

Prime Minister

The £ has fallen very sharply this morning.  
It is down by 4 pfennigs to 2.96 D.M. and by 2 cents  
to \$1.89.

The reasons are:

-i) an expectation that Germany will soon follow  
Japan & raise interest rates;

-ii) a rumour that UK will cut interest rates  
soon;

-iii) a fear that UK has decided not to join the  
ERM.

The Treasury have authorised modest intervention to  
smooth movements in the rate. They will issue a statement  
denying ii) & iii) if it becomes necessary.

BHP

31/8

Prime Minister

Sumner

Prudent to let me

see how  
spent

now

YOU ARE

State that money

SEEING CROWN

PRINCE OF KUWAIT

ON MONDAY

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