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K.R. Murdoch
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**IN THE MATTER OF THE LEVESON INQUIRY INTO THE CULTURE, PRACTICES AND ETHICS
OF THE PRESS**

EXHIBIT "KRM36"

This is the exhibit marked "KRM36" referred to in the witness statement of Keith Rupert Murdoch dated the 12th day of April 2012.

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BBC accused of 'offensive' lobbying

Dan Milmo
MediaGuardian, Thursday 7 March 2002 15:23 GMT

A archive history
Article history



Kaufman showed a bipartisan lack of judgment

Labour MP Gerald Kaufman has attacked the BBC for its "offensive" lobbying over the forthcoming communications bill.

Mr Kaufman, who chairs the House of Commons media select committee, told the Commons that Michael Hastings, the head of political and parliamentary affairs at the BBC, had sent the MP a letter complaining that the corporation had been scrutinised too heavily.

In a debate on the communications bill, he called for the BBC to be censured for the letter, which claimed that an "inappropriate level of attention" had been focused on the BBC.

"What can one do about the impertinence of a lobbyist who writes to the chairman of a select committee on such matters in an offensive way?" he said.

"Could it be drawn to the BBC's attention that it has no power either to reject or to accept options that are laid before the House, because they are for us to debate and to decide?"

"Is it not particularly unsatisfactory that the House of Commons should be treated in such a way by someone whose organisation is funded by the taxpayer through the licence fee, whose job is funded by the taxpayer through the licence fee and whose letter to me was funded by the taxpayer through the licence fee?" he said.

Mr Kaufman, an outspoken critic of the BBC, said Mr Hastings called for a rejection of proposed changes to the way the broadcaster is regulated.

His attack on Mr Hastings comes six weeks after the BBC executive was accused of misusing lobby rules by wandering round the House of Commons with a journalists pass rather than a lobbyists pass.

The special security pass gave him privileged access to the members' lobby, an area usually only open to MPs and journalists.

Although he was given the pass by mistake he got into hot water after he was spotted in the members' lobby talking to MPs about the Ofcom paving bill and was forced to hand it back after it was raised.

Many politicians and media executives have called for the corporation to be regulated by Ofcom, the new communications watchdog, rather than by the present system of an independent board of governors.

"Is it not a fact that that person has a vested interest in those amendments being rejected because they would affect not only the BBC, but himself? What can we do to

deal with offensive communications of such a nature from a vested interest?" Mr Kaufman said.

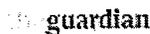
But the deputy speaker said the House of Commons was powerless to prevent Mr Hastings from sending his views to the MP.

"The chair has no control over communications of that kind made by people outside the House. I have no doubt, however, that the BBC will have noted the right hon. Gentleman's comments.

"I am sure that the House, too, will bear them in mind when it debates the amendments," he said.

Earlier this week Mr Kaufman slammed BBC plans to reform the board of governors, labelling them "weird" and "strange".

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Mail lambasts 'insidious' bill

Ciar Byrne
MediaGuardian, Tuesday 3 December 2002 10:26 GMT

A Senior Journalist
Article history



Daily Mail: Woodhull's illustrious career spanned 47 years.

The Daily Mail has launched a stinging attack on the new media watchdog Ofcom, warning of the "extremely dangerous potential" for the regulatory body to impose statutory regulation on newspapers.

On the day the communications bill receives its second reading in parliament, laying down the foundations for Ofcom, the paper has hit out at the new legislation, which it claims is the brainchild of the New Labour establishment.

The newspaper calls on the British press to "wake up and take note of the insidious implications of this bill".

"Mr Blair's desire to crush any vestige of media independence will be put into sinister relief today when parliament gives a second reading to the communications bill, which, far from protecting press freedom - which ministers claim to believe in - will do quite the opposite," it claims.

"Newspapers have already signed up to self-regulation through the press complaints commission - an arrangement accepted as the right approach in democracies the world over.

"In its present form, the Ofcom legislation would enable an authoritarian prime minister to introduce censorship, claiming to be acting in the public interest," the Mail says.

