

one quality newspaper might strengthen the others by inducing them to make competing improvements and by enhancing the value of the quality press generally in the eyes of advertisers.

144. We also inquired whether the fact that the Times might be subsidised for some years to come by the Sunday Times or by The Thomson Organisation would be regarded as unfair competition. It was pointed out to us that cross-subsidisation of this sort was already common in the newspaper industry. It was put to us, however, that the proposed transfer would be undesirable if The Thomson Organisation were to make unlimited funds available for an indefinite period to subsidise the Times with the intention of driving other newspapers out of business ; or if it used its resources for a long period to get readers from other newspapers. No one suggested, however, that there was any effective method of putting a brake on competition, and indeed it was generally considered that any attempt to do so was undesirable.

CHAPTER 6

Conclusion on the Public Interest

The need of the Times for outside help

145. The reference from the Board of Trade requires us to investigate and report upon the transfer of the Times and the Sunday Times newspapers to a newspaper proprietor. We have, however, found that Times Newspapers would acquire from the Times Publishing Company a number of other publications and the Observer printing contract as well as the Times itself. Accordingly we decided that in examining the relevant trading figures we should look at the trading results of the Times Publishing Company rather than those of the Times in isolation. In arriving at this decision we first satisfied ourselves that, at any rate in recent years up to and including 1965, there was no marked degree of subsidisation of the Times by the other activities. Thus in the year 1965, when the company's total trading profit was £146,000, it is estimated that the Times sustained a loss of £3,000 and other activities made a profit of £149,000.

146. We were told by Mr. Gavin Astor and Sir William Haley (see paragraphs 63-67) that, in the face of the losses which were now expected and of the need for capital for the development of the Times, the Times Publishing Company could not continue to publish the Times without some outside assistance. A number of our witnesses believed that the death of the Times was imminent, and that the only hope of saving it was for a stronger organisation to take it over. We think that this belief may exaggerate the problem. Nevertheless the financial and statistical data that have been given to us confirm that the company's results have been less than satisfactory in recent years and they give ground for concern about its future prospects.

147. The essence of the problem is that, during a period in which the market for quality newspapers was growing, the circulation of the Times remained static, with the result that its share of the market gradually declined. The quality newspapers are even more dependent on advertising

revenue than are the popular newspapers, because they cannot hope to match the revenue of the latter from sales to readers. They are able to attract sufficient advertising without the enormous circulations of the popular newspapers only because, in general, the public which they reach is a public of special interest to certain classes of advertisers. But it remains necessary for quality newspapers to convince such advertisers that they are reaching a sufficient share of that market and that they can therefore offer good value. Its declining share of the quality market has put the Times in a weak position to attract advertising and has meant that, in terms of the number of readers reached, it has become relatively expensive to advertise in the Times. In consequence, although the average size of the newspaper has stayed approximately the same, the proportion of space devoted to advertising has declined from 38.9 per cent in 1961 to 33.5 per cent in 1966.

148. We do not accept that in present circumstances it is no longer practicable for a quality newspaper to be published on its own without some other major source of finance to support it. The success of the Daily Telegraph has demonstrated the contrary. But it is clear that a quality newspaper with a circulation of only 250,000 (which is what the Times had up to the end of 1965) is likely to have difficulty in attracting enough advertising revenue to enable it to stand on its own, when other newspapers aimed at similar readers are able to offer advertisers the attraction of much higher circulation figures.

149. To achieve a satisfactory level of profit the Times must obtain more advertising, but to do this it must first increase its circulation. As explained in paragraph 15, there is an inevitable time lag before increased circulation can bring benefit in the shape of increased advertising revenue; the immediate effect of an increase in circulation is a decrease in profit or an increase in loss. The Times Publishing Company told us that the changes in the layout and contents of the Times introduced in May 1966 had led to an increase in circulation as great as it had hoped for. But this has not yet attracted additional advertising, and there is therefore little additional revenue to offset the additional costs incurred in producing a larger number of copies and in mounting a publicity campaign to promote sales. This factor (no doubt now aggravated by the effects of the present recession) seems to account for the loss which the company expects to incur in 1966.

