

PRIME MINISTER

You have agreed to give an interview to the new Thomson Regional Newspapers Sunday newspaper, "Scotland on Sunday", which has shaken and sharpened up the Scottish media scene. It is a sister paper of The Scotsman (who incidentally also want to interview you).

This will not be a taxing occasion, but it is a useful opportunity to cultivate Scottish opinion. And "Scotland on Sunday", being new (it was launched on August 7 and is reputed to have a circulation of 90,000), will give what you say a good run.

Your interviewer will be Peter Macmahon, political editor, who used to work for the Daily Star. He will be accompanied by Frank Herrman, photographer.

Terry Perks will support you.

The interview will fall into two broad areas - Scottish questions and more general issues. The area of questioning is attached.

Scottish Questions

Briefing on the Scottish questions is opposite as follows:

Annex 1	Current state of party in Scotland - from <u>John Mackay</u>
Annex 2	Relocation
Annex 3	<u>Scottish Enterprise</u>
Annex 4	<u>Royal Ordnance</u> ; Elders/Scottish & Newcastle

General Questions

You do not require any briefing on the economy, environmental, health and social security or Northern Ireland/Sinn Fein broadcasting issues.

The important point about the interview is to

- proclaim your interest in Scotland
- explain your policies vigorously because there is every sign that when Scots hear them firsthand they can be impressed (and it is not every day you have a chance to do so).
- recognise that the interview will not appear until the following Sunday, so use it to explain and expound in a timeless way
- to meet Scots' interest in devolution, emphasise the way in which your policies - education, housing, rates, health - aim to devolve responsibility ever further down into the community.

Content?

A handwritten signature in dark ink, appearing to be 'Bernard Ingham', with a stylized, cursive script.

BERNARD INGHAM

28 October 1988

QUESTION AREA - "SCOTLAND ON SUNDAY" INTERVIEW
MONDAY, 31 OCTOBER 1988

Scottish

1. In view speeches made by the Prime Minister in Scotland eg General Assembly and Party Conference in Perth, when she says Scottish values are Tory values, how does she reconcile that with opinion poll rating of the Conservatives in Scotland?
2. Malcolm Rifkind's speech to Conservative Policy Centre on relocation. Does the Prime Minister think dispersal to the regions is a good thing?
3. Hughes initiative on training in Scotland. The Prime Minister had a meeting with him at Chequers. Any developments?
4. Royal Ordnance factory, Bishopton. The take-over by Elders by Scottish Newcastle Breweries. Her comments? (NB: The fact that there has been much criticism of Royal Bank of Scotland funding Elders was mentioned in passing but he reckons not to raise this as Lord Young is likely to comment.)

General

5. The recent ban on Sinn Feinn broadcasting. Where does it leave us with satellite broadcasting? What does she have to say in reply to criticisms re free speech?
6. The economy: what does she have to say regarding criticism during the debate on Tuesday re balance of payments; tax cuts; and high interest rates?
7. Green issues.
10. Health and Social Security:
 - Health Service review.
 - Child Benefit.

Current State of Conservative Party in Scotland

The most recent opinion polls in Scotland indicate we are back to the same level as the last General Election after a post election dip to under 20% (enclosed is last MORI poll). Recent local government by-elections have shown a slight increase in our support.

A poll in the Glasgow Herald on 16 September showed the Prime Minister had a high performance rating and Kinnock's rating was low (enclosed). Recent polls have shown strong support for individual Government policies like Council House sales, wider share ownership and for our proposed changes in Education (enclosed).

The Assembly issue continues to be a major one for the other parties and the Media. A recent poll (enclosed) highlights the ambivalence of people when it is suggested they may have to pay higher taxes. This is a point we have always exploited.

Line to take: Our decline in Scotland has taken place over a long period of time (30 years). That cannot be turned around overnight. We have always recognised you must win the argument before you start winning the vote. We are winning the argument. Scots indicate in polls that they like our policies. And they are taking advantage of them: buying their Council house, choosing the school attended by their children, buying shares and an increasing number of new businesses helping to reduce unemployment by 70,000 in the last 18 months.

The morale of our Party is improving. Many constituencies report more activity and more members. There is a determination to win back those seats lost and challenge in others.

Not for use

It is difficult to predict our vote in the Govan by-election. We had 12% in 1987, and there is a danger of the third party squeeze affecting us, especially if voters see an opportunity of breaking Labour's grip on this constituency. The first poll appears on Sunday and will give us an indication of the position.

