<table>
<thead>
<tr>
<th>Page</th>
<th>1 (Pages 1 to 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Monday, 11 June 2012</td>
</tr>
<tr>
<td>2</td>
<td>(10.00 am)</td>
</tr>
<tr>
<td>3</td>
<td>(Proceedings delayed)</td>
</tr>
<tr>
<td>4</td>
<td>(10.15 am)</td>
</tr>
<tr>
<td>5</td>
<td>LORD JUSTICE LEVESON: I am today handing down rulings in relation to the application made concerning Operation Motorman and in relation to costs.</td>
</tr>
<tr>
<td>6</td>
<td>When this Inquiry was established last July, it was extremely important that it had the benefit of cross-party support and it is equally important that it conducts its work so as not to undermine the basis upon which it was established.</td>
</tr>
<tr>
<td>7</td>
<td>Two weeks ago, the former Prime Minister, Mr Tony Blair, gave evidence. This week, I shall be hearing from others who are or who have been the leading politicians of the day. They come from different parties, with different political allegiances, and already there has been demonstrated intense public interest in what they will be asked and what they will have to say.</td>
</tr>
<tr>
<td>8</td>
<td>It is vital to bear in mind that the Inquiry is grounded in the terms of reference announced when it was set up. These include:</td>
</tr>
<tr>
<td>9</td>
<td>“1. To enquire into the culture, practice and ethics of the press, including (a) contacts and the relationship between national newspapers and politicians and the conduct of each ...” And 2:</td>
</tr>
<tr>
<td>10</td>
<td>“To make recommendations ... (b) for how future concerns about press behaviour, media policy, regulation and cross-media ownership should be dealt with by all the relevant authorities, including, among others, the government; (c) as to the future conduct of relations between politicians and the press.”</td>
</tr>
<tr>
<td>11</td>
<td>The present focus is on the press and its relationship with politicians. I am specifically not concerned and am very keen to avoid inter-party politics and the politics of personality. I am simply not interested in either.</td>
</tr>
<tr>
<td>12</td>
<td>Further, however much some might want me to investigate all manner of issues, I know that all of this week's witnesses are equally keen to ensure that the Inquiry itself remains on its correct track. That track relates not only to the undeniable importance of the role of the press in a democratic society and the ways in which the press serve the public interest, but also the privileges that are claimed as a consequence in the way in which that role is fulfilled in practice.</td>
</tr>
<tr>
<td>13</td>
<td>It also relates to the other side of the coin, which is the extent, if at all, to which proprietors, editors and journalists have treated politics and politicians in ways that are designed to keep or have the effect of keeping the press insulated from criticism, from being held accountable by anyone, so as to ensure that there is no political will to challenge their culture, practices or ethics.</td>
</tr>
<tr>
<td>14</td>
<td>To be more specific, the purpose of this Inquiry is not to challenge the present government or the decisions taken in the recent past, but to look at the much wider sweep of history across party political boundaries in order to discern any patterns of behaviour that could not be recognised as fitting with the open, fair and transparent decision-making that our democracy requires.</td>
</tr>
<tr>
<td>15</td>
<td>Inevitably, as I've already explained, the way in which the BSkyB bid was addressed is a small but significant part of the story. To the extent that there are political questions that Parliament wishes to investigate, I repeat that nothing I say or do is intended to limit or prevent that investigation from taking place. I do hope, however, that it will be appreciated that this issue is merely the most recent example of interplay between politicians and the press, and that it will be recognised by everyone that failure to address the impact of press behaviour or the consequences of press interests is not confined to one government or one political party. For that reason, it remains essential that cross party support for this Inquiry is not jeopardised much.</td>
</tr>
<tr>
<td>16</td>
<td>So far as the terms of reference are concerned, in the same way that I recognised in Module 2 that there are bound to be entirely acceptable social and professional relationships between police officers and journalists, so my aim for this module is first to recognise that there are entirely appropriate social relationships between politicians and journalists, doubtless borne of friendship and equally entirely appropriate professional relationships between politicians and journalists as the former seek to promote their policies and their message while the latter seek to ensure that politicians and their policies are held fully and properly to account.</td>
</tr>
<tr>
<td>17</td>
<td>Secondly, it is also to recognise the risk that in an effort to keep the press onside, supporting promoted policies that are firmly believed to be in the public interest, rather too much attention may be paid by governments to the power that the press can exercise pursuing its own agenda, particularly where that agenda is agreed by the entire press or at least a significant powerful section of it. That might include questions relating to the provision of redress, particularly for...</td>
</tr>
</tbody>
</table>
MR DAVIES: It's simply this. We would like to see the
questions which those -- which some of the witnesses are
answering in the cases where they have not quoted the
questions in their witness statements. What has
happened is this: most of the witnesses who have given
evidence recently have been responding to Section 21
notices from the Tribunal. Most of them have chosen to
set out the questions in their witness statements and
then to answer them. In one or two cases, I think they
have exhibited the Inquiry's notice. In either case,
one can see exactly the question being answered and
relate the answer to the question.

However, there have been a handful of cases where
the witnesses have chosen to answer the questions
without setting them out or exhibiting them. That is no
criticism at all of the witness, but it does make it
very difficult for those seeking to understand in detail
what their evidence is to reach a full appreciation of
it.

A particular example of this was in fact Mr Blair,
whose statement has a heading, "Turning to the
particular questions", which then runs on for several
pages, but he doesn't set them out and he says things
such as, "I do not recognise any of the quotes I have
been asked about", so we don't know what they are.

In that regard, I anticipate questions will be asked
about the draft criteria for a solution which has been
published on the Inquiry website, not to commit any of
the party leaders giving evidence but rather to hear
their perspective on the problems to be addressed in
relation to problems culture, practices and ethics of
the press and in relation to any unintended consequences
which they have spotted but I may not have considered.

Nothing I say shall be taken as expressing any concluded
opinion: testing ideas with witnesses is doing no more
than testing ideas.

I add only this. It may be more interesting for
some to report this Inquiry by reference to the politics
of personality or the impact of the evidence on current
political issues. That is not my focus, and as ever,
I'll be paying attention to the way in which what
transpires is in fact reported. This week will not
conclude the evidence for Module 3, although we will not
be sitting next week, thereafter it is intended to call
further witnesses from the media to deal with the
relationship between the press and politicians, not
least to see if, in their perception, there are issues
that need to be resolved and changes made.

We will then turn to Module 4, which concerns ways
forward for the future. During the course of that
module, I look forward to hearing how the industry has
progressed with the plans that Lord Hunt outlined as
long ago as 31 January 2012. I also look forward to
considering the various other suggestions for the
replacement of the PCC that have been submitted in
detail to the Inquiry. It was on 17 May that I sought
to provide some assistance for those intending to make
submissions by publishing on the Inquiry website what
are possible or potential draft criteria for an
effective regulatory regime -- that is why they are
called draft -- along with some key questions for
Module 4, relating to public interest and press ethics.
The purpose of doing so has been and remains to
encourage everyone to consider the issues that I must
think about and to welcome comments and suggestions.

I repeat that I retain an open mind as to the
future. All ideas will be subject to scrutiny and
I have no doubt will help to inform the conclusions that
I reach and the recommendations that I ultimately make.

Thank you.

I'm sorry for the delay in commencing the
proceedings.

MR DAVIES: Might I raise a point, sir?

LORD JUSTICE LEVESON: Yes.

Questions by MR JAY
he said, "Yes, there is", and the next day the editor of
the best-selling daily newspaper in this country arrived
wanting an interview about how this man was the greatest
statesman in the world, and so that is not, I think, the
best way that the press exercises its freedom.

I would defend the right of the press also, even
when it gets things wrong, as it does on occasions and
in circumstances. I remember when I started off as
a Member of Parliament, I was plagued for the first two
years with a story in the Times that was then in every
one of the cuttings that said -- I was a new MP, of
course, I was only in my early 30s. It said I had been
born in 1926. It said I was a veteran, a stalwart, and
then I was getting letters from pension companies saying
that you had entered a new job late in life and were
about to retire", and would I want to make provision for
that? And the Times had gone into the House of Commons
and had a photograph of me at the age of 19 and said
that I was 57 years old.

That was an honest mistake. Where I think we have
a problem is in two respects. The freedom that the
press has has got to be exercised with responsibility.
Rights in our society can only come with
responsibilities attached to them, and in two very
specific areas in Britain today, we have a problem.
| Q. Thank you. You mention freedom with responsibility, you mentioned it in your witness statement as well. How does one instil or ferment the necessary cultural change in the press to create that responsibility?
| A. I think in the first case it is a matter for the press. I think it's a matter about -- of upholding standards of journalism.
| The BBC found a way to do it in the 1940s when they introduced the licence fee. Perhaps that licence fee should be available for the internet and for publications that go beyond broadcasting. I think there's a huge debate to be had, but you cannot ignore a fact that the holder for the coverage of news now is intimately related to the development of the Internet, and if standards are not there on the Internet, then the print media can rightfully say that they're being asked to observe standards that in no circumstances are being applied to the Internet. So the issue, I think, is a new one, and it's one that we have to deal with the transformation of the technology that is now available to us and the information flow that is absolutely massive for the ordinary member of the public.

---

| Q. You refer to the conflation of news and comment.
| A. Yes.

---

| And you rightly refer to clause 1 of the code which directly addresses that, but how in practical terms would you, if one wished to, segregate news and comment so they fall into clear compartments?
| A. We've gone into the practice, have we not, of editorialising outside the ordinary editorial. We used to talk about the editorial as the chance for the newspaper to reflect its views. Perhaps I could illustrate this best by giving you an example of what happened during the period of government. Perhaps it's good -- you could take a number of examples, but perhaps I could take one that is controversial: the coverage of Afghanistan.

**During the period I was Prime Minister, we had incredibly difficult decisions to make. This is a country of 35 million people, 135,000 troops at the maximum. You have nothing like the coverage that you have, for example, in Kosovo or East Timor, where you had 1 in 50, a peace-maker for every 50 people in Kosovo, and therefore you're dealing with a very complex set of circumstances in a country that has never been subject to effective law and order, and at a time when an army of occupation is -- that started as an army of liberation is becoming an army of occupation, and you're making very difficult and complex decisions about how to deal with abuses in the press, we have to look at mechanisms by which we can enhance and incentivise good standards.**
you deal with these problems, and so we increased the number of troops from 4,900 to 9,500. We increased the money spent on Afghanistan six fold, from 600 million to 3.5 billion. The chief of the defence staff said that these were the most effective defence forces that we had ever had, given the resources we were putting into them.

You could have an honest debate about whether we made policy mistakes. You could have, in fact, a very effective debate about what was the right judgment about troop numbers and everything else. We happened to have the biggest troop numbers of any country apart from America.

But what, I think, one newspaper in particular decided to do -- and this is my point by way of illustration -- is it didn't want to take on the difficult issues so it reduced their opinion that we were doing something wrong to a view that was an editorialising position that we simply didn't care. So the whole weight of their coverage was not what we had done and whether we had done the right thing; it was that I personally did not care about our troops in Afghanistan. And that's where you conflate fact and opinion, and when you descend into sensationalism, you make it not an issue about honest mistakes or matters of judgment, but about evil intentions.

So you can laugh about it now, and I do laugh about it sometimes. If you pick up a newspaper and you find that you've failed to bow at the cenotaph and then the quote is: "That is an example of how he doesn't care about our troops in Afghanistan", first of all, that isn't true, and secondly that's not the conclusion that should have been drawn.

You have then a story before that that you fell asleep during the service of remembrance, but you were actually praying and you were bowing your head, and one newspaper decides -- and this was the Sun and I will name it -- this is an example of someone falling asleep and dishonouring the troops and again, you don't care.

You then have a letter which you send to someone on which is a mark of respect to someone who is deceased and you are told that you have 25 misprints and then a handwriting expert appears to say this shows as lack of empathy and it goes on and on and on, and that is the idea.

So here is a difficult issue that the press really, in the interests of the British public, have to treat seriously. There are very few war correspondents in Afghanistan actually reporting what is happening on the ground. All the reporting in these newspapers is being done from Westminster, and the issue is not the facts of what is happening or even an honest disagreement. That is the tragedy of all. The issue is reduced to: "This person doesn't care."