150. Some witnesses expressed the view that the Times Publishing Company could have avoided its present difficulties if the problem of increasing the circulation of the Times had been tackled energetically some years ago. We see no reason to disagree. Indeed, we find it surprising that the company found it urgently necessary to look for rescue by a change of ownership at this particular stage. On the face of it the company's financial prospects do not appear desperate. The company made a profit during the period 1960-65, despite the fact that it was bearing the additional costs occasioned by the re-building of the Printing House Square premises. Even much of the expected loss in 1966 could well be regarded as an investment in the development of the Times; in any case it will not of itself have resulted in any major outflow of funds since, in arriving at the expected loss of

£285,000, depreciation has been charged amounting to £268,000 (see Appendix 6, note 3(b)). We do not regard the figures that we have been given as demonstrating that there can be no hope of restoring profitability within a period of a few years; within a year or so the company should reap the benefit of the higher circulation already achieved and it would then be better placed to make further progress. A moderate loss could be carried for a few years and, if it were necessary to raise a loan as a temporary measure to tide the company over, it should not be impossible to obtain sufficient for this limited purpose on the security of the Printing House Square premises. It is true that substantial capital will be needed for further development, particularly if new printing methods are to be introduced, but it should not be unduly difficult to raise once satisfactory profits were being made. The most pressing need is probably for good management, skilled in marketing, which could make a determined and well directed effort to get the greatest advantage from the higher circulation which is already being achieved and which could be raised further. But we feel some surprise that, on the one hand, the need for more effective marketing and the likelihood of losses for a period were not sufficiently foreseen before the recent costly effort to increase circulation was undertaken; and that, on the other hand, having undertaken this effort the company should have found it necessary to give up the struggle so soon. Nevertheless it is plain that the company no longer has confidence in its own ability to carry on successfully, and this in itself makes change desirable. Furthermore the present outlook for business is causing a reduction in newspaper advertising which, if it continued, could seriously upset the finances of any newspaper.

Advantages of a link with the Sunday Times

151. Before turning to The Thomson Organisation, the Times Publishing Company explored the possibility of joining forces with other quality newspapers, namely the Guardian, the Observer and the Financial Times. None of these appeared to it to offer a solution to its problem, and the company now sees The Thomson Organisation as the only group both able and willing to provide the money and the management required to keep the Times in being. This view was shared by a number of our witnesses.

152. We have no doubt that, as regards management and marketing, the proposed transfer has much to recommend it. The Thomson Organisation has an outstanding reputation among newspaper publishers in these respects and, we were told, it has built up a marketing organisation much larger and more highly skilled than any company publishing a single newspaper could afford. The results of this can be seen in the success in recent years of the Sunday Times in taking full advantage of editorial improvement to expand circulation and so attract a very high proportion of advertising (an average of 59 per cent of the newspaper in the first ten months of 1965). The skills and experience of this organisation would be at the disposal of Times Newspapers Ltd., and this should greatly improve the commercial prospects of the Times.

153. As regards finance, the advantage of the proposed transfer is that the profits earned by the Sunday Times (see paragraph 62) would be available in full to enable Times Newspapers to sustain the losses which the Times is

likely to incur until sufficient advertising revenue can be obtained. The transfer might also make possible some economies in editorial costs, for instance in the cost of foreign correspondence, which would further strengthen the joint position of the two newspapers. This financial strength should put the company in a good position to raise the further capital that might be required for future developments. Moreover, if the printing of the Times should ever be moved to Thomson House (where there is room for it on the presses in addition to the Guardian) there would not only be additional immediate economies but the amount of capital required for the introduction of new printing techniques for the two newspapers would be greatly reduced.

154. There is thus a good prospect that Times Newspapers would be profitable. But in any case we were told that, if the profits from the Sunday Times did not provide all that the Times required, The Thomson Organisation would be ready to make the necessary advances out of its own profits from other activities. In addition to this Lord Thomson and his son said that, if it proved necessary in order to keep the Times in being, they would be willing to put at its disposal the whole of their personal fortunes in this country. The meaning of this offer is explained in paragraph 90. We are not in a position to assess the practical value of the offer if circumstances arose in which neither Times Newspapers nor The Thomson Organisation could provide the necessary funds themselves. But we doubt if it would ever need to be implemented.

155. In the light of this evidence we have no hesitation in concluding that if, as the Times Publishing Company believes, outside help in the form of finance and management skills is needed to rescue the Times, then the proposed link with the Sunday Times offers a good prospect of keeping the Times in being. It does not follow that the Times could not be preserved by other means, but there is no alternative in sight at present offering as firm grounds for confidence as this proposal.

