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PERSONAL

Can we decide
whether to do this at a meeting
between John M. Jones & me on
Thursday?

COO 24/6

11th June, 1990

Charles Powell, Esq.,
10, Downing Street,
London, S.W.1.

Richie Pinner

Dear

Charles,

COO 11/6

Second Stage of EMU

I was invited to talk to the Schmidt/Giscard Committee last week and saw a lot of the key players in the Italian and Commission teams. They are determined to press ahead very fast after 1st July in drafting the Charter of a European Monetary Fund (or Eurofed as the Commission like to call it - horrible word!). They foresee the actual Treaty amendments being very short indeed and they want to get them and the draft Charter ready to present to the I.G.C. for rapid approval in December.

I know this time-table would not suit the Prime Minister, still less the idea which is running undesirably well of a very short and almost pro forma Stage 2. The only way that I can see of slowing things down and getting the Central Bankers and Treasuries deeply involved in the substance is for the U.K. to table ideas along the lines of those I put to the P.M. People on the Continent are quite interested in them and I am sure that they would give rise to lengthy discussion, especially as they would divide the French and the Germans and possibly get the Italian Presidency on our side about Stage 2.

Could you please put it to the P.M. that time and influence are slipping away from us. If she would like another talk, I am, as always, at her disposal.

*Yours ever
Michael*

Sir Michael Butler

MDB/MML