

PRIME MINISTER

E C U Swap

We have established with the Treasury that there is an arranged PQ down for the Chief Secretary this afternoon, for written answer, about the last meeting of the Finance Ministers Council. This would be an entirely appropriate vehicle for an announcement of the Government's position on the ECU swap. Whatever formulation you decide to use in your opening statement this afternoon, therefore, can if you wish be embodied in the Chief Secretary's written answer; and the Treasury can hold the answer until 1900 Strasbourg time.

If, therefore, you decide to say that "The UK Government intend to participate in the deposit of res^{erve}~~erves~~ etc", this intention can be announced to Parliament as a decision ~~take~~ by the Chief Secretary this evening. As you know, Mr Franklin believes that if this card is to have any value as a gesture, it is worth playing now: Clive Whitmore and I both agree with him - you lose nothing by making the announcement at the outset of this session and you are likely to gain good-will, especially with the Benelux, which could be useful in the discussion of the budget issue.

Am.

21 June 1979