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cc Mr Redwood

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MR. TURNBULL

SCOTT LITHGOW

Third party interest in acquiring Scott Lithgow is still fluid. The attached note - part brief, part status report - may therefore prove to be of ephemeral value.

We should beware of making expensive gestures of salvation and stick to commercial rationale for appraising whatever proposals emerge. If ever there were a case for not bailing out a public sector disaster, this is it.

Just as importantly, Government should not be manoeuvred into a position in which it is seen as the direct arbiter of Scott Lithgow's fate. Discussions must be conducted at arm's length from Government, between BS and the third party or parties. Another bidder in active competition with Trafalgar House would be ideal.

R.J.

ROBERT YOUNG
24 January 1984

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