Now, that is where I find -- you see, if the media only had a political view and said, "We are Conservative", you could accept that because that's in their editorials and that's part of freedom of speech, but to use the political view to then conflate fact and opinion -- of course that's the opposite of the press rules -- and at the same time to sensationalise, to trivialise and in a sense to demonise, it's what Professor Onora O'Neill, who I think gave the Reith lectures in the early years of the century talked about as a licence to deceive, and I think that is where the danger arises. It's too easy, following, of course, the citizen journalism of the Internet, where there is unresearched items, where people put their views very fiercely, where you have right wing and left wing bloggers, then to sensationalise in the print media, to distort fact and opinion and mix them together, and then, of course, to make it an issue not of policy difference but an issue of motive, an issue of intentions, an issue of character, an issue of personality, an issue of evil practice, and I think that's where the press has failed our country and
It's not the lobby system per se that's the problem, but the changes that eventually we tried to make didn't do that. I'm afraid, because there was a huge resistance to them, and to be honest, if you announce something in Parliament or announced it in a speech, it was not being reported. Unless it had been given as an exclusive to a newspaper, they tended to put it on page 6, rather than page 1.

Q. Wasn't part of the reason for the inaction simply this, that until September 2009, your government had the support of the Sun, or certainly didn't expressly not have the support of the Sun and therefore the political will did not exist to take on the feral beasts?

A. I think that's a completely wrong impression about what happened. I don't see us having the support of the Sun for almost all the time that I was Prime Minister. You have to remember that when I started off as Prime Minister, the first thing the Sun did was try to ruin my first party conference but launching their huge campaign about how we were selling Britain down the river and demanding not only a European referendum but a huge campaign on Broken Britain, which was taken up by the Conservative Party but was simply an attack on the government. So at no point in these three years that I was Prime Minister did I ever feel I had the support of the Sun.

I think what really changed, however, and I have to be honest about this, is when News International decided that their commercial interests came first, and I have to be absolutely clear about that, and I've submitted a note to you about that. There was a point in 2008 and 2009 where, particularly with James Murdoch's speech in Edinburgh at the MacTaggart lecture when he set out an agenda, which to me was quite breathtaking in its arrogance and its ambition, and that was to neuter the BBC, to undermine Ofcom, the regulator, and it was a whole series of policy aims, which I've itemised for you in evidence I've given you, which no government that I was involved in could ever agree to. So the BBC licence fee was to be cut, they were to be taken out of much of the work on the Internet, their commercial activities were to be reduced, Ofcom was to be neutered, the listing of sporting occasions was to benefit News International, product placement was to be allowed. A whole series of issues. The impartiality of news...
coverage should be removed as a requirement on the need, and it should be like Fox News and not Sky News.

The remarkable thing about this period in government -- and I say this with regret, and I say this with a great deal of sadness -- is that we could not go along with that sort of agenda. We could not go along with the neuring of Ofcom or the BBC seeing its licence fee cut in real terms -- as I think has happened now by something in the order of 15 per cent by 2016, plus a whole series of other responsibilities put on them -- nor could we see a case for the BBC being taken out of much of its work on the Internet because that's a valuable media service for the future, but while we resisted that and were not supported, on each and every one of these issues, I'm afraid to say -- and I think this is an issue of public policy -- the Conservative Party supported every one of the recommendations that were made by the Murdoch group.

Q. There's possibly the slight danger there, Mr Brown, of straying away from the ambit of the question.

A. I want to make the point, Mr Jay, if I may --

Q. I was going to come to?

A. -- it was suggested that somehow relations with the Sun newspaper or with Mr Murdoch broke down because he decided that he wanted to support the Conservative Party. I want to suggest to you that the commercial interests of News International were very clear long before that and they had support from the Conservative Party.

Q. May I move off the general comments now, Mr Brown, onto your own experience, which is page 14214, or page 8 on the internal numbering of your statement. Can I go back to 2006 and the story in relation to your younger son in the Sun newspaper.

May we start off, please, by establishing the facts as you know them to be in relation to this story. In particular, do you know the Sun newspaper's source for that story?

A. This is very difficult for me, if I may say so, because I've never chosen and never wanted my son or my sons and my daughter ever to have been across the media. I do think there is an issue -- and I hope that you will address this -- about the rights of children to be free from unfair coverage in media publications. But because this issue was raised and became an issue for me, I've had to look at what actually happened at the time and it's only, in a sense, latterly that the facts that I think are necessary to a fair examination of this have become available.

LORD JUSTICE LEVESON: Mr Brown, let me make it clear, I don't want to cause you or your family any distress unnecessarily, but I hope you will see the value of the example, in the same way as I apologised to those who complained about press intrusion last November when they gave evidence, because I do think it's an important part of the story.

A. I'm very grateful to you, Lord Justice Leveson. I have never sought to bring my children into the public domain, but I do think if we don't learn the lessons from this, we'll continue to make mistakes.

In 2006, the Sun claimed that they had a story from a man in the street who happened to be the father of someone who suffered from cystic fibrosis. I never believed that could be correct. At best, he could only have been the middleman, because there were only a few people, medical people, who knew that our son had this condition.

In fact, for the first three months that our son was alive, I just have to say to you, we didn't know, because there were tests being done all the time to decide whether this was indeed his condition or not, and only by that time, just before the Sun appeared with this information, had the medical experts told us that there was no other diagnosis that they could give than that this was the case. So only a few people knew this.

I have submitted to you a letter from Fife Health Board which makes -- the National Health Service in Fife, that is -- which makes it clear that they have apologised to us because they now believe it highly likely that there was unauthorised information given by a medical or working member of the NHS staff that allowed the Sun, in the end, through this middleman, to publish this story.

Now, whether medical information should ever be hounded out without the authorisation of a parent or of a doctor through the willingness of a parent is one issue that I think it addressed, and I know the Press Complaints Commission code is very clear, that there are only exceptional circumstances in which a child's -- or information about a child should be broadcast, and I don't believe that this was one of them.

I find it sad that even now, in 2012, members of the News International staff are coming to this Inquiry and maintaining this fiction that a story that could only have been achieved or obtained through medical information or through me or my wife leaking it -- which we never did, of course -- was obtained in another way. I think we cannot learn the lessons of what has happened with the media unless there is some honesty about what actually happened and whether payment was made and
whether this is a practice that could continue, and if
we don't root out this kind of practice, I don't think
that we can sensibly say that we've dealt with some of
the abuses that are problematical for us.
I would say this about any child. I don't think any
child's medical information, particularly at four
months, has any interest for the public and should be
cast to the public.
MR JAY: Could you tell us, please, Mr Brown, the
circumstances in which you or your wife were told that
the Sun had this story and were minded to print it?
A. I think again, if I can be very specific about this,
because it is something that I believe you've been given
information in this Inquiry that is not strictly
correct. Our press office was phoned by a journalist
from the Sun and said that they had this story about our
son's condition and they were going to publish it.
I was then contacted. I was engaged in the pre-budget
report. I immediately, of course, phoned my wife,
Sarah, and we had to make a decision. If this was going
to be published, what should happen? We wanted to
minimise the damage, to limit the impact of this, and
therefore we said that if this story was to be
published, then we wanted a statement that went to
everyone that was an end to this, and there would be no

If people are able to say, in the aftermath of
something like this, that they've had explicit
permission when they haven't, and they can claim
ex post facto that permission was given when there's no
evidence that there was, then this practice will go on
and on and on and children's information and information
about people will go into the public arena with this
idea that you can claim afterwards that you had explicit
permission for something you never had permission for.
I think this is important because we have to learn
lessons from this, and I think there are more general
lessons to be learned, but surely the rights of children
must come first.
Q. Thank you, Mr Brown. Another core participant has
required me to put some questions to you, of which
I know you have advance notice. I might just run
through them.
Mrs Brooks has stated on oath that the Sun had
consent from your wife to run the story in November
2006. Do you deny that consent was given?
A. Absolutely. My wife has issued a statement to that
effect.
Q. If no consent was given, you and your wife must have
been extremely upset and angry. If so, why was no
complain made by either yourself or your wife

choice that we are told we made, to give explicit
permission for that to happen.
So there was no question ever of explicit
permission, and I think if my son were to read, at
a later stage, on the Internet that his mother or I had
given permission that all his medical information or
medical knowledge should be broadcast in a newspaper, he
would be shocked at our failure as parents. So I just
cannot accept, as a parent, that we would ever put
ourselves in a position where we gave explicit
permission for medical knowledge about our son to be
cast to the press.
We had, I'm afraid, had previous experience of this
when our daughter died, and we were very aware that this
was a problem, but when you're presented with a fait
accompli, there's nothing you can do other than to try
to limit and minimise the damage.
I may say we had not told relatives about this.
This is a hereditary condition and therefore there were
some relatives who actually were directly affected by it
and we had to tell them. So there was no question of us
being willing or complicit or anxious or, as one of your
core participants has said this morning, desiring that
this information be made public. No question about that
at all. You could never imagine a situation.

further statements, no days and days and days of talking
about the condition of our son.
Unfortunately, this was unacceptable to the Sun
newspaper. The editor phoned our press office and said
that this was not the way that we should go about this,
and to be honest, if we continued to insist that we were
going to make a general statement, the Sun wouldn't, in
future, give us any chance of advance information on any
other story that they would do.
It was at that time that the editor of the Sun
phoned my wife, whose aim then, having accepted that
this was a fait accompli -- there was no thought that
the Press Complaints Commission could help us on this.
I think we were in a different world then. Nobody ever
expected that the Press Complaints Commission would act
to give us any help on this, and we were presented with
a fait accompli, I'm afraid. There was no question of
us giving permission for this. There was no question of
implicit or explicit permission.
I ask you: if any mother or any father was presented
with a choice as to whether a four-month old son's
medical condition, your child's medical condition,
should be broadcast on the front page of a tabloid
newspaper and you had a choice in this matter -- I don't
think there's any parent in the land would have made the
We had regular meetings — what is the role of a politician, particularly someone who is a prime minister? You have a duty to explain. You have to engage with the media. They are a medium by which the concerns of the nation are expressed. We were a country at war in Afghanistan, and before that, in Iraq, at the time I was Prime Minister. We were a country that faced a grave economic crisis. I would have been failing in my duty if I had not tried — and I've listed all the meetings with the Telegraph, with the Mail. They're hardly Labour supporters, are they, and hardly people that actually did a huge amount to promote my premiership? I met them all to try to explain because I believed I had a duty to try to build a consensus in this country about how we approached what was the most difficult problem that took, after the global economic crisis, most of my time, Afghanistan, and how we approached the economic crisis.

I think people would be criticising me if I had failed to talk to the media and failed to engage with them, but I may say to you: there was a red line across which I could never cross. If there was any offensive. We took action to deal with it in the best way we could without any fuss and without any noise, but to get an agreement that children would not be covered in this way, and I hope it is of help to others in similar positions.

Q. Thank you. Why did your wife in particular remain good friends with Mrs Brooks, to the extent of arranging a 40th birthday party at Chequers for her in June 2008, attending her birthday party in 2008 and Mrs Brooks' wedding in June 2009, if what you say is correct?

A. I think Sarah is one of the most forgiving people I know, and I think she finds the good in everyone.

Look, we had to accept that this had happened, and we had to get on with the job of doing what people expected a politician to do, to run a government. My wife had a massive amount of charity work that she was engaged in, and in fact, if I'm being accurate, I think it was Wendi Murdoch, Mrs Murdoch's wife, who joined her in the White Ribbon Alliance and in the campaign to cut maternal deaths, the maternal mortality campaign, which was incredibly successful in cutting maternal mortality by 30 per cent. And it was Wendi Murdoch — and I think it was her 40th birthday as well — and Sarah that had campaigned together on this maternal mortality campaign.

So my wife's charity work is something that she was engaged in quite separately from my political work. As far as I was concerned, I couldn't allow what had happened to me to become a huge issue when I had a job to do.

Q. Are you aware that your wife wrote Mrs Brooks a number of personal notes and letters between 2006 and 2010 in which she expressed her gratitude for "the support given to us"?

A. Well, I think my wife, as I said, is a person who is forgiving and would be kind to people irrespective of what had happened in this particular incident, and I don't think that that is evidence that we gave explicit permission for a story to appear in the Sun.

