

PRIME MINISTER

Broadcasting
and Press.

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Memorandum from: Sir Harry Boyne
Date: 23rd December, 1981

To: The Chairman
cc Mr M Spicer, MP
Mr D. Boddy
Mr C. Lawson
Mr Ian Gow, MP

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CONFIDENTIAL

Just to let you know that well-informed Fleet Street executives have no doubt that the "Daily Express" is privately up for sale, and that the most likely - if not indeed the only - potential purchaser is Rothermere's "Daily Mail" group.

They say Nigel Broackes has put his foot down on Matthews because the Express Group's troubles, culminating in the ousting of Jocelyn Stevens, have begun to affect adversely the share price of its Trafalgar parent. Today's news that the group is being floated off from Trafalgar lends confirmation to this. In other words, Matthews is being left to hold his own baby.

The effect, according to the Fleet Street gossips, is that the group is being packaged for an early sale to Associated Newspapers (Daily Mail etc), a conglomerate with liquid assets unrivalled in Fleet Street. If the takeover happens, Associated will immediately announce the abandonment of their projected "Mail on Sunday" because they will then have the paper (Sunday Express) which was to have been their main target. I am told they have only about 60 journalists actually under contract for the Sunday paper. Golden handshakes for that lot would be a drop in the bucket for an outfit with Associated's reserves. Moreover, they would be able to do all their daily and Sunday printing of the amalgamated "Express" and "Mail" titles on the "Express" plant. This would free them to sell off for re-development their large properties (Northcliffe House, Carmelite House etc) on both sides of the river, thus adding many millions to their already vast assets - the real attraction of the supposedly impending move.

So far as the Conservative Party is concerned, we'd probably have the support of only two combined papers (Daily Mail-Express and Sunday Express-Mail) instead of four separate ones. But I should think it very likely that Associated would kill off the ailing "Daily Star", which Matthews & Stevens turned into a Labour-supporter for circulation reasons. So I don't think the net effect would necessarily be harmful to us.

APB

IN ADDITION TO THIS POSSIBLE TAKE OVER,
I UNDERSTAND FROM EDWARD DE CANN THAT
LONANO WILL SEEK TO BUY THE DAILY
MIRROR.

Jan
29/12/1981