Appointment of President
of EC; UK Commissioner;
Part 3

S
812

PREM 19/2146

PART 3

SECRET

Confidential Filing

Appointment of the President of the European Commission
Appointment of the British Commissioners
Appointment of the Head of the European Secretariat
Allocation of European Commission Portfolios

EUROPEAN POLIC

PART 1: MAY 1980
PART 3: JANUARY 1985

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
2.1.85		23.3.87		22.7.88			
3.1.85		29.5.87		26.7.88			
16.1.85		28.8.87		27.7.88			
22.1.85		4.9.87		25.7.88			
4.2.85		4.9.87		FILE ENDS			
28.3.85		10.9.87					
1.5.85		15.9.87					
13.5.85		16.9.87					
1.3.85		17.9.87					
15.5.85		18.9.87					
23.9.85		21.9.87					
9.5.86		8.2.88					
22.5.86		29.3.88					
26.5.86		12.4.88					
11.9.86		18.4.88					
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20.11.86		11.5.88					
27.11.86		20.5.88					
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3.12.86		17.6.88					
11.12.86		26.6.88					
20.1.87		14.7.88					
11.2.87							
18.3.87							

PREM 19/2140

PART 3 ends:-

PM to Kinnock 29.7.88

PART 4. begins:-

CDP to Fco 27.9.88

FILE SW

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

29 July 1988

Dear Mr. Kinnock

Thank you for your letter of 28 July suggesting that the Government should nominate Mr. Bruce Millan, M.P., as the Second British Commissioner to the European Commission.

I think that Mr. Millan would be an effective Commissioner and am content to accept your suggestion. I assume you have reason to know that he would be willing to serve. In that event, I would propose to ask the Foreign Secretary to get in touch with him on 29 July and thereafter to announce his nomination by the Government before my departure for Australia in the afternoon.

Yours sincerely

Margaret Thatcher

The Right Honourable Neil Kinnock, M.P.

KK

SRWBPH

PERSONAL

PRIME MINISTER

SECOND BRITISH COMMISSIONER

Mr. Kinnock has written to you proposing Mr. Bruce Millan, MP, as the Second British Commissioner.

You will certainly know him. He is 60. He does of course meet the criterion of being a former Cabinet Minister which you gave to Mr. Kinnock. I attach some biographical material from various parliamentary handbooks. Nigel Wicks remembers him as a Cabinet Minister who carried weight.

I have mentioned the proposal in strict confidence to the Foreign Secretary. His reaction is that we are unlikely to get anyone better from the Labour Party.

Depending on your reaction, the choices are:

- to reject him and ask Mr. Kinnock to come forward with further candidates;

- to reflect until your return from Australia;

- to reply to Mr. Kinnock tomorrow accepting the proposal and announce the appointment tomorrow.

In case you opt for this last course, I attach a reply to Mr. Kinnock.

We will agree. Have signed the letter

mt

CDP

(C. D. POWELL)
28 July 1988

PERSONAL

HOUSE OF COMMONS
LONDON SW1A 0AA

The Office of the
Leader of The Opposition

28 July 1988

IN CONFIDENCE

Dear Prime Minister,

I have, as I promised, given serious thought to the question of the appointment of a second Commissioner to the European Commission.

My strong preference is for Bruce Millan. As you will know, he is a man of considerable ability and is renowned for his thoroughness and resilience. He has a record as a realistic sceptic in matters relating to the European Community and, as a conscientious Parliamentarian who came to the House on the same day as yourself, he would be resistant to any idea of depriving our Parliament of its necessary authority.

I make this one recommendation at this juncture because I consider Bruce Millan to be such an outstanding candidate. I would be pleased to have your response as soon as possible.

Naturally, I shall be treating the matter in the strictest confidence.

Yours sincerely

Neil Kinnock

NEIL KINNOCK

Rt Hon Margaret Thatcher MP
Prime Minister

Rt Hon Bruce MILLAN Labour GOVAN, Glasgow '83-

Majority 13,057 over Conservative 4-way
Former Seat Craigton, Glasgow '59-83
Description New seat in Southwest Glasgow, South of the Clyde, largely former Craigton; dominated by shipyards, many of them closed; home of Rangers; 65% council tenants; over 20% jobless
Position On Council of Europe and WEU '84- , '61-63; ex: Secretary of State for Scotland '76-79; Minister of State for Scotland '74-76; Under Secretary for Scotland '66-70; Spokesman on Scotland '79-83, Deputy Spokesman '73-74; in Shadow Cabinet '81-83; Deputy Spokesman, Industry '70-73; Under Secretary, Defence (RAF) '64-66
Outlook Able, moderate, retired Centre-Right Scots loyalist; mild devolutionist; "ability and diligence, what he needs is...charisma" (DAILY TELEGRAPH); "an almost clinical ability to see a problem clearly and to solve it without becoming emotionally involved"; APEX-sponsored
History Joined Labour Party '48; became Chairman of Scottish Labour Youth Council '49; fought West Renfrewshire Oct '51, Craigton May '55; in 1959 election manifesto wrote: "I do not myself see any compelling reason for a separate Scottish Parliament but I have by no means a closed mind on the matter"; captured Craigton by a 602 majority Oct '59; urged wealth tax '63; named Minister of State for Scotland Mar '74; promised Scottish Development Agency would have maximum powers, unsubordinated to National Enterprise Board Apr '75; made a Privy Councillor June '75; threatened to resign over plan to close Linwood Nov-Dec '75; was promoted Scottish Secretary on elevation of William Ross to the Lords Apr '76; committed himself unequivocally to Scottish Assembly Mar '79; received 54 votes for Shadow Cabinet, named Scottish spokesman June '79; was elected to Shadow Cabinet with Manifesto Group support (92 votes) Nov '81; attacked "sickening and offensive" sight of SDP MPs, previously union-backed, voting for Tory Employment Bill Mar '82; was supported by Manifesto Group, received 85 votes in contest for Shadow Cabinet Oct '82; was selected for new Govan instead of hard leftist Andy McMahon May '83; claimed the Tories were committed to killing the Scottish steel industry May '83; co-nominated Roy Hattersley for Leader, for Deputy Leader Sep '83; backed by the Labour Solidarity in Shadow Cabinet election, he received 69 votes, losing his seat as second runner-up Oct '83; retired from Front Bench Nov '83
Born 5 October 1927, Dundee
Family S David, shipyard worker, dcd and Robina (Smith); m Gwen(doline) (Fairey) '53; 1s '56; 1d '54
Education Harris Academy, Dundee
Occupation Sponsored by APEX (ex-CAWU: 80% of election expenses. "Also small annual payment made to me for expenses on union business") '74- ; Parliamentary Advisor, to the Institute of Chartered Accountants of Scotland '83- ; Chartered Accountant, formerly with Scottish Gas Board '50-59; did freelancing '70-74
Traits Neat; greying; soft spoken; modest; decent; diligent; "dependable...without charisma"; "quick mind and dry humour" (SCOTSMAN); "straight, sober and industrious" (SUNDAY EXPRESS)
Address 10 Beech Avenue, Glasgow G41 5BY
Telephone 041 427 6483; 01 219 4560 (H of C)

MILLAN, The Rt Hon. Bruce, (*Glasgow Govan*) Lab.

S. of the late David Millan. B. Oct. 5, 1927; ed. Harris Academy, Dundee; m. Aug. 22, 1953, Gwen, d. of R. J. Fairey (Is Id). Parl. Under-Sec. of State for Defence for the Royal Air Force Oct. 1964–April 1966. Parl. Under-Sec. of State, Scottish Office from 1966–70. Min. of State, Scottish Office 1974–76. Sec. of State for Scotland April 1976–May 1979. Principal Opposition Front Bench Spokesman on Scotland 1979–83. PC 1975. Member UK Delegation of the Council of Europe and the Western European Union. *Special Interests.* Scottish Affairs, Economic Policy, Industry and Trade, Regional Development. Member for Craigton 1959–83 and for Govan since June 1983. –*10 Beech Avenue, Glasgow G41* (041 427 6483).

(2)

Qz 06117

Prime Minister
You asked for a note on this subject.
CDP 27/7

MR POWELL

RECRUITMENT TO THE COMMISSION

You asked for a short note about the present position on recruitment to the Commission, about which Sir Jeffrey Stirling spoke recently to Nigel Wicks.

2. The attached note draws attention, inter alia, to the opportunity provided by the Commission's recent decision to recruit some temporary staff.

R

R G LAVELLE

27 July 1988

STAFFING THE COMMISSION

The most senior appointments in the Commission, from A2 upwards, reflect target shares designed to achieve broad national balance, and candidates can be external or internal. The UK is adequately represented at these levels: we have succeeded in getting some key posts.

2. Most posts from A3 downwards are filled by promotion from within. Because large numbers of UK nationals were appointed in the short period immediately after the UK's accession to the EC, when the requirements of the jobs were not well known, there were difficulties in matching staff to jobs. Moreover many of those recruited were within a relatively narrow age-band. There was also a fairly high rate of resignation. Against this background, some shortage of middle-ranking British administrators remains. Only 12.9 per cent of A grade staff are British compared with 17.3 per cent for France, 15.7 per cent for Germany and 14.3 per cent for Italy. The situation is improving slightly at the lower levels of A6-A8.

3. The long term key to improving the flow of good British candidates for posts at the more senior levels is better recruitment. We are actively cooperating with the Commission in improving the publicity for competitions and explaining the system to candidates. The Cabinet Office gives help by alerting universities and polytechnics, professions and public sector organisations to the opportunities available and briefing candidates who have entered particular competitions. Candidates for the fast stream are now being encouraged to think about careers starting in the UK civil service and continuing in Europe.

4. A new opportunity has arisen recently because the Commission have asked for help from member states in recruiting staff for new temporary posts. The bulk of these are for assisting with the increased expenditure on the structural funds agreed at the Brussels European Council. This is an important chance to get qualified British people into areas of the Commission where work

of significance to us is to be done and where we are currently under-represented. We are aiming to fill at least 35 of these vacancies, for which we will need to field over 100 strong candidates. Departments have been asked to forward applications to the Cabinet Office by 16 September.

STRICTLY PERSONAL

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

26 July 1988

Dear Stephen,

EC COMMISSIONERS: PRIME MINISTER'S MEETING WITH MR. KINNOCK

The Prime Minister had a meeting with the Leader of the Opposition in her room at the House of Commons this evening to discuss the nomination of a second British Commissioner. The meeting was on Privy Council terms.

Mr. Kinnock began by saying that it was a great pity that he had been given no chance to make representations in favour of reappointing Mr. Clinton Davis before the Government had announced its intention not to keep him. It was generally accepted that Mr. Clinton Davis had done well in Brussels, and had won considerable respect among his fellow Commissioners. There had been a strong case for continuity, at least in the case of the Labour Party's Commissioner. The Prime Minister reminded Mr. Kinnock that both Commissioners were appointed by the Government.

The Prime Minister said that the period 1988-1992 would be a critical time in the European Community. It was very important that our candidates for the Commission should be of high quality, and grounded in contemporary experience of British politics. Preferably they should also have some experience of EC matters and of negotiating in the Community. The importance which she attached to the standing of the British Commissioners could be judged by her decision to appoint Mr. Brittan, even though this necessitated a by-election. The fact was that the Commission were assuming ever greater powers and it was essential that the British view on the proper role and function of the Commission and relation to the Member States should be strongly represented.

Mr. Kinnock said that he took these points and indeed agreed about the importance of restricting the Commission's role. He could promise the Prime Minister that the candidates he would put forward within a few days would certainly have the necessary quality. They would be names who would do Britain credit and ensure that the standard of our representation was kept up. The Prime Minister said that

STRICTLY PERSONAL

ECL

Mr. Kinnock should not feel under time pressure, although we would need to reach a decision not later than the beginning of September. Mr. Kinnock said that his candidates would be put forward much sooner than that, probably next week.

The Prime Minister said that the new Commissioners would need time to prepare themselves. Once they were both nominated the Cabinet Office would provide them with office space and any required briefing or language training. Mr. Kinnock commented that some of the candidates he had in mind would not need language training.

The Prime Minister recalled that Mr. Joel Barnett would have been her preferred choice in 1984 but he had not wanted to be considered then and would be even less likely to want to go to Brussels now. But he was the sort of person she would like to see appointed: practical, down-to-earth and persistent.

The meeting ended with Mr. Kinnock promising to write to the Prime Minister shortly with the names of his suggested candidates.

<u>I should be grateful if you would ensure that this letter is seen only by the Foreign Secretary</u>.

Yours ever,

Charles Powell

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

EUROPEAN COMMISSIONERS: MEETING WITH MR. KINNOCK

You are to see Mr. Kinnock in your room at the House tomorrow to discuss the nomination of a second British Commissioner for the EC.

You have already told Mr. Kinnock and announced publicly that the Government will not be re-appointing Mr. Clinton Davis. Mr. Kinnock has issued a statement criticising this decision and may make one further attempt to persuade you to change your mind. You could recall that you told him in 1984 that you thought as a general rule that people should not serve as Commissioners for too long. The decision not to re-appoint Mr. Davis (and indeed Lord Cockfield) should not therefore have come as any surprise to him. You agree that Mr. Davis has some useful achievements to his credit, and you have thanked him for these, but your decision to find two new Commissioners stands.

You might then go on to recall that you consulted Mr. Kinnock in 1984 about the choice of the second British Commissioner. You would like to invite him to put forward some suggestions this time, although of course the final decision on whom to nominate rests with the Government. You hope he will come forward with candidates who have held senior Ministerial office: it is very important that we should be well represented in the Commission. Obviously the sooner he can let you have suggestions the better: whoever is nominated will want to have plenty of time to prepare himself in the autumn. You will be away until 9 August, but would be happy to consider any candidates who Mr. Kinnock wishes to put forward on your return.

I think it would be better if you did not yourself suggest any Labour names at this stage, but wait to see whom Mr. Kinnock puts forward first.

CDP

Charles Powell
25 July 1988
DG2CUY

The National Archives

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Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

Enter extract details if it is an extract rather than a whole piece.
This should be an indication of what the extract is,
eg. Folio 28, Indictment 840079, E107, Letter dated 22/11/1995.
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Sign and date next to the reason why the record is not available to the public ie. Closed under FOI exemption; Retained under section 3(4) of the Public Records Act 1958; Temporarily retained; Missing at transfer or Number not used.

10 DOWNING STREET

Prime Minister

EC Commission

Your meeting with Mr. Kinnock is fixed for 1715 on Tuesday.

CDP.

R 23/7/88.

Prime Minister

CDP
23/7

MT

House of Lords · Westminster

23rd July 1988.

Dear Margaret,

Thank you for your letter of 22 July. I much appreciate what you say and particularly the tribute you pay to Monica for her unfailing support.

We have achieved a great deal in these last four years and the Community is now more firmly and soundly based. My own contribution – the Completion of the Single Market – I look back on with the sense of pride which flows from achievement. In this I have had the constant support of my colleagues in the Commission and particularly of the President, Jacques Delors. It no longer falls to me to see the programme through to a successful conclusion and we must now all place our trust in our colleagues.

I now look forward to active participation once again in the work of the House of Lords.

Yours ever,

Arthur.

The Rt Hon Margaret Thatcher M.P.

File SH

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary 22 July 1988

I am sure the Prime Minister would like to be able to release the attached letter to the press if you agree. Could you very kindly let me or the No.10 Duty Clerk know if you are content. The number is 222 8141.

(C. D. POWELL)

The Rt. Hon. Lord Cockfield
Apartment 6
Connaught House
Mount Row
Berkeley Square
W1

499 5231

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

22 July 1988

Dear Arthur,

I want you to know how very greatly I have valued your work since 1985 as a Vice President of the Commission of the European Communities. Yours has been an absolutely key role in Brussels. A great deal of the credit for initiating the drive to complete the European Community's single internal market goes to you. You have drawn to great effect on your depth of economic and fiscal expertise, and on your long experience both in government and in business. I have greatly admired the clarity and rigour of your analysis. Thanks to you, the creation of the single market - so vital for our competitive position - is now right at the top of the Community's agenda. But, more than that, your work will be to the lasting benefit of the entire Community.

I would like to add a particular word of thanks to Monica for her role. She has been a tower of strength to you.

It will be a sad day when you leave the Commission, but the Commission's loss will be our gain in that we shall be able to hear once again your wise advice and powerful speeches in the House of Lords.

Thank you both again for all you have done. I look forward to working with you throughout the final months of the present Commission.

Yours ever

Margaret

The Rt. Hon. Lord Cockfield

PERSONAL AND CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

22 July 1988

OB 22/7.

Dear Charles,

Prime Minister's meeting with Lord Cockfield

Thank you for your letter of today's date. I enclose the draft of a letter which the Prime Minister might wish to send to Lord Cockfield.

Yours Stephen

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

PERSONAL AND CONFIDENTIAL

DSR 11 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:
Prime Minister

DEPARTMENT: TEL. NO:

BUILDING: ROOM NO:

Reference

Your Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

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CAVEAT .....

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TO: KKIAAJB

Copies to:

The Rt Hon Lord Cockfield

When we met this morning, I ~~was~~ told you how very greatly I have valued

SUBJECT:

~~I want to let you know~~

~~Though you will know, not least from our talk today,~~ how ~~much I value~~ your work since 1985 as a Vice President of the Commission of the European Communities.

~~I wanted to send you my thanks more formally. Hence this letter.~~

Yours has been ~~a~~ an absolutely key role at Brussels. ~~Much~~ A great deal of the credit for initiating the drive to complete the EC's single internal market goes to you. You have drawn to great effect on your depth of economic and fiscal expertise, and on your long experience both in government and in business. I have greatly admired the clarity and rigour of your analysis. Thanks to you, the creation of the single market - so vital for our competitive position - is now ~~at~~ right the top of the Community's agenda.

~~As~~ But, as I told you this morning, I do not think it would be fair, to you or to ~~Monica~~ her, to ask you to shoulder this demanding burden for another four years. ~~But~~ Your work on the single market will be to the lasting benefit of the entire Community. ~~I look~~ I look forward to working with you throughout the final months of the present Commission.

~~I hope that you will~~ I will again,

and you told me that you had ~~not been~~ ~~expecting to~~ in any case not been expecting to ~~be~~ be appointed for another term

I would like to say a particular word of thanks for to Monica for her role in persuading you. ~~She has been~~ she has been a tower of strength

IP(88)472

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Copy

(2)

Brussels, 22 July 1988

Prime Minister
You may like to see these statements by Lord Cockfield & Mr. Clinton Davis even.

1989 COMMISSION : STATEMENT BY LORD COCKFIELD

The completion of the Internal Market by 1992 is the most important task to which the Commission has set its hand, and it will be the decisive force in shaping the future for all of us. I am immensely proud that I was able to launch this programme, provide much of its driving force and see it make such progress and gain such widespread acceptance.

My term of office expires in January. I would never have sought the appointment : but it would have been a matter of personal satisfaction to have been able to see the programme through to a successful conclusion - and, I would have hoped, also a service to the Community as a whole. That is not to be. But I am more than grateful to my friends in the Commission, in the Council and in the European Parliament in this country and in the Community countries for their support.

My wife and I have enjoyed our stay in Brussels and we are grateful for the friendship of the Belgian people. We have always kept our London home and on our return I would propose once again playing an active part in the House of Lords.

* * * * * * *

mt

KOMMISSIONEN FOR DE EUROPÆISKE FÆLLESSKABER - KOMMISSION DER EUROPÄISCHEN GEMEINSCHAFTEN
COMMISSION OF THE EUROPEAN COMMUNITIES - COMMISSION DES COMMUNAUTES EUROPEENNES - ΕΠΙΤΡΟΠΗ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ
COMMISSIONE DELLE COMUNITÀ EUROPEE - COMMISSIE VAN DE EUROPESE GEMEENSCHAPPEN

Mr Clinton Davis has this monring received a letter from the Prime Minister indicating that she does not intend to nominate him as a Member of the Commission that will serve from 1989 to 1992.

Mr Clinton Davis has issued the following statement :

"Over the last four years, the policies I have been developing within my own portfolios of Transport, the Environment and Nuclear Safety have, I believe, been of direct and lasting benefit to the citizens of Europe. I am proud of the record. But so much more needs to be done if the Community is to become truly relevant, genuinely responsive to the needs of ordinary people.

"In the policy areas for which I have been responsible it is necessary to further develop Community protection against the results of nuclear accidents, to carry on the fight against pollution in all its forms and assure the greater protection for wildlife, to continue the reform of transport policy. I am disappointed that I shall not be able to continue this work which is now well underway.

"More widely, it is essential that the Community reaffirms its commitment to attack unemployment and to convert the potential gains of the Single European Market into new prosperity for workers and consumers and to promote the values of cooperation and tolerance on which our social stability depends.

"To have been given the chance to contribute to these ends was a great honour and as I look back now on the real advances we have made, I have every confidence that under the leadership of Jacques Delors the Commission will go on proposing the kind of policies which will make Europe a better place for all.

./.

(since student days)

I HAVE BEEN A MEMBER OF THE LABOUR PARTY ~~FOR AROUND 40 YEARS.~~ THROUGH THE LABOUR PARTY I BECAME MAYOR OF MY BOROUGH, A MEMBER OF PARLIAMENT, A MINISTER AND A EUROPEAN COMMISSIONER. IT WAS MY PRIDE TO HAVE BEEN NEIL KINNOCK'S NOMINEE AND I SHOULD LIKE TO EXPRESS MY GRATITUDE TO HIM FOR THE CONFIDENCE HE HAD IN ME AND FOR THE SUPPORT HE HAS GIVEN ME THROUGHOUT MY TERM. I SHOULD ALSO LIKE TO THANK NEIL KINNOCK'S FRONT BENCH COLLEAGUES, MY FRIENDS AT THE TUC, MOST ESPECIALLY NORMAN WILLIS, AND THE BRITISH LABOUR GROUP OF EURO-MPS FOR THE SOLIDARITY THEY HAVE GIVEN ME OVER THE LAST FOUR YEARS. AFTER THE END OF MY MANDATE IN DECEMBER, I LOOK FORWARD TO SERVING THE BRITISH LABOUR MOVEMENT WITH EVER-GREATER ENTHUSIASM AND WITH RENEWED VIGOUR IN THE YEARS TO COME.

FINALLY, I SHOULD LIKE TO PUT ON RECORD THAT I HAVE ENJOYED EXCELLENT SUPPORT FROM JACQUES DELORS AND OTHER COMMISSION COLLEAGUES, FROM MY DIRECTORATES-GENERAL AND FROM MY PERSONAL STAFF. I ONLY HOPE THAT THEY ALL FEEL AS I DO THAT, AS A RESULT OF OUR WORK TOGETHER, MUCH HAS BEEN ACHIEVED.

R 22/7

STANLEY CLINTON DAVIS
MEMBER OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES

Prime Minister
Mr. Clinton Davis' reply.
cpp
22/7.

22 July 1988

Dear Prime Minister,

Thank you for your letter which I received this morning concerning your decision not to renominate Arthur and myself for the new Commission. I appreciate your kind remarks about my work in the transport and environment areas for which I have been responsible since 1985.

I cannot hide from you the fact that I am disappointed that I am not to be given the opportunity to advance these dossiers further in the next important stages of their development, particularly as they are so vital in terms of the needs of ordinary people.

May I say that I am honoured to have served as Commissioner in the Delors Commission

Yours sincerely
Stanley Clinton Davis

The Rt. Honourable Margaret Thatcher MP
10 Downing Street
London SW1

Provisional address:
Rue de la Loi 200
B-1049 Brussels

Telephone:
Direct line: 235 . . . .
Telephone exchange: 235 11 11

Telex:
COMEU B 21877

Telegraphic address:
COMEUR Brussels

PERSONAL AND CONFIDENTIAL

file

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 July 1988

EC COMMISSION

I enclose a copy of Mr. Clinton Davis' reply to the Prime Minister's letter.

