

NOTE FOR THE RECORD

cc. Mr. Whitmore

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The Prime Minister had a 15 minute meeting with Mr. Rupert Murdoch, proprietor of Times Newspapers, at 10 a.m. on Friday, 27 March, 1981. Mr. Murdoch's purpose was to report on the progress of Times Newspapers before his return to the United States.

Mr. Murdoch pronounced himself happy with the editorial direction of The Times under Harold Evans, though it would take some months to get it right. They were recruiting to strengthen the editorial team - for example, Frank Johnson from Now! and David Watt, ex-FT. Other staff changes were planned but these would be made steadily and not in a rush.

Mr. Murdoch said the Sunday Times was fine financially but its editorial direction would need watching.

The Prime Minister agreed to Mr. Murdoch's suggestion that she should take an early opportunity to have a word with Frank Giles, the new editor - possibly inviting him alone into No. 10 for a drink.

ACTION

Overall, Mr. Murdoch characterised his progress with Times Newspapers as "getting a hold of it".

The meeting then moved briefly to discuss the economic and political situation. The Prime Minister hoped we were

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through the worst, though she had always recognised 1981 would be a rough year. The Government - and the country - were having to face up to problems which had accumulated over the years and were now catching up with us. However difficult the situation, they had, however, to be faced and the remedies applied.

Mr. Murdoch's main concern was energy costs. While accepting economic prices should be charged, he hoped something would be done to reduce the competitive edge on the Continent.

The Prime Minister said we must have a larger differential between large and smaller users, but she emphasised the advantage of the Continent in being able to import low cost coal whereas we supported our relatively high cost coal industry by generating 70% of our electricity from it.

The Prime Minister and Mr. Murdoch agreed that small businesses were in general doing well; we usually did well where trade unions were not a problem, though it was only fair to point out that in the textile and ceramics tragedies the trade unions had been wonderful.

In concluding the meeting, the Prime Minister asked Mr. Murdoch to keep her in touch with Times progress and reiterated her willingness to see Mr. Giles at a reasonably early date.


B. INGHAM

1.4.87

FILE

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PRIME MINISTER

Bernard Ingham put in a note to you over the weekend asking whether you would be prepared to see Rupert Murdoch and you agreed.

He has rung to ask whether it could be tomorrow and I have given a categorical NO. Bernard now asks whether you could see him on Friday for 15 minutes. This is by no means ideal as you have the Central Council speech to do that morning before your lunch at Buckingham Palace.

Happy to see Mr Murdoch?

CAROLINE STEPHENS

24 March, 1981

Mr. Murdoch

PRIME MINISTER

Rupert Murdoch telephoned me today to ask if he could see you for 15 minutes some time next week before returning to the United States, to brief you on progress with Times Newspapers. He emphasised that he had no urgent problems, but felt he ought to let you know how things are progressing before he went back to America.

I explained that you would not be available Monday or Tuesday, but said I would put the point to you.

I think you should see him, bearing in mind the way he kept you informed before his successful bid.

O'Connell
mb.

[Handwritten signature]

20 March, 1981.