



*File*

10 DOWNING STREET  
LONDON SW1A 2AA

THE PRIME MINISTER

27 April 1989

*Dear David,*

Thank you so much for writing to me about European monetary matters. As always, it was very refreshing to have your views and wisdom. This is clearly going to be a major subject for discussion in Europe for the remainder of the current year at least. As usual, our role will be to try to persuade others to concentrate on practical steps, rather than institutional changes of doubtful value.

With every good wish to you and to Mary.

*Louise*

*Nargant*

The Right Honourable The Viscount Eccles, C.H., K.C.V.O.

*Am*



FOUR OAKS FARM  
350 BURNT MILLS ROAD  
SOMERVILLE  
NEW JERSEY 08876  
201-725-0966

24 April 89

R26/4

(2)

Dear Donor

I have had the  
letter typed to  
make it more  
legible. copy 26/4

Dear Private Secretary

Please show the enclosed letter  
to the P. M. as soon as convenient.  
I shall be at this address for  
the next six weeks.

~

David Lee

LETTER FROM DAVID ECCLES TO THE PRIME MINISTER

"Dear Margaret

If Britain resists a rush to implement the Delors Report, is there a way to make our resistance more understandable in countries like France?

The other day this question came up at a dinner in Paris attended by important people from the world of art and literature (who carry more weight in France than in England). I asked them

"Do you want a European currency, central bank(s) and a single foreign policy?"

"Of course. We all do. It is our only hope."

"Hope for what?"

"To have a voice in a group strong enough to stand up to the Americans on one side and the Russians on the other."

"Wouldn't the Germans run this group? How would you like that?"

"We are a self-confident people, more experienced and more skilful than the Germans."

In a united Europe France would wield more power than we do now. As it is we have no influence on the USA or the USSR."

The movement to unite Europe (for which I worked) began as a means to stop a third war between Germany and France. This purpose faded, to be replaced by a desire to match the economic strength of US. While the threat of Russian aggression was manifest the French kept the fear of American economic domination in the background. Now it revives. Xenophobia is obvious among the supporters of Delors. [Perhaps the young are not as fearful as their elders].

I suggested to my companions at dinner that belief in a continental counter-weight to the super-powers is out of date. The scale of events has suddenly, irreversibly, become global. This explosion has not been brought about deliberately.

Frontiers are not being scrubbed by wars or government action. Technology has mindlessly created one world. No single nation, however rich, can, on its own, have the power it had before the electronic revolution. We all must work for inter-continental arrangements for the sharing and control of the new forces. If Europe spends the next ten years squabbling over the harmonisation of its internal fiscal and monetary policies did they think the other major countries would stop building global institutions?

Someone said that a united Europe was an essential building block for world co-operation in the next century. I said that the loss of sovereignty involved would only make sense if the Americans (perhaps in alliance with the Japanese) were unwilling to share any of their power with Europe or the USSR. But that fear was also out of date. In my experience leading Americans realise that the hey-day of their Empire is over. They are looking to international co-operation to deal with world problems (e.g. G7).

I report this conversation because except for Mary and me, the others were French, influential and representative of intellectual opinion which is listened to in France. They expected me to say that Britain would have nothing to do with the Delors Report because our insular history stopped us from sharing the guts of domestic policy with anybody. When I said that we were ready to share power on an ad hoc basis and on a world scale, because that is the realistic scale today, they were surprised and impressed.

It is difficult, but very necessary, to make the French and their friends feel that America is only only a rival but also an irreplaceable ally in ways other than defence.

Glorious Spring here. I hope the same at home and that the tulips are out at Chequers.

Ever  
David"

24 April 1989

Four Oaks Farm  
Somerville  
New Jersey 08876

R26/4

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G  
over

David