Charles Powell

J. S. Wall, Esq.,
Foreign and Commonwealth Office.

PERSONAL AND CONFIDENTIAL

STANLEY CLINTON DAVIS
MEMBER OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES

22 July 1988

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May I say that I am honoured to have served as Commissioner in the Delors Commission

Yours sincerely
Stanley Clinton Davis

The Rt. Honourable Margaret Thatcher MP
10 Downing Street
London SW1

Provisional address:
Rue de la Loi 200
B-1049 Brussels

Telephone:
Direct line: 235 . . . .
Telephone exchange: 235 11 11

Telex:
COMEU B 21877

Telegraphic address:
COMEUR Brussels

ΥΠΗΡΕΣΙΑ ΕΚΠΡΟΣΩΠΟΥ ΤΥΠΟΥ - SERVIZIO DEL PORTAVOCE - DIENST VAN DE WOORDVOERDER

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Brussels, 22 July 1988

CDP

1989 COMMISSION : STATEMENT BY LORD COCKFIELD

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My wife and I have enjoyed our stay in Brussels and we are grateful for the friendship of the Belgian people. We have always kept our London home and on our return I would propose once again playing an active part in the House of Lords.

* * * * * * *

KOMMISSIONEN FOR DE EUROPÆISKE FÆLLESSKABER - KOMMISSION DER EUROPÄISCHEN GEMEINSCHAFTEN
COMMISSION OF THE EUROPEAN COMMUNITIES - COMMISSION DES COMMUNAUTES EUROPEENNES - ΕΠΙΤΡΟΠΗ ΤΩΝ ΕΥΡΩΠΑΪΚΩΝ ΚΟΙΝΟΤΗΤΩΝ
COMMISSIONE DELLE COMUNITÀ EUROPEE - COMMISSIE VAN DE EUROPESE GEMEENSCHAPPEN

Mr Clinton Davis has this monring received a letter from the Prime Minister indicating that she does not intend to nominate him as a Member of the Commission that will serve from 1989 to 1992.

Mr Clinton Davis has issued the following statement :

"Over the last four years, the policies I have been developing within my own portfolios of Transport, the Environment and Nuclear Safety have, I believe, been of direct and lasting benefit to the citizens of Europe. I am proud of the record. But so much more needs to be done if the Community is to become truly relevant, genuinely responsive to the needs of ordinary people.

"In the policy areas for which I have been responsible it is necessary to further develop Community protection against the results of nuclear accidents, to carry on the fight against pollution in all its forms and assure the greater protection for wildlife, to continue the reform of transport policy. I am disappointed that I shall not be able to continue this work which is now well underway.

"More widely, it is essential that the Community reaffirms its commitment to attack unemployment and to convert the potential gains of the Single European Market into new prosperity for workers and consumers and to promote the values of cooperation and tolerance on which our social stability depends.

"To have been given the chance to contribute to these ends was a great honour and as I look back now on the real advances we have made, I have every confidence that under the leadership of Jacques Delors the Commission will go on proposing the kind of policies which will make Europe a better place for all.

./.

I HAVE BEEN A MEMBER OF THE LABOUR PARTY ~~FOR AROUND 40 YEARS.~~ since student days THROUGH THE LABOUR PARTY I BECAME MAYOR OF MY BOROUGH, A MEMBER OF PARLIAMENT, A MINISTER AND A EUROPEAN COMMISSIONER. IT WAS MY PRIDE TO HAVE BEEN NEIL KINNOCK'S NOMINEE AND I SHOULD LIKE TO EXPRESS MY GRATITUDE TO HIM FOR THE CONFIDENCE HE HAD IN ME AND FOR THE SUPPORT HE HAS GIVEN ME THROUGHOUT MY TERM. I SHOULD ALSO LIKE TO THANK NEIL KINNOCK'S FRONT BENCH COLLEAGUES, MY FRIENDS AT THE TUC, MOST ESPECIALLY NORMAN WILLIS, AND THE BRITISH LABOUR GROUP OF EURO-MPS FOR THE SOLIDARITY THEY HAVE GIVEN ME OVER THE LAST FOUR YEARS. AFTER THE END OF MY MANDATE IN DECEMBER, I LOOK FORWARD TO SERVING THE BRITISH LABOUR MOVEMENT WITH EVER-GREATER ENTHUSIASM AND WITH RENEWED VIGOUR IN THE YEARS TO COME.

FINALLY, I SHOULD LIKE TO PUT ON RECORD THAT I HAVE ENJOYED EXCELLENT SUPPORT FROM JACQUES DELORS AND OTHER COMMISSION COLLEAGUES, FROM MY DIRECTORATES-GENERAL AND FROM MY PERSONAL STAFF. I ONLY HOPE THAT THEY ALL FEEL AS I DO THAT, AS A RESULT OF OUR WORK TOGETHER, MUCH HAS BEEN ACHIEVED.

SUBJECT
cc MASTER

PERSONAL AND CONFIDENTIAL

file KAMAJx
ccPC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 July 1988

PRIME MINISTER'S MEETING WITH LORD COCKFIELD

The Prime Minister saw Lord Cockfield this morning to convey the Government's decision not to reappoint him or Mr. Stanley Clinton Davis to the next Commission.

The Prime Minister began by saying how much she regretted the press speculation about the Commission appointments. This has not been stimulated or encouraged by No. 10 but must none the less been extremely unpleasant for Lord Cockfield. The Prime Minister went on to say that she had been immensely grateful to Lord Cockfield for undertaking the job and for his achievements in securing such substantial progress towards completion of the Single Market. His record had been remarkable and the whole country was in his debt. However, she had always taken the view that Commissioners should in general serve for only four years and she intended to be guided by this, both in his case and that of Mr. Clinton Davis. But the decisive factor had been the availability of another outstanding candidate with experience of high Ministerial office and the same strong belief in deregulation that she and Lord Cockfield shared. She had therefore decided that it would be right to give Mr. Brittan a chance to do the job. The appointment would be announced at mid-day, together with the fact that Mr. Clinton Davis would not be reappointed. The Prime Minister added that she would of course write formally to thank Lord Cockfield for all he had done in Brussels.

Lord Cockfield said that he had never expected to be appointed to a second term, although on personal grounds it would have given him great satisfaction to see the internal market through to completion. He then talked at some length about the internal market and the way ahead without adding anything to what we already know of his views. He thanked the Prime Minister for giving him the opportunity to serve in Brussels. He had found it a very interesting and fruitful time.

PERSONAL AND CONFIDENTIAL

The Prime Minister again thanked Lord Cockfield, wished him well in his remaining months in the Commission and urged him to keep in touch with her following his return to London and let her have his advice on Community affairs.

I do not think it is necessary for anyone other than the Foreign Secretary and Sir David Hannay to see this letter. You kindly said you would let me have a draft for the Prime Minister's letter to Lord Cockfield.

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

File

10 DOWNING STREET

Press Notice

BRITISH NOMINATION FOR THE EUROPEAN COMMISSION

At the invitation of the Prime Minister, the Rt Hon Margaret Thatcher MP, the Rt Hon Leon Brittan MP has agreed to be nominated by the British Government as one of the Members of the new European Commission which takes office in January 1989.

Mr Brittan will take the place of Lord Cockfield.

In accordance with normal practice the Prime Minister is consulting the Rt Hon Neil Kinnock, the Leader of the Opposition, about the nomination of a second British Commissioner in succession to Mr Stanley Clinton Davis. A further announcement will be made in due course.

22 July 1988

Notes for Editors

Mr Brittan, who is 49, was a member of the Cabinet from 1981 to 1986, serving successively as Chief Secretary to the Treasury, Home Secretary and Secretary of State for Trade & Industry. He is MP for Richmond, Yorks.

The Prime Minister has thanked Lord Cockfield, who is 71, for his work in the Commission since 1985, and especially for initiating the programme for the completion of the single internal market.

She has also expressed appreciation for the work of Mr Clinton Davis (59), particularly on the liberalisation of transport services in the Community.

Telephone 01-930 4433

The Commission at present consists of 17 members - two each from Germany, France, Italy, Spain and the United Kingdom and one each from Belgium, Denmark, Greece, Ireland, Luxembourg, the Netherlands and Portugal. Commissioners are appointed by common accord of the Governments of the Member States for four-year terms. The new Commission takes office at the beginning of January. Each Commissioner has responsibility for co-ordinating work in particular fields, the allocation of portfolios being a matter for decision within the Commission.

The Commission's President and six Vice Presidents serve in those capacities for two-year renewable terms. The reappointment of M. Jacques Delors as President for a further two years from January 1989 was unanimously approved at the European Council at Hanover on 27-28 June.

The President of the Commission receives a salary of approximately £105,000 a year; Vice Presidents receive approximately £95,000 a year; and other Commission members approximately £85,000 a year net excluding allowances.

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

18 July 1988

Dear Mrs. Pitman.

I am writing to you in your capacity as the Chairman of Leon Brittan's Constituency Conservative Association to let you know that I have personally asked Leon to accept nomination as the senior British Commissioner of the European Communities in Brussels and therefore one of its Vice-Presidents, and he has accepted.

I can well understand what a wrench it will be for the constituency to lose Leon's services. He has been an outstanding constituency member and I know how strong his ties to North Yorkshire are. Indeed the immense value he attaches to those ties led him to think long and hard before accepting.

But the post in Brussels is vitally important to Britain's economic and industrial future, particularly as we approach the crucial date of 1992, and Leon is by far and away the best qualified candidate, with his outstanding talents, experience of high Ministerial office and powerful advocacy. I therefore asked him to take on the post for the country's sake and it is characteristic of Leon's sense of public duty that he has agreed to give up his seat and accept it. While I know how unwelcome the loss of his

services will be to you and all his constituents, the country as a whole could not be more ably represented on the Commission and in Europe at this crucial time.

Yours sincerely

Margaret Thatcher

Mrs. Sheilah Pitman.

RESTRICTED

File

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

MR. LAVELLE

Cabinet Office

RECRUITMENT TO THE COMMISSION

I attach a copy of a note by Nigel Wicks reporting a conversation with Sir Jeffrey Sterling about recruitment to the Commission. This is a well-worn subject to which Sir Jeffrey Sterling has come late. But could you please provide a short note on the position.

C. D. POWELL
22 July 1988

RESTRICTED

DELIVERED BY HAND ON 22/7

BSW

76

cc 720

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

22 July 1988

Dear Mr. Clinton-Davis,

The moment is approaching for the Government to nominate the two British Members of the Commission for the period 1989 to 1992. When I consulted the Leader of the Opposition before nominations were made for the present Commission in 1984, I said that I thought as a general rule that people should not serve as Commissioners for too long. I should now tell you formally, therefore, that I do not intend to nominate either Arthur Cockfield or yourself for a second term. An announcement about Arthur's successor will be made very shortly, and I shall be consulting the Leader of the Opposition in the normal way about possible candidates for the second post.

I am grateful for your work, as a member of the present Commission, on two key dossiers, transport and the environment. The progress that has recently been made on the liberalisation of air services and road haulage throughout the Community is most important for the United Kingdom and I appreciate the personal contribution which you have made in this field.

Yours sincerely

Margaret Thatcher

Stanley Clinton Davis, Esq.

(2)

Foreign and Commonwealth Office
London SW1A 2AH

CONFIDENTIAL

21 July 1988

Prime Minister
You wanted to be assured on this point.
CDP 22/7

Dear Charles.

Vice Presidents of the Commission

You asked about the procedure on Vice Presidents of the Commission.

Vice Presidents are appointed (initially for two years) in accordance with the Treaty (Articles 161 and 158) "by common accord of the governments of the member states". The precedent has always been that the member states concerned specify which Commissioner shall be their Vice President.

The Treaty requires there to be six Vice Presidents and one President. Since Spanish enlargement, five of these seven offices have, by common agreement, gone to the "big" countries (UK, France, Germany, Italy and Spain). Before enlargement, there were only five Vice Presidents, and four went to the big countries. There has therefore always been a UK Vice President, and this has not been challenged.

Yours,
Stephen
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

STRICTLY PERSONAL

FILE KK

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 July 1988

EC COMMISSIONERS

I handed over the Prime Minister's letter to Mr. Kinnock to his office at 3.15 this afternoon. I enclose a copy of the reply which reached us at 4 o'clock. I am expecting to arrange a meeting between the Prime Minister and Mr. Kinnock to discuss this on Tuesday 26 July.

BF

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

STRICTLY PERSONAL

MR. POWELL

RECRUITMENT TO THE COMMISSION

When the Prime Minister saw Sir Jeffrey Sterling yesterday, he said that his company's increasing contacts with the Commission was rubbing home the point that there were too few good British nationals in middle ranking positions in the Commission. He was under the impression that the French and the Germans put good people to the middle ranking posts (typically Assistant Secretary posts in UK Civil Service terms), but the UK nationals there did not seem to be of the same quality. Sir Jeffrey asked why there could not be a policy in Whitehall of ensuring that all bright Principals/Assistant Secretaries had to spend three years at the Commission.

I said that my impression was that while it was possible for HMG to inject staff at senior level, and David Williamson was the prime example, the junior/middle ranks were typically career appointments, directly recruited by the Commission. But I said that I would ask you to provide a note for the Prime Minister on whether there were difficulties in recruiting British nationals to middle ranking jobs at the Commission.

N.L.W.

N. L. WICKS
21 July 1988

PRIME MINISTER

MEETING WITH LORD COCKFIELD

You are to see Lord Cockfield tomorrow morning to tell him formally the decision not to reappoint him to the Commission.

You might like to start by saying that you very much regret all the press speculation which there has been - none of it stimulated or encouraged by No. 10. This must have been uncomfortable for him. But you have been determined to make up your mind in your own time about future British representation on the Commission and not to allow the press to dictate to you.

You might go on to say that you have been immensely grateful to Lord Cockfield for undertaking the job and for his achievements in securing such substantial progress towards completion of the Single Market. The record has been remarkable and the whole country is in his debt. However, you have always held to the view that Commissioners should in general serve for only four years and you intend to be guided by this, both in his case and that of Mr Clinton Davies. But the decisive factor is the availability of another outstanding candidate with experience of high Ministerial office and the same strong belief in deregulation that you and Lord Cockfield share, and that is Leon Brittan. You have therefore decided that it would be right for Leon to be given a chance to do the job. You think he will be a first class successor.

You might say that we intend to announce Leon Brittan's appointment, together with the fact that Mr Clinton Davies will not be reappointed, at midday. If asked to explain why you are not asking Lord Cockfield to continue, we shall stress that the crucial factor was the availability of a candidate with the same high level experience that Lord Cockfield brought to the post but with rather more years of active career ahead of him. We shall also underline to the press how very grateful you have been to Lord Cockfield and Lady

Cockfield for the tremendous service they have given at considerable cost to their personal convenience over four years in Brussels. You might ask Lord Cockfield to convey your personal thanks to Monica.

If he asks whether M. Delors has been informed, you could say that we have told him in strict confidence, because we did not want him to learn from the media.

Depending on how the conversation has gone, you might like to consult Lord Cockfield as to whether we shuld try to retain the internal market portfolio for Mr Brittan and, if so, how we can most effectively secure this. He is likely to tell you that it will be very difficult.

I have ensured that Lord Cockfield is expecting the news that you will give him, as is Lady Cockfield. He has prepared a statement which will say that he always expected to do only a single four year term, although had he been able to see a single market through to completion to 1992, that would have been a source of personal satisfaction to him. He will probably issue this in Brussels tomorrow afternoon.

C.D.P

C. D. POWELL
21 July 1988

DS2AJB

Prime Minister

Agree to see him early next week? I imagine you would prefer it to be in your room in the House.

CDP.

CDP/ker

HOUSE OF COMMONS
LONDON SW1A 0AA

The Office of the
Leader of The Opposition

21 July 1988

PERSONAL AND CONFIDENTIAL

Yes w/ House.

Dear Prime Minister,

Thank you for your courteous letter.

I would like to see you early next week to discuss the matter of the Commissioner of the European Community. I do recall you saying that you did not favour long terms of office but I have to tell you that I will be putting the case for a second term for Stanley Clinton-Davies since I believe that it is the general view that he has served with distinction and without partisan favour.

Naturally I will treat the matter in complete confidence. I look forward to seeing you.

Yours sincerely

Neil Kinnock

NEIL KINNOCK

Rt Hon Margaret Thatcher MP

EURO POL: Appt of Pres. of Com

PERSONAL & CONFIDENTIAL

7/6

DA

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

21 July 1988

Dear Mr. Kinnock,

The moment is approaching for the Government to appoint the two British members of the Commission of the European Communities for the period 1989-92. You will recall that I consulted you before the nominations were made for the present Commission in 1984. I said to you then that I thought as a general rule that people should not serve as Commissioners for too long. That remains my view, and I should let you know in confidence that I do not intend to nominate either of the present British Commissioners for a second term.

I hope to announce the name of a successor to Lord Cockfield as the Senior British Commissioner shortly. I should be grateful if you could let me have fairly soon some suggested candidates for the second post. Alternatively if you would prefer to discuss this, we might have a word before the House rises. Perhaps your office could let Charles Powell know which course you prefer.

May I ask you to treat the information in this letter as personal and confidential until Lord Cockfield and Mr. Clinton Davis have been informed, which is likely to be at the end of the week.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Neil Kinnock, M.P.

PERSONAL & CONFIDENTIAL

10 DOWNING STREET

Prime Minister

I have taken the liberty of amending the letter to Mr. Kinnock

- to make clear that you will be announcing a replacement for Lord Cockfield shortly;

- to ask him to keep the information about replacement of both Commissioners to himself until they have been informed.

Agree to sign?

C.D.P.

The National Archives

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Use black or blue pen to complete form.

Use the card for one piece or for each extract removed from a different place within a piece.

Enter the department and series,
eg. HO 405, J 82.

Enter the piece and item references, .
eg. 28, 1079, 84/1, 107/3

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file

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

Mr. Lavelle
Cabinet Office

EC COMMISSION: COMPETENCE

Lord Young had a brief word with the Prime Minister this afternoon about ways in which the Commission were constantly trying to extend their competence into new areas and increase it in areas where they already had some competence. He thought it would be useful for Ministers most concerned with European Community affairs to have a talk about the implications in September/October, to identify where our interests lay and how we could best defend them.

with CDP 13/9

The Prime Minister shares Lord Young's concern. As a first step, she would be grateful if the Cabinet Office could prepare a note describing the position in rather greater detail and identifying areas where the Commission have been pushing forward the frontiers of their competence or where we expect them to try to do so in the future. The note might also contain a section on the role of the European Court of Justice in this process. In the light of this, the Prime Minister will consider the question of a possible meeting.

C D.P

(C. D. POWELL)
20 July 1988

STRICTLY PERSONAL FILE KATAJI

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 July 1988

EC COMMISSIONERS

Thank you for your letter of 19 July. The position is now as follows:

- I will delay dispatch of the Prime Minister's letter to Mr. Kinnock until after Questions on 21 July.

- The Prime Minister agrees that Sir David Hannay should inform M. Delors in strict confidence of the proposed changes before he leaves Brussels to visit Finland, on the strict understanding that he will not attempt to contact Lord Cockfield.

- The Prime Minister has agreed to write to Mr. Clinton Davis. I enclose a copy of the letter which she has signed. We shall arrange to have it delivered by hand to his London address at 11.00 am on Friday, the same time as the Prime Minister sees Lord Cockfield.

- I enclose a revised version of the statement to be made by the No. 10 press office and accompanying background. If you have any comments I should be grateful to receive them in the course of the day.

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

STRICTLY PERSONAL

Foreign and Commonwealth Office

London SW1A 2AH

19 July 1988

Dear Charles,

CDP 19/7

EC Commissioners

Thank you for your letter of 17 July about the planned announcement on 22 July, and prior procedures.

I attach a draft for the announcement, together with updated "Notes to Editors".

On procedure, the Foreign Secretary thinks it important that M. Delors should be informed shortly before the announcement. M. Delors will be travelling to Helsinki for an official visit on Thursday. We recommend that Sir David Hannay should speak to him in confidence just before he leaves.

As for Mr Clinton Davis, the Foreign Secretary agrees that it would be best if a letter could be delivered to him on the morning of 22 July. Clinton Davis will be at his private address in London on Thursday night and throughout Friday, so a letter could be delivered to him there. That would not preclude Sir David Hannay speaking to him by telephone once the Prime Minister's letter had been delivered.

Although Lord Cockfield will be in London from 20 July, I agree that the right channel for informing him in advance of the purpose of his meeting with the Prime Minister on 22 July would be via Mr Fortescue in Brussels. Ideally this should not precede Sir David Hannay's word with M. Delors.

Yours ever, Stephen

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

STRICTLY PERSONAL AND CONFIDENTIAL

SRWBNW

PERSONAL

MT

PRIME MINISTER

EC COMMISSIONERS

After further discussion with the FCO the game-plan is as follows:

- I have sent your letter to Leon Brittan's Constituency Chairman, asking her to keep it quiet until an announcement is made. She has asked me to say that she is most grateful for the letter, which will ease her task considerably. She is content for us to publish the letter on Friday;

- the Foreign Secretary suggests that despatch of your letter to Mr. Kinnock be delayed until Thursday, for fear of leaks. Agree? Yes

- he also proposes to inform M. Delors in strict confidence shortly before he leaves Brussels on Thursday to visit Finland. Agree? Yes - so long as there is no question of his (Delors) telling Arthur C.

- he recommends that you should write to Mr. Clinton Davis, the letter to be delivered to his London address (where he will be) at exactly the same time as you meet Lord Cockfield. I attach a letter. Agree to sign? Yes

- the announcement will be made at 1200 on Friday. I attach the proposed statement and background, as finalised by Bernard. Agree? (We do not refer to Mr. Brittan as the 'senior' Commissioner, by custom, but this is clear and will be made clear in the background briefing.) How can we be sure he will be Vice President?

- I will ensure that Lord Cockfield is aware on Thursday of the purpose of the meeting, so that Lady Cockfield does not learn about it from the radio.

Content with this plan? Yes MT

C.D.P

(C. D. POWELL)

19 July 1988

PERSONAL

File

DAS

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

18 July 1988

Dear Mrs. Pitman,

The Prime Minister has asked me to say that she would be very grateful if you would treat the enclosed as strictly confidential until the time comes for an announcement to be made. This is likely to be on 22 July, subject to confirmation.

The Prime Minister has also asked me to say that, when the announcement is made, she would very much like to publish the text of her letter to you. I should be very grateful to know whether you are content for this to be done. You may find it convenient to telephone, in which case I can be reached on 01-222-8141.

Yours sincerely,

Charles Powell

C. D. POWELL

Mrs. Sheilah Pitman

DSS

BRITISH NOMINATION FOR THE EUROPEAN COMMISSION

At the invitation of the Prime Minister, the Rt Hon Margaret Thatcher MP, the Rt Hon Leon Brittan MP has agreed to be nominated by the British Government as one of the Members of the new European Commission which takes office in January 1989.

Mr Brittan will take the place of Lord Cockfield.

In accordance with normal practice the Prime Minister is consulting the Rt Hon Neil Kinnock, the Leader of the Opposition, about the nomination of a second British Commissioner in succession to Mr Stanley Clinton Davies. A further announcement will be made in due course.

19 July 1988

Notes for Editors

Mr Brittan, who is 49, was a member of the Cabinet from 1981 to 1986, serving successively as Chief Secretary to the Treasury, Home Secretary and Secretary of State for Trade & Industry. He is MP for Richmond, Yorks.

