

PROPOSED OPENING STATEMENT FOR BANKING INQUIRY

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1. I was Editor of the Irish Independent for a period of seven years from 2005 to 2012. I was previously Editor of The Herald and the Irish Daily Star, for periods of six years, and five years, respectively.

2. I should like to point out I am qualified to discuss the editorial policy of the newspaper during my period as Editor - rather than matters such as advertising revenue streams. The established policy and practice of strict separation of the editorial and advertising functions, meant that I was solely responsible for editorial direction. Under line management systems, other executives were accountable for commercial activities, such as advertising.

3. Correspondence on behalf of the Committee states it wishes to specifically discuss "Editorial policy on the economy and the property boom (2002-2007).

4. By way of background and context it should be noted that the overall role of an independent media - in a free society - is both complicated and nuanced depending on events and circumstances. However, my essential point in relation to editorial policy, particularly with regard to economic coverage, is that there was no conscious attempt on my part, or on the part of the newspaper, to fuel what has been described as the property boom.

5. It would be wrong to retrospectively arrive at definitive conclusions, regarding the coverage of the economy and the property market, on the basis of subsequent events, and evidence, which was not then but is now in the public domain. The ever changing dynamic, which is a mass selling daily newspaper, requires sophisticated analysis, when it comes to assessing editorial coverage on particular issues.

6. As the biggest selling daily newspaper in the country, the Independent has a wide and multi-layered readership base. These demographics by definition continue to evolve. The primary objective of an editor is to try and cater for such readership requirements, by marrying statistical data and social trends, with editorial instinct. The road-map for editing, by definition, remains constantly subject to change depending on events.

7. Coverage of the economy, and related matters such as the property market, are a key part of the journalistic remit of a paper like the Independent. However, such coverage cannot be conducted in an intellectual vacuum, and editors, writers, contributors, and analysts, cannot but be influenced by the prevailing climate at a given point in time.

8. Certainly up to and including the year 2007 the overwhelming consensus both domestically and abroad was that Ireland had transformed itself economically. The country had by then enjoyed a number of years of unparalleled prosperity - manifest most of all in historically low unemployment rates and a period of net immigration for the first time in the history of the state.

9. It is important to give cognisance to the economic context in which media reporting and commentary took place. The economy grew strongly from 2002 and this continued in 2007; national debt was among the lowest in the developed world at 25% of GDP; the country's fiscal performance was outstanding and employment levels were at heights never seen before in Ireland. All of these factors led to a powerful so-called "national feel good factor". Ongoing reporting and analysis of economic and related matters continued against this background. Central to some of the issues before this Committee - is that editorial work had to be conducted within the framework of known events and facts at that particular time.

10. The overwhelming consensus was that despite the rapid growth of the construction industry - and the ongoing rise in house prices - the essential pillars of the economy were sound. The prevailing wisdom was that if a "property bubble" was to emerge - the country's still high employment figures and positive government finances - would mitigate against a serious economic downturn. Hence the widespread belief in the financial, economic, and political communities, that a "soft landing", would result from the rapid expansion of the property and construction sectors over the previous number of years.

11. It is important to note this was also the prevailing economic consensus abroad - particularly at EU level - and the approach to Irish fiscal and economic strategies was both removed and benign - seemingly on the presumption that the fundamentals of our economy were sound.

12. But as we now know - and as has so often happened in similar circumstances throughout economic history - underlying trends were gathering pace which would have serious negative implications for Ireland. Clouds were gathering in the international financial world, and the storm that erupted in 2008 led to a global financial crisis, which had profound economic and fiscal consequences for the economies of the USA and Europe, and particularly those on the periphery. In time such a development would have profound consequences for our own banking structure.

13. The consequences for the Irish economy have been well documented. But for the period I have been asked to comment on, 2002-2007, the full import of a changing economic landscape worldwide was still in the future - and as such could not inform editorial coverage in the newspaper.

14. My pre-dominant objective as Editor was to optimise the circulation of the Irish Independent. By definition in an intensely competitive environment, this meant embracing and encouraging, wide-ranging and diverse views, in its editorial content. Daily newspapers articulate and reflect various dimensions of what has been described as "the national conversation" at any particular point in time. Sometimes of course, the predictions and assertions, by some commentators, about possible future trends may prove to be incorrect - but that reality is intrinsic to the very essence of journalism including economic forecasting.

15. The ultimate safety valve for the maintenance of editorial standards in a newspaper is the perception and understanding of its readers. They can be influenced in making the ultimate choice - of whether or not they continue to buy the paper - if they believe certain editorial standards are not being adhered to. For this and other reasons, there was no hidden agenda in the Irish Independent, to try and artificially bolster the property market for the period under review.