NB — We will get a line on this before the interview

their verdict loud and clear—they want more power over the running of schools. And the message to the Government is also unequivocal: Improve our education system and make it once again the best in the world.

It is the result of one of the biggest-ever responses to a poll on education.

Parents, grandparents, pupils from every corner of Scotland took part in the vote on Scottish Education following our week-long series.

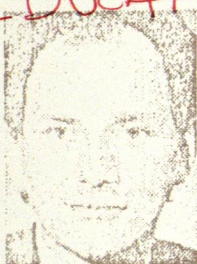
Opting-out

We looked at the changes being proposed by the Government—the national testing in primary schools in a bid to improve the Three Rs and the proposals for greater parent power, particularly the introduction of school boards and the option of opting-out of council control.

The country's biggest teaching union, the Educational Institute of Scotland, have accused the Government of importing alien concepts from South of the Border and "Englishing" our education.

And the EIS, representing 80 per cent of teachers, are balloting their members on a day

E DUCATION



Michael Forsyth,
Education chief



Malcolm Rifkind,
Scottish Secretary

of action next Tuesday in protest at the changes.

But our poll shows that TWO out of every THREE Scots want the changes.

We asked four questions and asked for YES or NO answers. Here are the results:

DO YOU THINK the proposals for school boards, opting-out and national testing of primary pupils in the Three Rs will improve our education system?

YES 65 per cent NO 35 per cent

DO YOU FEEL these changes represent the "Englishing" of our schools as some opponents say?

YES 33 per cent NO 67 per cent

SHOULD PARENTS be given more power over the running of schools?

YES 70 per cent NO 30 per cent

SHOULD SCHOOLS be given the opportunity to opt out of local authority control if the parents demand it?

YES 68 per cent NO 32 per cent

Encouraging

The results will be a shot in the arm for Scots Education Minister Michael Forsyth and Scots Secretary Malcolm Rifkind, who have faced a heavy propaganda campaign claiming that parents do not want the changes.

Last night a Conservative Party spokesman said: "These figures are most encouraging. The Express has performed a great duty and shown that there is still a significant minority which needs the changes explained to them more thoroughly."

"But if it demonstrates anything it is that the EIS one-day strike is a nonsense."

The EIS are to press ahead with their ballot.

SHAKEUP LETTERS PAGE 32



Radio Scotland lassies Clare, left, and Siobhan

The economy is looking sound

UNEMPLOYMENT is set to fall in Scotland throughout 1989—and the outlook for the Scottish economy well into the 1990s is favourable.

These are two of the major findings by Professor Donald McKay, one of the most influential economists in Scotland, in his annual review for leading chartered surveyors Kenneth Ryden and Partners.

It comes hard on the heels of the latest CRI trends for Scotland, which reveal that confidence among businessmen is at a high.

Professor McKay says the rapid growth in output in Scotland was reflected in the rate of decline of unemployment, which has matched that of the UK since the beginning of 1989.

EXPRESS REPORTER

He claims Scotland has been "under performing," but this was now behind and would match UK growth in 1989.

"The major structural changes in the economy occurred in the 1980s have had a severe effect on unemployment, but have produced a more efficient and resilient economy."

"This is reflected in all the available indicators for manufacturing industry."

ALL the charm and talent isn't on screen, the Beeb demonstrated yesterday.

They were showing off some of their young radio hopefuls North of the Border.

As BBC Radio Scotland nears its tenth anniversary, the emphasis is heavily on youth in a drive for bigger audiences.

And two of the team they hope will lure them are Clare English, 26, and Siobhan Synnot, 23.

They will be joining presenter Armando Iannucci, 24, in a show

Sex romp fac

DRUNKEN medical students who staged a sex initiation ceremony at a university last night faced disciplinary action.

The frolics were exposed when pictures of naked cavorting students appeared in the campus magazine at Dundee University.

One new girl student allegedly had her breasts smeared with treacle. A male recruit was tied naked to a cross and pelted with eggs, while three others were taunted with cucumbers, it is claimed.

Up to 30 are said to have

EXPRESS

joined the row being investigated by the university Association.

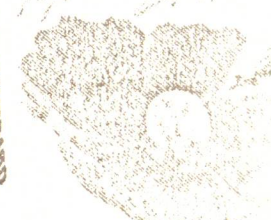
Fu:

The two were yesterday by medical Professor Pet. He began action.