The Prime Minister has thanked Lord Cockfield, who is 71, for his work in the Commission since 1985, and especially for initiating the programme for the completion of the single internal market.

She has also expressed appreciation for the work of Mr Clinton Davies (59), particularly on the liberalisation of transport services in the Community.

The Commission at present consists of 17 members - two each from Germany, France, Italy, Spain and the United Kingdom and one each from Belgium, Denmark, Greece, Ireland, Luxembourg, the Netherlands and Portugal. Commissioners are appointed by common accord of the Governments of the Member States for four-year terms. The new Commission takes office at the beginning of January. Each Commissioner has responsibility for co-ordinating work in particular fields, the allocation of portfolios being a matter for decision within the Commission.

The Commission's President and six Vice Presidents serve in those capacities for two-year renewable terms. The reappointment of M. Jacques Delors as President for a further two years from January 1989 was unanimously approved at the European Council at Hanover on 27-28 June.

The President of the Commission receives a salary of approximately £105,000 a year; Vice Presidents receive approximately £95,000 a year; and other Commission members approximately £85,000 a year net excluding allowances.

File

MFJ

cc: CDP

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

18 July 1988

Dear Mrs. Pitman,

I am writing to you in your capacity as the Chairman of Leon Brittan's Constituency Conservative Association to let you know that I have personally asked Leon to accept nomination as the senior British Commissioner of the European Communities in Brussels and therefore one of its Vice-Presidents, and he has accepted.

I can well understand what a wrench it will be for the constituency to lose Leon's services. He has been an outstanding constituency member and I know how strong his ties to North Yorkshire are. Indeed the immense value he attaches to those ties led him to think long and hard before accepting.

But the post in Brussels is vitally important to Britain's economic and industrial future, particularly as we approach the crucial date of 1992, and Leon is by far and away the best qualified candidate, with his outstanding talents, experience of high Ministerial office and powerful advocacy. I therefore asked him to take on the post for the country's sake and it is characteristic of Leon's sense of public duty that he has agreed to give up his seat and accept it. While I know how unwelcome the loss of his

services will be to you and all his constituents, the country as a whole could not be more ably represented on the Commission and in Europe at this crucial time.

Yours sincerely

Margaret Thatcher

Mrs. Sheilah Pitman.

Mrs Sheila Pitman.

This will need a covering letter about confidentiality and that we hope to announce next Friday lunch, time.

NOTE FOR FILE:
MRS SHEILAH PITMAN'S ADDRESS:

Mrs Sheilah Pitman
Harmby House
Harmby
Leyburn
North Yorkshire

10 DOWNING STREET
LONDON SW1A 2AA

Prime Minister

I think this is very good.
MT

Leon Brittan

I attach a draft letter to Leon Brittan's Constituency Chairman. I think you understood to show it to Leon in advance. Subject to your comments on the text, I will let him see it & suggest any modifications he wants. He clearly envisages the letter being published when the announcement of his appointment is made.

C.D.P.

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

I am writing to you in your capacity as Leon Brittan's constituency chairman to let you know that I have personally asked Leon to accept nomination as a ~~member of the~~ senior British Commission in Brussels and ~~one~~ thus of its Vice-Presidents and he has accepted. ~~From the country point, losing Leon to 1992 is crucial for us and is~~

I can well understand what a wrench it will be for the constituency to lose Leon's services. He has been an outstanding constituency member and I know how strong his ties to Yorkshire are. But the post in Brussels is vitally important to Britain's economic and industrial future, particularly as we approach the crucial date of 1992, and Leon is ~~incontestably~~ by far and away the best qualified candidate, with his outstanding talents, ~~and~~ experience of high Ministerial office and powerful advocacy. I therefore asked him to take on the post for the country's sake and it is characteristic of Leon's sense of public duty that he has agreed to give up his seat and accept it. While I know how unwelcome the loss of his services will be to you and all his constituents, the country as a whole could not be more ably represented on the Commission and in Europe at this crucial time.

Mrs. Sheilagh Pitman

STRICTLY PERSONAL AND CONFIDENTIAL

JDB 24/7 file

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

17 July, 1988.

Dear Stephen,

EC COMMISSIONERS

I have discussed further with the Prime Minister over the weekend the procedure for appointing our EC Commissioners. The upshot is:

- the Prime Minister agrees to an announcement of Mr. Brittan's appointment at 1200 on Friday, 22 July.

- she will see Lord Cockfield at 1100 that day. I will tell Mr. Fortescue in advance the purpose of that meeting (not that I expect he is in any doubt).

- she thinks that Mr. Clinton Davis should be informed that he will not be re-appointed at the same time as she is seeing Lord Cockfield. This might, for instance, be in the form of a letter to be delivered personally by Sir David Hannay at the appointed time.

- the announcement about Mr. Brittan's appointment can then include a reference to the fact that Mr. Clinton Davis will not be continuing.

- you will wish to consider whether M. Delors should be informed of our intentions very shortly before the public announcement on Friday.

- I have amended the Prime Minister's letter to Mr. Kinnock to make clear that we shall shortly be announcing a candidate to replace Lord Cockfield, and to ask him to keep the information in the letter confidential until both Commissioners have been informed. I enclose a copy. We need to update the factual information in the copy of the Notes to Editors attached to the 1984 announcement which Tony Galsworthy sent me last week. I should be grateful if you could arrange for this to be done.

Yours ever,

Charles Powell

C.D. Powell

J.S. Wall, Esq.,
Foreign and Commonwealth Office.

STRICTLY PERSONAL AND CONFIDENTIAL

STRICTLY PERSONAL

PRIME MINISTER

EC COMMISSIONERS

Following your meeting with Leon Brittan and his agreement to go to Brussels as one of our Commissioners, there are a number of consequential steps:

- You need to write to his constituency chairman. I attach a letter which he has agreed (it contains only very minor amendments to the draft you saw). He would like it to go early next week. He says that his chairman is totally secure, having worked at GCHQ. Agree to sign?

- You need to see Lord Cockfield. We have arranged for him to come at 11 a.m. next Friday.

Do you think it would be kind to let him have some idea of what's happening so that he can tell Monica before she hears on the radio.

- We need to make an announcement. Mr Brittan's strong preference is for this to be done almost immediately after your meeting with Lord Cockfield, say at midday next Friday. He does not believe that it could be contained any longer. An announcement at midday would enable him to do some quick television and radio interviews and then disappear to North Yorkshire.

- We also need to decide the text of the announcement. Last time we were able to announce the appointment of both Commissioners at the same time. This will obviously not be possible now. I attach the draft of an announcement which follows as closely as possible the text used on previous occasions together with Notes to Editors. As you will see, I have said only that an announcement will be made in due course about the Second British Commissioner. Content with the announcement?

- You also need to write to Mr Kinnock. I attach the text of a letter which has been agreed with the Foreign Secretary. Agree to sign?

- Finally, I think that the Foreign Secretary should take steps to let Mr Clinton Davis know on Friday morning that we do not intend to reappoint him. Agree?

Yes – should he see him – or arrange for a letter to be delivered by hand personally by David Hannay or other emissary to Clinton Davis at the same time as I see Arthur Cockfield. Then the announcement could include the fact that Clinton Davis will not be continuing.

MT

CDP

Charles Powell

15 July 1988

MJ2CNS

Foreign and Commonwealth Office

London SW1A 2AH

14 July 1988

CDP
15/7.

Dear Charles,

EC Commissioners

Many thanks for your two letters of 13 and 14 July. I enclose a copy of the press notice put out on the appointment of Lord Cockfield and Mr Clinton Davis in 1985. We think that exactly the same format should be used on this occasion. I am having the note to editors looked at so that any of the details which are out of date can be corrected.

I will show the draft letters to Mrs Pitman and to Mr Kinnock to the Foreign Secretary overnight.

I will send you some points for the Prime Minister to make to Lord Cockfield during the course of next week.

Yours ever,

(A C Galsworthy)
Private Secretary

C D Powell Esq
10 Downing Street

BRITISH NOMINATIONS TO THE EUROPEAN COMMISSION

At the invitation of the Prime Minister, the Rt Hon Margaret Thatcher MP The Rt Hon The Lord Cockfield and Mr Stanley Clinton Davis have agreed to be nominated by the British Government as Members of the new European Commission which takes office in January 1985.

10 September 1984

NOTES TO EDITORS

Biographical notes on Lord Cockfield and Mr Stanley Clinton Davis are attached.

Members of the European Commission

The Commission at present consists of 14 members - two each from Germany, France, Italy and the United Kingdom and one each from Belgium, Denmark, Ireland, the Netherlands, Luxembourg and Greece.

The Commissioners are appointed by common accord of the Governments of the Member States for four-year, renewable terms. The Commission's President and five Vice Presidents serve in those capacities for two-year renewable terms. The new Commission takes office at the beginning of January. Each Commissioner has responsibility for co-ordinating work in particular fields, the allocation of portfolios being a matter for decision within the Commission.

Appointment of the Commissioners

The formal position is that the members of the Commission "shall be appointed by common accord of the Governments of the Member States". This decision is normally taken by the foreign Ministers of the Ten meeting, without the attendance of the Commission, shortly before the new Commission is due to take up office.

Commission's Work

The Commission's job is to examine issues of Community importance from the point of view of the Community as a whole and then to formulate proposals, on which it is for the Council of Ministers to decide. When preparing its policy proposals the Commission consults experts from the national administrations as well as all relevant organisations such as trade unions, employers, farmers and consumers and, where appropriate, the European Assembly.

The Commission also drafts the detailed measures for implementing policy and provides the day-to-day administration of the Community.

Salaries

The President of the Commission receives approximately £70,000 a year; Vice-Presidents receive approx £63,000 a year and other Commission members approx £57,000 a year net excluding allowances.

STRICTLY PERSONAL

file PM2ABK

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 July 1988

I promised to let you have a draft of the letter which the Prime Minister had in mind to send to your constituency chairman. You will find it enclosed. I should be happy to entertain any amendments or improvements which you wish to propose.

We shall need to have a word in due course about the timing of any announcement (and the subsequent release of this letter). I should mention that the Prime Minister is to see Lord Cockfield at 11.00am on Friday 22 July so it could not easily be before then. But you may like to consider whether it should be on the afternoon of that day or at the beginning of the subsequent week. I will let you have the text of the proposed announcement as soon as I have it.

C. D. POWELL

The Rt. Hon. Leon Brittan, Q.C., M.P.

STRICTLY PERSONAL

Charles Friday 22nd July at 11.00 am.

MRS. GAISMAN

TG 14/7

The Prime Minister needs to see Lord Cockfield in about ten days' time. Could you get in touch with his office in Brussels to see if he would be available on 22 or 25 July to call on her.

Tessa

I assume you have told him

CDP

Yes - I do. His Secretary has this in his diary.

TG. 14/7

C. D. POWELL

13 July 1988

10 DOWNING STREET
LONDON SW1A 2AA

Did Neil Kinnock write to me about this a few weeks ago?

Prime Minister

EC Commissioners

Now that Leon Brittan has accepted, you ought to write to Mr. Kinnock inviting nominations for the second Commissioner posn.

I attach a letter. Subject to your views, it might be sent on his return from Africa.

C.D.P. 13/7.

C/F - no
aff - no
GR - no

STRICTLY PERSONAL - SENIOR STAFF IN CONFIDENCE

file

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

13 July 1988

Dear Tony,

EC COMMISSIONER

The Prime Minister saw Mr. Leon Brittan this afternoon for further discussion of the possibility of his becoming one of the two British Commissioners in Brussels. The upshot of the conversation is that Mr. Brittan has accepted.

There are a number of points which now require action:

- the Prime Minister does not want news of this to go beyond the Foreign Secretary personally for the time being;

- Mr. Brittan wishes an announcement to be made before the House rises for the summer recess. I shall need advice on the terms of this. Perhaps you could give me a draft which omits the name;

- Mr. Brittan is keen for the Prime Minister to write to the Chairman of his Constituency Association to explain the reasons which have led her to offer him this extremely important post. I will draft a letter;

- the Prime Minister will need to see Lord Cockfield to inform him of our decision. I am asking the No. 10 diary secretary to invite him to call on the Prime Minister in about ten days' time;

- the Prime Minister also needs to write to Mr. Kinnock to ask him to suggest names for the second British Commissioner. She wishes the letter to make clear that she is not prepared to re-appoint Mr. Stanley Clinton Davis. I do not think I need bother you for a draft.

Yours sincerely

C. D. POWELL

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office

STRICTLY PERSONAL - SENIOR STAFF IN CONFIDENCE

STRICTLY PERSONAL

file PM2ABL

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

14 July 1988

EC COMMISSIONERS

I enclose:

- a copy of the draft letter which I propose the Prime Minister should send to Leon Brittan's constituency chairman. I have sent him a copy for comment. Could you please show it to the Foreign Secretary (only) and let me know if he is content;

- a copy of a letter which I propose the Prime Minister should send to the Leader of the Opposition immediately on his return from Africa. Again, I should be grateful for any comments.

The Prime Minister is to see Lord Cockfield on Friday 22 July at 11.00am. You may like to let me have a short note before then of points she could make, in particular in paying tribute to his services as a Commissioner.

C. D. POWELL

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

STRICTLY PERSONAL

CONFIDENTIAL AND PERSONAL

KIC

file

loc PC

10 DOWNING STREET

LONDON SW1A 2AA

cc cpp

From the Private Secretary

26 June 1988

Dear Lyn,

EC COMMISSIONERS

Thank you for your letter of 24 June about the United Kingdom's EC Commissioners. I have shown this to the Prime Minister. Her comments are:

- she does not want to delay an approach to Lord Cockfield until we know whether or not Mr. Brittan will accept the post. Even if Mr. Brittan does accept, she would want knowledge of this held very tight because of the implications for the timing of a by-election (and it will indeed be essential that Mr. Brittan's acceptance - if that is what he does - is known only to the Foreign Secretary). She therefore intends to invite Lord Cockfield to see her when he is next in the United Kingdom, to tell him that he will not be re-appointed;

- she is not prepared to retain Mr. Clinton Davis while dispensing with Lord Cockfield. Apart from anything else, she does not think it would be acceptable to the party;

- while recognising the force of the Foreign Secretary's point that Mr. Clinton Davis may be less than cooperative once he hears that he is not to be reappointed, she does not think that failing to come clean with Mr. Kinnock will help. Rather than submit other candidates, Mr. Kinnock would simply reply that he wished to see Mr. Clinton Davis reappointed and we should lose valuable time. The Prime Minister intends, therefore, to write to Mr. Kinnock as proposed in my original letter but will delay doing so until after Mr. Kinnock's return from Southern Africa.

Yours sincerely,

(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL AND PERSONAL

PERSONAL

Sir

PRIME MINISTER

EC COMMISSIONER

We have added Leon Brittan to tomorrow's lunch for the President of Turkey. There will be an opportunity for you to talk to him afterwards.

Last indications were that he is still undecided about whether to accept. Particular concerns are his wife, who does not want to give up her various activities in London, and reluctance to cut his ties with Westminster. One more push will probably get him to the point of decision: but you will need to make clear that you are not proposing to bring him back into the Cabinet.

If he accepts the appointment there would be no need for him to leave Parliament until just before taking up his Commission post (i.e., he could stay in the House until the end of December). The most recent precedents relate to Roy Jenkins and Christopher Tugendhat. They both wrote to the Chancellor of the Exchequer on 30 December 1986 applying for the Manor of Northstead and the Chiltern Hundreds respectively to take effect from 5 January 1977. They then took up their Commission appointments on 6 January 1977. But Mr. Brittan could of course leave the House earlier if that was judged more convenient.

As for conditions of service, they are quite handy:

- current pay for a Vice-President is £100,000 per annum. This is due to go up next year to something like £105,000.

- there are a number of allowances which would probably add some £15,000 a year.

- tax amounts to about 30 per cent of salary.

- a transitional allowance is paid for three years after departure. This varies between 40 per cent and 65 per cent of basic salary, depending on length of service.

- pensions are based on 4.5 per cent of basic salary per year of service (i.e., if he stayed 4 years he would get £18,000 a year; after 8 years it would be £36,000).

CDP

12 July, 1988.

10 DOWNING STREET

Prime Minister

Content for me now to write to the FCO in the terms attached?

CDP

Yes mb

PRIME MINISTER

EC COMMISSIONERS

I recently wrote to the FCO saying:

- you would want to speak to Lord Cockfield soon to tell him that he would not be re-appointed;

- you would like the Foreign Secretary to speak similarly to Mr. Clinton Davis; and

- you would write to Mr. Kinnock asking him to suggest alternative candidates for this junior Commissioner post.

The Foreign Secretary disagrees on all three points. His letter (attached) argues:

- nothing should be said to Lord Cockfield until the matter of Leon Brittan's appointment as his successor is settled. The Foreign Secretary argues that it will be easier for Lord Cockfield to accept and explain his replacement if he can point to a successor who is of Cabinet Minister rank and also a younger man. The Foreign Secretary also recommends an early announcement of Mr. Brittan's appointment (if he accepts). Comment. While humane to Lord Cockfield, this surely overlooks the problem that you may want to delay any announcement of Mr. Brittan's appointment so as to be able to judge the most favourable time for a by-election. And anyway it is possible that Mr. Brittan will not accept.

- he argues for the retention of Mr. Clinton Davis on the grounds that he is actually not too bad, indeed has been helpful over abolishing lorry quotas. Comment. This does not square with other accounts; and it overlooks the point that to retain him and remove Lord Cockfield will not be

well regarded by the party (or Lord Cockfield).

- Even if you decide not to re-appoint Mr. Clinton Davis, he advises against telling Mr. Davis or Mr. Kinnock now. First it will make Mr. Davis uncooperative for the next six months; and second, Mr. Kinnock might come up with candidates all of whom are even worse. He suggests therefore that you write to Mr. Kinnock asking him to indicate his preferred candidate for the second Commissioner post. Comment. But Mr. Kinnock will simply reply that he thinks Mr. Davis ought to continue (as he did in the case of Mr. Richard) and we just lose time having to go back and explain this is not an option.

While there is some force in the Foreign Secretary's points, I do not myself think you can accept any of them. You may wish to explain this to him while you are in Hanover and say that you intend to proceed as originally planned. Agree?

Incidentally Lord Cockfield will not be in Hanover. If you agree, I will find out when he is next over here and invite him to call on you.

C.D.P.

C. D. POWELL
24 June 1988

KAYAFU

CONFIDENTIAL & PERSONAL

Foreign and Commonwealth Office

London SW1A 2AH

24 June 1988

Dear Charles,

EC Commissioners

Thank you for your letter of 17 June about the UK Commissioners. A key issue, in the Secretary of State's view, is how best to ensure that neither Lord Cockfield nor Mr Clinton Davis becomes less cooperative on current Community business.

In the case of Lord Cockfield, the Secretary of State's considered view, in the light of discussion in Toronto, is that the first priority should be to tie up with Leon Brittan the fact that he will be the new Commissioner (and Vice President). As you know, the Foreign Secretary agrees with the Prime Minister that it is only fair to tell Lord Cockfield soon that he is to be replaced. But his disappointment - which will be considerable - would be reduced if he could see himself, and present the change to others, not as making way for an unknown quantity but stepping down in favour of a younger man who had achieved higher office at home. So the Foreign Secretary's strong advice is that he should not be told that he is to be replaced until he can also be told who the replacement will be. This points to action after Hanover.

As soon as action has been taken - first with Brittan, then with Cockfield - the Secretary of State would recommend an early announcement, given the strong risk of leaks as soon as anything is said to Lord Cockfield. This reinforces the case for settling matters with Mr Brittan first, since simultaneously announcing his nomination should help to defuse suggestions that the reason for Lord Cockfield's replacement is not his age but his obduracy.

In the case of Mr Clinton Davis, similar tactical considerations apply, but there is also an issue of substance. While the Foreign Secretary recognises the strength of the Prime Minister's views, he is on careful reflection not convinced that it is necessary or desirable to change our junior Commissioner. He is not aware of any justifiable complaint about Mr Clinton Davis's performance in the last year. The EDG MEPs at Strasbourg do not like him; but common factors in their main 1987/8 disputes with him (over air transport, transport of nuclear waste, and contamination of foodstuffs post-Chernobyl) are that all involved issues where

/HMG

CONFIDENTIAL & PERSONAL

HMG encouraged Clinton Davis to stand firm against the Parliament; all entailed his also defeating opposition within the Commission; and all concluded unsatisfactorily for the Parliament but satisfactorily for us. And he has done well in the recent discussions over road haulage liberalisation, where we and he stood alone in the March Transport Council, and he subsequently came under heavy pressure both from the Germans and within the Commission. This week's highly successful outcome owes a lot to his determination.

We could not of course be absolutely sure that Mr Clinton Davis would retain his present useful portfolios in a new Commission; but we can be fairly sure that a successor would have greater difficulty in securing equally good ones. And learning the ropes at Brussels is a major task: it would be a pity if both British Commissioners had to start again at the bottom of the learning curve. The disparity in age between Cockfield and Clinton Davis would make the replacement of only Cockfield easily explicable; and the Foreign Secretary has established that there would be no risk that Mr Brittan would not become Vice-President. Indeed if we were to retain our junior Commissioner while appointing as Vice-President someone new to the Commission but much more prominent in domestic politics, we would be doing exactly the same as the Germans: Schmithuber from the existing Commission will be staying on, but Bangemann will replace Narjes as their Vice-President.

As for the tactics of the letter to Mr Kinnock, the Secretary of State would in any case advise against its ruling out Mr Clinton Davis's reappointment at this stage, whatever the Prime Minister's considered view on the substance. If the letter were explicitly to state that the Prime Minister did not wish to reappoint him, and wished Mr Kinnock to suggest other names, news of this decision would no doubt to reach Clinton Davis, and probably the press, very quickly. We could then expect less whole-hearted support from Clinton Davis on current business. Moreover, to rule him out at the outset of the consultation with Mr Kinnock could risk being confronted with a choice of evils: Mr Kinnock's list of replacements might all be less satisfactory; appointing someone not suggested by the Opposition - and even in those circumstances it will be far from easy to come up with a suitable name - would inevitably cause some awkwardness.

The Foreign Secretary's advice therefore is that the letter to Mr Kinnock after the European Council should be neutral, and should simply state that:

- with the decision to reappoint M. Delors as President the way is now clear to consider the 2 UK Commission nominations;

/- while

- while the appointment of both Commissioners of course remains in the Government's hands, the Prime Minister wishes to maintain the custom of consulting the Opposition about the second nomination;

- she would accordingly be grateful for an early indication of Mr Kinnock's preferred candidates.

One of the advantages of such a neutral formula is that it would not need to be preceded or accompanied by any notification to Mr Clinton Davis, and should not produce damaging press comment.

The Foreign Secretary is ready, of course, to discuss these matters with the Prime Minister.

Yours ever,

Lyn Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL AND PERSONAL

PAM ABK

cc PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

17 June 1988

Dear Tony,

EC COMMISSIONERS

The Prime Minister will soon need to contact the Leader of the Opposition to discuss the choice of a successor to Mr. Stanley Clinton Davis as one of our two EC Commissioners.

When the situation last arose in 1984, she contacted Mr. Kinnock in July to tell him that we did not envisage allowing Mr. Ivor Richard to continue and to ask him to put forward alternative candidates (which he did in September). The position this time is that the Prime Minister has definitely decided that she does not wish to reappoint Mr. Clinton Davis, but does wish to maintain the custom of inviting the Opposition to put forward candidates, while recognising that the appointment remains in the Government's hands. She intends to write to Mr. Kinnock in this sense.

Before doing so, we ought to consider at what point Lord Cockfield should be told that the Government will not be proposing his reappointment. It would be helpful to have advice on the time and manner of this: I suppose one possibility would be for the Prime Minister or Foreign Secretary to tell him in the margins of the European Council in Hanover.

