

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

FOURTH WITNESS STATEMENT

OF

JAMES HARDING

I, James Harding c/o The Times. Times Newspapers Limited of 3 Thomas More Square, London, E98 1XY, will say as follows:

This is my response to the notice under Section 21 of the Inquiries Act dated 5 July 2012.

1. The Inquiry has asked about two articles published by The Times: “The Joke is on Leveson in new series of *The Thick of it*”, June 19, and “World of Glitz and glamour that’s on the revenue’s radar”, June 21. In particular you ask why the stories were chosen for publication, why the contents were appropriate and how I consider the articles comply with the PCC Editors’ Code of Practice. I attach both stories to this statement.

“The Joke is on Leveson in new series of *The Thick of it*”, June 19

2. I assume the Inquiry is seeking to understand the judgments that go into news reporting and editing and, more particularly, to respond to concerns I have read in a blog about the reporting of an opinion poll in the body of the story.
3. This was a small story: it ran at 208 words, it was published on Page 8 (i.e. a left hand page) and the bulk of it was devoted to the news that the next series of a popular political satire on television would have a public inquiry along the lines of the Leveson Inquiry at the heart of it. The piece first ran online, drawing only on the comments made by Armando Iannucci, who writes the TV series *The Thick of It*. For the following day’s paper, we ran a shorter version of that story also including a paragraph that drew from a poll on public reaction to the Leveson Inquiry.
4. The poll had asked the public, as is standard practice, two positive and two negative questions. The two positive statements, to which the public were asked whether they agreed or disagreed, strongly or somewhat, were as follows: i) The Leveson Inquiry will result in a healthier, more arms-length relationship between politicians and the media. ii) The Leveson Inquiry will lead to more effective regulation of the press offering better protection to members of the public against unwarranted intrusion into their private lives. The two negative statements were: i) The Leveson Inquiry has received too much coverage in the media given how many other issues of more direct importance there are to report on at the moment. ii) The Leveson Inquiry has lost its way as a procession of politicians, journalists and celebrities have simply tried to defend themselves against one another’s allegations.
5. A poll is almost never published in full in the paper. Constraints on space in the paper, the relevance of the questions to the general public and the judgment about the newsworthiness of the poll findings always determine how many questions and answers are printed and how

prominently. In this case, the reporter included representative findings from one of each of the negative and positive statements so that the coverage was, albeit within the confines of a paragraph, balanced. The reaction to the positive second statement was not included because the reporter could not include all of the statements and all the answers. In choosing, the reporter judged that the second positive statement was convoluted and it would, itself, require further space for an explanation of what were the possible regulatory outcomes that the Leveson Inquiry might propose. The statements that were chosen were concise, relevant to readers and newsworthy. The answers reflected the public's attitudes: both the high hopes for the Leveson Inquiry and weariness with the process. The Times published the poll in full on our website. I believe that the information complied with the Editor's Code of Practice.

6. It is worth noting here that if there had been any questions or complaints about the article, there would have been several ways of raising them. Most commonly, people can complain or comment directly to the reporter, the news editor or me via e-mail or phone. They can write a letter for publication. A number of years ago, The Times introduced a "You, the Editor" column on the Letters page which encourages readers to write in and give their judgment on our news decisions. This was deliberately put there so that our readers can challenge or comment on the paper, not simply on a point of fact but on questions of emphasis and points of news judgment. The column is in a prominent place in the paper every day. And, of course, any reader can lodge a complaint or query with the PCC and can expect a prompt response. It should be noted that, as far as I know, no complaint has been received from the PCC or any reader in relation to this article.

"World of Glitz and glamour that's on the revenue's radar", June 21

7. The Inquiry has asked me to explain the reasons for naming and publishing a picture of Sir Elton John in a story about tax avoidance schemes. I do not know if the Leveson Inquiry is putting these questions following representations from Sir Elton John. He has already received a correction and an apology and is currently suing the paper for libel. I assume the Inquiry is seeking to understand how The Times handles prior notification and errors of fact.
8. The Times' investigation into tax avoidance is an ongoing attempt to report a highly complicated and sensitive issue in Britain. I believe it is a powerful example of journalism in the public interest. Britain's budget deficit is forcing sweeping cuts to public services. Tax avoidance is costing the country billions of pounds. In the last decade, as the overall scale of tax avoidance has grown, the balance has shifted from corporate avoidance to individual avoidance. Of course, tax avoidance is not illegal. The Chancellor has become sufficiently concerned by the numbers of people deliberately using schemes to shelter their income at the expense of national security and public services that he described aggressive tax avoidance as "morally repugnant".
9. The Times has, therefore, embarked on an investigation that involves examining the financial affairs of prominent and powerful people. In order to find out what many people go to great lengths to hide, we made determined efforts to expose how aggressive tax avoidance deals are structured, who sells them and who buys them. At all times, we have explained our methods. We have also taken a thorough and meticulous approach to prior notification: we have made sure that any person who we are reporting as engaged in these tax avoidance schemes –

whether they are structuring them, selling them or using them - is informed in advance of publication that we plan to name them, giving them a full opportunity to reply, contest the fact and comment on our report.

10. I make these points to provide context for the reference to Sir Elton John. We did not contact him in advance because, at no point, have we either suspected or suggested that he was involved in tax avoidance schemes. The story did not say that he had invested in any such schemes. Instead, his name and photograph appeared in order to put Patrick McKenna into context. In this, unfortunately, we made a mistake. We immediately corrected it.
11. We reported that Patrick McKenna, a key architect of the kind of tax schemes which the HMRC says may have cost the public purse £5 billion, was the former accountant to Sir Elton John. As soon as the mistake was brought to our attention, we sought to rectify it with a correction in the newspaper on the following day, in a place where readers following the coverage were most likely to find it. To be clear, there was nothing sinister at work here: the reporter made an error in transcribing from his notebook and this was explained to Sir Elton John's lawyers. Sir Elton's lawyers were also told on the day of the complaint that the apology would run the following day and were informed of the placing of the apology. The original story was illustrated with a small, portrait-sized picture of Sir Elton. Its publication was a consequence of the initial mistake, and we apologised promptly.
12. In these reports, we took great care to notify in advance anyone that we were suggesting was avoiding tax. People, such as politicians who have shaped the country's tax regime or celebrities who have appeared in films financed by these schemes, were part of the context of the story, they were not the subjects of our investigations. They did not, therefore, require prior notification to be told that their names were appearing in the context of a story which reported on the financial behaviour of individuals who, themselves, were acting within the law. Nor did we think that they required prior notification to be told that we were not identifying them as people who used such tax avoidance schemes.
13. The Times takes seriously its responsibility both to its readers and to the people it writes about. When we question the behaviour of people, we seek, where possible, to give them the opportunity in advance to put their side of the story. When we make mistakes, we seek to correct them prominently, proportionately and promptly. I hope that in this ongoing investigation, we have lived by those standards as we have pursued an important story in the public interest.

I believe the facts in this statement are true.

Signed.....

JAMES HARDING

Dated.....

16/3/12