"Until a pig-tigation is carried out by the university is comment 1 spokesman s

RIGH TAR

L RON HUBBARD



VOLUME 2 Black Genes

Miss

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OPINION POLL

ASSEMBLY HITS TAXES BARRIER

Support for a Scottish Assembly remains at a high level, but enthusiasm falters when it is suggested it might result in higher taxation. This is the finding of a survey of political attitudes conducted exclusively for the Glasgow Herald by System Three Scotland.

The poll indicates that Scottish opinion has been remarkably stable about devolution but remains troubled about its practical aspects. A substantial majority of 75% supports constitutional change and a Scottish Assembly, on the basis either of complete independence or with limited powers within the UK.

A third go the whole hog and support a completely independent Assembly, separate from England. This is within range of results of similar polls in the past few years. But it represents a significant hardening of opinion since the seventies, when support for independence peaked at 20% in 1977, two years before the devolution referendum failed to produce a decisive endorsement of the Scotland Act.

Support for the status quo has increased slightly. Those who want no change from the present system now account for 20%, an increase of five points over the equivalent figure for 1986. However, this is a low rating when set against polls in the seventies. In 1977, support for the status quo reached 36% as Scotland agonised over the practical difficulties of devolution.

The impression that Scottish opinion may retreat from an Assembly when faced by its practical difficulties is strengthened by the findings of this poll. If the Assembly were to mean slightly higher taxes for the people of Scotland, a possible consequence of Labour's current proposals, then support crumbles to 46% and outright opposition rises to 37%.

This implies that the best chance of consensus would be for an Assembly operating as a deliberative and legislative body within a wider economic and political union.

As might be expected, support for the status quo runs at its highest among Conservative voters, at 48%. But it is something of a surprise, in the light of the emphatic rejection of devolution at the Scottish Conservative Party conference this year, to find that as many as 39% of Conservatives would support an Assembly with substantial powers and that 11% would go as far as complete independence.

Support for independence runs at 35% among Labour supporters, with only 14% backing the status quo. An oddity is the 2% of SNP voters who want no change.

Scots also endorse the idea that the Assembly should be involved in running local government (64%). But there was an even split as to whether the Assembly should operate as an additional tier of government (30%) or replace the regional authorities (34%). As many as 27% wanted no change in the present system of local government.

THE FINDINGS: (figures in percentages)

	Aug 88	Sept 85	March 86
Completely Independent			
Scottish Assembly, separate from England	83	29	34
Assembly with substantial powers in UK framework	42	44	46
No change	20	21	18
Don't know	8	8	8
Q. Would you support an Assembly if it did mean slightly higher taxes for the people of Scotland?			
	Aug 88	May 87	
Support	44	44	
Oppose	38	37	
Neither	8	8	
Don't know	12	12	

THE figures may not add up to 100% because of the effect of rounding up or down. A sample of 900 adults aged 18 and over was interviewed in home in 28 constituencies throughout Scotland over the period August 25-30.

SNP conference - Page 6; Leader comment - 8

DEVOLUTION

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There has been growing unease at Mr Kinnock's performance within Labour circles in Scotland for

Secretary Mr Kinnock's office was unwilling to comment on the poll. Press officer Hilary Coffman said: "It is not Mr Kinnock's practice to comment on opinion polls. He holds the view that they might be useful for establishing trends but individual polls are a still photograph in a moving picture."

She added: "The polls have been going up and down. If a trend is established then he might be moved to comment but he is not in the business of commenting on individual polls."

The Scottish Conservative Party's communications director, Mr Alex Pagett, said: "These results are a clear contradiction of the argument that Thatcher policies are unacceptable in Scotland. This is the second poll in recent days which shows growing support for her and highlights the public disquiet and disdain for her opposite number."

