news. Because they

knew, although not everybody else did, that news was not a goldmine. It was not the thing that people did if they want just to own a business and as far as I know and I think it is as true now.

If you were a financial adviser to a big company you would be very unlikely, I think in any period, to particularly advise them that going into the news business was a particularly good one. Rupert had this astonishing passion for news what has already happened, but he also has vision In that respect he was very separate it. He certainly separate from me. I am by nature, I suppose, a historian. I am interested in how the past influences the present in one way and another. I am a cultural historian, I am not an economic - I do not think money, first of all. I am just saying this in order to show that, as an editor, I think backwards and I do not think much about money while

Rupert is someone who thinks forward and is a businessman. You might just say in one sense what was he doing with me all those years. I would not have been a soul mate of his, . But that did not seem to matter. His vision of seeing something that does not exist and seeing it exist, the kind of vision that people have when they see an idea and they can - is exceptionally rare. Both are quite rare. Both the visionary aspect is quite rare and also the passion for news is quite rare. I think journalists who worked for him at The Times were very conscious of the fact that whatever else anybody said about him - and we have not discussed the motives that people have to say things about him - he was on their side in relation to the future of their industry and the importance of what they did, even if it was not particularly profitable and sometimes was not profitable at all.

Q. (Mr Krumins) It has been put to us that he does not have a passion for news.

He has a passion for commercial influence and people look at Fox News and say: "That does not represent someone with a passion for news in its traditional sense, that impartiality, that clarity". That is the concern that people have about Murdoch or Fox getting greater control of Sky News, because that passion for news is not consistent with what we want to see from news in this country in that sense of impartiality and fairness and plurality of thinking. Do you have any observations about that?

A. (Sir Peter) I have observed this for a very long time and I can tell you from my direct experience that that is completely false. In relation to my experience at The Times of an organisation with a particular context, a particular time, a particular institution with its own traditions. I hope I can talk more to that. You are asking me for my opinion.

I think a passion for news is something which is quite difficult to stamp out in a person and I tend to believe, if I am judging people, in judgements made over time, rather than on specific instances. I think judgements of virtue, if you like, or whether you have the right instincts, your heart is in the right place. However you want to put it, I would rather judge to call over a long period .

I do not know much about Fox News. I know some of the people involved in it or I have done over the years. It certainly represents the character of some of their characters. It is quiet specific to time and place, I think. Personally, if you asked me would I be concerned that Sky would become like - is that what you are asking me, do I think there is a danger that it could become like Fox News? I do not think so. It is astonishing that people should think that, but there are a lot of people over the years and I have been directly involved with them and there has been a massive - and you only understand these things

really, when you are on the inside - of people wanting to believe in the malevolence of Rupert Murdoch when that is the main weapon they have got.

Q. (Mr Tutton) How did you feel he regarded The Times as part of his overall - because he had The Sun from an earlier stage and he sort of created that in many ways. He then bought The Times and by the time you were Editor, how do you think he viewed his ownership of The Times? Apart from the news per se interest, did you get a feel for how he regarded The Times fitting into his overall newspaper and other media interests?

A. (Sir Peter) Fitting in? Corporate ideas now are all about synergy and interaction and technology driven, I think, to a degree. I do not think people understand the degree to which Rupert's instincts at least in the time when he could do that were to put the maximum independence between these papers. The idea that this was an organisation that was supposed to be put together in a nicely fitting block was really not how he saw it. To an extent, which was sometimes people just could not believe, The Times and The Sunday Times, for instance, would sometimes bid against each other for book serialisations, for stories and for assets of one sort[4] or sometimes he might even be a bit cross about that and say: "The only reason The Sunday Times had to pay out X for that was because you were trying to get it too". Most proprietors in most businesses if you were running a thing would say: "Well, we'll put a stop to that kind of thing pretty early on".

Sometimes it was irritating, but he also understood, I think, the enormous power of difference and the enormous strength that these individual institutions got from being completely different from one another. Did we ever

[4] Clarification provided by Sir Peter following review of the draft transcript.

meet as a group? No. Did the editors ever have any formal links with each other? No. They were pretty suspicious of each other, to be honest and Rupert did nothing to discourage that.

Q. (Mr Bamford) I just wanted to pick up, so The Sun and The Times and The Sunday Times are separate. Just around the time that you were Editor of The Times there was some cross-over with David Yelland as Editor of The Sun and prior to that some cross-over with Andrew Neil of The Sunday Times. Both of them have said that Murdoch made his views clear to them and in their opinion if they did not follow his overall views, they would not continue to be Editors of those two institutions.

A. (Sir Peter) Really?

Q. (Mr Bamford) Was that something that you felt at all, or is it completely different at The Times to those two particular publications?

