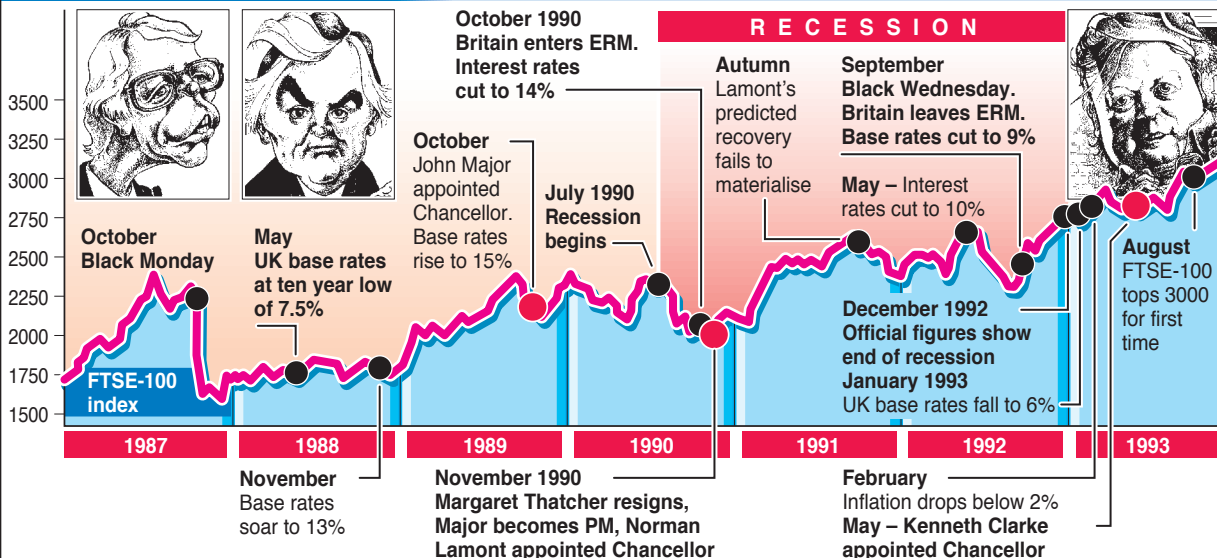


A balancing act for the Chancellor

Do this year's record highs of the FTSE-100 index indicate sound economic recovery, or are investors gambling in stocks and shares as lower interest rates reduce profits elsewhere? Kenneth Clarke's first Budget must attempt to maintain confidence while trying to reduce a £50bn deficit in the PSBR



The road to recovery...

Inflation	Growth	Unemployment (millions)	PSBR (£ billion)
1990/91 91/92 92/93 93/94*	90/91 91/92 92/93 93/94*	90/91 91/92 92/93 93/94*	90/91 91/92 92/93 93/94*
9.5 5.9 3.7 3.75	0.6 -2.4 -0.5 1.25	1.66 2.29 2.77 3.25	0.5 13.8 35.0 50.0