

SUBJECT
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Prime Minister



MINISTER-PRESIDENT

STRICTLY PERSONAL/CONFIDENTIAL

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T103E/86

Mr. Lubbers. Private secretary
Telephoned me in advance
about this & it arrived
in an envelope addressed
personally to me.

Nr:U 1486053031.

The Hague, 30th May, 1986.

He has not shown
it to anyone in the Dutch Govt. I doubt that
you will want to show it to anyone here.

Dear Prime-Minister,

Thank you very much for your prompt and gracious con-
gratulation on the election results in this country.

I should also like to express in this letter my grati-
tude for the pleasant and effective cooperation of the
past few years, which I hope, we can continue in the
years to come.

Since I write this letter to thank you, I venture to
make some remarks on the European Monetary System.
I do not have the European interest in mind in the
first place, but I gave some thought to the performance
of the British economy. It would seem to me that the
economy in your country has made enormous progress, not
withstanding the fact of life that negative develop-
ments are always there too.

In my opinion consolidation of the return of confidence
is required. Decisive steps should be taken both to
mark the achievements so far and to offer a stepping
stone for the next phase of economic recovery. Sterling
joining the EMS, to my mind, could and should fulfil
precisely that role.

As you know I am 100% an economist and consider myself
a grateful pupil of both Witteveen and Zijlstra, and
therefore I would say we cannot judge this issue on its
monetary technicalities. These are not the heart of the
matter.

-I should like to.....-

The Right Honorable
Mrs Margaret Thatcher
Prime Minister of
the United Kingdom
10, Downing Street
London.

He asks
that you
should not
reply. You
might discuss
it with him
in the
margin of
the European
Council.
COP
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STRICTLY PERSONAL/CONFIDENTIAL

I should like to use the opportunity of this strictly personal and confidential letter to take the liberty to point out there is a political aspect apart from the aspect of economic confidence. Although I hesitate to offer any view in this respect, because it is not for me to judge politics in your country.

Still joining EMS before elections would seem a contribution to a favourable political climate and to a better result on election day.

? Joining EMS after successful elections might even turn out to put joining EMS in jeopardy.

In other words, devaluations tend to occur after a change of government when the elections are over.

Whereas a demonstration of economic strength and resolve and joining EMS would certainly be understood to be such a demonstration, that it would be the hallmark of a successful period.

Thank you very much, once again, for your most kind congratulations and please accept my apology for my confidential cri de coeur, to which, of course, I do not expect a reply.

Yours sincerely
Rune Lubbers



's-Gravenhage
Binnenhof nr. 20

KABINET VAN DE
MINISTER-PRESIDENT

CDD
3/6

The Hague, 30th May, 1986.

Dear Charles,

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I would be grateful to you if you would pass on this
enveloppe to your Prime Minister.

Yours sincerely,

(Joop P.M.H. Merckelbach).

Charles Powell
Private Secretary to the
Prime Minister
10, Downing Street
London.