YOUR STANDING

(2)

THE FINDINGS

	Total %	Tory %	Labour %
MARGARET THATCHER AS PRIME MINISTER:			
Very good.....	20	54	8
Quite good.....	34	33	21
Neither good nor poor.....	9	3	8
Quite poor.....	13	3	17
Very poor.....	31	1	47
Don't know.....	1	1	1
Total		Tory	Labour

NEIL KINNOCK AS LEADER OF THE OPPOSITION:			
Very good.....	4	2	7
Quite good.....	29	17	43
Neither good nor poor.....	20	19	19
Quite poor.....	26	28	21
Very poor.....	18	31	7
Don't know.....	4	3	2
Total		Tory	Labour

MALCOLM RIFKIND AS SECRETARY OF STATE FOR SCOTLAND:			
Very good.....	7	22	2
Quite good.....	28	43	22
Neither good nor poor.....	17	19	18
Quite poor.....	20	11	24
Very poor.....	21	6	27
Don't know.....	8	5	10
Total		Tory	Labour

DONALD DEWAR AS LEADER OF THE OPPOSITION IN SCOTLAND:			
Very good.....	5	3	7
Quite good.....	30	27	35
Neither good nor poor.....	19	18	20
Quite poor.....	17	21	18
Very poor.....	9	16	5
Don't know.....	20	15	15

The figures may not add up to 100% because of the effect of rounding up or down. A sample of 990 adults aged 18 and over was interviewed in-home in 39 constituencies throughout Scotland over the period August 25-30.

MORI SEP 12

Labour lead raises chance

VOTING INTENTIONS

How would you vote if there was a General Election tomorrow?

	Now %	April 1988 %	June 1987 Gen Election %
Con	25	23	24
Lab	49	50	42
Dem	8	6	19
SDP	3	2	
SNP	17	18	14
Others	1	1	1

* Less than 0.5%

NOTE: Figures compiled after eliminating 14% who said they would not vote, were undecided or refused to answer. Dem figures compiled by adding all voters who replied Liberal, Liberal/SDP Alliance and Soc and Liberal Democrat.

Tomorrow, as the anti-poll tax campaign prepares for its 11th hour protest, we publish opinion on the tax and non-payment

THE CHANCES of the Labour Party moving swiftly for a by-election in Glasgow Govan are likely to be increased once party managers study the latest sampling of Scottish political opinion conducted for The Scotsman by MORI.

Labour continues to command the allegiance of 49 per cent of the electorate, up 7 per cent on its vote in the General Election last year.

The Scottish National Party, seen as the most likely to punch a hole in Labour's 19,500 majority in the seat, at 17 per cent, is also up 3 per cent on last June's vote.

But the key factor that may tip the balance as soon as Parliament reassembles in mid October is

of early Govan by-election

SCOTSMAN 12 SEP
BY PETER JONES, Scottish Political Correspondent

that the opinion poll figures have remained more or less constant throughout the summer.

On the general economic front, with inflation predicted to rise in a per cent this autumn, the highest figure for 20 years in a half years, a substantial Labour by-election win would bolster the parliamentary attack on the Government's economic performance Labour will be making.

Party officials have constantly maintained the line that early March would be the best time.

But the failure of the SNP's sniping at Labour over the poll tax and of Labour's own divi-

sions on the issue to alter the parties' relative standings, may persuade Labour to move sooner rather than later. The party's main fear is that the Nationalists may be able to get a bandwagon effect rolling over his chair.

Labour's organising staff in Glasgow and London are believed to be unanimous in favouring an early campaign.

Mr Bruce Millan, the sitting MP, does not have to resign his seat to take up his post as EEC Commissioner until December 31, but he is believed to be prepared to quit earlier, although he would have problems with paying his staff.

No decision has yet been

taken, and the position will not be reviewed until early October, when the candidates have been selected. The views of the Govan constituency party also have to be taken into account.

The increased support for Labour and the SNP appears to have come mainly from the continuing disastrous slump in the fortunes of the former Alliance partners.

Mr Roddy Ashdown's Social and Liberal Democrats, at 6 per cent, and Dr David Owen's Social Democrats, at 3 per cent, both remain in the doldrums.

Conservative support has hardly moved in the 18 months since the General Election, when they lost 11 out of 21 MPs in Scotland.

Mr James Allison, Labour's



Scottish organiser, said: "It is a very satisfactory poll for Labour, and encouraging in the run-up to the Govan special conference. The Govan by-election will be held at an appropriate date once Bruce Millan resigns his seat and the most likely date is still early spring."

Kilmock slumps — Page 3

© MORI interviewed a representative quota sample of 1,086 adults aged 16 and over in 54 constituency sampling points throughout Scotland. Interviews were conducted face-to-face on September 6 and 8, 1988.