The Prime Minister would be grateful for the Foreign Secretary's views, together with any points which he thinks should be covered in the proposed letter to Mr. Kinnock. I envisage this issuing shortly after the European Council.

I should be grateful if this letter could be given only very restricted circulation.

Yours ever,

Charles Powell

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

CONFIDENTIAL AND PERSONAL

PRIME MINISTER

EC COMMISSIONERS

At about this time four years ago, you had a meeting with Mr. Kinnock to discuss the question of EC Commissioners. You told him on that occasion that you would not be reappointing Ivor Richard and asked him to let you have suggestions for alternative Labour candidates. He then wrote to you with a list of candidates in September 1984.

We are reaching the point where you ought to make contact with the Opposition on this matter again. Mr. Kinnock's office have already been in touch with me to ask what the position over the appointment of Commissioners is and to remind me (unnecessarily) of the procedures followed last time. We ought before too long to let Clinton Davies know that he will not be serving another term. We also need to let the Opposition have a reasonable amount of time to find alternative candidates.

You need to consider therefore the following questions:

- have you definitely decided not to reappoint Clinton Davies? (I think the answer is yes). Yes

- do you want to continue the custom of inviting Labour to put forward candidates? Yes - recognising that the appointment is ours.

- do you want a meeting with Mr. Kinnock in July to inform him that you do not intend to reappoint Clinton Davies and to ask him to put forward alternative candidates?

- or would you prefer to write to him about the matter on this occasion? Yes not

CDP

C. D. POWELL
16 June 1988

KAYAFK

CDP.

NOTE FOR THE RECORD

EUROPEAN COMMISSION

The Prime Minister had a talk this evening with Mr. Leon Brittan about the possibility that he might become one of our EC Commissioners. It rapidly became clear that Mr. Brittan was not interested in the post, but very much wanted to return to Government. He recognised that this could not be in as senior a post as he had formerly held, but he would be content with any Department.

It was left that he and the Prime Minister would both think over the position for three weeks or so, and he would be in touch through me to say whether he had changed his mind. Meanwhile, the Prime Minister wants us to think further about possible candidates. One possibility is Lord Caithness.

CDP

CHARLES POWELL

9 June 1988

10 DOWNING STREET

THE PRIME MINISTER

24 January 1986

My dear Leon,

I am very sorry that despite all the arguments I could use I was unable to dissuade you this afternoon from resigning. As I told you, I have received in recent hours many messages of support for you from Parliamentary colleagues. It was my wish that you should remain as a member of the Cabinet. But I have to respect your decision.

I have greatly valued you as a Cabinet colleague, as Chief Secretary of the Treasury, Home Secretary and as Secretary of State for Trade and Industry. We shall all miss you. You have been a steadfast exponent of Government policy and I have admired the dedication and loyalty with which you have carried our your duties. I hope that it will not be long before you return to high office to continue your Ministerial career.

Yours ever

Margaret

The Rt. Hon. Leon Brittan, Q.C., M.P.

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA S EET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215) 5422
GTN 215)
(Switchboard) 01-215 7877

Secretary of State for Trade and Industry

24 January 1986

My dear Prime Minister,

Since your statement in the House yesterday it has become clear to me that I no longer command the full confidence of my colleagues.

In these circumstances my continued membership of your Government would be a source of weakness rather than strength and, as I have explained to you, it is for this reason that I have tendered my resignation.

It has been an honour and a privilege to serve in your Government successively as Minister of State at the Home Office, as Chief Secretary to the Treasury, as Home Secretary and as Secretary of State for Trade and Industry.

I shall of course continue to give the Government my full support from the backbenches.

It is above all vital that the crucial work of national regeneration which we were all elected to achieve should continue unimpeded.

Yours,
Leon

LEON BRITTAN

1786 1986 BOARD OF TRADE BICENTENARY

JF5AWJ

STRICTLY PERSONAL

PRIME MINISTER

MR. LEON BRITTAN

Mr. Brittan is coming to the dinner for President Mwinyi tomorrow evening. You agreed with the Foreign Secretary that you would use the occasion to sound him out as to whether he is interested in being one of our Commissioners at the EC in succession to Lord Cockfield. Mr. Brittan will wait behind after the other guests have left so that you can have a word about this.

Assuming that you are still content to go ahead with this plan, you will want to start by saying that you have not yet finally made up your mind about what to do about the appointment of new Commissioners. An appointment does not have to be made until the early autumn. But you have had Mr. Brittan in mind as someone who has all the necessary abilities and drive at what will be a very crucial moment in the Community's history. You would therefore like to know whether he would in principle be interested in succeeding Lord Cockfield as our senior Commissioner. The appointment is for four years and also carries the title of one of the Vice-Presidents of the Commission. As he will know, we cannot guarantee which portfolio we would get. But there must be a reasonable chance of retaining the internal market portfolio, in which case our senior Commissioner would have the task of driving that through to completion in 1992.

Thereafter you have a number of options:

- If Mr. Brittan says firmly that he is not interested, you will probably want to let it drop.

- If he is brash enough to say that his preference would be to return to the Cabinet, you may want to refer to the need to bring in new blood and build for a fourth term. You cannot promise him anything.

STRICTLY PERSONAL

- If he confirms his interest, you may simply want to say that it is useful for you to know this and you will reflect further, particularly on whether you can take a by-election.

If Mr. Brittan is interested there are two further aspects you may also need to consider:

- the first is the question of a by-election. You might ask him how he assesses the prospect of the Party holding his seat in a by-election as a result his going to the European Community. You might also want to consult him about the timing of a by-election. I assume that you would not want it before the early autumn.

- he may ask you about the prospects of resuming his political career after some years in Brussels. He will probably have in mind the possibility of a seat in the Lords now or later. I imagine that you will not want to give him any sort of assurance on that, certainly at this stage. You could say that you would certainly hope that his talents would not be lost to the Government. But even that would be interpreted as a clear hint that you would be ready to put him in the House of Lords on his return.

I attach a copy of the letter you sent him at the time of his resignation.

C.D.P.

C. D. POWELL

8 June 1988

SL3BBO

cc PC

PERSONAL AND CONFIDENTIAL

CDP
26/5

FCS/88/109

CHANCELLOR OF THE EXCHEQUER

Presidency of the European Commission

1. Thank you for your minute of 24 May about Bangemann's puzzling remarks in Paris.

2. The facts are that:

(a) A check in Bonn has confirmed that there has been no Federal Government decision to run a candidate to replace Delors. Delors has not yet formally indicated that he would be prepared to serve another 2 year term, but with Rocard chosen for the Matignon the universal assumption is that he will; and the betting in Bonn is heavily against any German opposition, if only because of the strong risk of causing offence in the Elysee.

(b) Bangemann announced (on 19 May) that he would seek nomination as an EC Commissioner. While acknowledging interest in the Presidency, he specifically added that he would not oppose Delors (Bonn telno 476).

PERSONAL AND CONFIDENTIAL

(c) Kohl had already announced that he would support Bangemann's candidacy as a Commissioner; and German officials make no secret of the Chancellery's present intention that he should succeed Narjes as Vice-President, with the junior German Commissioner - Schmidhuber - staying on. Bangemann would then be well-placed to succeed Delors in January 1991. (If the Presidency changes during a Commission's 4-year lifetime, the choice is confined to existing Vice-Presidents and Commissioners.)

(d) Since Bangemann's hat is not now in the Presidency ring, there has been no question of our indicating a UK preference as between him and Delors.

3. No other Member State shows any inclination to run a candidate against Delors; and it remains my view that we should not seek to block his reappointment at Hanover. I agree that we should continue to keep a low profile on this for the time being; but once it is clear that there will be no competing candidates we should take an early opportunity to make clear to Delors that we welcome the prospect of his continuing in office.

4. I am copying this minute to the Prime Minister, the Secretary of State for Trade and Industry and the Minister of Agriculture.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
26 May 1988

EURO POL: Apprs to Euro. Commission
PT3

psl/72A

CONFIDENTIAL

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

FOREIGN SECRETARY

PRESIDENCY OF THE EUROPEAN COMMISSION

I mentioned to you at the OECD meeting in Paris that I had been approached by Martin Bangemann, who was most concerned that the Foreign Office had declared themselves to be in favour of Delors and against him for the Presidency of the European Commission. I was somewhat surprised to hear this, since I was not aware that we had an established line on whom we favoured for the Presidency. You told me that you did indeed favour Delors, partly because he was the most able candidate and partly because it was clear that he would be successful, and it did our cause no good to back a loser against him.

I take both these points, but it does not seem to me that there is any case for us adopting a high profile on this. In particular, it seems most undesirable for us to upset Bangemann and the German Government, when Bangemann will undoubtedly occupy a powerful position within the new Commission. I feel our public position should instead be one of neutrality between these two candidates.

I am copying this minute to the Prime Minister, the Secretary of State for Trade and Industry and the Minister of Agriculture.

[N.L.]

24 May 1988

036027
MDHIAN D295

cc. Mr Lavelle : Cab Office
Mr Lankester : HMT
Mr Roberts : DTI.
Mr Hadley : MAFF.
Mr Powell : No 10.

RESTRICTED
FM UKREP BRUSSELS
TO DESKBY 230830Z FCO
TELNO 1588
OF 201752Z MAY 88
INFO ROUTINE EC POSTS

PRESIDENT OF THE COMMISSION

1. THE SECRETARY-GENERAL OF THE COMMISSION TOLD ME ON 20 MAY THAT DELORS HAD RECENTLY INDICATED TO THE GERMAN PRESIDENCY THAT HE WAS AVAILABLE FOR A FURTHER TERM (2 YEARS) AS PRESIDENT OF THE COMMISSION. KOHL HAD SAID THAT WAS ACCEPTABLE TO THE GERMAN GOVERNMENT, WHICH WOULD UNDERTAKE THE NECESSARY SOUNDINGS IN DUE COURSE.

2. WILLIAMSON SAID THAT IT WAS NOT YET CLEAR WHETHER THE GERMANS MIGHT TRY TO STAKE OUT A POSITION FOR BANGEMANN AS DELORS' SUCCESSOR FOR THE SECOND HALF OF THE NEXT COMMISSION'S TERM OF OFFICE (1989-92). BUT THE DUTCH HAD ALREADY MADE CLEAR (ON ANDRIESSEN'S BEHALF) THAT THEY WOULD NOT AGREE TO ANY SUCH PRE-EMPTING OF THE POSITION.

HANNAY

YYYY

DISTRIBUTION 148

MAIN 146

.FRAME INSTITUTIONAL ECD (E) [-]
ECD (I) [-]

ADDITIONAL 2

FRAME MR P J WESTON CAB OFFICE

NNNN

SENIOR STAFF IN CONFIDENCE
STRICTLY PERSONAL

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

11 May 1988

Dear Tony,

EUROPEAN COMMUNITY: BRITISH COMMISSIONERS

The Prime Minister and the Foreign Secretary returned to this subject this afternoon. The Prime Minister said that she had decided not to approach Mr. Leon Brittan for the time being. She would delay this at least until after the European Council in Hanover. The Foreign Secretary said that, in due course, Lord Cockfield would need to have it gently explained to him that the Government did not intend to reappoint him for a further term. The more we could say to him at that stage about the likely succession the better. He hoped that Lord Cockfield's services could be recognised in some way. You may like to let me have a formal proposal on this last point in due course.

discussed

I am copying this letter on the same strictly personal basis to Sir Robin Butler.

Yours sincerely,

(C.D. POWELL)

A.C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

SENIOR STAFF IN CONFIDENCE
STRICTLY PERSONAL

STRICTLY PERSONAL
SENIOR STAFF IN CONFIDENCE

File

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

4 May 1988

Dear Tony,

EUROPEAN COMMUNITY: BRITISH COMMISSIONERS

The Foreign Secretary told the Prime Minister this evening that he had talked to Mr. Brittan about the possibility of nomination as one of the two British Commissioners in the European Community. Mr. Brittan had not yet made up his mind and wanted to talk first to the Prime Minister about it. I will make arrangements for this.

The Foreign Secretary added that one important point was to ensure that Mr. Brittan was the senior of the two British Commissioners. The Prime Minister confirmed that it was her intention to replace both Lord Cockfield and Mr. Clinton Davis. It was agreed that in the public presentation of this it should be made clear that Lord Cockfield was retiring on age grounds and so that he could return to the House of Lords.

I am copying this letter on a strictly personal basis to Sir Robin Butler.

Yours sincerely,

Charles Powell

Charles Powell

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

STRICTLY PERSONAL
SENIOR STAFF IN CONFIDENCE

File SK

appts? NO

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

26 April 1988

We had a word about the enclosed letter from the Spanish Ambassador asking me to bring the application of his Minister Counsellor - José Benavides - to a post in DG IX of the Commission, to the attention of David Williamson and Richard Hay. You kindly said that you would be prepared to send a copy of the letter to them via UKREP, adding an appropriate personal comment about Benavides, whom you know.

C D POWELL

Miss Rosemary Spencer,
European Community Department (External),
Foreign and Commonwealth Office

Kw

PERSONAL

File

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

26 April 1988

Thank you for your letter of 25 April about José Benavides. We are usually rather reluctant to lobby on behalf of the officials of other countries for posts in the European Commission: we have enough difficulty getting jobs for our own! But I will certainly see if there is anything I can do on a strictly personal basis.

C D POWELL

His Excellency Senor Don José J. Puig
de la Bellacasa, G.C.V.O.

PERSONAL

R 25/4

SPANISH AMBASSADOR

24 BELGRAVE SQUARE
LONDON SWIX 8QA

25th April, 1988

Charles D. Powell Esq.
Private Secretary to
the Prime Minister
10, Downing Street
London SW1

Dear Charles,

José I. Benavides, Minister Counsellor at this Embassy, has almost completed his five-year appointment in London and is now applying for the post of Head of Division of the Directorate General of Personnel (No.9) of the European Commission in Brussels. He will have a final interview on Wednesday April 27th. He tells me that this post is reserved for a Spaniard, and that the two English officials involved in the decision are David Williamson, Secretary General of the Commission, and Richard Hay, Director General of Administration Personnel.

J.I. Benavides has asked me if something could be done to bring his application to these gentlemen's attention in a favourable light. I would very much like my colleague to get this post, as he is very keen to work for the European Commission and he is, in my opinion, an excellent person and a real professional with a sound attitude to administrative work. I think he is wonderfully suited to the job he has applied for.

Sorry to bother you with this! Many thanks!

Yours

José J. Puig de la Bellacasa

SRCW

File

10 DOWNING STREET

LONDON SW1A 2AA

FCS will answer verbally at his bilateral on 27 April 88.

From the Private Secretary

21 April 1988

Dear Tony,

EUROPEAN COMMUNITY : BRITISH COMMISSIONERS

The Prime Minister told the Foreign Secretary this evening that she was irritated by the speculation in the press about the appointment of British Commissioners. It was almost all well wide of the mark. Nonetheless it was time to start sorting out the appointments, even though it might not be possible to reach final decisions until the early autumn.

The Prime Minister said that her intention was to replace both the existing British Commissioners. The Foreign Secretary questioned whether it was necessarily wise to replace Mr. Clinton Davis, at least until we knew whether we would get anyone better.

Moreover, we could not replace Lord Cockfield, despite the fact that he wished to stay, unless we also replaced Mr. Clinton Davis.

The Prime Minister made clear that she was very reluctant to choose a candidate whose appointment would require a by-election. The only exception which she was prepared to make to this was Mr. Leon Brittan. Her understanding from earlier soundings was that he did not wish to be appointed. Nonetheless, she would be grateful if the Foreign Secretary would approach him again and establish whether or not he wished to be considered. The Foreign Secretary said that a Commissioner post would be more attractive to Mr. Brittan if there was a good prospect of a return to Westminster politics at the end of it. The Prime Minister pointed out the difficulty of making promises four years ahead.

The Prime Minister continued that, if Mr. Brittan was not interested in the post, then a candiate should be sought either from among Government members in the House of Lords or consideration might be given to Sir Michael Butler. Particularly with the important task of completing the Single Market by 1992, we would need a senior British Commissioner with good political feel. Sir Michael Butler certainly fell into this category, although there would no doubt be a feeling

in the Party that it should remain a post for a politician. The Prime Minister added that Lord Jenkin had made clear that he did not wish to be considered for the job.

In a brief discussion of alternative candidates to Mr. Clinton Davis, the Prime Minister said that she would not rule out a candiate from the SLP or SDP

BF

It was agreed that the Foreign Secretary would talk to Mr. Brittan and discuss the matter with the Chief Whip, and come to the Prime Minister with some recommendations very shortly.

This letter should be handled with the greatest possible discretion.

Yours sincerely,

Charles Powell

(C. D. POWELL)

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

10. R.

Not Appts. (1)

PRIME MINISTER

EUROPEAN COMMUNITY: BRITISH COMMISSIONERS

So was I

Patrick Jenkin telephoned me this afternoon to say that he was most surprised to read on the back page of the Financial Times today that he was your preferred candidate to succeed Lord Cockfield as one of the two British Commissioners. He wanted you to know first that he had no hand in such a story and second that he was not a candidate for the job, and would not wish his name to be considered. There was no question of giving up his present post with the Friends' Provident and he was also considering another part-time public appointment of which you are aware. I said that we had been no less surprised to read the article. No. 10 had no hand in it whatsoever. There was always speculation about these posts. You had not even begun to consider seriously or to discuss with your colleagues whom to appoint, but I would report his wish not to be considered.

Patrick Jenkin went on to say that, just as four years ago, he wished to commend to you very strongly Terence Higgins as a British Commissioner. He would do the job very well, his wife would be ideal and he actually wanted it very badly. There would be no trouble holding his seat in a by-election since there was a very good local Party organisation. I said that I would pass this thought on to you.

CDP

MT

Charles Powell
18 April 1988

DG2CQM

File

AS

cc: CWO

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

12 April 1988

Dear Geoffrey,

I was delighted to learn that you were willing to continue to lead the delegation from the United Kingdom Parliament to the Parliamentary Assembly of the Council of Europe. Your leadership over the past year has enhanced our reputation greatly. But there is still much work to do in European affairs, and I am very grateful for the dedicated work of the delegation you head.

Yours ever

Margaret

Sir Geoffrey Finsberg, M.B.E., J.P., M.P.

AS

File

DAS

cc: CWO

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

12 April 1988

Dear Jill,

The time has come to appoint the delegations to both the Council of Europe and The Western European Union, and I understand that it is your wish to stand down. I thought it right to record formally my thanks for your sterling work on both delegations. I know you will be greatly missed by both our Parliamentary Delegation, and many of our colleagues in Europe.

Yours ever

Margaret

Dame Jill Knight, D.B.E., M.P.

file DASAKB

cc AH
CWO

Identical copies sent to:

S. J. Hill, M.P.
Toby Jessel, M.P.
[illegible] Harris, M.P.
John Stokes, M.P.
John Wilkinson, M.P.
Keith Speed, R.D., M.P.
William Shelton, M.P.
Dame Peggy Fenner, DBE, MP
The Earl of Kinnoull
D.R. Coleman, C.B.E., M.P.
W. E. Garrett, M.P.
Peter Hardy, M.P.

Tom Cox, M.P.
Robert Parry, M.P.
Sir Russell Johnston, M.P.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

12 April 1988

The Prime Minister understands that you are willing to continue to serve as a Full Member of the delegation from the United Kingdom Parliament to the Parliamentary Assembly of the Council of Europe. You will also be a Full Member of the United Kingdom delegation to the Parliamentary Assembly of the Western European Union.

The Prime Minister has asked me to let you know that she will be announcing your appointment by way of a Parliamentary Written Answer tomorrow and until then she would wish the matter to be treated as confidential.

M E ADDISON

Sir Dudley Smith, M.P.

file DASAKE

cc AH
C.W.O.

Identical letters sent to:

Ian Stewart, M.P.
Ralph Howell, M.P.
Roger Gale, M.P.
Tim Rathbone, M.P.
Andrew Bowden, M.B.E., M.P.
Michael Lord, M.P.
The Lord Newall
The Lord Rodney
Jack Thompson, M.P.
R. K. Litherland, M.P.
Martin Redmond, M.P.
Andrew Faulds, M.P.
Ms. Joan Ruddock, M.P.
David Lambie, M.P.
The Lord Kirkhill, J.P.
The Lord Mackie of Benshie

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

12 April 1988

The Prime Minister understands that you are willing to continue to serve as a Substitute Member of the delegation from the United Kingdom Parliament to the Parliamentary Assembly of the Council of Europe. You will also be a Substitute Member of the United Kingdom delegation to the Parliamentary Assembly of the Western European Union.

The Prime Minister has asked me to let you know that she will be announcing your appointment by way of a Parliamentary Written Answer tomorrow and until then she would wish the matter to be treated as confidential.

M E ADDISON

David Atkinson, Esq., M.P.

file DASAKF
cc AH
CWO

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

12 April 1988

The Prime Minister understands that you are willing to serve as a Full Member of the delegation from the United Kingdom Parliament to the Parliamentary Assembly of the Council of Europe. You will also be a Full Member of the United Kingdom delegation to the Parliamentary Assembly of the Western European Union.

The Prime Minister has asked me to let you know that she will be announcing your appointment by way of a Parliamentary Written Answer tomorrow and until then she would wish the matter to be treated as confidential.

M E ADDISON

Harry Ewing, Esq., M.P.

file DISAG

cc AH
CWO

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

12 April 1988

The Prime Minister understands that you are willing to serve as a Substitute Member of the delegation from the United Kingdom Parliament to the Parliamentary Assembly of the Council of Europe. You will also be a Substitute Member of the United Kingdom delegation to the Parliamentary Assembly of the Western European Union.

The Prime Minister has asked me to let you know that she will be announcing your appointment by way of a Parliamentary Written Answer tomorrow and until then she would wish the matter to be treated as confidential.

M E ADDISON

John Hunt, Esq., M.P.

DBS

RESTRICTED

OFFICE OF THE UNITED KINGDOM
PERMANENT REPRESENTATIVE
TO THE EUROPEAN COMMUNITY
ROND-POINT ROBERT SCHUMAN 6
1040 BRUSSELS
TELEPHONE 2306205

FROM THE PERMANENT REPRESENTATIVE

J O Kerr Esq CMG
FCO

29 March 1988

CDP
8/4.

Dear John,

THE PRESIDENCY OF THE COMMISSION

1. I promised to let you have before Easter an assessment of the EC Commission Presidency stakes. This particular race, like other grander concurrent fixtures in the US and France, casts a long shadow before it; and the chattering classes in Brussels have been hard at work for some weeks now. But there are more questions than answers about who is in the race, let alone about who will win.

2. The main reason for this uncertainty is the question mark over Delors' own intentions. He has clearly not himself despaired of a call to the Matignon on or about 8 May; and, if the telephone does ring, it can be assumed that he will go. I am not well placed to speculate on the chances of that happening. The conventional wisdom in Brussels is that it will only occur in the event of a narrow Mitterrand victory, ie one which discourages immediate dissolution of the Assembly but necessitates an effort to construct a new majority within the membership of the present Assembly. It all looks to me like a sufficiently long shot to spare you an analysis of the complicated situation we would be in if we have to find an interim, May-December 1988 President.

3. And if the telephone does not ring? In those circumstances there is much circumstantial evidence that Delors will seek another term. It is true that his Chef de Cabinet, Lamy, is at pains to keep his master's options open; but Delors is a compulsive workaholic, genuinely passionate about Europe, who has got a second wind from the success of the European Council in February. David Williamson says we can safely disregard Lamy's loyal modesty. Would Delors get another term without difficulty? I do not quite see who is going to stop him. His standing with most Heads of Government is pretty good. There is of course endless speculation about our own Prime Minister's attitude to such an eventuality. I take care neither to feed it nor to answer it.

