

SECRET AND PERSONAL



10 DOWNING STREET  
LONDON SW1A 2AA

*From the Private Secretary*

23 April 1990

*Dear Joan,*

ERM

In the margins of a meeting on other matters, the Prime Minister has commented that, following entry into the Exchange Rate Mechanism, interest rates in Spain have risen, the money supply growth increased and their inflation remained on an upward trend.

The Prime Minister would be grateful for a note from the Treasury on what has happened in Spain and what lessons can be drawn from the Spanish experience.

I would be grateful if you could confine circulation of this letter to those with a strict need to know.

*Yours ever,*

*Barry*

Barry H. Potter

John Gieve, Esq.,  
H.M. Treasury.

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