

5 Views of other parties

5.1. In addition to our advertisements inviting comments (see paragraph 7 of Appendix 1) we approached a number of bodies and organisations (see paragraph 8 of Appendix 1) directly. All of those approached were asked for their views on the proposed transfer with particular reference to the following:

- (a) the relevance of the proposed transfer to concentration of ownership of the press;
- (b) the likely effects of the transfer on competition, efficiency, further expansion, closures and labour redundancy, and on the accurate presentation of news and free expression of opinion;
- (c) the future prospects of the newspapers; and
- (d) any other matters which might be thought to affect the public interest.

Views of organisations representing newspaper proprietors

5.2. The Newspaper Publishers Association, representing national newspapers, did not wish to advance any view. The Association of Free Newspapers did not offer any comments on the proposed transfer.

5.3. The Newspaper Society told us that it thought the proposed transfer would not adversely affect competition in Kent, employment or editorial independence. The Society said that the Government was actively encouraging increased competition for advertising revenue between the broadcasting and the print media. This competition had been intensified by the State-licensed expansion of commercial television and radio. The newspaper industry would require the most professional of management skills to compete against local broadcasting monopolies in order to survive. In view of EMAP's record and policies, the Society concluded that it could find no objection to the proposed transfer.

Views of the professional and trade associations

5.4. The Institute of Journalists (IOJ) told us that it sought a prosperous industry with as many titles as possible, together with true editorial independence of editors from the proprietors. Whilst the IOJ felt that a further concentration of the ownership of the provincial press was inevitable in current conditions albeit regrettable, the transfer to EMAP would not be detrimental to the accurate presentation of news and free expression. Indeed an injection of capital might enhance editorial content and modernise presentation. The IOJ said that the editorial content of many free newspapers was smaller, and less varied, than that of paid-for ones. In the light of the emergence of free newspapers sometimes weakening the position of paid-for newspapers, the transfer to EMAP would be in the interest of the public, if EMAP strengthened the paid-for titles of P & N.

5.5. The Guild of British Newspaper Editors drew attention to EMAP's reputation for the independence that it had given to its editors and for high editorial standards in its newspapers. The transfer would not adversely affect the accurate presentation of news and free expression of opinion.

5.6. The National Federation of Retail Newsagents saw no reason to argue against the proposed transfer although it expressed a natural concern on concentration of titles into a group that continued to grow in size. It did note that competition in the geographical area covered by the P & N titles would still exist and that EMAP would improve the production efficiency of these titles. The accurate presentation of news and free expression of opinion would not be altered.

The Federation made the point that as the methods of newspaper production had changed so dramatically as well as the means of distribution, the disadvantages of concentration were offset by the relative ease and low capital investment required for other entrepreneurs to establish new newspapers in competition with existing titles. The Federation said that it may have taken a different view if a free newspaper publisher or group endeavoured to acquire the titles.

Views of trade unions

5.7. In a written submission, SOGAT '82 told us that it was opposed to the merger. It expressed concern at the continued concentration of ownership of the press, particularly in the South-East of England. SOGAT '82, referring to Garth Advisory Services published in Newspaper Focus in April 1988, stated that of the top 20 publishers which accounted for almost three-quarters of all regional newspaper production, EMAP is at present eighth. The proposed transfer would further consolidate the position bringing EMAP's production close to three million copies a week.

5.8. SOGAT '82 also stated that after a previous takeover EMAP had withdrawn recognition of bargaining agreements. SOGAT '82 had referred these matters to ACAS but they remained unresolved. It therefore felt that EMAP was determined to destroy legitimate trade union organisations amongst its workforce. Therefore any further increase in its domination of the local industry would present dangers to workers' existing trade union rights.

5.9. The National Union of Journalists told us that after consulting its members in Chatham, it had no objection to the proposed transfer.

Views of local and provincial newspapers

5.10. We invited six such newspapers to submit evidence. The views of the KMG and Adscene are summarised in paragraphs 5.13 to 5.19. The Editor of the Folkestone Herald (part of EMAP) confirmed that he was in full agreement with EMAP's policies and told us that he had no doubts that the staff of P & N would feel exactly the same if the transfer proceeded. The three remaining newspapers did not offer any comment.

Views of the Press Council

5.11. The Press Council told us that it prefers the widest possible diversity of ownership of newspapers and is generally concerned about greater concentration in fewer hands. However, it could see no reason why the transfer from P & N to EMAP would be against the public interest.

Views of advertising organisations

5.12. We wrote to ten advertising organisations and four responded, three of which were in favour of the transfer and remarked on the high standards that EMAP achieved. The other respondent offered no view either way.