/4.

RESTRICTED

4. If, for some reason or another, Delors is not a candidate, what is the rest of the field? Bangemann was much spoken of some months ago but his star seems to be on the wane. His shortcomings are pretty well known; the Wörner appointment to NATO weighs against him; the problems of replacing him as Head of the FDP are perhaps conclusive. Lubbers too is often spoken about. But there is no evidence that he actually wants the job, good though he would probably be at doing it. The Belgian press runs Martens rumours from time to time; no-one else seems very interested in them nor convinced he could do the job well. Pandolfi is occasionally mentioned for the (?) third time but he is more clearly seen now than before to be a technocrat rather than a politician with clout. Then there is a clutch of present Commissioners more or less assiduously promoting their own candidatures (Andriessen, Christophersen, Sutherland). I would rate them in about that order, but none of them terribly high. We could, I would suggest, live reasonably comfortably with any of them, although Andriessen has a worryingly obstinate streak when he gets the bit between his teeth, cf the oils and fats tax, hormones, Christophersen is every bit as much a consensus, all-things-to-all-men operator as any Danish politician and Sutherland would frankly be boxing a bit above his weight (not literally, it is rising).

5. All this is rather vague. I am afraid my advice at this stage has to be based on tinkering with the old Stock Exchange dictum and say "go away, come back in May (preferably shortly after the 8th)".

6. There are two additional points worth registering. The first is that Delors is putting a lot of emphasis on the theme of continuity, the need to implement the future financing package and to push through the single market programme. Given that new Presidents of the Commission, like new Prime Ministers and even new Ambassadors, always seek to make their mark by distinguishing themselves from their predecessors, and on the assumption that we ourselves would be happier with a "steady as she goes" approach than with one liable to produce new initiatives - monetary, institutional, social policy or what would you - this is perhaps a factor which should be given some weight.

7. The second is that, if Delors is up and running, there will be a temptation to say "2 years, but no more". It is just important to remember that one is then committed to appointing the next President of the Commission after that from among the sixteen other members of the 1989 Commission (because Commissioners get a four year term which cannot be individually terminated other than by voluntary resignation or compulsory retirement, eg on ground of misconduct).

/8.

(3)

8. For the sake of completeness, I enclose Williamson's current marking of the card for the members of the new Commission.

Yours ever
David

D H A Hannay

cc: R G Lavelle Esq - Cabinet Office
Ambassadors in EC posts

WILLIAMSON'S NAP FOR THE NEW COMMISSION

France	Delors A N Other (Cheysson to become a Diplomatic Adviser at the new Mitterrand Elysée)
Italy	Pandolfi Ruggiero But Natali is putting up a stalwart rearguard action for another term
Germany	Bangemann (or conceivably Narjes if B. not available) Schmidhuber
Spain	Marin Matutes
UK	? ?
Denmark	Christophersen (but not certain)
Ireland	Sutherland (but not certain)
Luxembourg	Anyone but Mosar
Belgium	De Clercq very likely to go. Outcome depends on current governmental negotiations.
Greece	Simitis
Portugal	Cardoso likely to go.
Netherlands	Andriessen

EP
NBPM, Ilbl
NW

Government Chief Whip
12 Downing Street, London SW1

8 February 1988

Dear Nigel

I have doubts about the opinion expressed here, but you should see this.

I have acknowledged.

Yours

Nigel Wicks Esq
10 Downing Street
London SW1

11 ESMOND COURT
THACKERAY STREET
LONDON W8 5HB
Telephone: 01-937 3558

Bryan Cassidy

Member
of the European Parliament
for Dorset East & Hampshire West

8 February 1988

Rt Hon David Waddington QC MP
Chief Whip and
Parliamentary Secretary to the Treasury
House of Commons
Westminster
London SW1A OAA

Thank you very much indeed for your helpful letter. I'll let you know when we make known a decision.

N.B. I have doubts about the opinion expressed but you should see this. I have acknowledged.

Dear David

I am writing in response to your suggestion at our Group Meeting at the Queen Elisabeth II Conference Centre that we should write to you with our views about the two British Commissioners in the new European Commission for the period 1989 - 1993.

Given the importance to Britain of achieving the target of 1992 for the completion of the single European market, it is essential that this portfolio continues to be handled by a British Commissioner. Arthur Cockfield has won wide respect because he is seen as the principal architect of the 1992 programme. I speak not solely about the respect in which he is held by British members of the European Democratic Group but of the high opinion held of him by Euro MPs from other nations and other political groupings (almost the only exception to the generally high regard in which he is held are members of the British Labour Group in the European Parliament).

As a member of the Europe Committee of the CBI I am also conscious that Arthur's efforts are widely appreciated in British industry. So, I believe it would be highly desireable if he were to be reappointed for a further four years. Having started a very challenging job, he should be allowed to finish it. If he were not to be reappointed, I fear that there would be very strong doubts expressed by many people both in British business and elsewhere about how genuine the United Kingdom's committment to 1992.

I should also make it clear that the views expressed in this letter are personal but based on a wide range of contacts in British business and among other groups in the European Parliament.

Yours ever

Bryan.

BRYAN CASSIDY

EURO POL
Cases.

SENIOR STAFF IN CONFIDENCE

File 8/20

NOT APPTS -

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

21 January 1988

Dear Tony,

APPOINTMENTS TO THE COMMISSION OF THE EUROPEAN COMMUNITIES

The Foreign Secretary raised with the Prime Minister this morning the question of appointments to the next Commission. It was not yet clear whether M. Delors would wish to continue. We could do worse. He was sound on issues such as agriculture. It was far from certain that a German candidate would be better. The Prime Minister expressed some reservations. M. Delors was down in her mind as a big spender.

On the question of the British Commissioners, the Prime Minister and the Foreign Secretary were both clear that Lord Cockfield should not be reappointed. The Prime Minister made clear that she was reluctant to contemplate a by-election to make available a successor, although she would not absolutely rule this out were it to be, for instance, Leon Brittan or Terence Higgins. Lord Jenkin was thought to be a strong candidate. Sir Michael Butler's name was also mentioned.

For the second British Commissioner, the Foreign Secretary expressed a preference for keeping Mr. Clinton Davis in post. There was a good deal to be said for continuity. The Prime Minister was not convinced and suggested that consideration be given to Roy Mason and Ben Ford.

SF

The Foreign Secretary undertook to do a full survey of possible candidates and let the Prime Minister have a note.

Yours ever,

Charles Powell

(C. D. POWELL)

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

SENIOR STAFF IN CONFIDENCE

010

RESTRICTED

cc PC

Foreign and Commonwealth Office

London SW1A 2AH

21 September 1987

CDP
21/9

Dear Charles,

EC Commission: New German Commissioner

On 15 September the German Government nominated Peter Schmidhueber, Bavarian Minister for Federal Affairs, as successor to the late Commissioner Pfeiffer.

The procedure for appointment requires the "common accord of the Governments of the Member States". In practice, member states do not exercise a veto over each other's candidates. Schmidhueber's appointment will accordingly be confirmed in the next few days.

Peter Schmidhueber is 55. He is a Bavarian CSU politician who has made his career largely in German regional politics. Brief biographical notes are enclosed. Schmidhueber can be expected to take over Pfeiffer's area of responsibility: Economic Affairs, Employment, Credit and Investments and Statistics.

I am sending a copy of this letter to Alex Allan (HM Treasury).

Yours ever,

Lyn Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

PETER SCHMIDHÜBER

Born: 15 December 1931, Munich

Studied: Law and economics

Civil Servant, Bavarian Ministry of Finance and Transport from 1961-1972

Lawyer, 1972-

CSU member of Bundestag 1965-69 and 1972-78

Member, Bavarian Land Parliament, and Bavarian Minister for Federal Affairs since 1978.

As Bavarian Minister for Federal Affairs he has represented Bavaria in Bonn and oversees the Bavarian EC information bureau in Brussels. Some press comment has suggested that one reason for his nomination was that the CSU considered that he was insufficiently vigorous in upholding Bavaria's interests in Bonn.

Schmidhüber is married. His hobbies include his private picture collection. He has a reasonable command of both French and English.

file

OA
ccPC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 September 1987

Thank you for your letter of 17 September proposing that the Prime Minister should send a message thanking Arthur Cockfield for his work in getting David Williamson appointed as the Commission's new Secretary-General. I am sure this is right and you should despatch the message.

(Charles Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

17 September 1987

Dear Charles,

As you know the Commission agreed on 16 September on the appointment of David Williamson to be their new Secretary-General. This was part of a small package of senior appointments, including Krenzler (FRG) to succeed Fielding as head of DGI (External Relations), and De Wost (France) to succeed Ehlermann in the Commission Legal Services.

This is an excellent result. We have secured a prime UK objective; and we have contrived to do so without in any way prejudicing our chances in the larger re-allocation of senior jobs which will take place at the beginning of the next Commission. The British Commissioners played an important and helpful role, and the Foreign Secretary recommends that the Prime Minister send a short message to Lord Cockfield. The Foreign Secretary will himself send a message to Clinton Davis. I attach a draft telegram which could issue if the Prime Minister agrees.

I am copying this letter to Alex Allan (HMT) and Trevor Woolley (Cabinet Office).

Yours ever,

Lyn Parker

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

OUT TELEGRAM

Classification	Caveat	Precedence
CONFIDENTIAL		IMMEDIATE

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TO
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OF
AND TO

ZCZC
CONFIDENTIAL

FM FCO
TO IMMEDIATE UKREP BRUSSELS
TELNO
OF Z SEPTEMBER 1987

YOUR TELNO 2840: SENIOR COMMISSION APPOINTMENTS

1. Please pass the following message from the Prime Minister to Lord Cockfield:

BEGINS

I was delighted to hear of David Williamson's appointment as Secretary-General of the Commission. Geoffrey Howe has told me how hard you worked to ensure that the best man won. He joins me in sending you warm congratulations.

ENDS

2. Please pass the following message from me to CClinton Davis:

BEGINS

I was very pleased to hear of the appointment of David Williamson as Secretary-General of the Commission. I am sure that he is the right man for the job, and will do it particularly well. You must be delighted that your efforts have brought success. So am I.

ENDS

/// // /

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		Catchword: HOWE	
File number	Dept ECD(I)	Drafted by (Block capitals) J O KERR	Telephone no 270 2207
Authorised for despatch by:	Initials	Date/time	
For COD use only	Comcen reference	Telegram number	Processed by

OUT TELEGRAM (CONT)

Classification	Caveat	Precedence
CONFIDENTIAL		IMMEDIATE

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For distribution order see Page | Catchword:

PERSONAL

file JD

10 DOWNING STREET

THE PRIME MINISTER

17 September 1987

Dear David

Just to say how delighted I am that you have been appointed to the European post. It is a great triumph for you, and is based not just on your outstanding ability, but the way in which you have earned the friendship and respect of so many people in Brussels. We shall miss your wisdom very much, but Europe undoubtedly needs you - and is very lucky to get you.

With warm regards,

Yours sincerely

Margaret Thatcher

D.F. Williamson, Esq., C.B.

DW

PERSONAL

Ref. A087/2681

MR INGHAM

cc Mr Wicks
Mr Williamson

We should know later today whether Mr David Williamson has been appointed to succeed Monsieur Emile Noel as Secretary General of the European Commission. I will let you know as soon as I hear.

2. If Mr Williamson is chosen, an early announcement by the Commission can be expected. I suggest that, as soon as it is made, you might tell the Lobby that the Prime Minister is delighted that some one from the United Kingdom has for the first time been invited to fill this post, has no doubt that the Commission have chosen extremely well, and is confident that Mr Williamson will make an admirably skilled, competent and worthy successor to Monsieur Noel.

3. I attach a copy of the notice that will be issued by the Commission's London office, if Mr Williamson gets the job.

4. He has been appointed.

RA

ROBERT ARMSTRONG

16 September 1987

European Communities Commission
8 Storey's Gate,
London SW1P 3AT
Tel: 01 222 8122

Sir Robert Armstrong

This is the draft of the Commission's London office press release. But no decision in Brussels before tomorrow.

D.F. Williamson
15/9/87

DRAFT

BRITON GETS TOP EURO POST

The European Commission has appointed **David Williamson**, at present Head of European Affairs in the Cabinet Office in London, to the top European Civil Service job in Brussels, it has just been announced in Brussels.

Williamson, 53, has been selected to fill the highly influential post of Secretary-General of the Commission in succession to the long-serving Emil Noël, former member of the French civil service, who headed the Brussels secretariat since its formation 30 years ago.

As a former Deputy Director-General of Agriculture in the European Commission, Williamson is well known in Brussels where he served from 1977 until he returned to London in 1983 to serve in the British Cabinet Office. He takes up the new job shortly.

Williamson's curriculum vitae:

DAVID F WILLIAMSON, CB

Born 8 May 1934
Married, two sons (born 1963 and 1965)

Educated: Tonbridge School
Exeter College, Oxford (M.A. - Litterae Humaniores)

1956 Successful in open competiton for entry to United Kingdom civil servic

1956-58 Army Service (2nd Lt. Royal Signals)

1958 Entered Ministry of Agriculture, Fisheries and Food

1960-62 Private Secretary to the Permanent Secretary and to successive Parliamentary Secretaries

1965-67 H.M. Diplomatic Service as First Secretary (Agriculture and Food), Geneva, for Kennedy Round Trade Negotiation

1967-70 Principal Private Secretary to successive Ministers of Agriculture, Fisheries and Food

1970-74 Head of Milk and Milk Products Division, Marketing Policy Division and Food Policy Division

1974 Promoted Under-Secretary, took charge of General Agricultural Policy Group 1974-76 and of European Communities Group 1976-77

1976-77 United Kingdom representative on the European Community's Special Committee on Agriculture

1977-83 Deputy Director-General (Agriculture) in the Commission of the European Communities

1983 Returned to the United Kingdom and appointed Deputy Secretary and Head of European Secretariat, Cabinet Office

* * * * * *

010

Botschaft
Bundesrepublik Deutschland

Embassy
of the Federal Republic of Germany

Wi 421.41

Note No.: 605 /87

1. cc. PS
PS/Mrs Chalker
Mr Braithwaite
Mr Ratford
Mr Bain
Sir D. Hannay : UKREP.
Miss Neville-Jones : Bonn.
Mr Williamson (C. Office)
Sir G. Littler (HMT)
Mr Roberts (DTI)
Mr Powell (No 10)

2. Mr Webb / Mr Shepherd.

CDP 17/9

16/IX.

Verbal Note

The Embassy of the Federal Republic of Germany presents its compliments to the Foreign an Commonwealth Office and has the honour to inform it that the Government of the Federal Republic of Germany, on September 15, 1987, has nominated Mr. Peter M. Schmidhuber, Bavarian Minister of State for Federal Affairs as successor of the late EEC-Commissioner Alois Pfeiffer. The Federal Government will initiate the procedure prescribed for the nomination of Commissioners in Article 11 of the Fusion Treaty according to which the members of the Commission are appointed by common accord of the Governments of the Member States.

The Embassy of the Federal Republic of Germany avails itself of this opportunity to renew to the Foreign and Commonwealth Office the assurance of its highest consideration.

London, 16 September 1987

To the
Foreign and Commonwealth Office
London

BIOGRAPHICAL NOTES:

Mr. Schmidhuber was born 15 December 1931.

He studied law and economics, took a degree in economics (Diplom-Volkswirt) and passed the first and second state examination in law in 1956/1960. From 1961 - 1972 he was civil servant in the Bavarian Ministry of Finance and Transport and became a lawyer in 1972.

From 1965 - 1969 and from 1972 - 1978 he was Member of the Bundestag (Federal Parliament). Since 1978 he is Member of the Bavarian Landtag (Regional Parliament) and Minister of State for Federal Affairs.

SENIOR STAFF IN CONFIDENCE

file DASBR

cc PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

15 September 1987

THE COMMISSION SECRETARY GENERAL

Monsieur Bujon telephoned this morning to say that the formal position of the French Government was that they would support Monsieur Achard and no-one else. They recognised, however, that he did not have any significant chance. Even so, they would not formally support any other candidate although they recognised Mr Williamson's excellent qualities. They would insist on just compensation for the loss of the Secretary General's post, in the form of one Director-General post and one Deputy Director-General post. Monsieur Bujon was at pains to tell me that the French Government had no control whatsoever over the activities of the two French Commissioners in this matter. They had heard that Monsieur Cheysson might be floating some "new ideas" but did not know what these might be. We should not assume that the French Government was involved.

I am copying this letter to Trevor Woolley (Cabinet Office).

C D POWELL

OA

Lyn Parker, Esq.
Foreign and Commonwealth Office

SENIOR STAFF IN CONFIDENCE

cf. R 15/9.

OFFICE OF THE UNITED KINGDOM
PERMANENT REPRESENTATIVE
TO THE EUROPEAN COMMUNITY
ROND-POINT ROBERT SCHUMAN 6
1040 BRUSSELS
TELEPHONE 2306205

FROM THE PERMANENT REPRESENTATIVE

12. ix. 87

CR

Dear Charles,

Just a line to thank you (and David Williamson) very much for enabling me to hand over to Emile Noel at my farewell dinner on Tuesday the letter from the P.M. He was much touched by it and I believe we were able to give genuine pleasure within the limits of our altered honours system. I managed to get a full house of British Permanent Representatives, even if the Commissioners were a bit thin on the ground, what with

Stanley Clinton Davis' preference for the TUC and poor Christopher Soames' dire straits

David

File JA2ASJ
cc PC

SENIOR STAFF IN CONFIDENCE

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

10 September 1987

Dear Lyn,

SECRETARY GENERAL OF THE EUROPEAN COMMUNITIES

During her meeting this afternoon with Mr. Christophersen, the European Community Budget Commissioner, the Prime Minister raised the question of Mr. Williamson's candidature to succeed M. Noel as Secretary General of the Commission.

Mr. Christophersen said that it was a pity that the Commission had not taken a decision on this in July as had been the intention. They had discussed the matter in Brussels yesterday and agreed to take a decision next week, both on this appointment and a number of other senior posts. If necessary, they would take a vote. He believed that Mr. Williamson had a good chance. But there were differing views within the Commission and some support for the German candidate. The Prime Minister said that there was surely no doubt that Mr. Williamson was far and away the best candidate in terms of merit and experience. The German candidate, Herr Krenzler, was well suited to take over as Director General of External Relations. Mr. Christophersen said that he personally shared this view.

I am copying this letter to Trevor Woolley in the Cabinet Office.

Yours sincerely,

Charles Powell

(CHARLES POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

SENIOR STAFF IN CONFIDENCE

file DASBL

cc PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

9 September 1987

SECRETARY-GENERAL OF THE COMMISSION OF THE EUROPEAN COMMUNITY

I had a word this afternoon with Monsieur Bujon in Chirac's Cabinet about the forthcoming selection of a successor to Monsieur Noel. I found him rather more forthcoming than in the past. He professed not to be fully briefed on the details. France had an excellent candidate, and there were officials in Paris who thought that it was written in the Treaty of Rome that France should hold the job in perpetuity. But Mr Williamson was equally an excellent candidate; and provided that France was compensated with a post of equivalent standing, he thought that all would be well. His recollection was that they were seeking the post of Legal Adviser to the Commission. He would discuss the point one more time with Monsieur Chirac on his return from the Caribbean on 14 September and would telephone me again next week, before the Commission meeting on 16 September.

I have also tried to talk to Mr Teltschik. But he is (once again) on holiday.

I am copying this letter to Trevor Woolley (Cabinet Office).

C D POWELL

Lyn Parker, Esq.
Foreign and Commonwealth Office

SENIOR STAFF IN CONFIDENCE

KB

FAXED to
Sir D. Hannay
28/9/87

file

CF

DCACDW
CCFCO
CO

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

7 September 1987

Dear Monsieur Noel,

I am writing to record the British Government's great appreciation of all that you have done for the European Community in your long and distinguished career as Secretary General of the Commission. I have no doubt that history will see you as one of the principal builders of the Community. Looking back over 30 years what has been achieved is truly remarkable. We in Britain appreciate your steadfast support for the common values and objectives which we all share. We believe strongly that the construction of the Community is being continuously and successfully achieved not just by particular initiatives but by the steady progress towards agreement on a whole range of common interests.

Over these years you have been a good friend of Britain. I would like to thank you for all you did to help in our accession, in the discussions on budget equity and in our integration into the life of the Community.

I wish you all success in your new appointment in Florence.

Yours sincerely

Margaret Thatcher

Monsieur Emile Noel

JA

10 DR.

PRIME MINISTER

M. EMILE NOEL

As you know, M. Noel is to retire shortly. Sir David Hannay is giving a farewell dinner for him in Brussels next Tuesday, to be attended by various leading British politicians and civil servants who have dealt with him over the years. It would be very nice if he were able to read out and hand over a letter from you. I attach a letter which you may care to sign.

"Dear M. Noel"

CDP

(C.D. POWELL)

4 September 1987

DCACDV

DRAFT LETTER FOR THE PRIME MINISTER'S SIGNATURE

M. Emile Noel
Secretary General
Commission of the European Communities
200 rue de la Loi
Brussels
Belgium

I am writing to record the British Government's great appreciation of all that you have done for the European Community in your long and distinguished career as Secretary General of the Commission. I have no doubt that history will see you as one of the principal builders of the Community. Looking back over 30 years what has been achieved is truly remarkable. We in Britain appreciate your steadfast support for the common values and objectives which we all share. We believe strongly that the construction of the Community is being continuously and successfully achieved not just by particular initiatives but by the steady progress towards agreement on a whole range of common interests.

Over these years you have been a good friend of Britain. I would like to thank you for all you did to help in our accession, in the discussions on budget equity and in our integration into the life of the Community.

I wish you all success in your new appointment in Florence.

CDP

CONFIDENTIAL

CCPC

Qz 05947

MR POWELL (10 Downing Street)

M. Emile Noel

I attach, as requested, a draft letter for the Prime Minister to send to M. Emile Noel on his retirement after 30 years as Secretary-General of the Commission of the European Communities.

I am sending copies to Lyn Parker (FCO) and Trevor Woolley.

D F Williamson

D F WILLIAMSON

3 September 1987

DRAFT LETTER FOR THE PRIME MINISTER'S SIGNATURE

M. Emile Noel
Secretary General
Commission of the European Communities
200 rue de la Loi
Brussels
Belgium

I am writing to record the British Government's great appreciation of all that you have done for the European Community in your long and distinguished career as Secretary General of the Commission. I have no doubt that history will see you as one of the principal builders of the Community. Looking back over 30 years what has been achieved is truly remarkable. We in Britain appreciate your steadfast support for the common values and objectives which we all share. We believe strongly that the construction of the Community is being continuously and successfully achieved not just by particular initiatives but by the steady progress towards agreement on a whole range of common interests.

Over these years you have been a good friend of Britain. I would like to thank you for all you did to help in our accession, in the discussions on budget equity and in our integration into the life of the Community.

I wish you all success in your new appointment in Florence.

CDP

SENIOR STAFF IN CONFIDENCE

File DA

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

28 August 1987

Dear Robert,

SECRETARY GENERAL OF THE COMMISSION OF THE EUROPEAN COMMUNITIES

The Prime Minister and the Foreign Secretary had a brief word this morning about the proposed appointment of Mr. Williamson as Secretary General of the Commission of the European Communities. It was agreed that we should look for chances to influence the Commission's decision in favour of Mr. Williamson before their next meeting on 16 September. The Prime Minister would raise the matter with Mr. Christophersen on 10 September. The Foreign Secretary would take any other opportunities which arose to urge Mr. Williamson's claims. I will speak again to Herr Teltschik and to M. Bujon.

