

CONFIDENTIAL

File



089

10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

SIR ROBIN BUTLER

HANDLING OF EMU IGC

I have discussed your minute of 18 December with the Prime Minister and with the Chancellor's Office. They are content for discussion of EMU IGC to be routed through OPD. No Ministers would be added, though the Secretary of State for Defence should be given the option of not attending. The Prime Minister was also happy for Mr. Wicks and Mr. Kerr to attend. The Chancellor did not favour the proposal to invite the Governor, preferring to consult him separately. The Prime Minister was also happy with this.

The Prime Minister and the Chancellor were content for a meeting to be arranged before 15 January. The Chancellor intends to circulate a shortened version of his minute of 11 December rather than the full minute. He envisages a still shorter paper being circulated for Cabinet on 17 January, though a final decision on this can be taken at the OPD meeting itself.

I am copying this minute to John Gieve (H.M. Treasury).

AT

Andrew Turnbull

19 December 1990

CONFIDENTIAL

089



Prime Minister
Chancellor (has dis)

Ref.AO90/3095

MR TURNBULL

At my bilateral with the Prime Minister yesterday, I discussed with him the arrangements for handling the Chancellor of the Exchequer's minute of 11 December and the future issues which will arise in the course of the EMU IGC.

2. It would be possible to set up a special Steering Group but the better arrangement seems to be to use OPD which has the essential people on it, namely the Foreign Secretary, Chancellor, Secretary of State DTI and Attorney General (the Secretary of State for Defence could be excused from meetings on this subject). The Prime Minister said that he would like Mr Wicks to attend, about which I see no problem - it has already been agreed that Mr Kerr should attend OPDs on European subjects and I take it that he should attend as well. The Prime Minister also thought that the Governor of the Bank of England might be invited from time to time - I suggest that the Chancellor of the Exchequer should be invited to bring him along whenever he found that helpful.

3. We ought to have a meeting of OPD to discuss the Chancellor of the Exchequer's minute of 11 December before the first meeting of the IGC on 15 January. There could then be a report to the Cabinet on 17 January before the debate in the House of Commons which is scheduled for the second half of next month.

4. The Prime Minister may wish to mention these proposed arrangements to the Chancellor of the Exchequer at his bilateral

CONFIDENTIAL



this week and make sure that he is content. If so, we would circulate the Chancellor's minute of 11 December to OPD, under CMO cover and seek to arrange a meeting before 15 January. The Prime Minister might like to consult the Chancellor on whether he would find it helpful to invite the Governor for this first meeting.

R.B.

ROBIN BUTLER

18 December 1990

CONFIDENTIAL