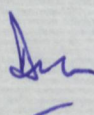


PRIME MINISTER

I attach this evening's market report.
As you will see, the 1% rise seems to have
done the trick in holding the pound steady
despite the trade figures.

As you had suggested, the Chancellor appeared
on television this afternoon to spread reassurance.
Reaction from the Opposition so far has
been muted and largely ineffectual: Mr. Kinnock's
appearance on the 6 o'clock news sounded
more of sour grapes than trade crisis.


DOMINIC MORRIS

25 August 1988