

I.F.I.C.S.

212-17

7 JAN 1976

cc [REDACTED]
[REDACTED]
[REDACTED]

29

EXTERNAL CAPITAL ACCOUNT FORECASTS FOR IMF STAFF

In response to the Fund Staff's request for the final version of these forecasts, you may like to send [REDACTED] a note on the lines of the attached. This reflects discussion with [REDACTED]; but you may like just to check that he is happy before you send the note off.

2. We are giving the Fund Staff a little less information than they would probably like, in that we have aggregated together the forecasts for official sterling balances and other short-term flows. [REDACTED] has made the point strongly that if our forecast for official sterling balances were to become known outside the Fund this could damage our chances of negotiating a satisfactory safety net arrangement. He would therefore much prefer that the Fund Staff did not have our latest forecasts for this item.

3. If the Staff respond by asking us to split down column 3 of the table as between official sterling holdings and other short-term flows, we shall have to think further about our response. There is at least a chance, however, that they will not ask for this split.

[REDACTED]
22 December 1976