

CONFIDENTIAL



Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

26 November 1985

Charles Powell Esq
10 Downing Street
London SW1

CDP
27/11

Dear Charles,

TREATY OF ROME: MONETARY CO-OPERATION

Before her talks with Kohl on 27 November, the Prime Minister should know that the Chancellor was telephoned on Monday by Stoltenberg on the question of a monetary amendment to the Treaty of Rome.

Stoltenberg asked if the British line on this issue remained the same. The Chancellor confirmed that we would be standing firm. Stoltenberg said he was very pleased to hear this.

He added that despite the pasting it had received at ECOFIN, Delors had been to see Kohl with precisely the same draft monetary amendment, and had said that if the monetary amendment was not accepted, the Commission would withdraw all its proposals for amendment to the Treaty. Stoltenberg took a dim view of this. The Chancellor said Delors was clearly bluffing.

*Yours ever
Rachel*

RACHEL LOMAX

cc pg

King

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