Q. The last question, if I can turn to you: the records show that there are 13 meetings between you or your wife after Mrs Brooks had caused the article to be published in November 2006. Why did you have those meetings?

A. Well, I'm not sure that there were 30, but I think that had this agreement with the press, but that is how we went about changing the way things had been done, and to be fair to the media — and I say this in my written evidence, that we did have only two incidents where this was breached. So it was possible, after this, to hold a voluntary agreement, but the idea that we did nothing after this incident is quite wrong, and I'm afraid it's offensive. We took action to deal with it in the best way we could without any fuss and without any noise, but to get an agreement that children would not be covered in this way, and I hope it is of help to others in similar positions.

Q. Thank you. Why did your wife in particular remain good friends with Mrs Brooks, to the extent of arranging a 40th birthday party at Chequers for her in June 2008, attending her birthday party in 2008 and Mrs Brooks' wedding in June 2009, if what you say is correct?

A. I think Sarah is one of the most forgiving people I know, and I think she finds the good in everyone.

Look, we had to accept that this had happened, and we had to get on with the job of doing what people expected a politician to do, to run a government. My wife had a massive amount of charity work that she was engaged in, and in fact, if I'm being accurate, I think it was Wendi Murdoch, Mrs Murdoch's wife, who joined her in the White Ribbon Alliance and in the campaign to cut maternal deaths, the maternal mortality campaign, which was incredibly successful in cutting maternal mortality by 30 per cent. And it was Wendi Murdoch — and I think it was her 40th birthday as well — and Sarah that had campaigned together on this maternal mortality campaign.

So my wife's charity work is something that she was engaged in quite separately from my political work. As far as I was concerned, I couldn't allow what had happened to me to become a huge issue when I had a job to do.

Q. Are you aware that your wife wrote Mrs Brooks a number of personal notes and letters between 2006 and 2010 in which she expressed her gratitude for "the support given to us"?

A. Well, I think my wife, as I said, is a person who is forgiving and would be kind to people irrespective of what had happened in this particular incident, and I don't think that that is evidence that we gave explicit permission for a story to appear in the Sun.

Q. The last question, if I can turn to you: the records show that there are 13 meetings between you or your wife after Mrs Brooks had caused the article to be published in November 2006. Why did you have those meetings?

A. Well, I'm not sure that there were 30, but I think that...
Day 83 am  Leveson Inquiry  11 June 2012

1 I could have nothing to do with that, and I think you
can serve up dinner but you don't need to serve up BSkyB
as part of the dinner. You have to have a clear
dividing line between what you do in politics, and for
me there was never a point -- we had issues related to
the takeover or attempted takeover of ITV. We had --
News International were very annoyed about what was
happening in Ofcom to sporting rights. We had other
news media concerned about different things. The BBC,
of course, was concerned about the licence fee.

But at no point in my premiership would I ever allow
a commercial interest to override the public interest,
and I've looked at all the records of what happened,
including the records of our ministers in this matter,
and we would never allow the public interest to be
subjugated to the commercial or vested interests of any
one company.

Q. Did you sense, though, in your dealings with
News International, that they were trying to persuade
you to pursue media policies which were favourable to
their interests but contrary to the public interest?
A. News International had a public agenda. What's
remarkable about what happened in the period of 2009 and
2010 is that News International moved from being --
I think it was under James Murdoch's influence, not so
Page 37

much Rupert Murdoch's influence, if I may say so -- to
having an aggressive public agenda. They wanted not
just to buy BSkyB, of course; they wanted to change the
whole nature of the BBC. They wanted to change Ofcom,
they wanted to change the media impartiality rules, they
wanted to change the way we dealt with advertising so
that there was more rights for the media company to gain
advertisers. They wanted to open up sporting events so
that Sky could bid for them in a way that -- they were
perfectly entitled to put this agenda. That was the
agenda they were putting publicly. I think what became
a problem for us was that on every one of these single
issues, the Conservative Party went along with the
policy, whereas we were trying to defend what I believe
was the public interest.

Q. So is this the gist of your evidence: that the agenda
they pursued was done publicly but not privately?
A. I think their agenda was very public, and I don't think
that they should be criticised for having a view about
events. I think, however, it is the duty of the
political system to distinguish between what's a vested
interest and what's a public interest. I did so, and
I think we did so at a cost.

Q. Was not part of your reason, Mr Brown, for continuing to
have dealings with Mrs Brooks that you correctly
Page 38

perceived her to be a powerful women and it would have
been against your interest to have taken her on?
A. I don't think I had a conversation with Mrs Brooks in
the last -- I think I had one conversation in the last
nine months of our government.

It became very clear in the summer of 2009, when
Mr Murdoch junior gave the MacTaggart lecture, that
News International had a highly politicised agenda for
changes that were in the media policy of this country,
and there seemed to me very little point in talking to
them about this.

Q. Okay. Page 9 of your statement -- we're just going to
note this, Mr Brown. This is our page 14215. You
identify a number of breaches of your privacy, whether
assaults, as it were, on your build society account, the
national police computer was entered to check your name
on police files, blagging, et cetera. We've heard
evidence in relation to a lot of that already, but you
formally draw this to our attention.
A. Yes. Let me say, politicians must expect scrutiny.
I have no doubt that the level of scrutiny that is going
to happen in a modern technology age is going to be
very, very great indeed.

I think the question is whether you can justify what
you might call fishing expeditions, based on nothing
other than a political desire to embarrass someone, and
I think the evidence that I give you is in relation to
fishing expeditions where newspapers --

Look, if you take everything that is personal about
your life -- your bank or building society account, your
medical records, your tax affairs, your lawyer and what he
-- his legal records, your accountant -- in every
area during the period that I was chancellor, there was
either a break-in or a breach of these records. In most
cases, I can show now that that happened because of an
intrusion by the media.

Now, I have been the first to say that there is a
public interest defence if people are looking for
information where they feel that there's a crime being
committed and that the police or someone else is not
investigating it, or where there's a security issue that is
vital to the safety of the country and it's not being
properly looked into, or, as the Press Complaints
Commission rules themselves say, where there is an
individual who is lying and who is deceiving. But
I look at these instances, and I give you one as an
example. I just give it to you. I was accused of
buying a flat in an under-the-counter sale by
a Sunday Times Insight team. They suggested that I'd
bought this flat and it hadn't appeared on the open
market and I got it at a knock-down price, and they
would not accept that -- the starting point of any
investigation was something that they would not
acknowledge, that this very flat that I was supposed to
have bought in an under-the-counter sale had first of
all been advertised in the Sunday Times itself.

We had impersonating me to get bank information, we
had blagging by lawyers, we had what's called reverse
engineering of telephone. Someone sent me a tape which
I passed on to the police, where the Sunday Times
Insight team reporters are talking about how they're
going to use these -- what I think are underhanding,
perhaps unlawful techniques and tactics. But there was
no public justification for this because there was no
wrongdoing, and even now, I'm afraid the editor of the
Sunday Times has come to your Inquiry and said that he
had evidence of something that he was never able to
prove and there was no public interest justification for
the intrusion and the impersonation and the breaking
into the records.

I accept a huge amount has to be tolerated in the
interests of a politics that is free of corruption, but
I don't think a newspaper, when it resorts to these
tactics and then finds that there's nothing to report,
should hold to a story which they know patently to be
false.

Q. May we look now at your exhibit GB3, which is a list of
Your meetings with the media between 2007 and 2010.
A. It's -- it was a duty of office, if I may say so. If
we were claiming something that actually was advertised in
their own paper was not correct, we have lessons to
learn from that.

It's about freedom being exercised with
responsibility and where irresponsibility is the way
that freedom is exercised, it casts a doubt on the
motives of the media.

Q. May we look now at your exhibit GB3, which is a list of
your meetings with the media between 2007 and 2010.
It's under tab 5 of the bundle we've prepared. Just so
we get the flavour of this.

A. It's -- it was a duty of office, if I may say so. If
I had not met media owners and editors, I would be
failing in my duty. We had to explain to them what was
basically two huge national issues, and the reason that
calls are greater in some parts than others is because
Afghanistan and the economic crisis were bigger issues
at the time.

Q. We can see the range of people you were seeing,
Mr Brown. The Barclays at the Telegraph on the first
page, Mr Paul Dacre on the second page. Quite a few
interactions with him, mainly over breakfast. We'll be
coming back to that. Mr Dan Cone(?) of the Telegraph,
the editor of the Telegraph, them some meetings, quite
limited, with the Guardian. Mr Harding of the Times.

According to exhibit KRM 27, the exhibits to
Mr Rupert Murdoch's witness statement, there was
a meeting on 6 October. I thought there was also
a phone call on 4 October, but that may not be right.
No, his meetings start on 6 October so there's nothing
for 4 October.

If we can deal with one point which was floated in
evidence. This relates to the snap election, if you
recall that, in 2007. An interview was pre-recorded by
Andrew Marr with you on Saturday, 6 October. We know
that there was dinner at Chequers with Mr Murdoch and
his wife and others on the evening of 6 October 2007.

A. That's right. I think there was a misunderstanding,
that people thought that I'd met Mr Murdoch and then
done an interview with Mr Marr, and that somehow
that would have influenced what I said to Mr Marr. In fact,
I did the interview with Mr Marr and was very careful to
do it before I had any meetings. I spoke to Mr Marr,
did the interview, it was recorded the day before, so
when I went for dinner with Mr Murdoch later on, I'd
already recorded everything I was going to say about
these issues and he had no influence on that interview
or any decision I made, and he wasn't consulted about
it, nor should he have been, nor, to be fair to him,
would he have expected to have been.
<table>
<thead>
<tr>
<th>Page 45</th>
<th>Page 46</th>
<th>Page 47</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Q.</strong> I think there's also a correction of the dinner with...</td>
<td><strong>Q.</strong> But I think you have to distinguish again between...</td>
<td><strong>Q.</strong> Between 1997 and 2007, were relations closer than was wise?</td>
</tr>
<tr>
<td>President Bush was 15 June, not 15 August 2008. There...</td>
<td>the views that you have about him as an individual and...</td>
<td><strong>A.</strong> No, I don't think so. I rarely met Mr Murdoch, to be...</td>
</tr>
<tr>
<td>are a couple of other meetings which you've added to...</td>
<td>the red line that I would draw, the line in the sand...</td>
<td><strong>A.</strong> No, because the implication is that I would be...</td>
</tr>
<tr>
<td>your schedule but I don't think much turns on those.</td>
<td>I talked about, between that and any support for...</td>
<td><strong>A.</strong> Between 1997 and 2007, were relations closer than was wise?</td>
</tr>
<tr>
<td>We'll publish the revised schedule in due course,...</td>
<td>commercial interests.</td>
<td><strong>A.</strong> No. But Lord Mandelson, when stating that relations were...</td>
</tr>
<tr>
<td>Mr Brown.</td>
<td><strong>Q.</strong> But Lord Mandelson, when stating that relations were...</td>
<td>closer than was wise, also made it clear that neither...</td>
</tr>
<tr>
<td><strong>A.</strong> Okay.</td>
<td><strong>Q.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td><strong>Q.</strong> There's also a list of phone calls at GB3B, which we'll...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>come in to a short moment.</td>
<td><strong>Q.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>In relation to Mr Rupert Murdoch, Lord Mandelson has...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>told us that relations were closer than was wise, and he...</td>
<td><strong>Q.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>included you within that statement. Do you agree with...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>him?</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td><strong>A.</strong> No, I don't, actually, and I'm sorry, because I think...</td>
<td><strong>Q.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>Mr Mandelson is perceptive about events normally.</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>**I think -- I obviously came from a Scottish...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>Presbyterian background. Mr Murdoch himself was the...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>grandson of a Scottish Presbyterian minister. I always...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>found it interesting that his grandfather had gone out...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>to Australia and immediately been put into prison...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>because he had defended church against state, so the...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>same Presbyterian interest in the freedom of conscience...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>and the, if you like, speaking truth to power was...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>I think very much part of what Rupert Murdoch's view of...</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
<tr>
<td>the media was.</td>
<td><strong>A.</strong> Speaking more generally of the government of which you...</td>
<td><strong>Q.</strong> Mr Blair nor you crossed that line, so I think his point...</td>
</tr>
</tbody>
</table>

**Page 46**

- **A.** Yeah, I think the similar background made it interesting because I think I understood where many of his views came from, and I do also think he's been, as I said, I think, publicly, a very successful businessman, and his ability to build up a newspaper and media empire, not just in Australia but in two other continents, in America and Europe, is something that is not going to be surpassed easily by any other individual.