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RELOCATION: LINE TO TAKE

- Factual - There is no centrally directed plan or timetable for relocation by departments. In the Adjournment Debate on 9 May explained that we were exploiting instead the tide of individual departmental initiative for relocation.
- All departments are keeping the location of their work under regular review, in accordance with Treasury guidelines issued earlier this year.
- Successful relocations require careful planning and generally involve lengthy lead times. It is impossible to forecast at this stage how fast (or slow) departments might transfer work outside London.
- It is generally posts (not people) that are being transferred; this will increase job opportunities in the regions and ease pressure on scarce staff in London.
- Positive - Recent Scottish Office report on the transfer of ODA work to East Kilbride shows considerable benefits for relocated staff, as well as significant cost savings.
- Defensive - Ultimate objective is that only work which needs to should stay in London, but the Government remains open-minded on where the line should be drawn, and when.
- CCSU have been given repeat of 1979 assurance regarding best efforts to avoid compulsory redundancy/transfer.

*By Paymaster General

3K

SUPPLEMENTARY Q AND A BRIEF

Q. How is regional policy brought in?

A. Departments planning to relocate work are required to give regional policy and territorial departments opportunity to suggest suitable locations. These will be duly examined before decisions are taken.

Q. "Next Steps" agencies specially targetted for relocation?

A. Policy covers all departmental activities, including potential executive agencies.

Q. Too many civil servants working in South East?

A. Latest regional data on Civil service numbers concerns 1 April 1988, when 38.2* per cent (221,400) working in the South East. Accept South East larger proportion of civil servants than any other region, but also much larger population than any other region and includes national capital and seat of government.

[*The previous year's figure had been 37.7 per cent (225,700), before the contractorisation of the Royal Dockyards took very large numbers out from the South West region and Scotland. The general trend is for the South East to shrink both absolutely and proportionately.]

New policy on location of Government work?

Paymaster General informed Commons on 31 March* that planning in hand for remainder of 1979 dispersal programme and confirmed introduction of successor policy. Gave some further details of policy in Adjournment Debate 9 May. No further central relocation targets to be set; instead Government will build upon tide of individual Departmental initiative for relocation running strongly in past few years. Departments will review location of their work with view to finding sites offering advantages in terms of staff recruitment and retention, value for money and operational efficiency. Guidelines promulgated to Departments take account of regional policy dimension in terms agreed with regional and territorial departments and confirm requirement on Departments to consult their Trade Union Sides when planning relocations.

Report on dispersal to East Kilbride of part of ODA in 1981 (published 30 June) found significant financial and other benefits obtainable through relocation.

(Since 1979, some 12,000 Civil Service posts transferred out of London and South-East - half of them through centrally managed dispersal programme (now nearly complete) and half on initiative of individual Departments. Four out of five civil servants already work outside Greater London.)

* Copy attached.

BACKGROUND NOTE

RELOCATION POLICY: 1979-80 TO 1987-88

In 1979 the Government revised the Hardman dispersal programme downwards to 5,900 posts from London to bring it within their affordable limits yet also meet the particularly pressing needs of Merseyside and West Scotland regions. (Hardman's 1973 programme had been for some 30,000 posts of which just over 5,000 had been dispersed by 1979).

Some 5,560 posts of the 1979 programme have already been dispersed.

Since the Government's review of regional economic policy in 1983, Departments have also been implementing the Government's wider location policy covering the location of new and the relocation of existing work. Calculations suggest that this policy, plus other transfers of work to the regions on the initiative of departments, has involved more than a further 6000 posts since 1979.

SUCCESSOR POLICY

New guidance for Departments _____ reflecting the latest changes in DTI regional policy was announced by the Paymaster General in a Written Answer and circulated to Departments on 31 March 1988.

Hansard

31 March 1988

Vol: 130

No: 127

WRITTEN ANSWER

COL: 610-611

Job Dispersal

Mr. Arnold: To ask the Chancellor of the Exchequer what is the outcome of the programme for dispersing Government work out of London and the south-east announced in 1979, and whether the Government intends further initiatives on the location of Civil Service work.

Mr. Brooke: In 1979 we announced a programme designed to disperse 5,900 posts, mainly to Scotland and the north. Over 5,500 posts have been dispersed under this programme, and planning is in hand for the remainder. Over the same period, and on their own initiative, Departments have relocated well over 6,000 other posts out of London and the south-east. About four fifths of the Civil Service is now located outside Greater London.

