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10 DOWNING STREET  
LONDON SW1A 2AA

From the Principal Private Secretary

8 October 1990

Dear Tim,

DEBATE ON STERLING'S ENTRY INTO THE ERM

The Prime Minister has received the attached letter from Mr. Kinnock. She takes the view that this decision was an element of economic policy which falls within the responsibility of the Chancellor of the Exchequer. Should there be a debate it would fall to him to lead for the Government. She would, however, welcome advice on whether to make time available for such a debate.

The Prime Minister is minded to reply in the following terms:

"Thank you for your letter of 8 October. It is based on a mis-conception. I did not announce the decision to apply for membership of the ERM. This was announced, as is appropriate for an important element of economic policy, by the Chancellor at 1600 hours. It follows that it would be for the Chancellor to open for the Government.

[You will no doubt pursue the Opposition's request for a vote through the usual channels.]

Or

[The Government is ready to find time for such a debate. The timing should be for discussion through the usual channels.]

Or

[The Government is willing to make time for a debate on...]"

BF // Mr. Kinnock has released his letter to the press who will no doubt want to hear of the Government's reply. The Prime Minister would welcome advice as soon as possible.

I am copying this letter to John Gieve (HM Treasury) and Murdo Maclean (Chief Whip's Office).

Your sincerely

Andrew Turnbull

(ANDREW TURNBULL)

Tim Sutton, Esq.,  
Lord President's Office.

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HOUSE OF COMMONS  
LONDON SW1A 0AA

The Office of the  
Leader of The Opposition

October 8th 1990

Dear Prime Minister,

The Government's decision to put Sterling into the Exchange Rate Mechanism clearly has immense immediate and future consequences for all aspects of our economy.

I believe that the decision should be fully debated in the House of Commons at the earliest possible opportunity. I am therefore writing to ask you to arrange for a debate in government time and on an amendable motion as soon as practicable after the House returns next week.

I am sure that since you announced the Government's decision outside 10 Downing Street last Friday you will want to present the Government's policies to the Commons yourself.

I am copying this letter to Sir Geoffrey Howe, Leader of the House.

Yours sincerely  
Neil Kinnock

Neil Kinnock

Rt. Hon. Margaret Thatcher M.P.,  
Prime Minister,  
10 Downing Street