**Page 48**

- **Q.** Between 1997 and 2007, were relations closer than was wise?
- **A.** No, I don't think so. I rarely met Mr Murdoch, to be absolutely truthful. I don't think he was in the slightest bit interested in what I was doing --
- **Q.** Yes.
- **A.** -- and I can't remember many meetings with him at all.
- **Q.** I don't know if you have a record of these meetings but I think you'll find them few and partner between.
- **Q.** Speaking more generally of the government of which you were part, do you think that government was too close than was wise to Mr Murdoch?
- **A.** I don't think so, but I don't know all the details of what was discussed at the time. I had very few dealings with Mr Murdoch and not many dealings with News International. They had their own views on issues of policy, and they weren't, in many ways, similar to mine.
- **Q.** But weren't you aware of policy from the very top, as it were, courting, assuaging and persuading the media, including, in particular, News International. Was that something (a) that you were aware of and (b) that you assented to?
- **A.** My efforts were to persuade every media group that what we were doing was serious. Look, we were trying to...
<table>
<thead>
<tr>
<th>Page 49</th>
<th>Page 50</th>
<th>Page 51</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>rebuild the National Health Service, improve our</td>
<td><strong>1</strong></td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>education system, get more police onto the street,</td>
<td><strong>2</strong></td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>legislate for freedom of information. We had agendas on</td>
<td><strong>3</strong></td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>civil liberties, on issues like gay partnerships. All</td>
<td><strong>4</strong></td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>these issues, you needed to have an understanding, at</td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>least, on the part of the media, and you needed to talk</td>
<td><strong>6</strong></td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>to them.</td>
<td><strong>7</strong></td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>As for any particular media group, I don’t think that</td>
<td><strong>8</strong></td>
</tr>
<tr>
<td><strong>9</strong></td>
<td>I was involved in any sort of way that I would feel</td>
<td><strong>9</strong></td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>uncomfortable about now with any particular media group</td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>11</strong></td>
<td>at all.</td>
<td><strong>11</strong></td>
</tr>
<tr>
<td><strong>12</strong></td>
<td>Q. You must have been aware, though, of the pieces in the</td>
<td><strong>12</strong></td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>Sun newspaper in March and April 1997 which we’re told</td>
<td><strong>13</strong></td>
</tr>
<tr>
<td><strong>14</strong></td>
<td>adopted a rhetorical position but not one of substance.</td>
<td><strong>14</strong></td>
</tr>
<tr>
<td><strong>15</strong></td>
<td>Didn’t those pieces cause you any qualms or distress at the</td>
<td><strong>15</strong></td>
</tr>
<tr>
<td><strong>16</strong></td>
<td>time?</td>
<td><strong>16</strong></td>
</tr>
<tr>
<td><strong>17</strong></td>
<td>A. Are you talking about the articles about the euro or</td>
<td><strong>17</strong></td>
</tr>
<tr>
<td><strong>18</strong></td>
<td>about Europe?</td>
<td><strong>18</strong></td>
</tr>
<tr>
<td><strong>19</strong></td>
<td>Q. Yes.</td>
<td><strong>19</strong></td>
</tr>
<tr>
<td><strong>20</strong></td>
<td>A. It’s a strange coincidence that I, while supporting the</td>
<td><strong>20</strong></td>
</tr>
<tr>
<td><strong>21</strong></td>
<td>idea of a single currency in principle, was always</td>
<td><strong>21</strong></td>
</tr>
<tr>
<td><strong>22</strong></td>
<td>doubtful and dubious about its benefits to Britain in</td>
<td><strong>22</strong></td>
</tr>
<tr>
<td><strong>23</strong></td>
<td>practice, so I have found it of no great difficulty to</td>
<td><strong>23</strong></td>
</tr>
<tr>
<td><strong>24</strong></td>
<td>me that people were questioning the euro.</td>
<td><strong>24</strong></td>
</tr>
<tr>
<td><strong>25</strong></td>
<td>I think this goes to the heart of what happened</td>
<td><strong>25</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>1</strong></td>
<td>during a period of 13 years of government, that the euro</td>
<td><strong>1</strong></td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>was a huge, huge issue, because some people argued that</td>
<td><strong>2</strong></td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>if Britain did not join the euro then its future was</td>
<td><strong>3</strong></td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>always to be on the periphery of Europe, and that was an</td>
<td><strong>4</strong></td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>issue that had to be taken seriously.</td>
<td><strong>5</strong></td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>I, however, argued that the economics of the euro</td>
<td><strong>6</strong></td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>made it almost impossible that Britain could benefit</td>
<td><strong>7</strong></td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>from joining, and we did a whole series of studies in</td>
<td><strong>8</strong></td>
</tr>
<tr>
<td><strong>9</strong></td>
<td>detail showing that in fact it may not be of great</td>
<td><strong>9</strong></td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>benefit to Europe to have the euro.</td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>11</strong></td>
<td>Q. Even looking back on this period -- I’m looking now at</td>
<td><strong>11</strong></td>
</tr>
<tr>
<td><strong>12</strong></td>
<td>the period 1997 to 2007 -- do you think that there are</td>
<td><strong>12</strong></td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>any lessons to be learnt from the relationship the</td>
<td><strong>13</strong></td>
</tr>
<tr>
<td><strong>14</strong></td>
<td>Labour government, of which you were a part, fostered</td>
<td><strong>14</strong></td>
</tr>
<tr>
<td><strong>15</strong></td>
<td>with the media, in particular News International?</td>
<td><strong>15</strong></td>
</tr>
<tr>
<td><strong>16</strong></td>
<td>A. Definitely. I hope I’m not misunderstood, because my</td>
<td><strong>16</strong></td>
</tr>
<tr>
<td><strong>17</strong></td>
<td>original point was this: that we accepted too easily</td>
<td><strong>17</strong></td>
</tr>
<tr>
<td><strong>18</strong></td>
<td>a closed culture where it was possible for stories about</td>
<td><strong>18</strong></td>
</tr>
<tr>
<td><strong>19</strong></td>
<td>political events to be told to a few people rather than</td>
<td><strong>19</strong></td>
</tr>
<tr>
<td><strong>20</strong></td>
<td>openly by Parliamentary announcement or by speech, and</td>
<td><strong>20</strong></td>
</tr>
<tr>
<td><strong>21</strong></td>
<td>we should have reformed that system earlier, and the</td>
<td><strong>21</strong></td>
</tr>
<tr>
<td><strong>22</strong></td>
<td>system, I’m afraid, is still waiting to be reformed</td>
<td><strong>22</strong></td>
</tr>
<tr>
<td><strong>23</strong></td>
<td>announcement. It is too closed a system. It relies on</td>
<td><strong>23</strong></td>
</tr>
<tr>
<td><strong>24</strong></td>
<td>too small a number of people. Of course, it has its</td>
<td><strong>24</strong></td>
</tr>
<tr>
<td><strong>25</strong></td>
<td>heart in the lobby system, but it is actually the</td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

13 (Pages 49 to 52)
Q. I'm not sure that Lord Mandelson is saying that. He's making a personal observation, that you were personally stung and that's something that --

A. No, I don't think the word "stung" is correct, because I expected it. It was something that you could read for months previously. I think the manner in which they did it was offensive, but that was their choice, but I don't think that I was stung by it at all.

Q. Many commentators have said, rightly or wrongly, that you're someone who is obsessed by the news and therefore from that obsession, if correct, more likely to be stung by this sort of change of support. Is that a fair observation or not?

A. Well, you may say I'm so obsessed by the newspapers that I barely read them, so -- I have to tell you that that is not -- even in Downing Street, I didn't spend a great deal of time reading newspapers at all.

Obviously if you're in a job where you have 24-hour questions about what's going on, you have to be able to answer them, so you have to have someone that's telling you: "You have to answer this question and that question, and that question", but as far as the editorialising of the different newspapers, whether it be the Mail, the Telegraph or the Sun or whatever, I can tell you I didn't spend a great deal of time reading them.

Q. Are we to interpret your evidence then -- and we're going to come to a particular event in a moment -- that really you received this news in relation to the news with complete equanimity?

A. It was very strange, because I had phoned up the editor of the Sun on the afternoon of my conference speech.

You know, every time I did a conference speech, or did a budget, I used to phone the political editors or the editors of the newspaper to ask if they had any questions arising from your speech, and sometimes they had more questions than others. If it was an unpopular budget, they would have lots of questions. If it was a popular budget, less so, and when it was a conference speech, I would phone them up.

I phoned the editor of the Sun up that afternoon, as I phoned the editor of the Times, of course, that afternoon, and he had one or two questions for me about Afghanistan, and I think this may be 5 o'clock in the afternoon, and he didn't mention at all that the Sun was making this decision and it was to be announced in two hours. So if the editor of the Sun, you talk to him and he doesn't tell you what's happening, there doesn't seem to be much point in phoning anyone else at the Sun after that. So I just left it.

MR JAY: Is that a convenient moment?

A. Yes. It would include a call that he had placed with me, or anybody had placed it me, and a call that I had placed to speak to anybody else, and it would include calls that were transacted through a mobile phone as well as through a fixed line phone, so it would include any telephone conversation I had with someone like Mr Murdoch.

Q. When you were out of London, Mr Brown, was it ever your practice to call out directly to someone, either from your mobile phone or perhaps from a hotel phone?

A. Not someone like Mr Murdoch. I would always go through Downing Street because you would always want someone on the phone call. You would want to have a record of what was being said, and you would want to know exactly the time you did the call and everything else. There's no question that any phone call could have been made without it going through this procedure.

Q. May I turn that on its head and say that if for some deliberate reason you didn't want there to be a record of what was said, that might be a reason for arranging the call to take place without going through Downing Street?

A. Well, I would never have done that. If I was calling a newspaper proprietor or I was calling a political leader around the world or calling someone about...
a policy issue, I would always go through Downing Street because I would always want someone on the call to verify what happened. I don't think there's any doubt that that's the way that I did things, and that's the way that I think most people I know had been in the office that I've been in would do things. So no call could have been made without it going through Downing Street in this way.

Q. I'm just seeking to cover all possible options, Mr Brown.

A. I understand that.

Q. Did you have his number on your mobile phone?

A. No. I wouldn't know Rupert Murdoch's phone number. I didn't engage in emailing or anything like that.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it was sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.

Q. If we go to GB3B, we can see that there are two recorded phone calls in the year 2009, one in March, which is not relevant for our purposes, but one on 10 November 2009, which was 12.33 in the afternoon. Can you remember, was it sent through Downing Street. I wouldn't have any of the proprietors' numbers on my mobile phone. They would be mainly personal.
A. No, there is only one further telephone call and that is in November. And if I may say, the sequence that led to that call was on the Monday, the Sun had said that I’d disregsted our troops by not bowing at the cenotaph.

On the same Monday, they said that I’d written a letter with 25 misprints and had been discourteous to a woman for whom I have the utmost sympathy, who was the mother of a deceased soldier, and I could understand that she was upset but they had claimed that I’d done things I hadn’t done.

Then on the Tuesday, I had taken a phone call — I’d wanted to phone this lady to sympatheise with her and to explain that we thought a huge amount about her son and his contribution to our country, that it may be little comfort to get letters but it was important that she knew how much the country valued the service of her son.

The Sun had printed a partial version of that conversation, which they had clearly had a mechanism for taping which they shouldn’t have had. The tape was in their hands and it’s very surprising for a conversation with the Prime Minister and an ordinary member of the public to appear in the Sun newspaper, but to appear in this distorted way, with these headlines, ”Bloody shameful” and everything else ...

I had concluded that the Sun were damaging our effort in Afghanistan and they were now persuading people who were actually in favour of the war that there was no point in supporting the war. And Mr Murdoch had always told me that he supported what we were doing in Afghanistan and I felt he should be aware of the facts and how we were losing public support at a difficult time, when we were trying to persuade the Americans and the rest of Europe that we had to have a collective effort not just to get more Afghan troops on the ground but also to get more European troops supporting these Afghan troops on the ground. So it was a very delicate political moment, so I phone him on that basis and that was what the call was about. There was no reference to threats or Conservative parties or anything. I’m quite surprised.