The view of Adscene Group PLC

5.13. Adscene originally told us that it had no objection to the proposed transfer. However, on reflection, Adscene changed its mind and supported the view expressed by KMG.

Views of others interested in acquiring AKN

5.14. KMG made a written submission and attended a hearing. KMG expressed disappointment that its bid for the P & N titles was unsuccessful, but accepted that this was due to the inclusion in the bid of proposals for up to 100 redundancies. It suggested, however, that a particularly high price had been offered by EMAP which was not justified by AKN's past profit record.

5.15. KMG reminded the Commission that in previous reports the Commission had expressed concern about the concentration of press ownership. This concern was also expressed by the Royal Commission on the Press in 1977, when it spoke of the undesirability of 'colonisation'.

5.16. In KMG's view there were a number of issues involved in the proposed transfer that it considered were not in the public interest. In particular, it had

reservations about the impact that a transfer to a group the size of EMAP would have on the Kent newspaper market. It considered that since EMAP was the largest owner of regional and local newspapers, it would seek to dominate the Kent market and this would eventually lead to a reduction in competition as some existing newspapers would be forced to close down. KMG put to the Commission that EMAP was looking to 'colonise' the South-East corner of England and that this object would be assisted by its position as the second largest owner of free newspapers with a considerable portfolio of national magazines and other businesses encompassing printing, exhibitions and posters.

5.17. KMG suggested that once EMAP had established a network of newspapers across Kent it would be in a position to attract exclusively national advertisers since its only other competitor with region-wide coverage would be Television South. Other advertising media in Kent, such as local radio, were complementary to local newspapers and did not pose the same threat as television or large newspaper groups. KMG suggested that, if the transfer took place, it believed it was realistic to assume that EMAP would attempt to dominate the Kent market by establishing aggressive free newspapers which would not show a suitable return on the investment involved for a number of years, if at all. KMG suggested that there was already fierce competition between all newspapers in Kent which provided the public with good value for money. Hitherto, a balance of fair competition between all publications had been maintained, because all resources had been drawn from the area and cuts in advertising rates and increases in the number of free newspapers had been limited by the resources which were available.

5.18. KMG suggested that the point that it was making was illustrated in the Ashford area where EMAP, which had established two free newspapers recently, was cutting its rate card advertising rates on the 'People' free newspaper to a significant degree. KMG said that the competition would have to at least match these rates to protect market share. As a result KMG claimed this would jeopardise the financial stability of established paid-for newspapers and that editorial resources would be adversely affected. As a result of cost cutting, to remain competitive, more junior staff would have to cover important stories and this would inevitably lead to inaccuracies. In addition, there would be a reduction of the number of journalists covering any one particular story and this would result in a narrowing of reported views.

5.19. Overall therefore KMG felt that the accurate presentation of the news and free expression would be adversely affected by the proposed transfer. It considered that the transfer would only be in the public interest if EMAP were to divest its current Kent paid-for newspapers along with its supporting free newspapers. It told us that otherwise the transfer should not be allowed. AKN should be sold by P & N in two blocks of newspapers. This would avoid an undesirable concentration of ownership which would occur if all the newspapers were sold to one existing newspaper group. A sale in two blocks would promote variety of competition to the benefit of all who lived in Kent.

Views of local councils

5.20. We wrote to ten county or borough councils seeking their views. The Chief Executive of Kent County Council told us that the council relied heavily on local newspapers for the breadth of reporting of news about its activities. The concentration of ownership of newspapers inhibited this reporting, since fewer and fewer reporters were assigned to cover the Council's activities. As a consequence the scale and breadth of its activities could not be reported adequately. The Council would prefer its activities to be subject to open and, if necessary, critical public scrutiny and this was best provided by impartial journalists attending meetings and hearing debates. Any further shrinkage in newspaper ownership in Kent would obviously affect this democratic process.

5.21. Having considered the matter further, the Chief Executive of Kent County Council wrote a second letter. He told us that the current Kent newspaper market had a healthy mix of paid-for and free titles, competition being tough but

fair, and that readers had a good choice of quality products. The Chief Executive also expressed fears about the possibility of a proliferation of subsidised free newspapers in Kent should the EMAP bid succeed. The resultant competition could lead to drastic cuts in rates, which in turn would lead to lower editorial standards.

5.22. Of the other six councils responding, three were broadly in favour of the transfer; two expressed no view either way and one suggested that the Commission should obtain some assurance that the Sittingbourne printing works would not be closed down. Otherwise it felt that, on balance, the transfer seemed to have benefits in providing greater competition.

5.23. We sought views on the proposed transfer from eight chambers of commerce or trade. Only three replied, none raising any adverse comment or objection.