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From the Private Secretary

bc pu.
17 February 1989

DELORS COMMITTEE: ECONOMIC AND MONETARY UNION

Thank you for your letter of 17 February. I agree that the priority is to circulate a redraft of Part III and the EMU Group should first advise the Governor on that. The sense of the Prime Minister's meeting was that an alternative draft of Part II should be circulated as soon as possible. Whether at or after the 14 March meeting would depend upon the availability of the draft and on the Governor's judgement.

I am copying this letter to Stephen Wall (Foreign and Commonwealth Office), Alex Allan (H.M. Treasury) and Roger Lavelle (Cabinet Office).

(CHARLES POWELL)

John Footman, Esq.,
Bank of England.



ccp/4

BANK OF ENGLAND
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17 February 1989

Charles Powell Esq
Private Secretary to
The Prime Minister
10 Downing Street
London
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Dear Charles

DELORS COMMITTEE: ECONOMIC AND MONETARY UNION

Thank you ^{attached} for sending me a copy of your letter of Alex Allan of 15 February.

The Governor has asked me to clarify the sequence of drafting described in your penultimate paragraph. As yet, the Governor has not circulated any redraft of Part III to the Committee, although some of the raw material for such a redraft is contained in the second of the two papers submitted for the Prime Minister's meeting on Wednesday. The next meeting of the Committee, on 14 March, will be considering Part III, not Part II, so that the first priority for the EMU Group must be to advise the Governor on a detailed redraft of Part III. Part II will not be taken again until April, so the ideal time for the Governor to put in a redraft of that part would be shortly after the March meeting. As you say, the two redrafts could then form the basis for a minority report if necessary, though the Governor does not intend to prepare them in terms that effectively rule out any chance of their being adopted by the Committee.

I am sending copies of this letter to Alex Allan (HMT), Stephen Wall (FCO) and Roger Lavelle (Cabinet Office).

J R E Footman
Private Secretary
to the Governor

Yours sincerely

John Footman