In fact, the conversation ended in a quite different way from what he says, because he asked me, given that he said that there should be no personal attacks by the Sun due to Afghanistan, which he supported — he asked me whether I phone Mrs Brooks, the editor of the -- would I have a phone call with her, where she would, he hinted, want to apologise for what had happened, and I said I saw no point in phoning her because the Sun was pursuing this course of action and it was for him to talk to her.

Page 61

Page 62

Page 63

Page 64
they had got this tape -- which, of course, was very unusual circumstances, as I say, for a tape of a conversation from Downing Street to appear suddenly in the Sun newspaper -- and she wanted to tell me that they'd got this entirely lawfully and everything else had been checked and so on and so forth, and that was really what the nature of the call was, but I didn't get the sense that there was an apology coming from the Sun and I decided that there was no point in continuing the conversation. But it ended without acrimony. It was simply a conversation where she tried to tell me that they'd got this information in totally appropriate ways.

Q. It sounds as if, Mr Brown, you had every reason to be angry and aggressive but you managed not to show it. Is that the message you're communicating?

A. I think that when things are very difficult, you tend to be very calm indeed, and it was difficult because we were going through a period where the whole Afghanistan war effort was being, in a way, undermined by what I thought was a campaign on the part of the Sun that was alleging that we didn't care all about our troops, and it was this distortion of fact and opinion that worried me, but on the other hand, I felt that the Sun's position was that they should be supporting the war in Afghanistan, and as my letters to Rupert Murdoch show...

Page 66

---

I tried to persuade him by argument that this was the right way to move forward, not by anything other than by putting the facts to him.

LORD JUSTICE LEVESON: I think that if I'd been persuaded to phone somebody to listen to an apology and to be greeted with the opportunity, as it were, to investigate further a private conversation, I think I'd be rather irritated.

A. I think in these circumstances, when you're surprised at what comes back to you -- look, Mr Murdoch had given me the impression that an apology was forthcoming. He also gave me the assurance that the Sun were going to remove this personal element of their attacks over Afghanistan. I didn't ask him for these assurances; he offered them. And I didn't discuss other issues with him, and therefore to some extent that was where the conversation lay, but it was really finding out that this was not necessarily how the Sun was going to proceed that was the surprise to me, but I don't think I was aggressive.

LORD JUSTICE LEVESON: Well, you might have a thicker skin than I might have had.

A. I think when you're dealing with some of these issues, you tend to be calmer when you're dealing with them.

MR JAY: The last letter you wrote to Mr Rupert Murdoch, the handwritten one of 26 April 2010, was in the General Election campaign. You had other things to do. Why did you take time to write him this personal handwritten letter at all?

A. Because Mr Murdoch had replied, and for the first time Mr Murdoch had said, which he had never said to me before, that he disagreed with the management of the war effort.

All my conversations with Mr Murdoch were perfectly civilised and were courteous and, as you can see, I wished him and his family well at the end of my letters and everything else. And then suddenly, out of the blue in our correspondence, he says, "I disagree entirely with the management of the war effort", and I felt that merited a reply. This was the first time he'd said to me personally that this is what he thought. I didn't understand what he meant by "the management of the war effort", because we had put extra resources in, and equally I've heard very little about complaints of the management of the war effort since, and it seemed to me that he was making a political point and I wanted him to know that he had never said this before and that I asked him to reconsider it.

If you look at the letter, it says, "I'm surprised to hear these views from you personally because you've never said them to me, and in any conversation we've had and would you like to reconsider these views?" And I said...

Page 67

---

you take time to write him this personal handwritten letter at all?

A. Because Mr Murdoch had replied, and for the first time Mr Murdoch had said, which he had never said to me before, that he disagreed with the management of the war effort.

All my conversations with Mr Murdoch were perfectly civilised and were courteous and, as you can see, I wished him and his family well at the end of my letters and everything else. And then suddenly, out of the blue in our correspondence, he says, "I disagree entirely with the management of the war effort", and I felt that merited a reply. This was the first time he'd said to me personally that this is what he thought. I didn't understand what he meant by "the management of the war effort", because we had put extra resources in, and equally I've heard very little about complaints of the management of the war effort since, and it seemed to me that he was making a political point and I wanted him to know that he had never said this before and that I asked him to reconsider it.

If you look at the letter, it says, "I'm surprised to hear these views from you personally because you've never said them to me, and in any conversation we've had and would you like to reconsider these views?" And I said...

Page 67

---

you take time to write him this personal handwritten letter at all?

A. Because Mr Murdoch had replied, and for the first time Mr Murdoch had said, which he had never said to me before, that he disagreed with the management of the war effort.

All my conversations with Mr Murdoch were perfectly civilised and were courteous and, as you can see, I wished him and his family well at the end of my letters and everything else. And then suddenly, out of the blue in our correspondence, he says, "I disagree entirely with the management of the war effort", and I felt that merited a reply. This was the first time he'd said to me personally that this is what he thought. I didn't understand what he meant by "the management of the war effort", because we had put extra resources in, and equally I've heard very little about complaints of the management of the war effort since, and it seemed to me that he was making a political point and I wanted him to know that he had never said this before and that I asked him to reconsider it.

If you look at the letter, it says, "I'm surprised to hear these views from you personally because you've never said them to me, and in any conversation we've had and would you like to reconsider these views?" And I said...

Page 67
| 1 | trying to prevent Taliban control in areas where the Taliban are now in charge, I’m afraid, and it mattered to me that we got the policy right of persuading other countries to contribute to the war effort and to persuade people that we had to get the Afghan army and police up and running. So these were not issues about me personally that I was really trying to take up with Mr Murdoch. These were issues of policy. So if you look at the letters — and I suspect that they could only be looked at now because the sequence of them is now presumably available to people — you’ll see that none of these letters refer to the political views of Mr Murdoch or to the Sun or to the News of the World or the Sunday Times. None of that. It was all about the management of the war effort, and I still feel to this day that huge damage was done to the war effort by the suggestion that we just didn’t care about what was happening to our troops, which clearly had an effect on public opinion and clearly was something that I felt, as you can see, strongly about. |
| 2 | Q. I move off Mr Murdoch onto Mr Paul Dacre now and your relationship with him. Some have described that as personally close, although you weren’t, of course, very often on the same page politically. Is that a fair description? |
| 3 | A. I didn’t see Mr Dacre that much, as you can see from the records. Mr Dacre and I disagreed about many things on politics. I think he, like me, believes that there should be an ethical basis for any political system and that that is an issue that is not properly addressed both in our media and in our politics, so there is sort of common ground on that, even though we may disagree about what that means in practice. He was personally very kind, as Rupert Murdoch could be personally very kind, when we had difficulties with our child, our first child, and I have not forgotten that. But to be honest, I got no support from the Daily Mail. The Daily Mail was totally against the Labour Party, and when it came to the election, you may see that I had a meeting with Lord Rothermere, as I talked to Paul Dacre, and I said, "Look, you’re entering a situation where you have a party that’s got a relationship with the Murdoch empire and their commercial interests and you should be very wary of it"., and I did warn them that that was one of the problems that was going to happen. |
| 4 | Q. Some have said, including Mr Alastair Campbell, that the Daily Mail was less hostile to you personally when you were chancellor, owing in part to your position on the euro. Do you think that’s a fair comment or not? |
| 5 | A. I don’t know whether it was. Look, one of the huge dividing lines in British politics over the past 10 years has been the euro. Most of the newspapers, of course, were against it. I was in a minority within our government for a very long period of time of being sceptical about the euro. My colleague, Ed Balls, who was the economic adviser to the Treasury at the time and was later a Member of Parliament, did this enormous amount of work that proved to my satisfaction that the euro couldn’t work, but it was a hugely divisive issue. But if the Daily Mail supported the objections that I had to the euro, then that’s absolutely understandable, but I’m afraid to say on just about every other issue they were wholly against us and they wanted to see a Conservative government, as you know. |
| 6 | Q. Were policies such as the u-turn on casinos, reclassification of cannabis and the retreat on 24-hour drinking attempts to appease the Daily Mail in your view? |
| 7 | A. No. If you look at each one of these individual issues — and I don’t want to bore you with them — I personally have strong opinions, as an individual, about the evil of excessive gambling. I thought that the 24-hour licensing was causing us problems, and on cannabis, you know, I don’t hold what is probably the more conventional view about the effects of soft drugs, so I was against the reclassification of cannabis and in fact we reclassified it back. These are views that I hold personally and I hold them quite strongly and I may say that probably I used my position to persuade members of the government who were not as keen on that policy was I was. |
| 8 | Q. Can I ask you, please, about section 55 of the Data Protection Act, the Information Commissioner’s two reports in 2006. At that time, when you were still Chancellor of the Exchequer, it didn't fall directly within your policy area, but do you recall considering the issues raised by them or not? |
| 9 | A. Not in huge detail at the time, but it became an issue after I became Prime Minister and we had to make a judgment. It comes back to this very important point that I think we discussed at the beginning about the protections that are available for the press where there is a public interest defence for actions that they may have taken that might initially sound unacceptable. And, you know, in the press complaints code there...
There are three public interest defences. One is about exposing criminal wrongdoing, another is about threats to the security and safety of the realm, and another is a bit more, I think, difficult, about whether deception by an organisation or individual is being exposed, and I felt quite strongly -- and still do -- that there has to be a public interest defence in these circumstances, and that was what the -- is basically my own view about how you must have institutions outside the state who have the power to question and hold accountable the state, and no matter what we think about the way that the media behaved in certain instances, there is, in my view, a right to a public interest defence.

That's what we were debating after the Information Commissioner made a number of proposals about data protection, and I could understand the strength of feeling that he brought to this, and therefore I was anxious not to overrule him, but I could understand also my own instinct that there had to be at least a public interest defence in favour of the media where they had ventured into areas where, for good public reasons, they were exposing something that was available.

Q. But following the consultation on the proposal to introduce custodial sentences, the government's original position -- and this is when you were in charge -- was to introduce such custodial sentences, and Mr Jack Straw gave us evidence about it.

A. Yes.

Q. There was a dinner you had with Messrs Hinton, McLellan and Dacre on 10 September 2007.

A. That's right.

Q. Which we have in tab 34 of this bundle. Do you remember the issue being discussed on that occasion?

A. I remember the issue. I told them, as we started the dinner, what my own view was. I didn't ask them for their view, I'm afraid. Maybe I should have. I told them what my view was, that there should be a public interest defence, and therefore it wasn't a question of them lobbying me. I was informing them that this was my view, but that Michael Wills, who was an excellent minister, and Jack Straw, who was doing a great job on this, were consulting people about how we could implement this in a way where there was a public interest defence but we weren't going to back off entirely the potential need for legislation.

Q. Mr Dacre's account doesn't quite match that, Mr Brown.

A. Under tab 34, he gave a speech to the Society of Editors conference on 9 November 2008. So it's about 16, 17 months after the relevant date.

Q. He says:

"About 18 months ago [he means on 10 September 2007] I, Les Hinton of News International and Murdoch McLellan of the Telegraph, had dinner with the Prime Minister Gordon Brown. On the agenda was our deep concern that the newspaper industry was facing a number of very serious threats to its freedoms."

A. That's right.

Q. And Dacre on 10 September 2007.

A. Yes.

Q. Which we have in tab 34 of this bundle. Do you remember the discussion about whether a public interest defence can be introduced into this clause.

A. The fourth issue we raised with Gordon Brown was about 18 months ago [he means on 10 September 2007] "Look, this is my view." I didn't say, "I'm waiting to hear your view"; I told them: "This is my view." I remember this distinctly. I had already made up my mind before I went into the meeting, and I told Jack and Michael that there should be a public interest defence and that we should probably postpone the implementation of this clause.

Look, at that time, of course, we didn't have all the information we now have about the abuse of this --

Q. Yes.

Q. He says:

"The fourth issue we raised with Gordon Brown was a truly frightening amendment to the Data Protection Act."

A. This is the amendment --

Q. No suggestion that there was anything other than what was called the rogue hacker. But again, my instinct is still the same, that there ought to be a public interest defence. I know it's uncomfortable, because you are balancing off two freedoms, as we said at the beginning.

You have this right that I would defend for people to have privacy, and you have this right of the media, I would say the individual, to express themselves and for the media to do this through a freedom of speech and therefore a willingness or ability to investigate things that are wrong, and you are balancing off these two freedoms.