Yours sincerely,

(C.D. POWELL)

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

SENIOR STAFF IN CONFIDENCE

2

PRIME MINISTER

cc. Sir Percy Cradock

SECRETARY-GENERAL OT THE COMMISSION

At my meeting in Bonn today with Herr Teltschik and M. Attali, I raised once again the subject of the succession to M. Noel as Secretary-General of the Commission. I rehearsed David Williamson's strong claims to the post. Despite what Teltschik had told me, it was clear to us that M. Delors had still received no signal from Bonn that Chancellor Kohl (at least) would not fight for the German candidate. The matter was getting urgent. Teltschik asked whether there was not now also a French candidate. Attali said with deliberation that a French candidate existed. Personally he thought Mr. Williamson was the best candidate. Teltschik said that he had commissioned a paper for Kohl explaining the whole issue, and recommending how it should be handled. He would try to hurry it up. I said that it need be only a very short paper since the issue was simple. My own information was that Mr. Williamson was Delors' preferred candidate. It just required Kohl to find a way to give Delors an unmistakeable signal that he could accept Mr. Williamson if Delors so decided. That should do the trick.

C.D.P.

CDP

29 May, 1987.

JD3AYN

SECRET AND PERSONAL

File

FDBAYO

bc. P.C

10 DOWNING STREET

LONDON SW1A 2AA

29 May, 1987.

From the Private Secretary

Dear Tony,

SECRETARY-GENERAL OF THE COMMISSION

At my meeting in Bonn today with Herr Teltschik and M. Attali, I raised once again the subject of the succession to M. Noel as Secretary-General of the Commission. I rehearsed David Williamson's strong claims to the post. Despite what Teltschik had told me, it was clear to us that M. Delors had still received no signal from Bonn that Chancellor Kohl (at least) would not fight for the German candidate. The matter was getting urgent. Teltschik asked whether there was not now also a French candidate. Attali said with deliberation that a French candidate existed. Personally he thought Mr. Williamson was the best candidate. Teltschik said that he had commissioned a paper for Kohl explaining the whole issue, and recommending how it should be handled. He would try to hurry it up. I said that it need be only a very short paper since the issue was simple. My own information was that Mr. Williamson was Delors' preferred candidate. It just required Kohl to find a way to give Delors an unmistakeable signal that he could accept Mr. Wiliamson if Delors so decided. That should do the trick.

Yours sincerely,

Charles Powell

C.D. Powell

A.C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

SECRET AND PERSONAL

CF file

SENIOR STAFF IN CONFIDENCE

Subject cc ops.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

23 March 1987

SECRETARY GENERAL OF THE COMMISSION OF THE EUROPEAN COMMUNITY

At the end of her talk with Chancellor Kohl in Bonn this afternoon, the Prime Minister raised David Williamson's candidature for the post of Secretary General of the Commission, making the points about our willingness to support a good German candidate to succeed Delors as President in due course, and the suitability of Krenzler for the post of Director General of External Relations. Chancellor Kohl seemed to have only a vague grasp of what was at issue but undertook to discuss the matter within the German Government and thereafter communicate with the Prime Minister.

(C. D. POWELL)

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

SENIOR STAFF IN CONFIDENCE

SENIOR STAFF IN CONFIDENCE

APPTS 8/W (62)

no 2nd carbon cpc

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

18 March 1987

SECRETARY-GENERAL OF THE COMMISSION

Thank you for your letter of 6 March about the negotiations for the post of Secretary-General of the Commission of the European Communities.

I have spoken to Teltschik on the lines proposed in your letter, adding that I expect the Prime Minister to mention this briefly to the Chancellor. Teltschik was not particularly forthcoming although he certainly seemed familiar with the problem and spoke highly of David Williamson. He did not demur when I said that I assumed that Genscher was probably more interested in Horst Krenzler's fate than was Chancellor Kohl himself. All I can claim is that Chancellor Kohl will certainly be on notice of the Prime Minister's intention to raise this subject and be aware in advance of the terms in which she will do so.

(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

SENIOR STAFF IN CONFIDENCE

CC/PC

Foreign and Commonwealth Office

London SW1A 2AH

6 March 1987

Dear Charles,

Secretary-General of the Commission

Filed on EUROPEAN POLICY: London European Council: Part 23A

Colin Budd wrote to you on 3 December about the possibility of the Prime Minister mentioning this matter to Chancellor Kohl in the margins of the London European Council. It did not in the event prove possible for the Prime Minister to do so. You asked in your letter of 6 December for further thought to be given to follow-up and Colin Budd spoke to you about this before he left. M Delors meanwhile has been left in no doubt of our concern to secure this post; but there is a continuing stand off between us and the Germans. The Foreign and Commonwealth Secretary has found Genscher adamant in support of the German candidate.

Although Chancellor Kohl is reported to be giving his full backing to the German bid for this post, it is possible that he is less directly interested in it than Genscher since the leading German candidate (Krenzler - the present Deputy Secretary-General) is a former member of the FDP. The Germans, furthermore, probably do have ambitions to secure the Presidency of the Commission after Delors. The Foreign Secretary feels that the time has come when we should consider an approach to the Chancellery in Bonn to determine how firm their support is for Krenzler. To have most effect, it would be best for such an approach to be made direct from No 10.

/The

The Foreign Secretary thinks, therefore, that it would be worthwhile for you to have a word with Teltschik or Hartman about the matter. You would no doubt wish to point out that we have from the beginning told the Germans of our interest in this post, for which we have an exceptionally well qualified candidate. The German candidate Krenzler would be better qualified to be Director-General for External Relations, a post that would become vacant when Leslie Fielding leaves the Commission in the summer and which would further strengthen the German position in the Commission. Above all, however, we have assumed that the Germans would be likely to wish to put forward a candidate to succeed M Delors as President of the Commission. We would be likely to consider supporting a really well qualified German candidate for the post. They can scarcely hope to secure both the Secretary-Generalship and the Presidency. (The French have only been able to do so because of Noel's tenure since the beginning of the Commission.)

Our purpose would be to probe how firmly Kohl, personally, is committed to the German bid for this post. Depending on his reactions, an opportunity might arise for the Prime Minister to mention it to him. Delors is reported to be likely to try to delay his decision on the matter until the last possible moment.

Yours ever, Lyn Parker

(L Parker)
Private Secretary

C D Powell Esq
No 10 Downing St

FILE FOR
LONDON MTG
PT 23A

010

(2)

The President
of the European Parliament

Brussels, 11 February 1987

Prime Minister
CDP
17/2

Dear Prime Minister,

Thank you for your kind message and best wishes on my election as President of the European Parliament.

I am very much looking forward to the challenge of the next two and a half years.

There will be an important opportunity to publicize the work of the European Parliament and to assure that we play a part, when the Single European Act is ratified, in ensuring that decisions are effectively and quickly taken with the full opportunity for the influence of the Parliament to be felt.

I am also conscious of our responsibility to promote the Community within the United Kingdom.

With kindest regards,
Yours sincerely,
Henry

Sir Henry PLUMB

The Rt. Hon. Margaret THATCHER, FRS, MP
Prime Minister
10 Downing Street
LONDON SW1

File 4Ro
cc Sir PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 January 1987

Would you please arrange for the following message to be conveyed from the Prime Minister to Sir Henry Plumb in Strasbourg:

"Dear Henry,

I send you my warmest congratulations upon your election as President of the European Parliament. It is a tremendous triumph for you personally, and a further major step for the United Kingdom within the European Community. We are all delighted and proud.

With best wishes,

Margaret Thatcher"

CHARLES POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

010

Botschaft
der Bundesrepublik Deutschland
Embassy
of the Federal Republic of Germany

23, Belgrave Square / Chesham Place
London, SW 1 X 8 PZ
Tel. 01 - 235 - 5033
Hausanschluß: Extension:
Sprechstunden: Office hours:
Montag-Freitag Monday-Friday 9.00-12.00
Fernschreiber-Telex Nr. 28191
Telegrammanschrift-Telegrams:
Diplogerma London

cc PE

To the
Private Secretary
to Prime Minister
Mr. C.D. Powell
Prime Minister's Office
10 Downing Street
London SW1A 2AA

London, 11 December 1986
Ru/Eg

CDP
12/12

Dear Mr. Powell,

I have the pleasure to transmit to you the original letter of the Chancellor of the Federal Republic of Germany to the Prime Minister, the text of which has already been transmitted by the Ambassador's letter of 4 December 1986.

Yours sincerely

Oskar Rudolph

(Oskar Rudolph)
Head of Economic Department

Already T'd

Confidential

Federal Republic of Germany
The Federal Chancellor

Bonn, 4 December 1986

Her Excellency
Margaret Thatcher, MP
Prime Minister of the
United Kingdom of
Great Britain and Northern Ireland
London

Dear Prime Minister,
dear Margaret,

with reference to your message of 31 October 1986, I wish to inform you that I gladly agree to the prolongation of the term of office of the President of the European Commission, Jacques Delors. I therefore welcome your proposal to announce our agreement to his reappointment at the European Council in London.

Yours sincerely,
(sgd.)Helmut Kohl

BUNDESREPUBLIK DEUTSCHLAND
DER BUNDESKANZLER

Bonn, 4. Dezember 1986

Ihrer Exzellenz
Frau Margaret Thatcher, MP
Premierminister des Vereinigten
Königreichs Großbritannien und
Nordirland

London

Sehr geehrte Frau Premierminister,
liebe Margaret,

unter Bezugnahme auf Ihre Botschaft vom 31. Oktober 1986 möchte ich Ihnen mitteilen, daß ich einer Verlängerung der Amtszeit des Präsidenten der Europäischen Kommission, Jacques Delors, gern zustimme. Ich begrüße daher Ihren Vorschlag, beim Europäischen Rat in London eine Erklärung über unser Einverständnis mit der Wiederernennung von Herrn Delors abzugeben.

Mit freundlichen Grüßen

H. Kohl

Subject cc: MASTER OPS.

FILE
DA

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T236/86

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

4 December 1986

I enclose a copy of a message to the Prime Minister from Chancellor Kohl agreeing to the appointment of M. Delors as President of the Commission.

I am copying this letter and enclosure to David Williamson (Cabinet Office).

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

JB

T e l e g r a m m

von

Herrn Helmut Kohl

Bundeskanzler der Bundesrepublik Deutschland

an

Ihre Exzellenz

Frau Margaret Thatcher

Premierminister des Vereinigten Königreichs

Großbritannien und Nordirland

Sehr verehrte Frau Premierminister,
liebe Margaret,

unter Bezugnahme auf Ihre Botschaft vom 31. Oktober 1986 möchte ich Ihnen mitteilen, daß ich einer Verlängerung der Amtszeit des Präsidenten der Europäischen Kommission, Jacques Delors, gern zustimme. Ich begrüße daher Ihren Vorschlag, beim Europäischen Rat in London eine Erklärung über unser Einverständnis mit der Wiederernennung von Herrn Delors abzugeben.

Mit freundlichen Grüßen
Helmut Kohl
Bundeskanzler der Bundesrepublik Deutschland

T e l e g r a m

from

Herr Helmut Kohl, Federal Chancellor of the Federal Republic of Germany

to

Her Excellency The Rt. Hon. Margaret Thatcher, MP, Prime Minister of the United Kingdom of Great Britain and Northern Ireland

---

Bonn, 4 December 1986

Dear Prime Minister,
dear Margaret,

With reference to your message of 31 October 1986, I wish to inform you that I gladly agree to the prolongation of the term of office of the President of the European Commission, Jacques Delors. I therefore welcome your proposal to announce our agreement to his reappointment at the European Council in London.

Yours sincerely,
(sgd.) Helmut Kohl

T e l e g r a m

from

Herr Helmut Kohl, Federal Chancellor of the Federal Republic of Germany

to

Her Excellency The Rt. Hon. Margaret Thatcher, MP, Prime Minister of the United Kingdom of Great Britain and Northern Ireland

---

Bonn, 4 December 1986

Dear Prime Minister,
dear Margaret,

With reference to your message of 31 October 1986, I wish to inform you that I gladly agree to the prolongation of the term of office of the President of the European Commission, Jacques Delors. I therefore welcome your proposal to announce our agreement to his reappointment at the European Council in London.

Yours sincerely,
(sgd.) Helmut Kohl

910

CCPX

Qz.05506

CDP.

NOTE FOR THE RECORD

Reappointment of Monsieur Delors as President of the European Commission: Agreement of Chancellor Kohl

As we had not yet received formal agreement from Chancellor Kohl I spoke on the telephone to Mr Hartmann in the Federal German Chancellery who had told me earlier that Chancellor Kohl would be agreeing but that there would be a short delay. Mr Hartmann confirmed that Chancellor Kohl had now agreed to the reappointment of Monsieur Delors and that a letter would shortly be dispatched. Mr Rudolph of the Federal German Embassy telephoned me this evening to say that the letter from Chancellor Kohl to the Prime Minister had now been received and would be delivered very shortly.

D F Williamson

D F WILLIAMSON

4 December 1986

cc: Mr Powell, 10 Downing Street
Mr Budd)
Mr Renwick) FCO

510

cc PC

DER BOTSCHAFTER
DER BUNDESREPUBLIK DEUTSCHLAND

Baron Rüdiger von Wechmar

London, 4 December 1986

cm

Dear Prime Minister,

I have the honour to transmit to you the enclosed message from Herr Helmut Kohl, Chancellor of the Federal Republic of Germany. (about Delors)

A courtesy translation is attached.

I am, Dear Prime Minister,
Sincerely yours

Her Excellency
The Rt. Hon. Margaret Thatcher, MP
Her Majesty's Prime Minister and
First Lord of the Treasury
L o n d o n

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215 5422
GTN 215
(Switchboard) 01-215 7877

Secretary of State for Trade and Industry

PS/

CONFIDENTIAL

3 December 1986

David Norgrove Esq
Private Secretary to the
Prime Minister
10 Downing Street
LONDON
SW1

Dear David,

ROVER GROUP : DEBT WRITE OFFS

Thank you for your letter of 2 December.

I attach a speaking note for the Prime Minister to use with M Delors. The Prime Minister could also use the notes in any conversations with Commissioner Sutherland or the British Commissioners. We doubt whether it would be productive to raise the matter with other Commissioners at this stage.

I am copying this letter to Colin Budd (FCO).

Yours sincerely

CATHERINE BRADLEY
Private Secretary

DW2BHK

999-1

1786 1986 BOARD OF TRADE BICENTENARY

CONFIDENTIAL

Please retype

EUROPEAN COUNCIL

SPEAKING NOTE FOR THE PRIME MINISTER (TO M. DELORS)

about

ROVER GROUP

- We shall shortly be making a formal notification to the Commission of our plans to ~~privatise~~ reprivatise the bus and truck divisions of Rover Group. Commissioner Sutherland has been very helpful.

- This is an important step in our programme to return the whole company to ~~the private sector~~ full private ownership. In the case of Truck division we have also asked the Chairman (Mr Day) to give priority to doing a deal with DAF provided commercial terms can be agreed.

- It is essential that we write-off the debts accumulated by the Bus and Truck divisions while in public ownership.

- Action must be taken in this financial year. ~~If our plans are not to fall through~~. We will therefore need the Commission's approval under the Community's state aids rules by the end of March.

- Hope you will help us steer this sensitive matter through before the end of March 1987. It would be much easier if we could avoid a formal Commission procedure.

- But if you feel a procedure is unavoidable, we must have a decision by end of March, ~~or our privatisation programme will be jeopardized~~.

DW3BJS

999-49

INDUS POL Rover : Pt 12.

ps3/15K

SECRET

Please bring forward on Monday
CDP.

Treasury Chambers, Parliament Street, SW1P 3AG
01-233 3000

D Norgrove Esq
10 Downing Street
LONDON
SW1

3 December 1986

CDP

Dear David

We spoke briefly yesterday about the Chancellor's intention to speak to Delors in the margins of ECOFIN on Monday about Leyland Trucks. For this, he would find it helpful to know the outcome of any discussion between the Prime Minister and Delors at the European Council this week. The Chancellor leaves for Brussels at 7.30 am on Monday, but I would be very happy to take a message by phone from Charles Powell over the weekend; alternatively, Alex Allan or Cathy Ryding could relay a message to us in Brussels on Monday morning.

Yours ever,
Tony

A W KUCZYS

CONFIDENTIAL
SENIOR STAFF IN CONFIDENCE

Foreign and Commonwealth Office

London SW1A 2AH

3 December 1986

Prime Minister
CDP 3/xii

Dear Charles,

European Commission: Secretary General

When the Prime Minister saw M. Delors on 26 November, she said that she would raise the question of the succession to M. Noel with Chancellor Kohl.

Genscher told the Foreign Secretary earlier this year that the Germans (as we knew) were keen to provide the new Secretary-General of the Commission after Noel's departure. The Foreign Secretary made it clear that we considered we had the best qualified candidate. Genscher showed he was well aware of our intention to secure the post. The Foreign Secretary subsequently raised the matter with Ruhfus, with similar results. The Germans have two possible in-house candidates (Krenzler, who at present is Deputy Secretary-General, and Ehlerman, head of the Commission Legal Service). There have been hints that they might run a more highly regarded outside candidate, Manfred Lahnstein (former SPD Finance Minister).

In the Foreign Secretary's view the key to our securing the post lies with Delors. We doubt if there will be any change in the German position. Delors must take the decision. If he decides to recommend to the Commission the appointment of David Williamson as Secretary-General, he may also propose that Krenzler should succeed Fielding as Director-General for External Relations. Although we (and the DTI in particular) would be extremely loath to lose the DGI post, the Secretary-Generalship is even more important to us.

This would be a fair exchange
CDP

If the Prime Minister decides to mention the matter to Chancellor Kohl in the margins of the London European Council, the Foreign Secretary recommends that she might take the following line:

- M. Noel will be retiring from the Commission in July. As Chancellor Kohl knows, we hope that Mr david Williamson, who is an outstandingly well qualified candidate, will succeed him.

/We are

CONFIDENTIAL
SENIOR STAFF IN CONFIDENCE

- We are aware that there is German interest in this post, but we imagine that the Germans will be wanting to put forward a well qualified candidate in due course to succeed M. Delors as President of the Commission. Mr Williamson is well known to Chancellor Kohl's officials and could be counted upon to work very closely with them.

- The decision must be made by M. Delors and the Commission. There has to be a proper balance in the senior posts in the Commission. (At present, the Director-General for External Relations is the only really senior post held by a British national.)

The Foreign Secretary will take the opportunity to mention the matter again to M. Delors and try to ensure that Delors does aim to take a decision early in the New Year.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CC PC

Royal Netherlands Embassy

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T234/86

SUBJECT
CC MASTER
OPS

London, December 3, 1986

Dear Prime Minister,

I have been asked to convey to you the following message from Prime Minister Lubbers.

"Referring to your message of 3rd November, I would like to confirm that we could use the meeting of the European Council to renew the Presidency of Jacques Delors of the Commission for a second two year term, if he wishes so. I do not think we need much time to do so, which will leave us enough time to discuss real policy matters."

I am sending a copy of this letter to the Secretary of State for Foreign Affairs.

Yours sincerely

J.L.R. Huydecoper

The Rt Hon Margaret Thatcher, MP
10, Downing Street
LONDON SW1

file KG
LOGA34

cc Sir PC

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

3 December 1986

DATED 19/11

I enclose a copy of M. Martens' reply to the Prime Minister's message about the re-appointment of M. Delors as President of the Commission of the European Communities.

I am copying this letter and enclosure to David Williamson.

C. D. POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

3 December 1986

I enclose a copy of a reply from Mr Lubbers to the Prime Minister's recent message.

I am copying this letter and enclosure to David Williamson (Cabinet Office).

Charles Powell

Colin Budd Esq
Foreign and Commonwealth Office.

cc PC

AMBASSADE
DE
BELGIQUE

103, Eaton Square,
London, SW1W 9AB.

Dos : P Geo 01-94
N° : 3399
1 annexe

L'Ambassade de Belgique à Londres présente ses compliments au Foreign and Commonwealth Office et a l'honneur de lui faire parvenir, en annexe, à l'attention de The Rt. Hon. Margaret Thatcher, Prime Minister, un message du Premier Ministre de Belgique, Monsieur W. Martens.

Il s'agit de la réponse du Premier Ministre de Belgique à la lettre que lui adressait le 31 octobre dernier le Premier Ministre britannique.

Cette Ambassade serait reconnaissante au Foreign and Commonwealth de bien vouloir assurer la transmission de ce pli et saisit cette occasion de lui renouveler les assurances de sa haute considération.

Londres, le 1er décembre 1986.

AMBASSADE DE BELGIQUE LONDRES

Foreign and Commonwealth Office,
London SW1A 2AH.

EUR. POL: Appt. Pro. EEC; PE3

SUBJECT
cc Master

CAJAJU
cc: PERSONAL to
D. WILLIAMSON

10 DOWNING STREET

LONDON SW1A 2AA

26 November 1986

From the Private Secretary

Dear Colin,

EUROPEAN COMMISSION: SECRETARY-GENERAL

The Prime Minister raised with M. Delors this morning the succession to M. Noel as Secretary-General of the Commission. (Your letter on the same subject arrived only after the meeting.)

The Prime Minister recalled that there had been a clear understanding with the French Government, at the time of M. Delors' own appointment, that there should be a British candidate to succeed M. Noel in due course. She had recently confirmed this with President Mitterrand. We had an absolutely outstanding candidate in the person of Mr. Williamson. She hoped that there would be no problem.

M. Delors asked whether the French Government had explicitly acknowledged that they would support a British candidate. The Prime Minister said that she had reminded President Mitterrand of what had been agreed and he had acknowledged it. M. Delors said that he would also speak to the French Government. The only problem would be with Germany which also wanted the post. The Prime Minister said that she would raise the matter with Chancellor Kohl. Sir David Hannay pointed out that there were other possibilities for striking a balance in senior appointments between Britain and Germany. M. Delors concluded that, if there was agreement between Britain and France, there should be no difficulty in achieving the result we desired.

Yours sincerely,

Charles Powell

C. D. POWELL

C. R. Budd, Esq.,
Foreign and Commonwealth Office

Foreign and Commonwealth Office

London SW1A 2AH

26 November 1986

Dear Charles,

European Commission

As the Prime Minister knows, we hope that she will be in a position at the beginning of the European Council to confirm the agreement of all member states to the reappointment for a further two years of M. Delors as President of the Commission (replies are still awaited from Chancellor Kohl and Mr Lubbers).

The Foreign Secretary hopes that the Prime Minister will ask about the successor to M. Noel, who is due to leave the Commission in July. The Prime Minister might refer to her exchange with President Mitterrand. M. Raimond confirmed to the Foreign Secretary some time ago that the new French Government are favourable to Mr Williamson. The Prime Minister might ask M. Delors when he expects to make a decision.

The British Director-General for External Relations, Mr Fielding, is expected also to leave the Commission in July. If M. Delors decided to appoint Mr Williamson as Secretary-General, he may intend to appoint a German candidate (Krenzler) as Director-General for External Relations. We, and the DTI in particular, would be very loath to lose DGI; but the Secretary-Generalship is even more important to us.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

File GA

cc PC

SUBJECT cc MASTER

10 DOWNING STREET

LONDON SW1A 2AA

24 November 1986

From the Private Secretary

Dear Colin,

PRIME MINISTER'S MEETING WITH LORD COCKFIELD

The Prime Minister had a talk with Lord Cockfield this evening.

Lord Cockfield said that the Commission was approaching the half-way mark in its period of office. It was the nature of institutions to lose momentum. He wondered what objectives the Prime Minister had for the Community over the next two years. The Prime Minister replied that completion of the Internal Market remained a high priority. But the biggest single problem which would confront us would be the future of the CAP.

