

SIR ALAN WALTERS

Terry Perks took a telephone call late this afternoon from Sir Alan Walters reporting that he had been badly misrepresented by the Evening Standard in remarks about the Chancellor. The Evening Standard alleged (see attached) that in an interview he had predicted that Mr Lawson's term as Chancellor would soon end and had attacked as nonsense on Mr Lawson's policy of linking the pound to other European currencies.

Sir Alan told Terry that he had not said any of this. All that he had said, in answer to questions, was that he had seen speculation in the media about the possibility of the Chancellor leaving office. He himself had no idea how long the Chancellor would stay in his job. He further made the point that he had told the Standard that there was no difference between the Prime Minister and the Chancellor over the management of the economy, except possibly one of timing.

Sir Alan added that an Evening Standard reporter had telephoned him to apologise for the way the story had come out, claiming that this was the result of bad sub-editing.

Before Terry took the call I had had a lively afternoon Lobby on this issue. I tried to get over the point that the Prime Minister thought extremely well of both her Chancellors over the last nine years. They had run the economy in such a way that it had survived a number of severe storms - eg steel strike, Falklands conflict, miners' strike, halving of the price of oil overnight and Stock Exchange crash. There was no difference between the Prime Minister, the Chancellor or Sir Alan on the central objective of policy - to drive down inflation.

The media, I said, inevitably highlighted any negatives in Sir Alan's reported comments and ignored his praise for the Chancellor's policies.

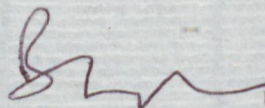
In response to a question about the advice being given to Sir Alan, I said, more or less exactly: "There's only one thing to do when you are being misrepresented and that is to shut up but I have not told Sir Alan to do so".



E.B.

I have not the slightest doubt that the media tomorrow will say that No 10 has told Sir Alan to shut up. Terry did in fact do so when ~~with~~ Sir Alan telephoned him for advice on whether he should issue a statement. Terry's strong advice was neither to issue a statement nor to talk to journalists any more; whatever he said would be misinterpreted.

Sir Alan promised "to keep the reptiles at bay".



BERNARD INGHAM

19 July 1988



# FINANCIAL Evening Standard



TUESDAY, 19 JULY, 1988 — 21

**PLUMB  
CENTER**  
*The Plumber's Merchant*  
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*The name behind the name.*

CITY EDITOR ANTHONY HILTON

## B&C swallows Atlantic in £416m deal

by Iain Jenkins

JOHN GUNN stunned the City today when he announced that his financial services group British & Commonwealth is buying computer leasing firm Atlantic Computers for £416 million.

Shares in Atlantic were suspended yesterday at 364p and the market had predicted a merger with GEC or the US computer leasing giant Comdisco which has made no secret of its UK ambitions.

But B&C had been holding talks with Atlantic for a number of months and has received irrevocable acceptances from 35% of the computer leasing firms' shareholders.

### Premium

Atlantic has been looking for a buyer since the tragic death of the firm's founder John Foulston in a motor racing accident and Black Monday which sent its shares tumbling from a high of over 800p.

John Gunn is paying 520p a share for Atlantic—a hefty premium to the suspension price—and is offering a complex mix of shares, loanstock and what will work out at around £200 million in



John Gunn: Irrevocable acceptances from 35% of Atlantic's shareholders

straight cash. Atlantic will add the vital "extra leg" that B&C has been looking for since it sold its industrial division Bricom for £359 million but the City's initial reaction was lukewarm.

B&C shares immediately fell 15p to 248p as the market reacted with the traditional scepticism of computer leasing firms which have a rocky history on the London stockmarket.

Peter Goldie, B&C's chief executive, quickly moved to quell some of these fears.

"Atlantic is a well run business. It is in a growth sector and has not been affected by the problems that have affected other computer leasing firms," he says.

"Other computer leasing firms have run into trouble over accounting for residual value.

"Atlantic takes no account of residual value and is simply a service business in a fast growing sector."

Last year Atlantic made pre-tax profits of £38 million.

## Sir Alan stirs it for Nigel

by David Hellier

SIR Alan Walters, the economic guru expected to return from America as Mrs Thatcher's adviser, has hinted that he believes Nigel Lawson's reign as Chancellor is close to an end.

Commenting on speculation that the Chancellor may be out of No. 11 before the next Budget, Sir Alan told the Evening Standard: "He's been there for seven years, which is a very long time for a Chancellor. It may well be that he's thinking of moving on. It's a very demanding job and you do get tired working flat out."

Sir Alan's comments will reinforce the view in the City and Whitehall that Mrs Thatcher is clearing the ground for the appointment of a new Chancellor.

### Nonsense

In the past few days Sir Alan has irritated Lawson with comments criticising the policy of shadowing the Deutschmark, abandoned in March after a rift with the Prime Minister who opposes British membership of the European Monetary System.

"We've spent 18 months or so shadowing the EMS and now I'm afraid it will take us some time to get that nonsense out of the system," says Sir Alan, who predicts a period of high interest rates, possibly up to 12%.

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## Secret 1% ABF stake at Hovis

THE SLEUTHS from County Natwest Woodmac have been over the Ranks Hovis McDougall share register with a fine toothcomb but so far there is no evidence of big stake-building by arbitrageurs, writes Patrick Weever.

There is a stake of about 1% which someone plainly wanted to conceal, buying through Dictat Nominees, Heseltine Nominees and Morzan Nominees.

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