A. (Sir Peter) No, I do not recognise that at all. Everybody hears different things. If someone in my presence talks about the virtues of X or Y and argues the oil price should be doubled or the price of this should be changed, some people might see that I suppose as pressure to agree with them. I come from the tradition where somebody saying that is just an opportunity for somebody to say: "Well, actually, I hear what you are saying". Would I seek conflict? No. But I did not seek conflict with the Chinese Ambassador or the Head of the Rugby Football League either.

If someone is in the room and is very agitated about something, certain people, I suppose, might see that as: "If you don't agree with me, the worst for you". But I have to say I never. I do not recall ever thinking that and there were some serious issues, some important issues where I did not always

know what Rupert thought. But there were one or two issues where it was clear that Rupert did have strong views, because he had expressed them either at speeches or I had somehow got to know, where The Times took a different view.

There was a particular issue relating at one point to the run up to the handover of Hong Kong and the Chinese. That was a lot of drama surrounding that. It was well known that Rupert had a particular issue. It was not the issue of The Times. The Times never wavered in its view despite the number of people trying to persuade the world that we had, because surely we would.

In 1997, I think, it was generally reckoned that proprietor was for Tony Blair The Sun had endorsed Tony Blair to win. It was hardly a very controversial decision. It was very clear that it was probably going to happen. I heard that there was some suggestion afterwards that he considered my decision not to endorse Blair to be a mistake.[5] would have liked - not from him - but that he considered my decision not to do that - anyway I did not do it. I did not tell him I was doing before, so he had no influence whatsoever on a decision that I do not consider one of my greatest ones. But I can tell you that it was not the one that he either would have taken or had shown that he had thought of in other contexts.

Q. (Mr Krumins) You mentioned at the beginning that you had seen other members of the family as well over a period of time. Can you give us any observations on how the family makes decisions and how to the extent Rupert's children are playing an important decision-making role in the

[5] Clarified by Sir Peter following review of the draft transcript.

workings of the broader empire? Or is it still very much Rupert who is in charge and it is a singular decision?

A. (Sir Peter) If we are talking about now, remember I left in 2002 so that is in terms of --

Q. (Mr Krumins) So you have had no --

A. (Sir Peter) I have seen them. I remember when they were very young. I have not had a meeting with them except with James Murdoch when he was Chair of the Times Holdings board and I was a board member and editor of the TLS.[6] I have had social interaction with them separately and occasionally, maybe, together possibly, in the years to come. I do not know in this context how appropriate it is for me to discuss the --

Q. (Mr Krumins) No, but you did mention them.

A. (Sir Peter) I do not think it is any secret that they are pretty different people. I do not think there has ever been any secret that they hold different views on some quite important topics and that they are quite different in their interests. I think a mere reading of public material would say that and certainly, I have never seen anything to suggest that was not the case.

Q. (Mr Bamford) You have had a long standing Editorship of The Times Literary Supplement, which was owned by News UK.

A. (Sir Peter) Yeah.

Q. (Mr Bamford) Focusing on that ownership by News UK, what changes did you see over that 13 year period? Did you see any in the way that --

A. (Sir Peter) What about the TLS?

Q. (Mr Bamford) Not so much the TLS, but the interaction between the TLS and

[6] Clarification provided by Sir Peter following review of the draft transcript.

its ultimate owner, News UK?

A. (Sir Peter) The most important matter for the TLS was Rupert's support for a paper which was both often unprofitable and also so tiny. If I had any anxieties about the TLS it was that it was just too small to fit into the massive - and there was a period when the company sold one or two papers, The Times Educational Supplement and The Times Higher Educational Supplement. There was some fears of if we were sold for administrative convenience

There was legitimate worry that if we had been sold just as the small change of the sale of the TES or the THES there was a very strong chance, almost certain I think, that the paper TLS would not exist. Rupert must have extracted the TLS, which was a very important national and international institution cover the intellectual landscape of cultural - a paper, that I think would be fair to say, he never pretended that it was his weekly reading. Yet he took the trouble to extract something fromsomething he was selling, sell those bits and keep the TLS as possibly one of the most extraneous parts of this organisation of many parts.

This was also, despite the fact that a lot of the readers of the TLS, academics, scholars were not exactly his hinterland and probably many of them had disobliging thoughts about him and sometimes you could hear that. This paper which was even covered by the undertakings, strictly speaking. But anyway he kept it and it is in very strong health and the people who work for it and I think gradually the readership and the general international constituents of the TLS, certainly its Editor, were very grateful for that.

Q. (Mr Bamford) You talk about that as Rupert saving it?

A. (Sir Peter) I think so.

Q. (Mr Bamford) Was that an interaction you had with News Corp or was it --

A. (Sir Peter) It was not my call. I was just the Editor of the TLS and I was not part of the management of the Supplement, so I have no idea how that decision was taken. All I know is that there were fears that we might be excluded, that we might be included in the sale, that there was plenty of - I suspect rationalists might say: "Well, look, why not?" After all it is tiny and it takes management time. You are paying finance directors and people who are used to dealing with big numbers, they have still got to run their eyes over these small ones and I guess if you are costing it out. It does have a cost.