How the proposed transfer might affect the public interest

156. In assessing the implications of the proposed change in the ownership of the Times, we consider first the particular position which it occupies. Some witnesses argued that the Times is a national institution of unique importance and prestige which should not be permitted to come under the control of a company actuated by considerations of commercial profit. Others took the view that its position is not essentially different from that of competing quality newspapers. Indeed, some of these considered that its pretension to be in a quite different class from that of other newspapers had done positive harm.

157. We recognise that there was a time, in the 19th century, when the Times stood virtually alone, and even when other newspapers overtook it in popularity it still retained great influence. It no longer enjoys the same position of dominance nor the same influence on public affairs as it has done at some periods in the past, but some of the prestige arising from its historical position still clings to it and, in the minds of some people, differentiates it from other newspapers. Moreover, on occasion in the past, the editor of the Times allowed himself and the newspaper to be used

by the Government of the day as an instrument for moulding public opinion. This may in part account for the fact that, particularly abroad, the Times is still sometimes believed to have an authority which it does not now possess.

158. We do not accept that the role of the Times is in any way special. Its prestige and the authority with which it speaks should depend entirely on the quality of the newspaper itself. By this criterion it deserves a high reputation. Although we do not consider that the Times has any right to be accorded a special status or unique role, we recognise that it occupies a position of importance and that its loss would be a serious matter, as indeed would be the loss of any of the quality newspapers with which it competes.

159. It is valued for two qualities. The first is the nature and range of its news reporting. The Times Publishing Company told us that it would like to widen and improve its news coverage, but it is generally accepted that in the news that it prints it sets a high standard of accuracy and freedom from bias. Moreover the Times still, as a matter of course, provides a record of some matters which may not appear in any other newspaper, e.g. Parliamentary reports, public and university appointments, the law reports, the obituaries and the Court Circular. The other quality that the Times has is freedom to express opinions on great issues of the day without regard to popularity or to political or other pressures. The Times is not unique in this, but there are few newspapers whose editors are completely free to express forthright views uncoloured by special or sectional interests.

160. It is against this background that we must consider whether the public interest might suffer as a result of the proposed transfer. The questions are:

- (i) whether the transfer would cause an excessive concentration of newspaper power;
- (ii) whether there would be a threat to the survival of other newspapers;
- (iii) whether changes in the nature of the Times are likely to result which would rob it of the qualities which make its preservation a matter of public interest.

Concentration of ownership

161. As regards the first question, the transfer of the Times would, in form, be to a company which would publish only one daily and one Sunday newspaper. Although this does not in itself suggest a serious concentration, 85 per cent of the shares of this company would be owned by The Thomson Organisation, which would also have the right to buy the remaining 15 per cent if the Astor interests should wish to sell them. We cannot therefore regard the device of the creation of a separate company as effectively separating control the Times and the Sunday Times from the rest of the Thomson interests. Thus the result of the transfer would be to add the Times to a group which in the United Kingdom, apart from the Sunday Times, also owns the Scotsman and about 100 magazines and provincial newspapers and has various interests outside the newspaper industry, including Scottish television, book publishing, "package holiday" tours and an airline. The addition of an important vehicle of opinion such as the Times represents a material increase in power to this group. It would be a continuation of the movement towards concentration in the ownership of the press, which must ultimately tend to stifle the expression of variety of opinion.

162. If the danger to be anticipated from such concentration is that one man or company might have an undue degree of influence on public opinion, there are factors which suggest that the present proposal need not be regarded as a matter for serious concern. The first is that The Thomson Organisation does not at present own an English national daily newspaper, and even with the Times its share of the circulation of all national and provincial daily newspapers would be only about 7 per cent*. Another factor is that, apart from the Sunday Times and the Scotsman, the other interests of The Thomson Organisation do not give it much influence over public opinion; it is not permitted to control opinion expressed on Scottish television, and its provincial newspapers, although numerous, can scarcely be regarded as influential by comparison with national newspapers. Furthermore the avowed approach of The Thomson Organisation to newspaper businesses is to select good editors and editorial staff and to leave the editors free to decide editorial policy. The Organisation claims that it is concerned only with efficient and profitable management and does not interfere in matters of opinion, even if its various newspapers contradict one another. Ultimately of course the needs of commercial profitability may lead a management which adopts such an approach to remove an editor who expresses such unpopular opinions that the paper is commercially prejudiced, but our witnesses generally confirmed that The Thomson Organisation has in practice given its editors a great deal of freedom. Although there can be no guarantee that The Thomson Organisation or its successors will always abide by this policy, nevertheless the transfer of the Times to a company with such a policy involves little risk. It certainly involves less risk of stifling variety or of the misuse of power to influence opinion than would the transfer of the Times to a proprietor who regarded newspapers as vehicles for his own views. Accordingly, we do not consider that the proposed transfer would lead to an undue concentration of newspaper power†.