No further central targets for relocation are being set, but Departments will be reviewing their location of work with a view in suitable cases to finding locations offering advantages in terms of recruitment and retention of staff, value for money and other considerations relevant to service delivery and management. In their reviews, Departments will consider localities which offer such advantages, including where appropriate areas which are the focus of the Government's regional and urban policies. A copy of the guidelines issued to Departments for these reviews has been placed in the Library of the House.

SCOTTISH ENTERPRISE

Have already welcomed these proposals as linking enterprise and training in a new and exciting way, not only at the top but, even more important, at the local level.

It is a Scottish solution to respond to Scottish needs.

Much work has been done on the proposals since they were put to me some weeks ago.

Malcolm Rifkind will publish a consultative paper before Christmas.

We:

- are fully committed to giving all interested parties every opportunity to comment
- want final package to be the best possible for Scotland's needs.

Legislation needed, but pilot local agencies could be set up in advance.

Scottish Enterprise will aim to:

- develop further an enterprise culture
- encourage the private sector to be directly involved in training and enterprise creation services
- offer employers a one-door approach
- be responsive to local needs through a network of local agencies
- reduce central control to a minimum.

Abandoning achievements of Scottish Development Agency and Highlands and Islands Development Board?

The Government backs what the SDA is doing and has funded it generously - it will spend more than £150 million for the first time this year. Scottish Enterprise will build on the SDA's achievements.

Recognise the geographical and economic distinctiveness of the Highlands and Islands. A strong case for retaining a separate body if that is the wish of the people in the area.

Background Note

The Government propose to bring together the functions of the Scottish Development Agency and the Training Agency in Scotland into one private sector-led body to deliver training and enterprise creation services in Scotland through a network of local agencies run by the private sector with maximum flexibility to operate according to the needs of each local area. Legislation will be necessary, so the earliest date for the establishment of Scottish Enterprise is probably April 1991, although pilot local agencies could be set up before then.

B

SUPPLEMENTARY QUESTIONS AND ANSWERS - ROF BISHOPTON

When Royal Ordnance closes the nitro-glycerine plant at Bishopton, will MOD accept nitro-glycerine from Rumania, the only other European source.

[This is a statement reputed to have been made by the Unions]

We do not know whether it is the intention of RO to transfer its nitro-glycerine plant to another site. In any case, RO make nitro-glycerine in limited quantities at its Summerfield factory.

Nitro-glycerine is also available from another UK source and from France, Germany, Italy and Switzerland.

What of the future of the workforce?

We understand that one reason for the phased closure of the Bishopton facilities is to give the Company time to settle people elsewhere by transferring staff to other sites where practicable, and by assisting employees to alternative employment. The Company's own statement defines a number of initiatives that they will be

taking.

What of MOD's future requirements for Bishopton products?

We understand that the Company will be looking at those parts of propellant manufacture which are commercially viable and will be transferring them to other RO sites. What will be manufactured and where will be decided on a basis of achieving efficient production and supply. As far as strategic resources are concerned, it is a policy of the Company to keep its major customers, such as MOD, in touch with any decision that the Company may take which affects a strategic resource.

When the EPREP Agreement was signed in July 1988, didn't the MOD know that this would mean the closure of ROF Bishopton?

No. The EPREP Agreement is a five year agreement to supply the MOD with 80% of its explosive and propellant requirements. The prices negotiated will ensure the best use of taxpayers' money. Improvements in the Company's

performance and efficiency are
needed to meet the prices set
in the programme; but it is
for the Company, not the MOD,
to decide how this should be
done.

Didn't the MOD know that
ROF Bishopton was not
a loss-making concern
when its closure was
announced?

The commercial viability of
any of the RO factories is a
matter for the Company.

CPL ABK

dti

the department for Enterprise

MR CLARKE'S LUNCH WITH SCOTTISH & NEWCASTLE BREWERIESLine to take

Cannot comment. Mergers are a matter for the Director General of Fair Trading who will no doubt advise David Young in the normal way. Representations should be addressed to the DGFT.

Background

Elders IXL announced a long-expected £1.6 billion bid for Scottish & Newcastle Breweries on 17 October. Elders IXL is the UK holding company of John Elliott's Australian brewing interests, and is the present owner of the Courage brewing group. Scottish & Newcastle is Britain's sixth largest brewer. The Office of Fair Trading are at an early stage of considering the proposed merger.