The newspaper describes the influence of Labour supporters in the broadcasting and communications industry as "deeply disturbing".

Unsurprisingly, the Mail, which is engaged in a long-running battle with the BBC, identifies the corporation's director general, Greg Dyke, and chairman Gavyn Davies as Labour supporters, as well as the Channel 4 chairman, Vanni Treves, and the future head of Ofcom, Lord Currie of Marylebone.

In a speech to the Society of Editors conference in October, the chief executive of Johnston Press, Tim Bowdler, called for proposals to give Ofcom controls over the newspaper industry to be "vigorously resisted".

Like the Mail, Mr Bowdler lambasted the idea that the press complaints commission should be brought under the supervision of the new regulator.

A senior Liberal Democrat peer, Lord McNally, last night criticised the bill ahead of the grilling it will face in parliament, warning he has "no confidence" its deregulatory aspects will protect the public against commercial interests.

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guardian TheObserver

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Analysis

Press gangs up against bungling Bill

Frank Kane
The Observer, Sunday 8 December 2002

A guardian theobserver
Article history

Until last week, the Communications Bill had had a fairly good press.

True, Lord Puttnam got himself some column inches with his attack on the bill's proposals to allow more foreign ownership of UK media, and his views on the BBC. But overall the press had praised the bill's 'root and branch' approach, and the liberalism of the proposed brave new media world.

But all that changed last Wednesday and Thursday. First, the two big tabloid hitters, the Sun and Daily Mirror, came out with strongly worded comment on the proposed legislation. 'Hands Off', screamed the Sun, above the warning that 'press freedom is under threat from government legislation,' with 'the alarming spectre of governments being able to influence what papers publish'.

The Mirror went further, accusing the government of 'giving itself a free hand to do whatever it wants and silence anyone who dares to disagree'.

The following day, the Times condemned the bill for supposedly giving Ofcom the 'opportunity to suppress unflattering news'. Ministers, the Times concluded, 'should leave newspapers out of the bill altogether'.

What has alarmed newspaper editors and proprietors is the juxtaposition within the bill of two key phrases: 'the accurate presentation of news and free expression of opinion' alongside 'the public interest test'. The former is currently the domain of the Press Complaints Commission, the self-regulatory watchdog, which has a chequered record but the support of the newspapers; the latter is the concern of the statutory Competition Commission.

John Owen, communications director of media agency Starcom Motive, explained the predicament at a conference in London last week: 'There is an ambiguity in the wording, and it must not be ambiguous. The threat to the newspaper groups is probably overblown, but they are right to highlight the potential dangers.'

'Ofcom is primarily a body to oversee broadcasting and telephony, and it will probably have its work cut out with those areas. I cannot see that the content of newspapers will be an interest for it'.

But there is some justification for the inclusion of newspapers beneath the Ofcom umbrella. 'The Government may merely be acknowledging the convergence of ownership we've witnessed, and especially cross-ownership.'

Tessa Jowell, the Culture Secretary, tried to calm newspaper fears with a statement that she would 'defend to the death their right to be opinionated and controversial'.

She added: 'There are no plans to extend content regulation to newspapers. Simple as that. The free press will remain free.' The problem is that Jowell may not be there when it comes to the crunch, but if the crucial wording is unamended, the bill will remain exploitable.

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Broadcasting's 'battle for Britain'

By Ollie Stone-Lee
BBC News Online political staff

British identity is at stake when peers debate plans to shake-up broadcasting laws on Tuesday, says a leading Liberal Democrat peer.

Tom McNally, his party's Lords media spokesman, told BBC News Online he fears the current proposals risk UK television and radio being Americanised.

The Communications Bill, which starts its committee stage in the Lords on Tuesday, would allow big newspaper groups, like Rupert Murdoch's, to buy Channel 5, and non-European companies to buy ITV and Channel 5 franchises.

But Culture Secretary Tessa Jowell denied "conspiracy theories" that the bill was about Rupert Murdoch - saying that it also cleared the way for the owners of the Daily Mail and Daily Mirror.