163. Although most of our witnesses readily accepted that The Thomson Organisation would be unlikely to interfere with the expression of opinion in the Times as long as the company was controlled by Lord Thomson, some concern was voiced about the position after Lord Thomson's death and also about the fact that, following the transfer, the ultimate ownership of the Times would be outside Britain, i.e. with the Thomson family trust in Canada. Most of us see no objection in principle to a British newspaper being controlled from Canada. In fact, however, control over The Thomson Organisation is exercised by Lord Thomson through his shareholding in Thomson Television Ltd. (see Appendix 3), and the question does not therefore arise during his life as long as he retains his control. Upon his death the controlling interest would pass to his son, who, we have been told, intends to live in Britain. We have no reason to expect that the change in control of the Organisation upon Lord Thomson's death will lead to any change in its approach to newspaper management, but there can of course be no assurance that future owners will not adopt different policies.

* It would have a larger share of the circulation of the quality newspapers considered separately, namely:

13 per cent of the circulation of national quality dailies;

44 per cent of the circulation of quality Sundays (unchanged);

33 per cent of the circulation of national quality dailies and Sundays combined.

† See Mr. Davidson's note of dissent, paragraph 186.

Competition

164. The concentration of newspaper and other interests may not only afford power to control the expression of opinion but may also bring commercial and financial power. This leads to the second question posed in paragraph 160, whether the proposed transfer of the Times threatens the survival of other newspapers. If the Times were preserved only at the cost of losing one or more other newspapers the public interest could suffer as much as by the loss of the Times. The question falls into two parts: the first concerns the special position of the Guardian and the Observer, both of which would be printed by the new company, and the second concerns the effect on these and other newspapers generally of increased competition from the Times.

165. The Observer and the Guardian have discussed their position with The Thomson Organisation and have informed us of the outcome. Both were nervous of the difficulties that could arise through being printed by the same company, if not in the same building, as their principal competitors. The Observer has sought to protect its position by negotiating terms on which its printing contract could, if necessary, be terminated (see paragraph 136). The Guardian's negotiations are not yet completed. We hope that a satisfactory agreement will be reached covering the two points on which Lord Thomson has already offered to meet the Guardian's wishes (see paragraph 141) and also mutually acceptable provisions for the extension of the printing contract for a further period after 1976. We recognise that both newspapers would be in a vulnerable position and could yet be put to considerable difficulty. But we consider that this is a matter which must be left to negotiation between the parties and we do not think it would be appropriate to suggest any special safeguards in the public interest.

166. As regards competition more generally, there is no doubt that if the Times is to be made commercially successful it will have to compete for readers and moreover that, supported by the marketing skill and strength of the Thomson Organisation, it would compete very strongly for advertisers. If it were successful, the circulation or advertising revenue, or both, of other newspapers would be bound to be affected adversely, although we were told that in some respects newspapers in the quality group could benefit from the competition, if for instance it enhanced the value of quality newspapers generally in the eyes of advertisers (see paragraph 143). There is a risk that, in the foreseeable future, one or more national newspapers will cease publication, and their heavy dependence on advertising revenue makes the quality newspapers especially vulnerable. Such a situation would be unlikely to be attributable solely to greater competition from the Times. Some newspapers are already financially weak and their difficulties are currently being aggravated by advertisers' caution in the present economic climate. The Guardian indeed has recently issued public warning of its present difficulties. Competition from the Times could add to the difficulties of these newspapers, but the evidence of witnesses leads us to the conclusion that the consequences of the transfer would not of themselves suffice to kill any newspaper which would otherwise have survived.

