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PRIME MINISTER

BALANCE OF PAYMENTS

I understand from the Chancellor's Office that the balance of payments figure for March will show a deficit of £2.175 billion. This is the second worst monthly figure on record.

As you are already aware, the export figures for March are broadly unchanged from the previous month. Invisibles are again projected to have a zero balance in March. But imports have risen substantially. Only about half of the increase in March is due to erratic items.

The figures will be released next Wednesday, 25 April. My guess is that the City will be expecting a balance of payments deficit for March of around £1.3-1.4 billion.

The recorded balance of payments figure is so bad that a major news management effort will be required to contain the potential damage to the exchange, and equities, markets. The Chancellor is already in discussion with his press office on how best to handle this.

BHP

B.H. POTTER  
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I have spoken to the Chancellor. This figure is at odds with all the evidence - it needs to be most thoroughly investigated at once. The Chancellor knows - no need for further action.  
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