

SECRET



EL3BQL

16.

10 DOWNING STREET
LONDON SW1A 2AA

9 January 1987

From the Private Secretary

THE RESERVES

I mentioned to the Prime Minister that yesterday we had made available \$100 million to Belgium under the arrangement by which members of the EMS hold part of their reserves in ECUs. She is not entirely happy about this in view of the fact that we are not members of the ERM. She hopes that we could resist requests from others.

BK || It would be helpful to know the circumstances under which countries can call on us and other members of the EMS to convert ECUs into usable currencies. How far is this an entitlement and how far simply a presumption?

DAVID NORGROVE

Alex Allan, Esq.,
H.M. Treasury.

SECRET

JB.