167. We have been struck by the situation which results from the dependence of newspapers, especially the quality newspapers, upon advertising revenue. This places such a high premium on circulation that a newspaper which is losing circulation or is not gaining circulation as rapidly as its competitors may have to cease publication. Under these conditions an important effect of competition may be that large numbers of readers are deprived of the paper of their choice. It was put to us that this difficulty bore especially on papers which gave vigorous expression to minority views and on left-of-centre papers, because the readers that they appealed to were believed by advertisers to command less purchasing power than those of less provocative quality papers. But this view was not supported by those of our witnesses who were directly concerned. The problem appears primarily to be one of relative circulation figures ; a newspaper may have a substantial readership but, if other papers competing in the same section of the market can point to much higher circulation figures, it may fail for lack of advertising revenue. Some of our witnesses took the view that if this difficulty led to a severe reduction in the number of national newspapers further consideration would have to be given to the ideas for removing or offsetting inequalities in advertising' revenue which were examined and rejected by the Royal Commission on the Press (Cmnd. 1811, paragraphs 285-313). Another suggested solution was a body on the lines of the National Film Finance Corporation. However, this general problem, serious as it may be, lies outside the terms of our reference.

168. Nevertheless it is against the background of the situation outlined in the previous paragraph that we have had to consider the effect of greater competition from the Times. Such competition might prove to be the last straw for some other newspaper, but any alternative plan to strengthen the Times might carry the same threat. We do not think therefore that the prospect of increased competition is a reason for objecting to the transfer of the Times or for placing any restraint on its ability to compete. Furthermore action on either line could be open to the objection that it might endanger the survival of the Times itself.

Changes in the Times

169. We turn now to the question whether changes in the nature of the Times would be likely under the new management which would be detrimental to the public interest. As mentioned in paragraph 159, the value of the Times to the public lies both in the extent of its news reporting and in the freedom of its editor in matters of opinion. As to the former, The Thomson Organisation assured us that it was not intended to make any change in the nature of the Times as a newspaper of record. It would still be aimed basically at the same section of the public as it is now, and those features which make it valuable to that public would be retained. Future policy would be primarily a matter for the new editor, when appointed, but it was not expected that any of the present news features would be dropped ; there would no doubt be changes in the news pages, but these were likely to be in the direction of making the reporting of both home and foreign news more comprehensive, in order further to improve the value of the Times as a newspaper.

170. Certain witnesses drew attention to the danger that the extensive commercial interests of The Thomson Organisation at home and abroad might influence the reporting of matters which affected these interests. They did not necessarily mean that the Organisation would require the editor to refrain from expressing opinions or publishing material which might have an adverse commercial effect on these interests, but it was suggested that the editorial staff might themselves feel inhibited in this respect. Mr. Hamilton assured us that he would make it clear to the editor and the staff of the Times that they would have his complete protection in honestly reporting in the Times whatever they regarded as right even if it affected other Thomson interests (see paragraph 111). In the light of this assurance we accept that the danger of biased reporting of matters affecting Thomson interests in the Times would be negligible, although the possibility would remain and there could be no guarantee that future managements of the company would follow the same policy. In any case, other journals might be expected to draw attention to biased reports or acts of omission.

171. We conclude therefore that there is little danger that the public interest would suffer from changes in the Times as a purveyor of news.

Editorial independence

172. There was considerable anxiety among our witnesses about the danger to the Times as a vehicle for the free expression of opinion on public issues. They were concerned about editorial freedom in two respects.

173. First, some thought that the Times would suffer from the fact that the avowed object of The Thomson Organisation is to make profits. They feared that there might therefore be undue reluctance to express unpopular views for fear that these views would prejudice the newspaper's commercial prospects, and even that pressure might be put upon the editor to refrain from publishing opinions which might upset either readers or advertisers. We were told of instances in which an unpopular editorial line in a newspaper had led to loss of readers or to withdrawal of advertisers' custom; any editor must have this danger in mind, and he is particularly susceptible to it if either the financial position of his newspaper is weak or if the proprietor's object is to achieve the highest profits. Secondly, many witnesses were also concerned that not only would the Times and the Sunday Times be under common management but their editors would be under the control of a single editor-in-chief. It was generally thought that the editor-in-chief would be bound to influence the editorial policies of both papers, with the result that both could be expected to speak with the same voice on important issues, so that one independent voice in the Press would have been lost. We consider that there is real ground for these anxieties.

