

I have put in the <sup>file</sup> ~~box~~ the 1966  
Monopolies Commission report and the  
1973 Act in case you want to look  
through them. MS

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PRIME MINISTER

The Times: PNQ from John Smith

Sally Oppenheim answered a PNQ from John Smith about The Times this morning. We had told her beforehand that she should keep all the options open and play everything with the straightest possible bat, and in the event she did exactly that.

At the time of the Answer, no formal application had been received by the Department of Trade, so that Mrs. Oppenheim was able to rely on that for many of her answers to supplementaries. The Speaker allowed a large number of supplementaries because of the degree of interest on both sides of the House; all of the Labour speakers urged reference to the Monopolies Commission and Jonathan Aitken and Hugh Dykes did the same.

John Smith said that we were faced with one of the greatest concentrations of newspaper power in the country's history, and that it was unthinkable that the Secretary of State for Trade should not make a reference. The Monopolies Commission would be able to complete their work in a reasonable time, and it need not take them months to prepare their report. All the assurances in the world from Rupert Murdoch at this stage were no substitute for mature consideration by the Monopolies Commission and undertakings given to them which would make Mr. Murdoch accountable to the public at large. In reply, Mrs. Oppenheim said that Mr. Biffen would consider the matter very carefully. She pointed out that in the last resort it was a matter for him and not for Parliament and summarised the terms of the relevant section of the Fair Trading Act 1973.

Jonathan Aitken said that she had given the only answer that was possible at this stage, but that any refusal to make a reference would be a shattering disappointment to those who believed that the

/ Government had

Government had a duty to safeguard the public interest in matters of newspaper power. Any evasion would be contrary to the spirit of the 1973 Act. Mrs. Oppenheim said that the effects were not yet known, and that Mr. Biffen had to wait for the formal application.

David Owen raised a significant new point. He said that the Sunday Times was economic, and that there could be no question of doubt that it had to be referred to the Monopolies Commission, even if The Times fell within the exceptional category specified in the Act. Mrs. Oppenheim said carefully that Mr. Biffen would decide on the basis of the law as it stands and on the basis of information supplied to him when the application was made.

Peter Emery said that he was concerned about the possibility of delay arising from a reference. Mrs. Oppenheim said that that would be one of the very important factors which Mr. Biffen would consider. She reminded the House that he had no power to compel the Monopolies Commission to consider a reference of this nature in less than the statutory period (which is three months).

David Winnick said that the sale of The Times had caused the maximum concern about its future. Mr. Murdoch was already the head of a vast press empire and his newspapers had a sorry reputation for slanted political comment. Sir Ronald Bell said that there was no legal duty to refer the proposal and that it was up to Mr. Biffen to use his discretion. He thought it most unlikely that The Times would continue unless bought by an existing proprietor. Mrs. Oppenheim said that under certain circumstances Mr. Biffen had no discretion but to make a reference. Geoffrey Robinson asked Mrs. Oppenheim to confirm that a reference of The Sunday Times was unavoidable. He said that there were ample grounds under Part V of the 1973 Act for a reference of the "whole of this sordid business". Mrs. Oppenheim said that there was no question of a wider reference. If and when an application was made, it was solely a question of the application of Section 58 (iii) of the 1973 Act.

/ Hugh Dykes

Hugh Dykes said that phrases such as that did not help when a genuine offer had been made, but that it would be inconceivable for the reference not to take place. The proposal needed to be looked at in the public interest. Mrs. Oppenheim said that references to "a sordid business" were insensitive when jobs were involved.

Dick Douglas said that he thought that the House was entitled to know more about the Department of Trade's attitude to the proposal. Mrs. Oppenheim said again that Mr. Biffen would uphold the law and that since no application had been received, she could not be expected to go further than she had.

Albert McQuarrie said that the Unions themselves had agreed that it was a satisfactory deal. It was impossible that a reference could be completed within Mr. Murdoch's three week deadline, and the Opposition should be more concerned about the risk to the jobs concerned. Mrs. Oppenheim said that the Unions' "delight" would be among the factors Mr. Biffen would consider.

Finally, Bruce George asked Mrs. Oppenheim to convey to prospective buyers a sense of <sup>the</sup> concern which had been expressed from all sides of the House, so that alternative purchasers would not be frightened away. Mrs. Oppenheim said that she was sure that everyone concerned would have noted everything that had been said in the House.

I have little doubt that the Opposition will have come to the conclusion that the Government is at least considering not referring the issue to the Monopolies Commission - and indeed John Silkin told Murdo that that was his own conclusion. But Mrs. Oppenheim did not close any of the options, so that all was left to play for.

MS

23 January 1981



10 DOWNING STREET

Prime Minister

There will be a  
page, and Cabinet brief,  
at lunch time on  
Monday - when the application  
has been studied (it is  
expected later tonight).

T.L.

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