

cc Charles Powell
Press Officers

PRIME MINISTER

EUROPEAN COUNCIL - ROME

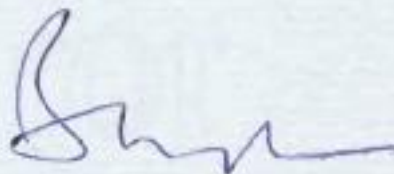
I was asked by the Sunday Lobby today, in the light of Chancellor Kohl setting 1994 as the date for the start of Stage II, for a briefing on the Rome Council. I made the following points:

1. A special Council in October had been originally envisaged in the context of CSCE and help for the Soviet Union.
2. Both these subjects were of continuing importance and needed to be discussed since, God help us, this was the third Council we were attending this year, with a fourth to come. But it was also important to consider Eastern Europe, the GATT and the Gulf.
3. It was surely of much less importance to consider Political and Economic and Monetary Union in October when IGCs were being convened for that very purpose in December; but if our partners wanted to raise them then obviously we would make our points.
4. Those points were as follows:
 - we had advanced a practical, flexible, counter-inflationary method of developing beyond Stage I - the hard ECU. We would strongly argue the merits of this increasingly attractive option, as appropriate. If in the long run this became, first, a common and, then, a single currency by common consent then so be it; but that was a long way down the track.
 - meanwhile, it was no way to do business to set a date for the operation of Stage II without knowing what Stage II contained and added up to.

- if France and Germany wished to move to narrower 1% ERM bands that was their affair; it did not alter our intention to narrow ours from 6% as and when appropriate
- and we would not be rushed.

I was frankly bored, after some 30-odd Euro Councils, with the scenario of other Euro nations coming forward with ideas just before a Council which were interpreted as putting pressure on the UK or designed to isolate the UK. All this nonsense was very counter-productive. And in any case you had a very good record indeed for getting your way because you didn't waffle but brought co-operative, constructive and practical schemes to the EC.

Frankly we are not too concerned what other people say or do; we shall do what we think is right and practical and in the interests of the Community.



BERNARD INGHAM
October 19, 1990