174. As regards the first point we think it likely that, under the new management, commercial considerations would play a greater part in running the Times. The Thomson Organisation, in the interest of its shareholders, is likely to want to ensure that the profits from the Sunday Times are not wholly swallowed up by the Times. The Thomson Organisation told us that the paper would still be aimed at the same class of readers, but commercial pressures might lead the new company, in seeking higher circulation figures, to appeal to a wider class of readers. For this purpose

the editor might find it necessary to make changes in the paper which could include the avoidance of provocative or controversial opinion and some blurring of the editorial voice. On the other hand, unless their papers have great financial strength, editors cannot be entirely shielded from commercial necessities, and other plans for making the Times more profitable might have the same result. Indeed, a proprietor who did not have the financial resources of The Thomson Organisation might be even more dominated by commercial considerations. Under any new arrangement the editor of the Times is likely to have to pay more regard to commercial requirements than recent editors have been accustomed to ; this is probably unavoidable, and it must be recognised that the Times would no longer speak with its accustomed voice. We do not, however, regard this in itself as a valid ground for objecting to the transfer, provided that the editor would remain free of external control in matters of opinion.

175. We are more concerned about the danger that, as a result of the editorial link with the Sunday Times, the Times might speak with the same voice on major matters as the Sunday Times. While it is impossible to lay down any provisions to ensure that, in the public interest, a newspaper shall speak with a particular voice, it is most important to seek to preserve that diversity of opinion should, as far as possible, be reflected in the Press and any diminution in the opportunity for the expression of such diversity is a matter for concern. We therefore regard it as an important question whether the independence and integrity of the Times as a separate newspaper would be preserved and whether the editor would be free of external control or influence in matters of opinion.

176. The Times Publishing Company was similarly concerned and in the terms of the transfer negotiated provisions which it considered would provide adequate safeguards, namely the creation of a separate company to publish the Times and the Sunday Times and the structure of the board of that company to include four " national figures " and two other directors nominated by Mr. Gavin Astor (see paragraphs 75-83). We share the doubts expressed by most of the witnesses with whom we discussed the matter whether any reliance can be placed on such safeguards. The creation of a separate company does not alter the fact that the Times and the Sunday Times would be owned, as to 85 per cent, by The Thomson Organisation. The four national figures would be a minority of the board with no powers effective in the last resort against the representatives of The Thomson Organisation. If they could contribute useful expertise from outside the newspaper industry, they might have value as directors. But we would not expect the board to interfere with matters of editorial policy nor is it in general desirable that it should do so ; the national figures in particular, however eminent they may be, could not be expected to intervene effectively in the highly technical business of producing a newspaper. Moreover in the event of a dispute about the authority of an editor or the appointment or dismissal of an editor there would be no assurance that national figures would take any different view of the best interests of the company from that of their fellow directors ; it is not proposed to give them any special terms of reference and their responsibilities would be no different from those of other directors. We accept the opinion of many witnesses that the provisions for the inclusion of national figures on the

board could only be window-dressing, and indeed there is a risk that they would give a false impression of the status of the two newspapers. At best therefore we regard the inclusion of four national figures on the board as no more than a declaration of good intent by The Thomson Organisation designed to reassure the public. They would not provide any more effective safeguards for the future independence and separate identity of the Times than, in different circumstances, the Times Committee has done (see paragraph 34).

177. We have considered whether more effective safeguards could be devised, for instance by giving the national figures a veto over the dismissal of an editor. There would be objections to giving to persons inexperienced in newspapers such a decisive role, but apart from that no such provision could be made permanently effective against a proprietor owning 85 per cent of the company. We note that the Royal Commission on the Press concluded (Cmnd. 1811, paragraphs 329 and 330) that a compulsory divorce of managerial and editorial responsibility would be unworkable. The amount of freedom given to the editor of a newspaper is in the hands of its proprietor. Proprietors may choose to give their editors a free hand, as the proprietors of the Times have usually done, but this does not alter the fact that newspapers remain the property of their proprietors, who have the right to decide what form their property should take; they cannot be prevented from dismissing an editor if they do not like the way he is running their newspaper, nor from choosing another whose views are nearer to their own. Under the present proposal it has to be recognised that the effective owner of the Times would be The Thomson Organisation, which would be free to run the Times as it thought fit. Ultimately therefore there can be no certainty about the manner in which the Times would be run. Similar considerations would apply to any other purchaser of the Times.