Internal Market

Lord Cockfield asked whether officials had told the Prime Minister quite how badly progress on the Internal Market was lagging. The British Presidency's record was disappointing in this respect. The Commission by contrast had done everything asked of it. To keep up to the programme set out in the Commission's White Paper the Council should have adopted 133 measures by December this year. It had so far adopted only 40 (4 under the Italian Presidency, 21 under Luxembourg, 6 under the Netherlands and 9 under the UK). In his view, it would take a major drive by the Council if there was to be any chance of meeting the time-table. The Prime Minister's recent initiative to unblock a further 13 measures was helpful but not on its own sufficient. The Prime Minister said that the figures given by Lord Cockfield did not correspond with those in her brief. But she accepted that a major effort by the Council was called for. She would do her best to give an impetus to progress at the European Council.

The Prime Minister said that we welcomed the Commission's proposal raising the VAT threshold for small firms. We wished to see the Traveller's Allowances Directive make rapid progress and would want to see duty free facilities at Channel Fixed Link terminals included in it.

GA

CAP

Lord Cockfield agreed with the Prime Minister that agricultural spending was the most serious problem facing the Community. A collision between the CAP and the Community Budget was unavoidable. The crisis would probably strike in October next year, when the Community would run out of funds to pay farmers, but might come earlier if the European Parliament were to reject the budget as patently inadequate to cover the Community's expenditure needs for the whole year. The Community's present accounting system was suitable only for a village cricket club. Payments were delayed and problems swept under the carpet. Applying proper accountancy procedures revealed that the 1.4% ceiling had been exhausted virtually before it had come into force.

The Prime Minister asked how Lord Cockfield thought that the problems of the CAP should be tackled. Lord Cockfield said that there were two priorities: to get rid of existing stocks: and to stop stocks rising again to unacceptable levels. Without limits on the quantities taken into intervention, we should constantly face the same problem. He had in the past pointed out that intervention stocks were the legal property of member states and should be disposed of as such. An additional problem was that some countries, notably Germany, made a profit out of holding stocks because they could get a higher return from the interest payable on them than on their financial markets. The Prime Minister said that she was pessimistic about the prospects of pushing through any fundamental reform until after the French elections in 1988. In the end it would take a major financial crisis to bring about reform. She was absolutely determined not to exceed the 1.4% VAT limit simply in order to finance higher agricultural spending.

European Parliament

Lord Cockfield mentioned his concern that the European Parliament would use the new powers which it had been granted by the Single European Act to enlarge its influence still further. He referred to a recent report by Mr. Prout. He expected the Parliament to cause a lot of trouble. The Prime Minister commented that the additional powers which the Council had given the Parliament were insignificant.

I am copying this letter to Alex Allan (HM Treasury), Timothy Walker (Department of Trade and Industry), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food) and to David Williamson (Cabinet Office).

Yours sincerely,

Charles Powell

(CHARLES POWELL)

C. R. Budd, Esq.,
Foreign and Commonwealth Office.

10 DOWNING STREET

Prime Minister

You will wish to consider how far to sound out Lord Cockfield on his future plans; & whether to say anything about his foreign visits (e.g. to China).

CDP
21/xi

Qz.05466

MR POWELL (10 Downing Street)

European Community: reappointment of the Vice-Presidents of the Commission

In my minute of 14 November, enclosing a letter from the Danish Prime Minister on the reappointment of Monsieur Delors as President of the European Commission, I promised you a note on the situation concerning the reappointment of the Vice-Presidents of the Commission, to which Mr Schluter's letter also referred.

The Commissioners themselves are appointed for a four year term. The Treaties provide that six Commissioners shall be appointed as Vice-Presidents by common accord of the member states, ie by the Council of Ministers, for a renewable two-year term. At present, the Vice-Presidents are appointed in accordance with informal arrangements designed to ensure that the four large countries (United Kingdom, France, Germany and Italy) always have a President or a Vice-President, and that the other Vice-President posts are shared among the smaller countries. Vice-Presidents now are Andriessen (Netherlands), Christophersen (Denmark), Cockfield (UK), Narjes (Germany), Natali (Italy) and Marin (Spain). Their term of office as Vice-Presidents expires on 5 January 1987.

These informal arrangements have been unpopular with the smaller member states since the late 1970s. They object to the larger member states always having a Vice-President. During the negotiations for Spanish and Portuguese accession no agreement was reached on how the extra Vice-Presidency should be allocated. The Spanish and Portuguese accession Treaty requires the Council to consider the Treaty provisions concerning the Vice-Presidencies before the end of 1986.

The Vice-Presidents take it in turn to chair the Commission when the President is away. Vice-Presidents also draw a higher salary, and therefore higher pensions, than other members of the Commission.

There is no operational need for six Vice-Presidencies. We have in the past argued - though with little support - for eliminating Vice-Presidents altogether from the Treaty, or for having only one, to act as the President's deputy. The review required by the end of this year would in theory have provided an opportunity to argue this case once more. But in the light of the discussion in 1985 we judged the chances of securing such an outcome to be slight. Any such change at present would be resisted by the small countries, who value their turn at the Vice-Presidency (as Mr Schluter's letter makes clear); and most member states would probably be reluctant to embark on changes which might affect the position of the present incumbents. Furthermore, any change would put Lord Cockfield's position at risk.

The Foreign and Commonwealth Secretary therefore decided that our tactics should be:

(i) to support any move towards an outcome on the lines we had earlier advocated;

(ii) on the assumption that an agreement on that basis would not be possible, to ensure that the outcome preserves the United Kingdom's right to a Vice-Presidency;

(iii) not to agree to any change that would affect the continuance in office of Lord Cockfield.

The Committee of Permanent Representatives (COREPER) yesterday considered:

(i) the review of the arrangements for Vice-Presidencies;

(ii) the appointment of Vice-Presidents after the end of the present mandate on 5 January 1987.

On the review of arrangements, there was agreement that it would not be timely to try to change the system in the middle of the Commission's mandate; and that a review should be deferred until 1988, before the next Commission was appointed. At the same time, there was widespread support for a radical review in April 1988. This is an acceptable outcome, consistent with our tactics. A radical review should increase the chances of agreeing a better system on the lines we have earlier advocated, for which we shall press hard.

On appointments for 1987/88, there was agreement that, subject to Monsieur Delors' agreement on behalf of the Commission (who must be consulted) the present Vice-Presidents should be reappointed. This follows naturally from the decision on the review, and is consistent with our wish to protect Lord Cockfield's position.

Sir David Hannay, as Presidency, is consulting Monsieur Delors on the proposition that the existing Vice-Presidents should be reappointed. Monsieur Delors is expected to confirm his agreement to the Foreign and Commonwealth Secretary this weekend. When the Prime Minister sees Monsieur Delors on 26 November, she could take the opportunity to stress the importance of a radical review in 1988. We envisage that a formal Council decision on both points should be taken at the December Foreign Affairs Council.

In view of the way in which Mr Schluter cast his letter of 13 November and the agreement reached at COREPER yesterday, I do not think that the Prime Minister needs to write to Mr Schluter on this point.

I am sending a copy of this minute to Colin Budd (Foreign and Commonwealth Office) and to Trevor Woolley here.

D F Williamson

D F WILLIAMSON

21 November 1986

Appts. of Commission:
EUROPOL.
PT3.

CCB/MP

RESTIRCTED

Foreign and Commonwealth Office

London SW1A 2AH

21 November 1986

CM

Dear Charles,

Call by Lord Cockfield on the Prime Minister, 24 November

As requested in your letter of 14 October, I enclose a brief for this call.

I am copying this letter to David Williamson (Cabinet Office).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

RESTRICTED

RESTRICTED

PRIME MINISTER'S MEETING WITH LORD COCKFIELD, 24 NOVEMBER

POINTS TO MAKE

Internal Market

- 17 items adopted so far. But progress disappointing. For this reason, I have taken further initiatives to speed up progress. Have written to other Heads of Government pressing them to support political package of 13 internal market measures for adoption at 1 December Internal Market Council (IMC).

- Alan Clark and Lord Lucas will be visiting capitals with particular problems (Bonn, Rome, Copenhagen, Madrid, Athens) this week.

- Presidency and Commission must work closely together in approach to European Council. Aim must be to give further impetus to decisions.

- Want European Council to give specialist Councils clear marching orders to reach decisions on outstanding internal market issues by end of year.

LP7ACV,1

I will also point out that many of the items already command qualified majority and will anyway go though under the Single European Act. Heads of Government should take a political decison to proceed with these without further delay.

VAT Exemption for Small Traders

- Welcome Commission proposal on more flexible VAT treatment for small firms (raising threshold to £25,500).

- Important to press on quickly. Grateful for your help.

- Hope directive can be adopted early next year.

Duty Free Shops

- Understand there have been problems over Traveller's Allowances Directive which would regularise position on duty free facilities.

- Hope you will help us to include provision for duty free faciltiies for Channel Fixed Link terminals.

LP7ACV,2

- Channel fixed link must be able to operate on same basis as ferries.

- Directive would also be helpful to British Airports Authority (important for privatisation programme).

[If Lord Cockfield argues for abolition of duty free allowances].

- That would put travellers in Europe at a disadvantage compared with travellers coming from outside Europe. Would be against interest of business and tourism and contrary to all our efforts to create a People's Europe.

Commission's Powers of Implementation [If raised]

- UK Presidency aiming for agreement in December.

- Meanwhile wrong to hold up progres on internal market items on grounds that general discussion on committee procedures still going on.

Tax Approximation [If raised]

- Have made progress on eight VAT and excise structural

proposals and reached agreement on 13th VAT Directive.

- Further work on harmonisation awaits Commission proposals. Political importance in UK of VAT zero-rates.

- [If necessary] VAT standstill proposals regarded by Member States as linked to general question of tax approximation. Major difficulties for all Member States.

BACKGROUND

Internal Market

1. Lord Cockfield is disappointed with progress under the UK Presidency and may want the Commission paper tabled before the European Council to point the finger at the Council. In fact the Commission themselves have been slow in bringing forward proposals, though they did better following an appeal by us to M. Delors.

Frontier Controls

2. Lord Cockfield attended the 20 October meeting of Interior Ministers which set up an ad hoc high level group of officials (with Commission observer) to follow up Ministers' call for greater cooperation on anti-terrorist measures, illegal immigration and drugs.

3. Lord Cockfield wants the Frontier Controls Directive, which provides for selective checks at Community land borders, to be adopted during our Presidency. The Danes, however, want a derogation until similar arrangements are negotiated with the Nordic Union. We have difficulties over the competence

aspect of such negotiations. We also want the Channel Fixed Link excluded from the Directive: Lord Cockfield wants it included.

why?

VAT Exemption for Small Traders

4. The Commission proposal would:

- Allow traders with an annual turnover of less than 10,000 ecu to opt for exemption from VAT.

- Allow member states to opt for a 35,000 ecu exemption limit (some £5,000 higher than UK present £20,000 limit).

- Introduce simplified schemes for charging and collecting VAT for small traders.

Duty Free Shops

5. Under existing Community law there is considerable uncertainty as to the legality of duty free shops at ports and airports; and duty free shops at entrances to the CFL would almost certainly be illegal.

6. There exists a Commission proposal for a Directive on travellers' allowances (the "Seventh Directive") which would give legal certainty to the continued existence of duty-free shops.

7. Ministers agreed earlier this month that we should press for agreement on an amended version of the 7th Directive which would legalise duty free shops at CFL terminas (and, incidentally, give a firmer legal status to British Airports Authority (BAA) duty free shops, which should assist with privatisation). Our tactics are to promote a package which would at the same time solve a number of problems which other Member States have in this area: a limnit on duty free imports by Danish 48-hour trippers (Mr Schluter has written to you about this); German 'butterships' ie ships which go outside territorial waters without making an international connection (on which Mr Stoltenberg has repeatedly pressed the Chancellor); and Irish limits on beer imports.

8. The EcoFin Council agreed on 17 November that officials should work out a package covering all the elements, for consideration at the next EcoFin on 8 December.

LP7ACV,7

9. The Commission, while reasonably helpful on the CFL, is hostile to such a package, partly because of complaints from traders who cannot provide duty free facilities, partly from hostility to some of the details (eg butterships), partly because duty free shops have little place in the Europe without fiscal frontiers which they envisage after 1992. The Commission are thus talking of withdrawing their proposal - which would render further negotiation impossible.

10. Withdrawal of the Commission's proposal might be an acceptable outcome in due course if there appears to be no realistic chance of agreement on the lines set out above. But while a chance of agreement continues it owuld be an unwelcome and unhelpful act on the Commission's part.

Commission's Powers ofImplementation

11. When the Council delegates to the Commission the task of implementing EC legislation, it sets up procedures ad hoc to monitor the Commission, usually by means of a committee of national experts. As part of

follow-up to the Single European Act the Commission has proposed that in future there should be only three procedures (instead of 17 at present). This would tilt the balance of power in the Commission's direction.

12. Most member states will not go along with the Commission's proposal and want more models, some enabling the Council to retain a role as long-stop for sensitive matters. Meanwhile the Commission are trying to hold up decisions on internal market measures involving specific committee procedures not among the three they propose, on the grounds that the Council must not pre-empt the general procedural discussions still going on.

Tax Approximation

13. The Milan European Council remitted tax aspects of the Commission's internal market White Paper to the Ecofin Council, which in turn set up an ad hoc expert group. The group's conclusion was that the Commission's proposals as they stand are inadequate and that until they are elaborated further the Council cannot take decisions of principle on tax approximation (nor on the linked Commission proposal for a standstill

on existing tax rates and structures). The June Ecofin Council therefore invited the Commission to produce more detailed proposals by 1 April 1987, and in the meantime asked Coreper to deal with the more modest VAT and excise duty proposals already on the table (affecting tax coverage and procedures but not rates).

14. The UK Presidency has thus fulfilled its remit, but Lord Cockfield is still unhappy. He blames UK opposition to tax approximation, though other member states have considerable difficulties as well. The Commission are proposing to announce their target ranges for approximated VAT rates before Christmas - there would be no zero rates under their proposed scheme. Under our Presidency the Council has reached agreement on the 13th VAT Directive covering exemptions for foreign businessmen.

010

CC PC
cc Bhup.

Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1A 2HH

From the Minister's Private Office

Prime Minister
There are a number of difficult issues, particularly rate approximation and duty free shops
CDP 21/xi

Charles Powell Esq
10 Downing Street
LONDON SW1

20 November 1986

Dear Charles

I understand that the Prime Minister is seeing Lord Cockfield on Monday 24 November. The Prime Minister may like to know that, according to the reports we have received, Lord Cockfield was largely responsible for ensuring that the Commission rejected Mr Andriessen's proposal to introduce MCAs on sheepmeat last week. He also made sure that the proposal on green rate devaluations that finally emerged from the Commission was even-handed and met our demands on beef as well as the French demands on sheepmeat. Mr Jopling has already thanked Lord Cockfield for his efforts.

Yours ever
CIL

C I LLEWELYN
Private Secretary

File

CA.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

20 November 1986

I enclose a copy of a letter to the Prime Minister from Senor Gonzalez.

I am copying this letter and enclosure to David Williamson (Cabinet Office).

(Charles Powell)

C. R. Budd, Esq.,
Foreign and Commonwealth Office.

CA

CJ

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

20 November 1986

I enclose original copies of messages from Signor Craxi to the Prime Minister, which you have already seen in telegraphic form.

C. D. POWELL

C. R. Budd, Esq.,
Foreign and Commonwealth Office

SUBJECT
CC MASTER
OPS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 216/86

DE EERSTE MINISTER

A4/DR/220/86

Brussels, 19-11-1986

Dear Prime Minister,

Reference is made to your personal message of 31 October 1986, concerning the reappointment of Mr. Jacques Delors as President of the E.C.-Commission for a further two years from 6 January 1987.

I, hereby, wish to inform you that I fully agree with this proposal.

Yours sincerely,
Wilfried Martens

Wilfried Martens.

The Rt Hon. Margaret THATCHER
Prime Minister
LONDON

EUR. POL: Appt. Prec. EEC: Pt3

CCPC

The Ambassador

Italian Embassy,
4, Grosvenor Square,
London, W.1.

CDP
21/xi

19th November 1986

8865

Dear Charles,

Further to the letters from this Embassy dated 14th and 18th instant regarding respectively Monsieur Jaques Delors' mandate and terrorism, I now have the pleasure of enclosing the original letters from Signor Craxi to the Prime Minister.

sincerely yours

Bruno

C.D. Powell, Esq.,
Private Secretary to the
Prime Minister,
10, Downing Street,
London SW1

D10

cc PC

24 BELGRAVE SQUARE
LONDON SW1X 8QA

SPANISH AMBASSADOR

18th November 1986

Dear Prime Minister,

I have pleasure in enclosing a letter that I have just received, addressed to you by the President of the Spanish Government.

Yours very sincerely

JOSE J. PUIG DE LA BELLACASA

The Right Honourable
Mrs. Margaret Thatcher MP
Prime Minister
10 Downing Street
London

Qz.05453

CDD
15/11

MR POWELL (10 DOWNING STREET)

European Community: proposed reappointment of Monsieur Delors as President of the European Commission

At a meeting which we held today with Danish officials and the Danish Ambassador in London, they handed over the attached letter from the Danish Prime Minister to the Prime Minister, conveying the agreement of the Danish Government to the appointment of Monsieur Delors as President of the European Commission for a further two-year period. We shall let you have shortly a note on the situation concerning the reappointment of the Vice-Presidents of the Commission.

I am sending a copy to Mr Budd (FCO) and Mr Woolley.

E.M. Griffiths

pp. D F WILLIAMSON

14 November 1986

CDP

Pl copy
to Mr Budd, FCO
Mr Williamson, Cabinet Office

CDP

1698

Italian Embassy
14, Three Kings Yard,
London, W.1.

CDP
14/XI

CDP

14th November, 1986

Dear Charles,

I have pleasure in enclosing the text of a message addressed to the Rt. Hon. Margaret Thatcher, MP by the President of the Italian Council of Ministers, Signor Bettino Craxi, together with a rough translation of the same.

Yours sincerely,
Umberto

encl.

Umberto Vattani

C D Powell, Esq.
Private Secretary to the
Prime Minister
10, Downing Street
LONDON SW1

SUBJECT
cc master
ops.

Copenhagen, November 13th, 1986.

PRIME MINISTER'
PERSONAL MESSAG
SERIAL No. T209/86

Dear Prime Minister,

In reply to your message, conveyed to me on 4 November 1986 by Ambassador Unwin, I am pleased to inform you that the Danish Government can agree to the reappointment of Jacques Delors as President of the European Commission for a further two-year period. I look forward to your announcement of this at the forthcomming meeting of the European Council. I assume that herby we have also agreed on the reappointment of the Vice-presidents of the Commission.

Sincerely Yours,

Poul Schlüter.

The Honourable Margaret Thatcher
Prime Minister,
Downing Street 10
LONDON

SUBJECT
cc Ops
master

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 208/86

Text of the message addressed to
The Rt. Hon. Margaret Thatcher, MP
by Signor Bettino Craxi, President
of the Italian Council of Ministers

Date: Rome, 13th November, 1986

TEXT OF THE MESSAGE

"Signora Primo Ministro e cara amica,

ho ricevuto il Suo messaggio con il quale chiede il mio avviso sul rinnovo del mandato al Presidente della Commissione della CEE Jacques Delors.

L'impegno intelligente ed efficace da lui profuso nell'interesse della costruzione europea, la grande capacità propositiva dimostrata e le valide iniziative assunte mi inducono ad assicurarLe sin d'ora il pieno appoggio del governo italiano alla proroga della nomina di Jacques Delors per l'ulteriore biennio a partire dal 6 gennaio 1987.

Con i migliori saluti.

Bettino Craxi"

Rough translation of the message addressed to The Rt. Hon. Margaret Thatcher, MP. by Signor Bettino Craxi, President of the Italian Council of Ministers.

Date: Rome, 13th November, 1986

ROUGH TRANSLATION

"Dear Prime Minister and dear Friend,

I have received your message in which you asked my opinion regarding the renewal of the mandate of the President of the EEC Commission, Monsieur Jacques Delors.

The intelligent and constructive work profusely carried out by Monsieur Delors in the pursuance of the European construction, his great capacity in formulating proposals and the positive initiatives taken by him in the last years prompt me to assure you of the full support of the Italian Government to an extension of his mandate for the next two years as from the 6th January, 1987.

With best regards,

Bettino Craxi"

Il Presidente
del Consiglio dei Ministri

Roma, 12 novembre 1986

Signora Primo Ministro e Cara Amica,

ho ricevuto il Suo messaggio con il quale chiede il mio avviso sul rinnovo del mandato al Presidente della Commissione della CEE Jacques Delors.

L'impegno intelligente ed efficace da lui profuso nell'interesse della costruzione europea, la grande capacità propositiva dimostrata e le valide iniziative assunte mi inducono a assicurarLe sin d'ora il pieno appoggio del Governo italiano alla proroga della nomina di Jacques Delors per l'ulteriore biennio a partire dal 6 gennaio 1987.

Con i migliori saluti.

Signora Margaret Thatcher
Primo Ministro del Regno Unito
di Gran Bretagna e Irlanda del Nord
LONDRA

Subject cc master
OPS.

Pl. copy to FCO & Th. Willimson, Cabinet Off.

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T202A/86

Oifig an Taoisigh
Office of the Taoiseach

11 November, 1986.

The Right Hon. Margaret Thatcher, M.P.,
Prime Minister,
London.

Dear Margaret,

In response to your message about the reappointment of Jacques Delors as President of the Commission for a further two year term, I am happy to tell you that this proposal has my support.

With best wishes,

Yours sincerely,

Garret FitzGerald,
Taoiseach.

Oifig an Taoisigh, Tithe an Rialtais, Baile Átha Cliath 2.
Office of the Taoiseach, Government Buildings, Dublin 2.

010.

cc PC

AMBASÁID NA hÉIREANN, LONDAIN.

IRISH EMBASSY, LONDON.

17 Grosvenor Place

SW1X 7HR

13 November 1986

Dear Charles,

I am enclosing herewith a letter addressed to the Prime Minister Mrs Margaret Thatcher MP from the Taoiseach Dr Garret FitzGerald TD. I should be grateful if you would arrange to bring it to her attention.

Yours ever

Noel.

Noel Dorr
Ambassador

Mr Charles Powell
Private Secretary to the
Prime Minister Mrs Margaret Thatcher MP
10 Downing Street
London SW1

Enc

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 198c/86

EL PRESIDENTE DEL GOBIERNO

SUBJECT
cc Master
O/S.

Madrid, 6 de noviembre de 1986

Excma. Sra. Margaret Thatcher
Primer Ministro del Reino Unido
de Gran Bretaña.
LONDRES

Señora Primer Ministro:

Le agradezco su mensaje proponiendo que los Gobiernos de los Estados miembros renueven el mandato del Presidente de la Comisión de las Comunidades Europeas, por un período de dos años.

Quiero transmitirle la conformidad del Gobierno español para proceder en ese sentido y estoy de acuerdo, igualmente, en que se haga público con motivo de la celebración del próximo Consejo Europeo en Londres.

Reciba, Señora Primer Ministro, con tal ocasión, el testimonio de mi más distinguida consideración.