It edited that paper of even-handed, difficult, philosophical, scholarly journalism and I edited that paper for the company for nearly 15 years, longer than I did The Times. I have done about 25 years on both, pretty much. A lot of people should be and are, I think, very grateful to the company. I think Rupert does get the personal credit for that really, because from a management point of view you would not have taken that view. I am not saying that some managers did not like it, but just pure economic rationalism would not have led you to that view.

THE CHAIR: I think we said it would be an hour, so we are just slightly over. Sir Peter, thank you very much. Is there anything else you would like to say to us that we have not asked?

A. (Sir Peter) No, I think the only thing I would caution is in relation both to China and to British politics and to the other issues on which people have said, because accusations have been made. If you are actually very close to them it is very see how falsity - particularly when you are covering secretive institutions like, I think, the EU and China - how powerful false allegations get

a huge amount of strength and are not easy to control. I have never felt crosser in some ways than when we were accused of, as it were, following Rupert. What the critics were doing was following the nervous anxieties of people who assumed it must be so.[7] There was a lot of that in relation to --

Q. This is handing back of Hong Kong?

A. (Sir Peter) Yeah. I think you might read quite a bit of that.

Q. (Mr Tutton) No, no, you alluded to it anyway, but just to follow up briefly on that. Your view was you were clearly part of the contention and there is the subordination of news gathering and other things in parts of the Murdoch operation to broader commercial interests. As you implied, it was no secret that the Murdoch organisation had major ambitions in the Far East. But your experience at The Times was that you did not get pressure to take a particular line?

A. (Sir Peter) Do you want to do this?

Q. (Mr Krumins) Yeah.

A. (Sir Peter) Pressure means more than knowing what the proprietor thinks. Withstanding pressure is what journalists do. Acting against your beliefs is what editors should not do and acting against the interests of your paper and your readers.

I was completely confident that what we did was right.

One of the oddities of this question is how few are the areas where the company has been alleged to be abusing its newspaper power for commercial ends, a tiny number even of allegations if you think of this enormous organisation and this enormous amount of time. So it does often rather focus

[7] Clarification provided by Sir Peter following review of the draft transcript.

on a small number of things and this China stuff constantly comes up. [8]

On the actual issue - which was a narrow issue, really, if you recall, as to how the negotiations should take place. Hong Kong. Should we be a bit tougher with China, or try to get more democratic rights for the people of Hong Kong? Or should we just play absolute real politick and say: "Look, there's nothing much we can do about this. We'll just get the best deal we possibly can"? This was quite insider stuff. Perfectly decent people disagreed about how you should handle this, but we happen to take a view quite close to that of Chris Patten. Not completely and we did not take the view close to Henry Kissinger. However, out in Hong Kong itself a lot of the complaint came because a story that had moved from being an international, basically, communist watching story, which was covered by, I think, about a few essays a year - you have got to remember in those days that is how communist countries were covered. They had a whole cadre of journalists and intellectuals and scholars, who mirrored the politburo and wrote those long pieces. We did that and everybody did actually, it was the only thing you could do. Then it became a domestic story, because Thatcher was involved in the whole Hong Kong handover.

The change from one to the other left some of the people who were professional China watchers in Hong Kong feeling that they were being a bit shoved aside, by the story moving from being a rather specialised international story. That created a degree of: "Well that must be because of some commercial or other kind of pressure". It was very difficult to get that idea out of people's minds.

[8] Clarification provided by Sir Peter following review of the draft transcript.

Not everything about it was handled perfectly, some of it not well by me, but people's desire to believe that something bad was happening was so massive at that time and their determination to use whatever evidence they felt they thought they had to show that, was very detrimental. It was very difficult to counter.

Questioning the motive of critics and asking the classic "Why are they telling me this?" is always particularly important in relation to News Corporation. There were often very powerful forces working on certain issues to make people think something detrimental and suspicious, but in my experience from where I was, that something was not true.[9]

THE CHAIR: Thank you very much for insights. Thank you.

[9] Clarified

Key to punctuation used in transcript

--	Double dashes are used at the end of a line to indicate that the person's speech was cut off by someone else speaking
…	Ellipsis is used at the end of a line to indicate that the person tailed off their speech and didn't finish the sentence.
- xx xx xx -	A pair of single dashes are used to separate strong interruptions from the rest of the sentence e.g. An honest politician – if such a creature exists – would never agree to such a plan. These are unlike commas, which only separate off a weak interruption.
-	Single dashes are used when the strong interruption comes at the end of the sentence, e.g. There was no other way – or was there?