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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

26 July 1990

De Steph,

ECONOMIC AND MONETARY UNION

The Prime Minister said to the Foreign Secretary this afternoon that we must make a major effort first to prevent the Italians from trying to railroad the Community into premature decisions on EMU: and second, to expose the practical problems which a single currency would cause for other member states. We should mount a really substantial campaign on these points. The Prime Minister added that, in the event that the Italian Presidency pressed ahead with tabling specific Treaty amendments at the opening of the IGC in December, we should be ready with alternative drafts of our own.

I am sending a copy of this letter to John Gieve (Treasury).

Yours sincerely,

CHARLES POWELL

J S Wall Esq
Foreign and Commonwealth Office

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