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Foreign and Commonwealth Office

London SW1A 2AH

24 November 1989

Dear Charles,

European Council, Strasbourg: EMU

The Foreign Secretary has seen John Gieve's letter of 24 November, and its enclosed text. He is generally content, subject to the following points.

First, condition (d) may be more than the market will bear; and the first five lines on Single Market measures are unlikely to be negotiable in full. But the Foreign Secretary sees no harm in having some negotiating room in our text.

Second, we have yet to solve the mystery of Kohl's Paris remarks (Bonn telno 1135) about a mandate. But we patently cannot rely on his holding out against French pressure for setting a starting date at Strasbourg. If he were to suggest that what should start by end 1990 was not an IGC but the preparation of a mandate for an IGC, that would obviously be better for us, but our "Conditions" would still, in the Foreign Secretary's view, be relevant to such preparations. So we cannot afford to wait for Kohl to make up his mind before deciding ourselves on appropriate "Conditions" for a Strasbourg decision.

Third, the Foreign Secretary thinks it very important that in our contacts with e.g. the Dutch and Danes we should leave them in no doubt that we consider the calling of an IGC premature, and will not vote for it. Our position in an IGC would be weakened if others could maintain that we had voted for it, and had thus accepted the principle of Treaty amendment. The Foreign Secretary envisages that, even if we were at Strasbourg confronted by a draft Conclusions text which incorporated our key Conditions, the Prime Minister should still make clear that she could not vote for an IGC, with its presumption of Treaty change, on the time-scale envisaged: she might, however, go on to say that, provided our position was clearly understood, she would not oppose the adoption of the Conclusions.

I am copying this letter to John Gieve (HMT).

Jan.
Steph Wall
(J S Wall)

Private Secretary

C D Powell Esq
10 Downing Street

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Evo Rd. - Evo Council Pr 35