It seemed to me that we may end up with the custodial sentences, and that was an option that was left to us. We said we'd come back to this, but at that time we thought that -- let us look at whether a public interest defence can be introduced into this legislation, which is what we did.

Now, these are very, very difficult issues, and I thought about them at the time, I've thought about them since. I would still hold to the idea of a public interest defence, but I think we're now on a course where there will almost certainly be custodial sentences. But I think as the government of the day has
Day 83 am Leveson Inquiry 11 June 2012

1. said, they want to rely on your final judgment on this
as well, before they make a decision.

2. LORD JUSTICE LEVESON: Yes, it's quite important to be quite
careful about this. What the data protection amendment
did was to introduce a public interest defence to data
protection offences.

3. A. Yes.

4. LORD JUSTICE LEVESON: But it wasn't for a moment suggesting
in relation to other breaches of the criminal law that
there should be a public interest defence.

5. A. No, it was in relation to Data Protection Act; you're
absolutely right.

6. LORD JUSTICE LEVESON: Correct.

7. A. I hope I'm not overelaborating on the argument, but it
seemed in that instance there was a case for a public
interest defence.

8. LORD JUSTICE LEVESON: I understand. But you're not
suggesting -- or are you suggesting, an open question --
that there should be a public interest defence in
relation to any crime?

9. A. No, I'm not saying that, but what I am saying is that
I do think that the press -- you're looking again at the
Press Complaints Council guidelines and one of these
guidelines -- I think it's the editors' rules --

10. LORD JUSTICE LEVESON: Code.

Page 77

11. A. -- suggests that there is a public interest at stake
where three things are in issue that have to be taken
into account when judgments are made.

12. LORD JUSTICE LEVESON: That's --

13. A. Yes, of course.

14. LORD JUSTICE LEVESON: -- entirely right.

15. A. And I bore that in mind as well when I was looking at
this issue.

16. LORD JUSTICE LEVESON: That's a defence to an allegation of
breach of the code.

17. A. Yes.

18. LORD JUSTICE LEVESON: Let me ask you this, again in an
entirely open way. Of course, in relation to any
criminal offence, if a journalist is acting in the
public interest or reasonably believes that he or she is
acting in the public interest, then that must be an
important feature. It's why I asked the
Director of Public Prosecutions whether he would be
prepared to consider publishing a policy on his approach
to the public interest in relation to prosecution of
journalists for a crime where there is no statutory
defence, and as you know, he's done so and he's
consulted on it.

19. A. Yes.

20. LORD JUSTICE LEVESON: I'm just keen to know whether you

Page 78

21. would suggest going further than that. Of course, the
fact that the defence can't be made out doesn't mean
that everybody who is convicted then goes directly to
jail. There are an enormous number of variations that
will always be taken into account.

22. A. Yes. I think maybe I've been misunderstood. My
position was in relation to the Data Protection Act, but
I was conscious that there was a public interest set of
issues raised in the Editors' Code and it seemed to me
this was reasonable.

23. MR JAY: Mr Dacre's account is that you were hugely
sympathetic to the industry's case and promised to do
what you could to help. It sounds as if the industry,
through Mr Dacre, Mr Hinton and Mr McLellan, were
allowed to put their case and you were persuaded by it;
is that fair or not?

24. A. I distinctly remember this conversation and I think
Mr Dacre, if you asked him under cross-examination,
would confirm that at the beginning of that discussion,
I said, "Look, I am persuaded that we need this public
interest defence and we've been talking about how we can
do this."

25. I'd also, I think, either before or after, made a
speech on liberty. I think I've sent you an extract
from it. I felt that the debate in Britain had become
coloured by what we'd had to do in relation to
terrorism, and you know that it was very controversial,
that we wanted to have, for example, a longer period of
potential detention for people who were terrorist
suspects. But I felt, on a whole range of other areas
where liberty was an issue, we could do better. We
could do better about the freedom of assembly, we could
do better about the freedom of speech, we could do
better about the freedom of the press. So I made a
speech on liberty.

26. Now, these were my views. These were not the
media's views. These were not Mr Dacre's views. These
were not anybody else's views. These were my views. It
was an issue that I felt strongly about. I felt that
America branded itself to the world as a country of
liberty and was able to persuade people that liberty was
invented in America. In fact, the ideas of liberties
that lay behind the British constitution and some of the
things that we valued greatly had originated in Britain
and I wanted to make that clear.

27. So these were my views and I think any suggestion
that I was under pressure from the industry and yielded
to it is quite ridiculous. I was prepared to say that
this is my view and I'm still prepared to say that it's
my view.
MR JAY: It's also noteworthy in this speech that you said, towards the top of this same page:

"No case for statutory regulation of the press.

Self-regulation of the press should be maintained."

A. Yes.

Q. In other words, the status quo is adequate. Is that correct?

A. We had no mandate for that. We had never proposed that should happen. I think Tony Blair explained in his own evidence that we had decided that this was not a priority for us, so it was not part of our mandate and therefore it was obvious that that was not what we were doing.

Q. So is your evidence that you didn't respond to the lobbying of you at dinner on 10 September 2007 and modify the government's existing proposals to take into account of a powerful press view?

A. I felt strongly about this myself. I'm not sure that every other minister felt as strongly as I did, but I've explained the background to my own views. So I really didn't need persuading by Mr Dacre about this. This was -- or by Mr Hinton or who else was there, I don't know.

Q. But is it your evidence that you had a conversation with Mr Straw before 10 September 2007 in which your

Page 83

MR JAY: It's also noteworthy in this speech that you said, towards the top of this same page:

"No case for statutory regulation of the press.

Self-regulation of the press should be maintained."

A. Yes.

Q. In other words, the status quo is adequate. Is that correct?

A. We had no mandate for that. We had never proposed that should happen. I think Tony Blair explained in his own evidence that we had decided that this was not a priority for us, so it was not part of our mandate and therefore it was obvious that that was not what we were doing.

Q. So is your evidence that you didn't respond to the lobbying of you at dinner on 10 September 2007 and modify the government's existing proposals to take into account of a powerful press view?

A. I felt strongly about this myself. I'm not sure that every other minister felt as strongly as I did, but I've explained the background to my own views. So I really didn't need persuading by Mr Dacre about this. This was -- or by Mr Hinton or who else was there, I don't know.

Q. But is it your evidence that you had a conversation with Mr Straw before 10 September 2007 in which your

Page 83
Day 83 am  Leveson Inquiry  11 June 2012

1 having debates and arguments.  
2 The one thing I insisted upon -- and I think this 
3 deals with this point about Mr Campbell -- is our 
4 political advisers worked through the head of 
5 communications, who was a civil servant, so anything 
6 that they did in relation to the press they had to 
7 report to and through the head of the civil -- the civil 
8 servant head of our communications, and that's how we 
9 dealt with these issues. 
10 Q. But were not Messrs Whelan and McBride systematic 
11 perpetrators of selective anonymous briefings, either at 
12 your instigation or with your knowledge? 
13 A. No, I wouldn't say that at all. I mean, I operated or 
14 asked them to operate under these rules, that they would 
15 work to their head of communications, who was a civil 
16 servant, and he would have to report to me if things 
17 were wrong. 
18 Q. So if they did indulge in this behaviour, that would be, 
19 by definition, without your knowledge; is that correct? 
20 A. It would be without my knowledge and without my 
21 sanction. 
22 Q. Okay, we'll come back to that. 
23 Mrs Brooks, in her witness statement, paragraph 61, 
24 states that Tony Blair and his aides were convinced that 
25 Gordon Brown and his aides had conspired together in 

order to force his early resignation. Do you agree with 
that analysis? 
A. I don't think that's Tony Blair's view and it's 
certainly not my view. This is -- again, you're relying 
on second-hand conversations that are reported by people 
who are not participants in the events, so I don't take 
that as a serious comment about what happened. 
Q. But were your aides involved in using the media to force 
or attempt to force Mr Blair's resignation? This was in 
2006. 
A. I would hope not. 
Q. But were they involved? 
A. Well, I would hope not. I have no evidence of that. 
Q. Mr Blair said that he didn't know whether you, 
Mr Whelan, Mr McBride and Mr Balls were briefing against 
him in the media. Did you authorise your aides to brief 
against Mr Blair? 
A. No. 
Q. Do you think they may have done so without your explicit 
approval, even with your knowledge? 
A. If they did so, it was without my authorisation. 
Q. But it's the role of an aide or special adviser only to 
act with your express or implied authority; would you 
agree? 
A. No, I made it clear -- I mean, I'm trying to explain why 

we changed the system when we went to Number 10 and why 
I thought it was better to have -- political advisers 
were a new development from the 1970s onwards. You had 
always worked with civil servants without political 
advisers. You bring in political advisers and they're 
obviously party people with their own views about what 
should happen. They had to find a way of working with 
the Civil Service, and my insistence was that the 
political advisers, who were doing a job, had to work 
under the auspices of the Civil Service head. This is 
what we tried to enact in the Treasury, and this is why, 
when I went to Downing Street, I removed the order in 
council, I said that we would not have a political 
appointee as head of communications, I appointed 

a traditional -- a conventional civil servant as the 
head of communications and then, when he retired and 
went back to the Treasury -- and incidentally went back 
to perform a policy job which he now does for the new 
government, which is of a different political colour -- 
I appointed the person who had been previously head of 
communications at Buckingham Palace, who was not, in 
a sense, a career civil servant, but one who was trusted 
absolutely for both his discretion and his propriety. 

So I wanted to send a message that we wanted to work 
within these traditional channels and political advisers 

Page 85

Page 86

Page 88

Page 87

22 (Pages 85 to 88)
<table>
<thead>
<tr>
<th>Page 89</th>
<th>Page 90</th>
<th>Page 91</th>
</tr>
</thead>
</table>
| **Q.** But I'm back on October 2008 and I was just wondering whether you agree or disagree with Lord Mandelson's recollection in his memoirs of what he says -- **A.** I don't think there's any doubt that Mr Mandelson didn't want Mr McBride, but I don't think there was any talk about Cabinet Office. I think we probably talked about how Mr McBride was moving back from what you might call the front line and he had a different role, but in the end it was only a few months later that he had to go. **Q.** Did either or both of Gus O'Donnell and Jeremy Hayward warn you specifically about Mr McBride? **A.** I don't remember in specific documentation or letters. They may have said something in conversations. **Q.** But did they, in the course of conversation, warn you about Mr McBride? **A.** I don't know whether you're talking about what happened in the leaking of these emails. They certainly would have talked to me about that when it happened, but I was very clearly of my own mind that he had to go. **Q.** No, I'm talking about an earlier warning -- **A.** I don't recall other conversations. Perhaps you have better information from these people than I have, but I don't recall any conversations about that. There was a general view that some of them had that Mr McBride had to change his role. **Q.** You were also warned by Ed Miliband and Douglas Alexander about Mr McBride? **A.** When I say there was a general view, I'm not excluding the fact that one or two people might have talked about it to me, but the fact is he was moved from his original role and he was moved back and then we had this incident where he had to go. **Q.** You've seen the extract from Mr Darling's memoirs called "Back from the Brink", which again, I only read for the first time yesterday, this extract, is about an interview that Alastair gave to the Guardian, and I think the issue was he had been quoted as saying that he thought this was the worst crisis for the British economy for 60 years, when actually what he wanted to say or had said was that this was the worst global crisis for 60 years, and he told me that he wanted to go out and tell the media that that was the case. I mean, that's the incident. I don't think there was any disagreement about the interpretation. **Q.** Did you instruct Mr Whelan to brief specifically against Mr Darling when he was Chancellor of the Exchequer? **A.** Not at all. Not under any circumstances. **Q.** You've seen the extract from Mr Darling's memoirs called "Back from the Brink", in which he's convinced that you did. Are you aware of that? **A.** Yes, but I didn't. I think this issue about "Back from the Brink", which again, I only read for the first time yesterday, this extract, is about an interview that Alastair gave to the Guardian, and I think the issue was he had been quoted as saying that he thought this was the worst crisis for the British economy for 60 years, when actually what he wanted to say or had said was that this was the worst global crisis for 60 years, and he told me that he wanted to go out and tell the media that that was the case. I mean, that's the incident. I don't think there was any disagreement about the interpretation. **Q.** Do you remember a conversation that you had with Mr Darling, which is noted in his book at page 108, where he told you specifically that he knew where the anonymous briefings were coming from and that they had to stop? **A.** I don't know. There may have been a conversation like that. I -- you know, this conversation within
government, everybody worries about who is saying what about whom and so on and so forth. The one thing I can say to you, which is absolutely clear -- and I’m not sure how relevant this is to your conclusions, but the one thing I can say to you definitely is that nobody in my position would have instructed any briefing against a senior minister, and Alastair Darling was a friend of mine as well as a colleague.

