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PRIME MINISTER

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To see
MS

Treasury Chambers, Parliament Street, SW1P 3AG

N J Sanders Esq
Private Secretary to the
Prime Minister
10 Downing Street
London SW1

30 April 1980

Dear Nick,

MS


The Chief Secretary has asked me to send you the attached copies of letters from Professor MacKay of Heriot-Watt University about the Sunday Times report of his speech in Edinburgh on 19 April. The letter to the editor was published in the Sunday Times on 27 April.

The Chief Secretary had not met Professor MacKay before the Edinburgh conference, and his remarks about the speech and action in writing to the Sunday Times to protest about their treatment of it were entirely unsolicited.

MS
A C Pirie

A C PIRIE

Private Secretary



Department of Economics

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Telephone 031-225 8432 Ext.101

Professor D I MacKay

your ref

our ref DIM/jr

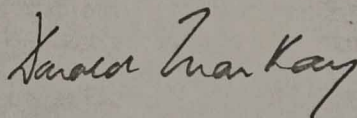
date 22nd April, 1980

Rt. Hon. John Biffen M.P.
House of Commons,
LONDON.

Dear Mr Biffen,

I very much enjoyed the opportunity of meeting you last Saturday and I particularly appreciated the frank way in which you presented and discussed present economic policies. Given your exposition I was quite taken aback to see the headline in the Sunday Times next day and I felt strongly enough to write a letter to the Editor in protest, a copy of which I enclose. I hope that you feel that it is a fair expression of your remarks and of the manner in which they were treated by the Sunday Times.

Yours sincerely,



D.I. MacKay

Encl.



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Telephone 031-225 8432 Ext. 101

Professor D I MacKay

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date 22nd April, 1980

The Editor,
The Times Newspaper Limited,
New Printing House Square,
Grays Inn Road,
LONDON WC1X

Dear Sir,

On Saturday 19th April I shared a public platform with John Biffen, Secretary to the Treasury, speaking to the theme of "Productive Manpower". Mr. Biffen gave a most able exposition and defence of current government economic policies.

On Sunday 20th April, the Sunday Times reported Mr Biffen's remarks under the headline "Shock for Thatcher from key Minister". The report claimed that Mr Biffen had "challenged the whole foundation of right-wing Conservative theory, shared by the prime minister, that money supply and inflation are directly linked".

The article appeared to contain only one alleged source of difference between Mrs Thatcher and Mr Biffen. It suggested that Mrs Thatcher believes there is a mechanistic link between money supply and inflation while Mr Biffen thinks that while a link exists, its exact form is not easily predictable.

It seems doubtful to me that this does reflect Mrs Thatcher's view and even more doubtful that such differences as may exist are the stuff of sensational headlines. What I am certain of is that Mr Biffen's remarks were in no way intended as an attack on present policies. His speech deserved serious analysis and honest reporting. As a reader of the Sunday Times I am disappointed to report that neither was forthcoming.

Yours faithfully,

Professor D.I. MacKay

30 APR 1980

