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From the Private Secretary

14 November 1989

See Sign,

EUROPEAN COUNCIL, STRASBOURG

I should record a point which came up in the Prime Minister's discussion with the Foreign Secretary and the Chancellor today about the handling of EMU at the European Council in Strasbourg. The Chancellor's assessment following the ECOFIN on 13 November was that the chances of preventing the Strasbourg Council from setting a date for an IGC are very limited indeed. But there is interest on the part of some governments in attaching conditions which would need to be fulfilled before the IGC actually meets. An example would be that the Monetary Committee and ECOFIN should have worked through fully the questions set out in the paper produced by the High Level Group and produced answers (no doubt alternative answers in some cases) to them. It would not be practicable for us to float such conditions at Strasbourg, but we might try to persuade others to do so. It was agreed that this approach needed to be worked up very rapidly and proposals put to Ministers.

The Prime Minister subsequently raised a further point about Strasbourg in her talks with the Foreign Secretary, relating to enlargement of the Community. She suggested that the European Council ought to issue a general statement making clear that further enlargement of the Community was not on the agenda even for consideration until after successful completion of the Single Market. This would avoid discrimination between countries who had made applications or might be considering them, and would push the whole problem off into the middle distance without administering a direct rebuff. The Prime Minister recalls that President Mitterrand seemed open to an approach on these lines when they discussed the matter at Chequers in September. In her view, it would be preferable to dispose of this matter during the French Presidency than let it run through the subsequent Irish and Italian Presidencies. You will wish to consider the merits of this.

I am copying this letter to John Gieve (HM Treasury).

John Gieve
C. D. POWELL

Stephen Wall, Esq.
Foreign and Commonwealth Office

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