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cc: HMT
DOT
CSO

Leon Bor

WOK



10 DOWNING STREET

THE PRIME MINISTER

15 October 1979

Jean Pi Francis

Thank you for your letter of 3 October about the presentations of invisibles in the balance of payments.

I entirely agree with you that the achievements of the City should not be masked by an increasing deficit in other parts of the invisible account. The split of invisibles as between the private sector and the Government is of course given in the Central Statistical Office's quarterly Press Notice on the balance of payments, and in Table 3 of the monthly notice on visible trade. I understand from the more detailed letter which you have sent to John Nott that you are mainly concerned that the split should be given more prominence in the monthly notice.

There are difficulties in achieving this because the data on ⁱⁿvisible trade are of course not collected on a monthly basis. The Director of the Central Statistical Office, who will be replying to your letter to John Nott, will explain these problems further. But the text of the

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monthly notice will in future contain an early reference to the composition of the invisible trade balance, and I hope that this will help to remind commentators and others that private sector invisibles are continuing to make a positive contribution to our balance of payments.

Yours sincerely
Ragaud Fisher

Sir Francis Sandilands, C.B.E.



10 DOWNING STREET

From the Private Secretary

MR. BOREHAM
CENTRAL STATISTICAL OFFICE

Committee on Invisible Exports

Thank you for your minute of 10 October with your advice on how the Prime Minister should respond to Sir Francis Sandilands' letter of 3 October.

The Prime Minister has now written to Sir Francis as per the enclosed letter of today's date. This letter follows your advice, but is a little more positive than the draft which you provided in that it tells Sir Francis that the monthly press notice on visibles will include an early reference to the composition of the invisible account. I discussed the redraft with Mr. Wells, who told me he was generally content.

The way is now open for you to write to Sir Francis in response to his letter to the Secretary of State for Trade. The Prime Minister has no objection to your writing on the lines of the draft attached to your minute.

I am sending copies of this minute to Tony Battishill (HM Treasury) and Stuart Hampson (Department of Trade).

T. P. LANKESTER

15 October 1979

TGR

PRIME MINISTER

Committee on Invisible Exports

You said that you would like to reply to this letter from the Chairman of the Committee on Invisible Exports. The letter argues that more prominence should be given to private sector invisibles in presentations of the balance of payments - because private invisibles are continuing in surplus while the overall ^{invisible} position is now only just about in balance.

Sir Francis Sandilands has written to the Chancellor and to Mr. Nott and to the Bank of England about this. The Central Statistical Office are responsible for the presentation of the statistics, and the Director's advice on this matter is at Flag A. (Mr. Nott has asked him to reply to the more detailed letter which Sir Francis sent him.)

It seems that the Committee are mainly concerned that the monthly Press Notice on visible trade should bring out more clearly the composition of the invisible balance. But this isn't easy since monthly data on invisibles are not collected - they are collected quarterly, and simply shown in the monthly Press Notice as a reminder. The CSO include projections for total invisibles in order to provide an estimate of the current account balance (as opposed to the visible balance); they are not prepared to make projections for private and Government invisibles separately. However, they are willing to include a reference to the broad composition of the invisible balance early on in the text of the Press Notice.

I attach a draft letter for you to send. (This is my draft, though I have cleared it with the CSO. The CSO draft was totally bland and negative.)

12 October, 1979.

COMMITTEE ON INVISIBLE EXPORTS
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The Stock Exchange
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Policy
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THE CHAIRMAN:
Sir Francis Sandilands, C.B.E.



26th October, 1979

The Rt.Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London, S.W.1.

Prime Minister

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Dear Prime Minister

In my absence abroad Mr. Clarke acknowledged your letter of the 15th October.

Now that I am back I did want to thank you for the personal interest you have taken in the form of presentation of the 'invisibles' figures in the official press release.

I have also heard from the Director of the Central Statistical Office and I am now pursuing with him the details of the future presentation.

Yours sincerely

Francis Sandilands.

I really am immensely grateful to you.