178. The special feature, however, of the present proposal is the appointment of a single editor-in-chief for both the Times and the Sunday Times, and in our discussions with The Thomson Organisation we enquired particularly about the effect of this appointment (see paragraphs 84-88). We accept the argument of Lord Thomson and his associates that co-ordination of the editorial resources available to both newspapers would be necessary if they were to be used economically, and that such co-ordination could be to the advantage of both the Times and the Sunday Times. We agree also that it would be desirable, if not indeed essential, that one man should be charged with the responsibility for planning in this field and should have the executive authority to allocate resources between the two newspapers and to develop such common services as might be thought necessary.

179. We were concerned, however, that centralisation of administrative power in this respect should not affect the identities of the Times and the Sunday Times as separate newspapers or diminish the independence of the separate editors in the expression of opinion on matters of public policy. We were assured by Lord Thomson (speaking also on behalf of his son) and by Mr. Hamilton, the designated editor-in-chief, that they wished to maintain the separate identities of the two newspapers and that it was not intended that the office of editor-in-chief should infringe in any way either the independent responsibility of the two editors for editorial opinion or

their direct authority over their editorial staffs. In particular Mr. Hamilton informed us that, although in the natural course of things the editor of either paper might consult him on particular matters of public policy, it would in each instance be for the editor himself to determine the attitude of the paper, and that if there should be disagreement between editor and editor-in-chief it was intended that the final decision on all such matters should rest solely with the editor. Mr. Hamilton undertook that this would be made quite clear to each editor on appointment and that the editor's independent authority would be made plain to all senior staff members. Sir William Haley also assured us that, in his position as chairman of Times Newspapers, he would regard it as his duty to ensure the independence and authority of the two editors.

180. We nevertheless considered, in the light of views expressed to us by our journalist witnesses, that the title of editor-in-chief was bound to create doubts as to the genuine independence of the two editors and to diminish their status and authority in the eyes both of their staffs and of the public. It seemed to us that the responsibilities and functions of the editor-in-chief, as described by Lord Thomson and Mr. Hamilton (see paragraph 84), were much more those of an editorial director than of an editor-in-chief as that title is commonly understood. In discussion Lord Thomson and his associates recognised the force of this argument, but took the view that, since it had already been announced publicly, to change the title which Mr. Hamilton would bear in the new company would create difficulty for him at the stage of bringing the two newspapers into a single company. They nevertheless undertook to use their good offices to persuade the board of the new company to change the title of the post to editorial director when Mr. Hamilton vacated it.

181. Although we regret that the title of editor-in-chief was ever conferred, we accept that to change it now would in the circumstances be inadvisable*. In the light of the account which we were given of his intended functions as editor-in-chief we are satisfied that there is reasonable assurance that the editors of the Times and the Sunday Times would be given full and independent responsibility for the opinions expressed in their papers. There can in the nature of things be no guarantee of this in the long term. Much would depend on the persons occupying the editorial posts. But it might be in the new company's commercial interests to convince readers that the two papers still had separate identities and spoke with separate voices. Moreover if a tradition of separate editorial responsibility were firmly established in the early years it might reasonably be expected to persist*.

Conclusion

182. The evidence of our witnesses showed that the proposed transfer has aroused apprehensions for the public interest and our investigations have suggested that these apprehensions are not groundless. The independence of the Times could not be regarded as certain, and it must be recognised that if it came under the control of The Thomson Organisation commercial considerations would play a greater part than they have in the past (see paragraph 174). But in the light of The Thomson Organisation's assurances

* See Mr. Davidson's note of dissent, paragraph 187.

about its intentions for the paper's management, as recorded in that report, we think that there is every prospect that the survival of the Times would be assured, that the public would continue to be offered a good, and in some respects an improved, newspaper, and moreover that in matters of editorial opinion there is reasonable assurance that it would continue to speak with a separate voice*. It would no longer be the same voice or the same Times as in the past, and it is important that it should be recognised, both at home and abroad, that it would have no claim to any special rôle or status ; but we do not regard that as contrary to the public interest. The combination of the Times and the Sunday Times, backed by the commercial strength of The Thomson Organisation, would present formidable competition to the other quality newspapers, some of which already face a difficult future. But we think that neither this increase in competitive strength nor the increase in concentration of newspaper ownership which would result from the proposed transfer is, of itself, cause for concern †.