Q. There's reference as well -- it's not clear that these were the words he uttered to you -- to Henry II's utterings about Thomas Becket: "Will no one rid me of this meddlesome priest?"

A. These sound very dramatic comments. No, they're not near the mark at all. Quite wrong and quite the opposite of what actually happened.

I think, if I may say, on the incident that you're referring to, there was an interview given to the Guardian and it was about the economic crisis and Alastair was sure that he'd talked about the global economic crisis and the Guardian had reported it as being about the British economic crisis, and of course the distinction was important but there was no tape of the interview, the Treasury had no tape of the interview, and that was the source of the problem, that we couldn't get to the bottom of it because the Treasury had not taken a tape, and I think that was the source of the issue.

Q. I've also shown you a letter from Sir John Major, who of course is giving evidence tomorrow. It's dated 30 June 2008. He will, of course, give evidence about it but it relates to the withdrawal of the Mugabe knighthood. He makes the specific allegation that you briefed or you instructed either Mr Whelan or Mr McBride -- he isn't named specifically -- to brief against Sir John Major.

A. Mr Whelan was not, working for us at that time at all, and Mr McBride -- I don't know which year you're referring to.

Q. This was June 2008.

A. This was before he had gone. I don't know anything about this, because I don't think, despite the fact that my name is mentioned in this letter, Gus O'Donnell and I talked about this in any detail, and I don't really know much about this incident. I mean, I know that Mugabe lost his knighthood. I doubt that then Sir Fred Goodwin lost his knighthood, I was the person who was blamed for giving him it. These things happen in politics. People say things and do things and the press says things. I don't recall anything about this at all and I've never sort of been involved in a briefing operation against John Major.

Q. Is the position this, Mr Brown: that a sort of mythology has built up around these special advisers, described in certain quarters as paranoid attack dogs, or whatever, but there's no evidential basis for it? Or is it the position that if they did act in this way, it was without your authority and instructions?

A. Look, you have special advisers. They're part of the government machine now. They're a new innovation. They have a role to play in defending the minister and defending the policy. You have competition between special advisers in different departments because that's the nature of politics. You have competition, unfortunately, between ministers and departments, and that's the nature of politics. The question is what you read into this, as whether there's an abuse of the constitution.

I asked my political advisers to operate under very distinct rules, and I actually had tougher rules than was the general rule that was applied to political advisers. After Mr McBride left, we toughened up the rules even more about the use of equipment and everything for personal purposes, and I was determined that we could integrate the political advisers into the Civil Service system.

If it didn't work on occasion and if people behaved badly on occasion, then that is not because there were not rules that were there and instructions that were given by me that should be followed, but I think we now know enough about the nature of politics to know that there's rumour, there's gossip, there's innuendo, there's gossip and so on and so forth.

The question is what you conclude from this. My conclusion is that you need tough rules that people have to follow, and if people don't obey the rules, then then have to go. I'm not sure if gives us a general insight into the way the media was behaving.

Q. Well, the focus of this Inquiry is rightly, under its terms of reference, the culture, practices and ethics of the press.

A. Yes.

Q. But we're also looking at the conduct of each and therefore the culture of the political class.

A. Yes.

Q. Are there any lessons to be learnt at all, if one looks at the period 1997 to 2010, which is a 13-year period,
as to the culture of the political class?

A. Yes. As I said right at the beginning -- and I don't know if you picked me up in the way that I might have expected. I said that we should have changed the lobby system and changed the system where people relied on exclusive briefings and had a far more open and transparent system of addressing the country through the press than we have even today, and I obviously have to take some responsibility for this. My only defence in this is that I tried after 2007 to change the rules.

We actually have a consultation, by the way --

I didn't mention this -- about the future of the lobby, which Simon Lewis, who is a very honourable man, led, but we could find no consensus amongst the media about what could be done, and of course it was getting very near a General Election. But I would have preferred to have open briefings that were given by ministers to inform the press day by day. I'd looked at the White House system, I'd looked at other systems.

So yes, there needed to be more openness. We inherited a system that was based on, if you like, exclusivity. It was also based on insiders winning over outsiders, so a lot of people were excluded from that system. The political advisers ought to and had to work under specific guidance and I believe they should have worked under Civil Service leadership and we changed that when we went into Number 10 as well. So these are the lessons I learned about what some people call the spin culture.

I come back to the point that it assumes a great deal of success in dealings with the media that I don't feel that I had. You know, in the 1970s, when I was a student, I read once that it was said the Shah of Persia, when he was still the Shah of Iran, had the worst press relations in the business and a British politician had raised an objection because his wife was somewhat worse than that, and I felt that if that had been said in the 1990s and up to 2010, I would have raised that objection.

I did not have, unfortunately, good relations with the press, and I used to say myself about spinning -- when people said, you know: "You guys are got good at getting your message across", I used to quote Shelley when Shelley was talking about a relative of his. He said he had lost the art of communication but not, alas, the gift of speech. I felt that I had got myself into a position like that before I finished office.

Q. Did you, incidentally, issue any guidelines to your special advisers, either at the Treasury or at Number 10, or were they just left to get on with it?

A. The guidelines were, as I said, that they had to go through the official head of communications, who was a civil servant, and this is an issue that will have to be resolved at some stage because we've had political appointees as press offices and you cannot say that it's worked in its entirety. We've had civil servant appointees and it hasn't been wholly satisfactory because of what the press expects of the head of communications. I don't think we have an answer yet to what is a real problem about how you deal with the press on a day-to-day basis, but I would prefer a more open system, and I think that we will get to that at some point, and if your Inquiry, sir, can take us further on these roads and call for greater openness and transparency, I would welcome that.

LORD JUSTICE LEVESON: Have you thought about how that might manifest itself?

A. I would have thought that you move away from the daily briefings that is to what's called the lobby -- this will be very unpopular with people who are now in the gallery listening to me, some of whom are in the lobby -- that you would have someone who was briefing with the television cameras there, so it would be completely open. You would have to allow in press that are not part of the lobby system at the moment -- and
MR JAY: May I just touch on Mr Watson now, a different topic.
A. Yes.
Q. You address this at page 16 of your statement, our page 14222. Can I just be clear what your evidence is about this. You say that you can recall telling Mr Watson that the government had been under pressure from News International to sack him. Are we, back here, in 2006 in relation to the plot to dethrone Mr Blair, or are we --
A. I think we're talking about a conversation that you've asked me about that Mr Watson had with me in 2010.
Mr Watson has phoned me up and he's asking me what's happening, and I remind him of what happened in the past. I'm not giving him new information, as far as I'm concerned, about something that happened in the last week. I'm telling him: "Look, you know when you were in government that News International had editorials, that they wanted you sacked, but you also know" -- and I did say that Mrs Brooks had made her feelings about Mr Watson pretty well-known to my wife. That's all the new information I think I brought to this.
Q. Yes. There may be a misunderstanding. That's why I was trying to tease this out. Did the text message you refer to relate to earlier events or did it relate to phone hacking? Can you remember?
A. No, this was -- look, News International had taken the view that Tom Watson was to be held culpable for anything that had happened in 2006, I think, and this was still the line that they wanted to pursue.
I don't want to get involved in this because I don't understand everything that happened. There was a legal case taken about defamation by Mr Watson and for all I know, there are still proceedings -- I don't know, but there was an animosity between News International and Mr Watson, and I was merely reporting to him, when he asked me about these things, that I was well aware that News International had wanted to get rid of him when he was a minister.
Q. This was because of alleged machinations against Mr Blair, not because of his persistent pursuit of the phone hacking issue; was that correct?
A. But you are putting words into News International's mouth. I don't know. All I reported to him was that he was planning any political initiative, I would have told him not to do it, but I knew nothing about it.
Q. And the follow-up question was: did you discuss Mr Watson's subsequently published round-robin letter calling for Mr Blair's resignation --
A. I think I've already answered that. If I'd known that he was planning anything like that, I would have told him to desist from this. This was a bad mistake, it was a wrong thing to do, and I told him so once I found out about it, but I didn't find out about it from a conversation with him.
Q. So your evidence is this was entirely a social call to deliver a present for your baby; is that right?
A. Entirely, because he had his family with him and they were talking to Sarah and they were talking about -- we were all talking about our children.
Q. Mr Brown, you called for a judicial inquiry in September 2010, in the sense that I think you wrote a letter to Lord O'Donnell. We have it at tab 35.
A. Yes, I remember.
Q. Sorry, he was Sir Gus then. Obviously, the context was, although you don't refer to it, the piece in the New York Times which was published on 1 September 2010; is that correct?
A. Yes, and the report that was being done by the culture
and media committee. That was the prompting for --

asking whether something had to be done.

Look, we did not know about -- as I said in my

speech in the House of Commons about this matter, we did

not know about the extent of this phone hacking, and it

only gradually became known to me that it could be

considerably more than what had been reported and that

this rogue hacker or rogue reporter was not a proper
defence, but as the information became available and as

I realised that this was a bigger issue than people had

imagined, it seemed to me we had to look at what needed
to be done.

Now, the Home Secretary had looked at whether the

police investigation should be extended to -- or be
carried out by another body. I had to look, given that

there was some media speculation at this time that there

was a case for a public inquiry, as to whether there was

a case for a judicial inquiry.

Unfortunately, when I asked Sir Gus O'Donnell to

look at this, he did not look at other evidence than

simply the report of the Culture Select Committee --

I think that probably was an unfortunate decision -- and

therefore we had a report back that basically reflected

the minimum amount of information that was available to

the Select Committee and said nothing about any further

information that was actually known within government at

the time, including the Home Secretary's examination of

this on his own bat.

Q. To be fair to Sir Gus, the letter he wrote back to you

on 10 September 2010 simply stated that the issue is now

under review by the Metropolitan Police and also subject

to an inquiry by the standards and prejudicial

committee.

A. You're talking about the second letter. My first

request to him was before we left office.

Q. And that was a request that he answer with a memo that

I think you now have about the various pros and cons of

taking action. It's at that point that I think we might

have looked at the other evidence available within

government and that's the point I'm making.

When I wrote to him in September 2010, it was

because further knowledge was available and that is the

New York Times --

Q. I'm focusing on the September 2010 issue because, as you

rightly say, we've looked carefully with Lord O'Donnell

at the March 2010 consideration.

Can I ask you this: we know that Mr Miliband was not

elected leader of the opposition until I think

25 September 2010. Did you discuss these issues with

him at any stage, either before or after his election?

A. This letter was independently done by me. I didn't

consult anybody before I sent that letter.

Q. No, I'm not suggesting that you needed to consult.

A. Yes.

Q. Did you discuss your concerns about the issue with

Mr Miliband?

A. I had expressed my concern to a number of people about

what was happening, but I can't remember a specific

conversation with Mr Miliband. Perhaps there was one,

perhaps there wasn't. I did raise it with Mr Clegg,

I remember, at one point.

Q. Okay. Now may we look to the future, Mr Brown, and

recommendations.

A. Yes.

Q. On the internal numbering, it's page 6, which we've

carefully considered but can I just pick up some themes

on where we are.

Statutory backstop. Could you elaborate on that and

differentiate between that and state regulation of the

press?

A. Can I just say, by way of introduction to this section,

that I would make a distinction between two roles that

this Inquiry might have, and indeed the way that further

self-regulation or regulation may go. I think there is

the issue of dealing with wrongs that have to be

righted, redressed for individuals who have a complaint

to make, and I've said, I think, pretty clearly in my

evidence that I don't think the present system, much as

it may be the better part of the complaint commission,

the dealing with complaints is satisfactory.

