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Subject & Mark



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 November 1990

Dear Stephen,

PRIME MINISTER'S MEETING WITH THE NETHERLANDS PRIME MINISTER

The Prime Minister gave lunch at the British Embassy in Paris today to the Netherlands Prime Minister. Mr. Lubbers was accompanied by Mr. Van den Broek and by his private secretary, Mr. Merkelbach. The Foreign Secretary was also present. I did not take a full note of the meeting. The main aspect which needs to be recorded is the discussion on the European Community.

The Prime Minister said that she had talked the previous evening to Chancellor Kohl about the handling of the two intergovernmental conferences on EMU and political union. She had recalled that Chancellor Kohl had insisted they should not start before his election. It would be helpful if they did not finish before the next general election in this country, which pointed to keeping them going until at least early 1992. She also hoped that discussion of EMU could be handled in such a way that member states were not forced to sign up in advance to different objectives. It should be clear that it was open to them to join any future institutions as and when they wished.

Mr. Lubbers said that he could see no great hurry. It had been agreed in Rome that the next stage of EMU would not start until 1994. There were plenty of serious issues to be discussed, both on EMU and political union, and it would be difficult to arrive at practical and agreed solutions quickly. There was a lot of work to be done. He saw no great difficulty with what the Prime Minister suggested.

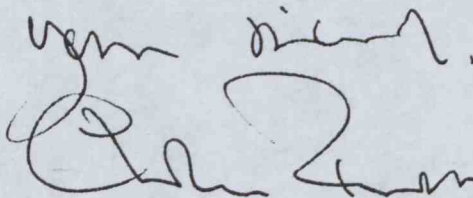
The Prime Minister said that she hoped that the next Rome European Council would not follow the pattern of the previous one. In particular it would be wrong to try to constrain the work of the IGCs. Anyway, it had been agreed in Dublin that the IGCs should set their own agenda. Mr. Lubbers said his preference would be not to discuss either of the IGCs at the European Council itself. He was much more concerned to have a proper discussion of various aspects of the Community's external relations, for instance relations with Central and Eastern Europe and with the EFTA countries as well as problems over the GATT. The Dutch proposals on energy co-operation with the Soviet Union had not yet been properly considered. He would like to see

the December meeting devoted to discussing how the European Community fitted into the wider European architecture. He clearly agreed that we did not want another meeting like the last Rome European Council.

After further discussion the Prime Minister and Mr. Lubbers concluded they were both at one in wanting to see the external aspects of the Community among the main issues to be discussed in Rome and that both would write to Signor Andreotti to urge this. They would also try to enlist the support of others. They would say that there was nothing more to discuss on EMU, and that political union should be left to the IGC. At most the Council should list matters to be discussed in the IGC but should not try to give a mandate.

The Prime Minister added that she thought we should get back to the practice of one European Council under each Presidency. Mr. Lubbers made clear that that was the intention of both the Luxembourg and Netherlands Presidency.

I am copying this letter to John Gieve (HM Treasury), Martin Stanley (Department of Trade and Industry) and Sonia Phippard (Cabinet Office).

A handwritten signature in dark ink, appearing to read 'Charles Powell', written in a cursive style.

CHARLES POWELL

J.S. Wall, Esq., L.V.O.,
Foreign and Commonwealth Office.