183. Taking into account all the relevant circumstances and having regard to the need for accurate presentation of news and free expression of opinion we conclude that the proposed transfer of the Times and the Sunday Times to a newspaper proprietor may be expected not to operate against the public interest.

ASHTON ROSKILL (*Chairman*).

ANNAN.

FRANCIS-WILLIAMS.

W. E. JONES.

E. L. RICHARDS.

DONALD TYERMAN.

B. S. YAMEY.

The following member of the group dissented from the conclusion for the reasons set out in the note of dissent included in this report.

BRIAN DAVIDSON.

M. DENNEHY (*Secretary*).

15th December 1966

* See Mr. Davidson's note of dissent, paragraph 187.

† See Mr. Davidson's note of dissent, paragraph 186.

Note of Dissent

By MR. DAVIDSON

184. I am sorry to differ with my colleagues.

185. I share their view that the Times would be unlikely to survive on its own under present arrangements, that the disappearance of any of the few quality national papers would give cause for serious public concern and that an alliance with The Thomson Organisation offers a good—and the best available—prospect for the revivification of the Times.

186. I regard as more significant than do my colleagues the step in the direction of monopoly control of the quality nationals which the proposed transfer involves. They measure the step against the facts that The Thomson Organisation does not at present possess a national daily and that even with the Times its share of the circulation of all daily national and provincial newspapers would be only about 7 per cent. I measure it by the facts that there are only six quality national papers (week-day and Sunday)—I exclude for this purpose the Financial Times because of its specialist character—and that the proposed transfer would give The Thomson Organisation control of one in three as against the one in six it now has. I think this standard the more realistic one to apply when considering how much potential for influencing public opinion may be being concentrated in The Thomson Organisation.

187. I attach the same importance as do my colleagues to the maintenance of the separate identity as the Times and so far as possible of its character as a journal of record and of detached opinion. I agree with my colleagues in placing no value on the proposed introduction of “national figures”. I fully accept the assurances (recorded in paragraph 179) in relation to the independence of the editors of the Times and the Sunday Times and the maintenance of the separate identities of the two papers given by Lord Thomson, Mr. Hamilton and others immediately concerned and think that these are of real public importance (though I regret that they are not accompanied by a readiness to change immediately the title of “Editor-in-Chief” of the two papers). These personal assurances, however, do not seem to me to be the end of the matter. The transfer would give effective control of the Times and the Sunday Times not to the individuals whose assurances we accept but to a body corporate whose future views and policies may well differ from those of its present directors. Bodies corporate readily change character. The risk of change in this case seems to me greater than usual in that the body concerned has widespread and diverse interests outside the publication of papers—interests which might easily be adversely affected by “the accurate presentation of news and the free expression of opinion” in such papers.

188. For the reasons given I cannot avoid the conclusion that the proposed transfer, which immediately has much to commend it, might operate against the public interest. I think that the admitted difficulty in devising fully satisfactory protective measures does not invalidate this conclusion.

189. I think therefore that it would be reasonable that the Board of Trade should require, as a condition of consent to the proposed transfer,

that the personal assurances which have been given to the Commission should be reinforced by a formal undertaking in whatever form may be appropriate given by The Thomson Organisation to the Board of Trade

- (i) that it accepts as binding on itself the assurances given about the preservation of the separate identities of the Times and the Sunday Times and the maintenance of the independence of their editors and
- (ii) that it will procure that Times Newspapers Ltd. when incorporated gives and honours a similar formal undertaking.

BRIAN DAVIDSON

APPENDIX 1

Reference to the Monopolies Commission under Section 8 of the Monopolies and Mergers Act 1965

Whereas the Board of Trade have this day received an application for their consent under section 8 of the Monopolies and Mergers Act 1965 to the transfer of "The Times" and "The Sunday Times" newspapers to a newspaper proprietor: And whereas, by virtue of section 8(1) of the said Act, the Board may not give such consent until they have received a report on the matter from the Monopolies Commission;

Now, therefore, the Board of Trade, in pursuance of section 8(3) of the said Act, hereby refer to the Monopolies Commission for investigation and report the matter of the proposed transfer of the said newspapers.

Dated 30th September 1966.

F. W. GLAVES-SMITH

An Under Secretary of the Board of Trade