I want my children to see children's programmes which have definite British content and identity because that's part of their cultural heritage

Lord McNally
Lib Dem peer

She told BBC Radio 4's Today programme the aim was to liberalise ownership rules while tightening "quality control" to avoid the apparent decline in quality seen after deregulation in the US.

The government says it will provide "lighter touch" regulation from new agency Ofcom, making the communications industry more dynamic and competitive.

The Conservatives support the foreign ownership changes and want the government to go further in liberalising markets, relying on competition as the best regulator.

Such divisions between the opposition parties may make the bill's passage easier. But Lord McNally, a Downing Street adviser during the Callaghan government, predicts many peers will not follow the party line.

He will be surprised if the government does not suffer Lords defeats on the new rules foreign and cross-media ownership.

Imports flood?

Culture is about national identity and home grown talent, argues the peer, "and it's those things that are at stake if you open up the flood gates without proper protection".

Tory Lords spokeswoman Baroness Buscombe says there is no reason to fear Americanisation because commercial companies cannot afford to ignore consumer demand.

And the government argues the UK can get the best of both worlds, American money for British standards.

But Lord McNally, a member of the committee headed by film maker Lord Puttnam which examined the bill, says big global companies do not share British priorities.

In arguing that a discerning public will get what they want, there is a danger they will instead want what they get, he suggests.

"I enjoy the Simpsons as much as anybody and Disney makes some terrific children's programmes," he says.

"But I want my children to see children's programmes which have definite British content and identity because that's part of their cultural heritage.

"That sounds very stuffy, but children growing up on a diet of Disney and Fox are not going to benefit as much as those with access to genuinely British made programmes."

The integrity of news is another key Lib Dem concern.

Power focus

Another concern has been the implications of this bill for Rupert Murdoch's media empire's ambitions in the UK.

The government says the bill is not about favours for anybody and is "proprietor neutral".

Lord McNally notes Mr Murdoch's "very great access" to Downing Street but says that whatever the origins, the outcome is clear.

It would be an "outrage" if a bill about competition saw too much power concentrated in the hands of any one company.

The Tories argue that opening up Channel 5, but not ITV, to possible cross-media ownership seems arbitrary and discriminatory.

But it does allow the government to argue the controversy affects a channel with an audience share of just 6%.

Lord McNally is unpersuaded, maintaining that Ofcom should at least be able to review whether such cross-media takeovers are in the public interest.

"Mr Murdoch bought a very small circulation Fleet Street newspaper called The Sun and then proceeded to transform the standards and the norms of Fleet Street by what he turned the Sun into," he recalls.

Editors' protests

On the newspaper front, the Lib Dems also want Ofcom to supervise the Press Complaints Commission.

The move would boost public confidence in the complaints process, he says.

He likens many editors' reaction to the idea of Violet Elizabeth Bott of the Just William stories: "They squeamed, and they squeamed and they squeamed."

The decision not to include the BBC fully under Ofcom's remit has unsurprisingly provoked controversy.

For the Tories, Lady Buscombe has balked at this special treatment.

She says that for Ofcom to be efficient and fair, it must be "uncompromised by a different set of rules and a different timetable for the broadcaster with by far the biggest market share".

Lord McNally says the argument should be left until the BBC's charter is reviewed in 2006.

He says the system created in the 1920s created an "ingenious cordon sanitaire" which has protected the BBC from being seen as the creature of any party.

He wants to safeguard the BBC's position as "standard setter and pioneer" for UK public service broadcasting.

"We are not willing to see the BBC driven back into a kind of public service ghetto in the way that Australia or Canada or the United States have public service broadcasting as a small part of their broadcasting ecology."

He would rather the BBC go into the charter debate "accused of populism but essentially doing a lot of things very well", than without public support for the licence fee.

Despite the arguments, both the government and Ofcom want the Communications Bill passed with minimum delay.

But in words appropriate to a battle for national identity, Lord McNally says the Lords will do its duty.

Story from BBC NEWS:

http://news.bbc.co.uk/go/pr/fr/-/1/hi/uk_politics/2982953.stm

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