The second aspect, however, that I would urge you to

look at is not just how we can deter the bad, but how

far we can incentivise the good. If I'm right, there is

a problem developing in this but also in every advanced

country in the world about the quality of journalism and

the commercial basis on which it can proceed, and if, in

the 19th century, you had big proprietors and if, in the

20th century, you had advertising that managed to

finance quality journalism, there is a big issue now

about what can incentivise or give support to quality

journalism in the future.

So I would just want to make, by way of

introduction, if you're dealing with this, that yes, we

can look at a better complaints system -- and you have,
There is a problem now developing in the newspapers.

I have tried to give some thought to this. When the BBC was set up in the 1920s and then developed its licence fee system in the 1940s, it was clear that there was a market failure. In other words, the finance that was available for supporting quality broadcast journalism and quality content was simply not there. There was a market failure. So it had to be dealt with. Despite what James Murdoch says in his MacTaggart lecture, it had to be dealt with by taking action, and the action which was chosen, which was popular for at least some time, was the creation of the licence fee. And the licence fee was to support quality journalism, and of course, the argument in favour of it was that there were great extra novelties, if you are an economist — there were great benefits from high quality journalism, from the educational effect of that, from getting trusted information, and that there was a public good to be supported that the market itself would not necessarily support in broadcasting. Then, of course, there were further benefits, because once you put it on a broadcaster network, the marginal cost of delivering it to millions of people as against thousands of people was minimal.

Now, some of these arguments, in my view, now apply to the Internet. There is a problem about the lack of quality journalism. Most internal journalism has not got the resources to be as, if you like, persuasive or to be as trusted information as you would like it to be. There is a problem now developing in the newspapers because their advertising model has collapsed, basically, and therefore they're finding it more and more difficult. I mean, every week, I see a local newspaper going under.

So we have a problem about how we finance quality journalism for the future and there are journalists who are sitting here today who are in employment today, but I think the quality journalism that we need and that they represent for the future will have to find new ways of financing it.

Is the BBC model of any use to us? I think we ought to look at that. It certainly deals with this issue that there is a public good that the market cannot supply, and it certainly deals with the issue about how you might apply this to the Internet, as well as to broadcasting, because there is a zero cost in getting to millions of people once you get to the first thousand of people, and I would think that if we are genuine in trying to root out the bad but also trying to encourage the good, I think we have to say something about how quality journalism in this country can be financed, supported and really sponsored in the future.

This is a problem which is even greater in America, and there's a huge debate now in America about how quality journalism can survive, and there's some very good people joining that debate, but all I'm saying, sir, if you forgive me for doing so, is that you can deal with this issue about what I think was a terrible injustice done to the Dowler family, innocent people who had their rights trampled over, and we need to have a complaints system that deals with that and we need to have proper penalties and proper fines for dealing with that, but we also have to look at how we not just discourage the bad but encourage the good. And that's not making a judgment about what's good and bad in journalism; it's making a judgment that you will need trained journalist and you will need medias like the internet to be able to support that in future.

A. Absolutely.

A. I have tried to give some thought to this. When the BBC was set up in the 1920s and then developed its licence fee system in the 1940s, it was clear that there was a market failure. In other words, the finance that was available for supporting quality broadcast journalism and quality content was simply not there. There was a market failure. So it had to be dealt with. Despite what James Murdoch says in his MacTaggart lecture, it had to be dealt with by taking action, and the action which was chosen, which was popular for at least some time, was the creation of the licence fee. And the licence fee was to support quality journalism, and of course, the argument in favour of it was that there were great extra novelties, if you are an economist — there were great benefits from high quality journalism, from the educational effect of that, from getting trusted information, and that there was a public good to be supported that the market itself would not necessarily support in broadcasting. Then, of course, there were further benefits, because once you put it on a broadcaster network, the marginal cost of delivering it to millions of people as against thousands of people was minimal.

Now, some of these arguments, in my view, now apply to the Internet. There is a problem about the lack of quality journalism. Most internal journalism has not got the resources to be as, if you like, persuasive or to be as trusted information as you would like it to be. There is a problem now developing in the newspapers because their advertising model has collapsed, basically, and therefore they're finding it more and more difficult. I mean, every week, I see a local newspaper going under.

So we have a problem about how we finance quality journalism for the future and there are journalists who are sitting here today who are in employment today, but I think the quality journalism that we need and that they represent for the future will have to find new ways of financing it.

Is the BBC model of any use to us? I think we ought to look at that. It certainly deals with this issue that there is a public good that the market cannot supply, and it certainly deals with the issue about how you might apply this to the Internet, as well as to broadcasting, because there is a zero cost in getting to millions of people once you get to the first thousand of people, and I would think that if we are genuine in trying to root out the bad but also trying to encourage the good, I think we have to say something about how quality journalism in this country can be financed, supported and really sponsored in the future.

This is a problem which is even greater in America, and there's a huge debate now in America about how quality journalism can survive, and there's some very good people joining that debate, but all I'm saying, sir, if you forgive me for doing so, is that you can deal with this issue about what I think was a terrible injustice done to the Dowler family, innocent people who had their rights trampled over, and we need to have a complaints system that deals with that and we need to have proper penalties and proper fines for dealing with that, but we also have to look at how we not just discourage the bad but encourage the good. And that's not making a judgment about what's good and bad in journalism; it's making a judgment that you will need trained journalist and you will need medias like the internet to be able to support that in future.

A. Absolutely.
A. This is why I defend the freedom of the press and the right of the press to have the powers that they have, because without shining the light on potential corruption or maladministration or the abuse of power -- and that's true at a local level as well as at a national level -- people get away with doing things in an unaccountable manner that are completely unacceptable, and that's why you need a local press.

I mean, there was a study done in America about what happened to a town where they were faced with -- I think it was a flooding or something, and because there was no local journalism in place and because the information could not flow property, then citizens were being deprived of the means by which they could deal with this particular difficulty. This will continue to happen.

A. As you know, there's a debate about whether the BBC should be in local radio, whether it should simply be commercial radio, and how the integration of local newspapers with local broadcasting, with local television and local radio should happen.

It's clear to me, however, that without some underpinning -- and it may be financial -- then there is a market failure here. There is not enough resources now to support the quality journalism that you are talking about. My own local newspaper has just had its editorial staff merged with the next door newspaper. They're running down the numbers of staff that are providing this local service and I think you would find this in every part of the country that you go into, and more than that, you're finding it all across the world now, because an internet journalist, who is someone who's sort of doing their own, if you like, self-journalism, can put their views up on a screen and put their views across the world, but if they're not resourced and they're not doing proper research and there's no investigative journalism, then we're diminishing the quality of the output that is available to us.

So it's not a strict answer to this problem that there's more people communicating on the internet -- that's a good thing -- when you don't have the research that is being done and the investigation that is being done to bring quality journalism.

My point to you is that we can deal with the issue of complaints, and I think you have got excellent suggestions and I do applaud what you are trying to move to there, and I would emphasise, when I talk about the Press Complaints Commission, that without an investigative arm, it cannot be successful. The one thing you go to the Press Complaints Commission to get is a judgment on whether something is accurate or not, and when they reply to you, they say, "We cannot make a judgment on the accuracy of these statements", and therefore the one thing you ask them for, they cannot do because they have no investigative arm.

That's one thing, but encouraging quality journalism is, I think, something that I hope that in your next set of evidence you might be able to consider.

A. I may say I think there's quite a lot to learn from America, where this is a live debate.

Sorry, I moved from the initial point of your question about self-regulation.

MR JAY: Not at all. Mr Brown, the Prime Minister, as you know, has said that the relationship between press and politicians needs to be reset. What, if anything, would you recommend in that regard?

A. There has to be greater openness and transparency, as I've said, and I just repeat that. I don't think -- I do want to answer you previous question about regulation because I think it's important. I've never been one -- and this may sound surprising to people. Despite my discomfort with the press, I've never been one that has favoured heavy regulation or even regulation of the press. I've always looked for solutions that would avoid the idea that there was some form of interference in the press by politicians and I've always been very careful when we've talked about the BBC to make sure that we safeguard the independence of the BBC. So I start from this -- I said before it was a religious upbringing but the idea that people should be able to speak truth to power and the idea that the individual conscience is respected, free from state power, is very important to me.

Now, what do you do in circumstances where you have a recalcitrant newspaper which will not join the Press Complaints Commission? This is a problem which I know, sir, you face. What do you do in circumstances where you have a Press Complaints Commission that actually is
<table>
<thead>
<tr>
<th>Questions by MR DAVIES</th>
<th>Questions by MR DAVIES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. -- not decreed by legislation, so I think there is a way</strong></td>
<td><strong>A. -- not decreed by legislation, so I think there is a way</strong></td>
</tr>
<tr>
<td><strong>but I think we have less to fear from the proposals that</strong></td>
<td><strong>but I think we have less to fear from the proposals that</strong></td>
</tr>
<tr>
<td><strong>you're talking about, about a statutory underpinning,</strong></td>
<td><strong>you're talking about, about a statutory underpinning,</strong></td>
</tr>
<tr>
<td><strong>than people think, and certainly if there are</strong></td>
<td><strong>than people think, and certainly if there are</strong></td>
</tr>
<tr>
<td><strong>recalcitrant members of the press who are not prepared</strong></td>
<td><strong>recalcitrant members of the press who are not prepared</strong></td>
</tr>
<tr>
<td><strong>to join, I think your case is strengthened.</strong></td>
<td><strong>to join, I think your case is strengthened.</strong></td>
</tr>
</tbody>
</table>

**MR DAVISES:** It relates, I'm afraid, to the disputed call between Mr Brown and Mr Murdoch.

**MR JAY:** Mr Brown, those are all the questions I had.

**LORD JUSTICE LEVESON:** Mr Brown, those are all the questions I had.

**MR JAY:** Mr Brown, those are all the questions I had.

**LORD JUSTICE LEVESON:** Mr Brown, thank you very much. It's all very easy to say; rather more difficult to seek to achieve it, but thank you very much indeed for your assistance.

**A. I don't envy your job, but I know you're doing a great**

**Marry Corporation**

(+44) 207 404 1400

www.merrilcorp/mls.com

8th Floor 165 Fleet Street

London EC4A 2DY
"Answer: No, he didn't say that. He told me what Mr Murdoch had said to him.

"Question: So there was nothing about what Mr Brown said to Mr Murdoch; is that your evidence?

"Answer: Yes, it is. I cannot remember being told by Mr Brown what he said, and I have no way of knowing, but I know -- but I know what he said to me about Rupert Murdoch's reaction, which was to say, basically: 'I don't like how it's been done and I think it's a bad day to do it and I wouldn't have done it this way myself, but that's life and we have to get on with it.'

"Question: Mr Murdoch's reaction to what, though, Lord Mandelson?

"Answer: The decision of the Sun to switch support from New Labour to the Conservative Party, which he has said, if I recall correctly, was James and Rebekah's decision, not the editor's, incidentally."

A. First of all, there was only one call with Mr Murdoch, and it was on November 10, and that was a call that was related to Afghanistan and you have five letters that are affidavits from people who were on that call -- four of them on that call, one of whom who had to report to the press what happened afterwards -- and they make it absolutely clear that that call was about Afghanistan.

Whatever you're reading out, and whether you are referring to that call I don't know, but the November 10 call is the only call I had in a year with Mr Murdoch.

I don't know if you're in a position to confirm that that is the case on behalf of News International or not.

As for what happened on September 30, when the Conservative Party was given the imprimatur, if you like, of the Sun, there was no call. There was no discussion, there was no text, there was no conversation with Mr Murdoch at all, and I don't know how -- I notice that questions have come in from core participants, and the suggestion is that somehow there was a mobile call that hasn't been registered in Downing Street. I really think News International is doing itself a great deal of harm by trying to suggest that a telephone call took place which never happened, and trying to suggest that comments were made on that call that never were made, and trying to suggest also that the attitude of the person on the call was unbalanced when there was no call at all.

So you must tell me whether you want to refer to a call that was made on November 10, or a call that you are claiming was made after September 30 which never happened.

Q. Mr Brown, the only question I want to ask you is this: did you have the conversation with Lord Mandelson that he said that you had in the evidence I've just read to you?
Day 83 am
Leveson Inquiry
11 June 2012

Merrill Corporation
(+44) 207 404 1400
8th Floor 165 Fleet Street
London EC4A 2DY
Day 83 am Leveson Inquiry 11 June 2012

Page 130