

10 March 87
Westland

WESTLAND REPORT URGES CITY REFORMS

NEW CALLS FOR CITY REFORM CAME TODAY IN A REPORT ON THE WESTLAND AFFAIR - THE HELICOPTER COMPANY ROW WHICH TRIGGERED THE RESIGNATION OF CABINET MINISTERS LEON BRITTAN AND MICHAEL HESELTINE LAST YEAR.

THE REPORT BY THE COMMONS SELECT COMMITTEE ON TRADE AND INDUSTRY CALLS FOR PROMPT NEW LAWS TO PREVENT PEOPLE DEALING IN SHARES WITHOUT REVEALING THEIR IDENTITIES.

THE REPORT SAYS WESTLAND CHAIRMAN SIR JOHN CUCKNEY TOLD THE COMMITTEE SIX PARTIES BOUGHT JUST BELOW FIVE PER CENT OF THE COMPANY'S SHARES DURING THE ROW ABOUT WHETHER THE FIRM SHOULD BE TAKEN OVER BY SIKORSKY-FIAT OR BY A EUROPEAN CONSORTIUM.

THE SHARES WERE BOUGHT AT AN INFLATED PRICE, AND SIR JOHN SUSPECTED THOSE WHO PURCHASED THEM ACTED AS A "CONCERT PARTY" - A GROUP SECRETLY OPERATING TO INFLUENCE A FIRM'S FUTURE THROUGH THE VOTING RIGHTS ENTITLED TO SHAREHOLDERS.

THE COMMITTEE'S 200-PAGE REPORT SAYS ON THE BASIS OF EVIDENCE BY SIR JOHN AND OTHERS: "WE THEREFORE ENTERTAIN SUBSTANTIAL SUSPICIONS WHICH, HOWEVER, FALL SHORT OF PROOF, THAT A "CONCERT PARTY" OPERATED TO PURCHASE WESTLAND PLC'S SHARES FOR LOCATIONS OUTSIDE THE UK GOVERNMENT'S JURISDICTION."

THE REPORT GOES ON TO CALL FOR NEW LAWS TO PREVENT SHAREHOLDERS REMAINING ANONYMOUS.

THE REPORT SAYS: "WE CONSIDER THAT THE PUBLIC INTEREST DEMANDS A HIGH DEGREE OF TRANSPARENCY IN SHARE DEALINGS INVOLVING A PUBLIC LIMITED COMPANY AND THIS, OF COURSE, IS ESPECIALLY SO IN THE CASE OF A COMPANY INVOLVED IN DEFENCE CONTRACTS."

THE REPORT CRITICISES ALAN BRISTOW, WHO CLAIMED AT THE HEIGHT OF THE WESTLAND DRAMA THAT TWO PEERS OFFERED HIM AN HONOUR TO DROP HIS OPPOSITION TO THE SIKORSKY-FIAT BID.

IT POINTS OUT THAT MR BRISTOW LAID HIS ALLEGATIONS IN THE PRESS AND BEFORE THE COMMITTEE AND NAMED TWO PEERS. THE REPORT SAYS: "WE ARE DISINCLINED TO ATTACH MUCH CREDENCE TO MR BRISTOW'S EVIDENCE EXCEPT WHERE THIS IS CORROBORATED INDEPENDENTLY.

"THE CONDUCT OF MR BRISTOW BEFORE THE COMMITTEE WOULD BE UNACCEPTABLE TO ANY COMMITTEE OF THIS HOUSE".

THE REPORT ALSO POINTED OUT THAT MR HESELTINE AND MR BRITTAN UNDERSTOOD GOVERNMENT POLICY TOWARDS WESTLAND DIFFERENTLY WHILE THEY WERE IN CHARGE, RESPECTIVELY, OF THE MINISTRIES OF DEFENCE AND TRADE AND INDUSTRY. IT WAS THEREFORE NOT POSSIBLE FOR THE COMMITTEE TO ESTABLISH WHAT GOVERNMENT POLICY WAS.