Felipe González

Felipe González Márquez

SUBJECT
cc ops
master

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 197(1)/86

CONFIDENTIAL

73047 - 1

OCMIAN 3047
CONFIDENTIAL
PP ATHEN
PP ROMEE
FM FCOLN TO ATHEN
301445Z OCT
GRS 275

NWE 011/5.
RECEIVED IN NO. 10
30 OCT 1986

CONFIDENTIAL
FM FCO
TO PRIORITY ATHENS
TELNO 370
OF 301445Z OCTOBER 86
AND TO PRIORITY EC POSTS

PRESIDENT OF THE COMMISSION: REAPPOINTMENT

1. NOW THAT M. DELORS HAS CONFIRMED TO ME THAT HE IS WILLING TO SERVE A FURTHER TWO YEARS FROM 6 JANUARY 1987 AS PRESIDENT OF THE COMMISSION (LUXEMBOURG TELNO 293) WE NEED TO ESTABLISH THAT ALL MEMBER STATES ARE CONTENT THAT HE SHOULD DO SO, SO THE NECESSARY DECISION CAN BE TAKEN UNDER ARTICLE 161 OF THE TREATY OF ROME.

2. PARAGRAPH 3 BELOW CONTAINS THE TEXT OF A PERSONAL MESSAGE FROM THE PRIME MINISTER TO HER COLLEAGUES IN THE EUROPEAN COUNCIL (FOR PARIS: UNLESS YOU SEE OBJECTION, COPIES OF THE MESSAGE MIGHT BE PASSED TO BOTH MITTERRAND AND CHIRAC). IN DELIVERING THIS MESSAGE YOU SHOULD SAY THAT THE PRIME MINISTER WOULD WELCOME A RESPONSE BY MID-NOVEMBER IF POSSIBLE.

3. TEXT OF MESSAGE:

AS YOU KNOW, THE TREATY OF ROME STIPULATES THAT THE PRESIDENT OF THE COMMISSION IS APPOINTED FOR A TWO YEAR TERM WHICH MAY BE RENEWED. JACQUES DELORS HAS INDICATED PRIVATELY THAT HE WOULD BE HAPPY TO CONTINUE TO SERVE AS PRESIDENT IF ASKED TO DO SO. MY INTENTION WOULD BE TO ANNOUNCE OUR AGREEMENT TO HIS REAPPOINTMENT AT THE EUROPEAN COUNCIL ON 5 DECEMBER. OFFICIALS, WITH THE HELP OF THE SECRETARY GENERAL OF THE COUNCIL, COULD THEN ENSURE THAT

THE NECESSARY LEGAL INSTRUMENT WAS DRAWN UP EXTENDING JACQUES DELORS' APPOINTMENT FOR A FURTHER TWO YEARS FROM 6 JANUARY 1987. I SHOULD BE VERY GRATEFUL IF YOU COULD LET ME KNOW AS SOON AS POSSIBLE THAT YOU ARE ABLE TO SUPPORT THIS PROPOSAL. ENDS.

HOWE

OCMIAN 3047

NNNN
YYYY
MAIN
LIMITED
ECD(E)
ECD(I)
MR BRAITHWAITE
MR RENWICK

COPIES TO
MR WILLIAMSON
CAB OFC

CONFIDENTIAL

MD2CHW

cc PC

10 DOWNING STREET

LONDON SW1A 2AA

30 October 1986

From the Private Secretary

PRESIDENT OF THE COMMISSION: REAPPOINTMENT

Thank you for your letter of today's date enclosing a draft message from the Prime Minister to her European colleagues, seeking their agreement to reappointment of M. Delors as President of the Commission being announced at the European Council on 5/6 December. This has already been accepted by the Prime Minister in principle and I am sure that she will be content to send a message. The text enclosed with your letter may issue.

CF 11

for copy

Charles Powell

Colin Budd Esq
Foreign and Commonwealth Office.

CONFIDENTIAL

SRW

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

30 October 1986

Dear Charles,

President of the Commission: Reappointment

In his minute to the Prime Minister of 6 October setting out proposals for handling the European Council, the Foreign Secretary noted that we should consult other member states with a view to announcing the reappointment as President of the Commission of Jacques Delors at the European Council.

As a first step he consulted M. Delors on 26 October. The latter indicated that he would be prepared to serve for a further two years. The way is therefore open for us to approach other member states. The Foreign Secretary suggests that this might best be done through personal messages from the Prime Minister to her colleagues. I enclose a draft telegram to our posts in other EC member states with the text of a message, which we will despatch if the Prime Minister is content.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

OUT TELEGRAM

Classification	Caveat	Precedence
CONFIDENTIAL		PRIORITY

ZCZC
TC
CAVEAT
FM
TO
TELNO
OF
AND TO

ZCZC
CONFIDENTIAL

FM FCO
TO PRIORITY EC POSTS
TELNO
OF Z OCTOBER 86

PRESIDENT OF THE COMMISSION: REAPPOINTMENT

1. Now that M. Delors has confirmed to me that he is willing to serve a further two years from 6 January 1987 as President of the Commission (Luxembourg telno 293) we need to establish that all member states are content that he should do so, so the necessary decision can be taken under Article 161 of the Treaty of Rome.

2. Paragraph 3 below contains the text of a personal message from the Prime Minister to her colleagues in the European Council (for Paris: unless you see objection, copies of the message might be passed to both Mitterrand and Chirac). In delivering this message you should say that the Prime Minister would welcome a response by mid-November if possible.

3. Text of message:

As you know, the Treaty of Rome stipulates that the President of the Commission is appointed for a two year term which may be renewed. Jacques Delors has indicated privately that he would be happy to continue to serve as President if asked to do so. My intention would be to announce our agreement to his reappointment at the European Council on 5 December. Officials, with the help of the Secretary General of the Council, could then ensure that

YYYY
MAIN
ADDITIONAL
NNNN

		Catchword: the	
File number	Dept ECD(E)	Drafted by (Block capitals) J A SHEPHERD	Telephone no 233 5604
Authorised for despatch by:	Initials	Date/time	
For COD use only	Comcen reference	Telegram number	Processed by

OUT TELEGRAM (CONT)

Classification	Caveat	Precedence
CONFIDENTIAL		PRIORITY

<<<<

<<<<
the necessary legal instrument was drawn up extending Jacques Delors' appointment for a further two years from 6 January 1987. I should be very grateful if you could let me know as soon as possible that you are able to support this proposal. Ends.

HOWE

YYYY
MAIN
LIMITED
ECD(E)
ECD(I)
Mr Braithwaite
Mr Renwick
ADDITIONAL
Mr Williamson, Cabinet Office

NNNN

For distribution order see Page Catchword:

EURO POL London Council Meeting. PT23

File X6

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

16 October 1986

Further to Charles Powell's letter of 14 October to you about the meeting between the Prime Minister and Lord Cockfield on Monday 24 November, could you please let his office know that the meeting is now scheduled for 1630 and not 1600 hours.

CAROLINE RYDER

Colin Budd, Esq.,
Foreign and Commonwealth Office.

file

ECL

bc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

14 October 1986

Lord Cockfield has been pressing to see the Prime Minister on one of his visits to London. We have found time for him in the diary on 24 November. I should be grateful for briefing on any EC points which the Prime Minister ought to raise with him by 1600 hours on Friday 21 November.

BF

I am copying this letter to David Williamson (Cabinet Office).

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

CDP 12/6

CCPC

Prime Minister
I don't think that you need see M. Delors again in July.
CDP 11/6

Foreign and Commonwealth Office
London SW1A 2AH

11 June 1986

I told Amanda about this. CDP 11/6.

Lord Cockfield should be invited to the MP's reception at the end of the Garden Party.

Dear Charles,

EC Presidency: Possible Meeting Between the Prime Minister and the President of the European Commission

The Prime Minister will wish to be aware that the members of the European Commission will be in London on 17 and 18 July. Most of them will be attending the Garden Party at Buckingham Palace on 17 July. They intend on the next day to hold a private discussion of developments in the Community at the start of the British Presidency. This has been organised by Lord Cockfield. The Foreign Secretary will be joining them for lunch on that day. The President of the Commission has raised with Sir Geoffrey Howe the possibility of his having a meeting with the Prime Minister at that time.

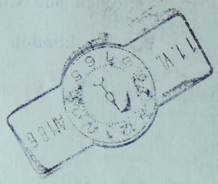
The Prime Minister will see M. Delors at The Hague European Council on 27/28 June. She is also likely to be seeing him in the run-up to the London European Council towards the end of our Presidency. The Foreign Secretary does not think it essential for the Prime Minister to see M. Delors in July, given the other pressures on her diary, but would like her to be aware of his request.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street



File

DCA
cc fco

10 DOWNING STREET

THE PRIME MINISTER

6 June 1986

Dear Mrs. Buchan,

In your telex of 27 May you expressed concern about the replacement of the head of the EC Commission's London Office.

Decisions about the movement of Commission staff are matters for the Commission. The British Government has not expressed a view or sought to intervene either in the decision to move Mr. Scott or in the procedures to choose a replacement.

Yours sincerely

Margaret Thatcher

Mrs. Janey Buchan, M.E.P.

CAJ

CC/PC
GR

Foreign and Commonwealth Office

London SW1A 2AH

4 June 1986

Dear Charles,

European Commission Information Office

In your letter of 28 May you asked for a draft reply to the telex letter of 27 May from Mrs Janey Buchan MEP about the replacement of Mr George Scott as head of the European Commission's Information Office in London.

As you will know, the Commission decided to move Mr Scott, who has been head of the London Office for seven years. Mr Scott was appointed when Mr Roy Jenkins was President of the Commission. M. Delors does not consider that he has been an effective head of the Commission Office and is determined to move him. The position was first advertised internally in the Commission in accordance with normal Commission rules. No suitable internal candidate emerged, so the competition was opened to external candidates in mid-May. Advertisements appeared in several national newspapers (eg The Guardian on 7 May, The Times on 15 May). The closing date for applications was 26 May. No appointment has been made, but several candidates are known to have come forward in addition to Mr John Drew, whom Mrs Buchan mentions. Mr Drew has been in the field for some months.

The proposed change has aroused some press and political interest in this post. Mr David Steel MP wrote to the Foreign and Commonwealth Secretary on 27 March alleging that Mr Scott was being moved for political reasons. I enclose a copy of Sir Geoffrey Howe's reply. The Observer gave publicity to Mr Drew's interest on 11 May. Some EDG MEPs are campaigning against his appointment. Mrs Buchan's letter indicates that other groups may be joining in.

/As

As the Foreign and Commonwealth Secretary made clear in his reply to Mr Steel, the Government has not intervened in the shifting of Mr Scott (though we did nothing to oppose it) and has been careful not to express a view on Mr Drew or any particular candidate for the post. We need to maintain this position because of the possibility of legal action against the Commission from one or more of the internal candidates who regard themselves as qualified for the post and would like to be able to show that we had exerted political pressure on the Commission.

In our contacts with the Commission, however, Sir David Hannay, on instructions, has stressed that we expect them to appoint someone of high quality, activity and energy to the post. The Commission must choose the best possible candidate for the post and must be able to demonstrate that they have done so. The Foreign and Commonwealth Secretary intends to make these points to Lord Cockfield when he sees him on 9 June and will be speaking to M. Delors in similar vein this weekend.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

(11)

Foreign and Commonwealth Office

London SW1A 2AH

15 April 1986

From the Secretary of State

Dear David

(10)

Thank you for your letter of 27 March about the Head of the EC Commission Office in London.

As you appreciate, it is for the Commission to decide on the postings of its staff. It is normal practice for them to rotate officials appointed to offices outside Brussels, and I most certainly can assure you that there is no question of Mr Scott, who has been in his present post for nearly seven years, being moved for political reasons.

The Commission's early retirement provisions are governed by rules agreed by the Council. I understand that Mr Scott's period of service does not, unfortunately, qualify him for early retirement. If the Commission decide that he should be moved, it is for them to decide what he should do next, though I can assure you that we shall be concerned that he, like other British officials, in Community service should be treated fairly.

Yours ever

Geoffrey

GEOFFREY HOWE

The Rt Hon David Steel MP

Diplomat tipped for job of Euro-salesman

NIGEL HAWKES ■ Diplomatic Correspondent

THE British Government is planning to use its six months in the presidency of the European Community, which begins at the end of June, for a determined effort to sell the advantages of Community membership to the British people.

An index of its determination has been the unceremonious removal, as head of the European Commission Information Office in London of George Scott, journalist, broadcaster, and former editor of *The Listener*.

Scott is well-liked in the office and has a lot of media contacts, but is felt by the Government not to have put over the Community with sufficient vigour. Worse still — from the Government's perspective — he is a Liberal who has stood for Parliament several times.

In theory, the appointment is in the hands of the Commission in Brussels, but strings have been pulled by the Foreign Office and by Lord Cockfield, one of Britain's two Commissioners, to make sure that the candidate chosen to succeed Scott would be closer to its own persuasions.

The job was advertised formally several months ago, but all those who applied have been turned down, and last week a single discreet advertisement appeared in *The Guardian* calling for external applications. In fact, it is widely believed that Cockfield and the British Government have already agreed on the candidate they want.

He is John Drew, 49, a former diplomat and now a consultant on European affairs. He has worked for Rank Xerox, lectured at the London Business School and is Director of European Affairs for the accountants Touche Ross. He is also a Fellow of Templeton College, Oxford, which houses the Oxford Centre for Management Studies.

Hot favourite

While nobody would for a moment suggest that the appointment was fixed, Drew is an extremely hot favourite — despite indignation among Commission employees, shared by some Commissioners, about the procedure that has been followed. Last week he would do no more than confirm that he had seen the job advertised in *The Guardian*. He went on to mention his close contacts with the media as a diplomat, necessary if he is to demonstrate one of the special conditions of the job — 'wide experience of the media in the United Kingdom.'

Drew says he is depressed about the coverage of the Community in Britain. 'What concerns me most is getting Europe and the European Community across,' he says. 'We have to convince people that if there isn't a European dimension to what we are doing, particularly in business, we aren't going to survive.' It is a view which chimes in neatly with thinking in the Foreign Office. According to one official there, the British presidency is going to be used to lift the scales from people's eyes on what the European Community means to Britain. In particular, there is a feeling that most people remain unaware of the large amounts of money spent by the Community in Britain from the Social and Structural funds.

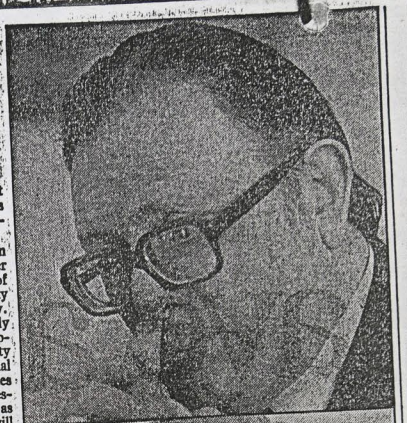
Officials point to the success of a Danish programme carried out last year, in which one part of the country was exposed to a blizzard of information about the Community, in the form of direct mailing, posters, and TV and radio programmes. The programme was inexpensive but showed striking changes in attitudes towards Europe, measured by opinion polls.

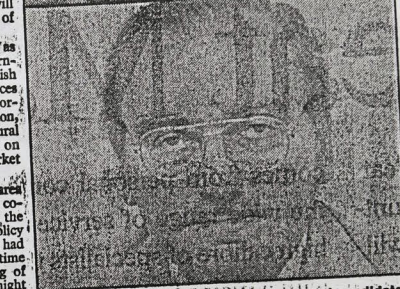
If Drew (or whoever gets the London job) were to carry out a similar exercise here, it is clear he would have Government support.

Meanwhile, the Foreign Office has been mulling over a few more modest ways of publicising the Community during the British presidency. These range from the fairly mundane — special stamp-franking extolling Community virtues — through traditional approaches such as speeches and interviews to ideas described by one official as 'gimmicky' and which will probably never see the light of day.

In terms of substance as opposed to image, the Government hopes to use the British presidency to make advances in areas Britain deems important. Political co-operation, reform of the agricultural policy and progress on expanding the internal market are three.

The most interesting area may prove to be political co-operation — which is the Euro-term for foreign policy co-ordination. If Britain had been in the chair at the time of the American bombing of Libya, for example, it might have found it impossible to move so far out of line with its Community partners.





Cockfield (top), pulling strings for favoured candidate, and Scott, the victim.

Swedes may block

THE TIMES ; 15 MAY 1986

GENERAL

THE COMMISSION OF THE EUROPEAN COMMUNITIES
wishes to fill the post of

HEAD OF ITS INFORMATION OFFICE IN LONDON

(male or female)

This appointment, which will be on a temporary contract, involves planning and implementing information and communication activities in the United Kingdom.

General conditions

Candidates must:

- be nationals of one of the Member States of the Community;
- have a thorough knowledge of one Community Language and a satisfactory knowledge of a second Community Language.

Special conditions

Candidates must:

- have a university degree;
- have wide experience of the media in the United Kingdom and of running a large administrative unit (total of at least fifteen years' professional experience since leaving university);
- be no more than 50 years of age.

The conditions of employment and salary are commensurate with the importance of the post and will be notified to candidates selected for interview.

Candidates are requested to send a detailed curriculum vitae to the

COMMISSION OF THE EUROPEAN COMMUNITIES,
Careers Division, 200 rue de la Loi,
B-1049 Brussels.

Please quote reference A3 LONDON.

CLOSING DATE FOR SUBMISSION OF APPLICATIONS: 26 MAY 1986.

DSP 1 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM
Prime Minister

DEPARTMENT: TEL. NO:

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

TO:
Mrs Janey Buchan MEP

Your Reference
BFU

Copies to:

SUBJECT:

In your telex of 27 May you expressed concern about the replacement of the head of the EC Commission's London Office.

Decisions about the movement of Commission staff are matters for the Commission. The British Government has not expressed a view or sought to intervene either in the decision to move Mr Scott or in the procedures to choose a replacement.

Enclosures–flag(s).....

Mrs Janey BUCHAN MEP FILE
11/6

DA

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

Ack/28 May 1986

I enclose a copy of a telegram to the Prime Minister from Mrs. Janey Buchan MEP about the replacement of Mr. George Scott as the EEC representative in the United Kingdom. I should be grateful for a draft reply.

(Charles Powell)

Colin Budd, Esq.,
Foreign and Commonwealth Office.

:

916318 PARLI G
63988 SOCEP B

H=08:02
BRUSSELS, MAY 27, 1986

TO THE PRIME MINISTER, THE RT. HON. MARGARET THATCHER, M.P.
HOUSE OF COMMONS
LONDON

DEAR PRIME MINISTER,

YOU WILL, I KNOW, HAVE BEEN READING IN THE UK PRESS OF THE WIDESPREAD CONCERN OVER THE ACTION TAKEN IN THE COMMISSION OVER THE MOVING OF GEORGE SCOTT FROM THE UK OFFICE OF THE EEC.

I KNOW THAT YOUR RESPONSE HAS BEEN THAT THE APPOINTMENT IS A COMMISSION MATTER BUT I EQUALLY KNOW THAT EVERY MEMBER STATE GOVERNMENT TAKES A HAND IN SUCH APPOINTMENTS AND I CANNOT IMAGINE THAT YOU ARE STANDING BACK FROM THIS ACTION.

THE MOVES BY ONE OF THE UK COMMISSIONERS, LORD COCKFIELD, THROUGH HIS CHEF DE CABINET, ADRIAN FORTESCUE, AND OTHERS TO HAVE A MR. JOHN DREW PLACED IN THE POST ARE CAUSING MORE THAN CONCERN HERE, NOT LEAST AMONG NON-BRITISH STAFF AND ELECTED MEMBERS ALIKE.

I HAVE TODAY WRITTEN TO THE PRESIDENT OF THE COMMISSION, JACQUES DELORS, ASKING HIM TO HALT THE PROCEDURES ALREADY UNDERTAKEN AND I NOW ASK YOU, IN THE NAME OF OPEN GOVERNMENT, TO ADD YOUR WEIGHT BEHIND THIS REQUEST.

IF YOU CANNOT AGREE TO THIS WILL YOU LET ME KNOW HOW YOU JUSTIFY ONE ADVERTISEMENT FOR SUCH A POST TO APPEAR IN A NATIONAL NEWSPAPER AND NONE IN ANY SCOTTISH, IRISH, WELSH OR REGIONAL NEWSPAPER OF ENGLAND TO BE ADEQUATE. WILL OU FURTHER LET ME KNOW HOW ONE AD IN THE SUNDAY TIMES APPEARING 24 HOURS BEFORE APPLICATIONS CLOSE IS CONSIDERED TO BE A CORRECT PROCEDURE?

YOURS FAITHFULLY,
CANEY BUCHAN
MEP FOR GLASGOW
SECRETARY OF THE BRITISH LABOUR GROUP

916318 PARLI G
63988 SOCEP B

FILE CAJ

cc David Williamson (CO).

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 May 1986

EC PRESIDENCY PRESENTATION: PRESIDENCY POST MARK

Thank you for your letter of 20 May about the proposed arrangements with the Post Office to frank letters with a post mark drawing attention to the British Presidency of the European Community.

The Prime Minister would be content with this and would prefer version C of the examples enclosed with your letter.

C. D. POWELL

C. R. Budd, Esq.,
Foreign and Commonwealth Office

UA

CCPC

Foreign and Commonwealth Office

London SW1A 2AH

20 May 1986

Prime Minister
Agree to post-mark?
Prefer B or C?
(C looks better to me)
21/5

Dear Charles,

EC Presidency Presentation: Presidency Post Mark

You will recall that it was agreed in OD(E) that we should take whatever opportunity we could to publicise our EC Presidency and with it the benefits of our membership of the Community, especially to ordinary people.

One of the ideas that we have been working on is to arrange with the Post Office for selected Post Offices up and down the country to frank letters with a post mark drawing attention to the Presidency. The Foreign Secretary would like the Prime Minister to be aware that arrangements have now been made for one of the two attached designs to be put on to franking machines in 50 Post Offices (at a cost, to be met from the FCO Presidency budget, of approximately £15,000).

I would be grateful if you would let me know whether the Prime Minister is content, and whether she has any views as to which design is preferable.

C / pst

Yours ever,

Tony Galsworthy

pp (C R Budd)
Private Secretary

C D Powell Esq
PS/10 Downing Street

Version B

BRITISH PRESIDENCY
EUROPEAN COMMUNITY
JULY **1986** DECEMBER

BRITISH PRESIDENCY
EUROPEAN COMMUNITY
JULY **1986** DECEMBER

BRITISH PRESIDENCY
JULY 1986 DECEMBER
EUROPEAN COMMUNITY

Version C

File NEJ
cc Sir P Cradock

10 DOWNING STREET

From the Private Secretary

9 May 1986

Dear Robin,

Maurice Foley came to see me this morning to say that he was intending to leave the Commission in November and to urge that thought be given to his successor. He claimed that he had not mentioned the matter to anyone else. I assume that in fact everyone else in Brussels already knows; and as I well recall we have been considering who should succeed him for some years.

Maurice suggested that I should be a candidate for his post and reminded me of the enormous material benefits. I told him that I would not be a candidate and was anyway entirely unsuitable. His only other suggestion was James Adams.

I dare say that you have already given thought to his successor and it is none of my business. I would only say, having dealt with DG VIII, that it is an important job well worth trying to keep our hands on it. The Commonwealth link is important and it needs to be done by someone with sufficient stature to deal with Commonwealth Heads of Government. I doubt that anyone already in Brussels is suitable.

I promised Maurice that I would give the matter some thought and let him have some suggestions. I am perfectly happy to pass on any suggestions whom you may have though recognise that you may prefer to deal with this through different channels. All I ask is that you should not relay to him that I have reported my conversation since he seemed keen that I should not do so.

Yours sincerely

Charles Powell

Charles Powell

R.W. Renwick, Esq., CMG.
Foreign and Commonwealth Office.

CONFIDENTIAL file BM

10 DOWNING STREET

From the Principal Private Secretary 23 September 1985

I have shown the Prime Minister your letter of 20 September in which you seek her approval for the Foreign and Commonwealth Secretary to write to Lord Cockfield, in the terms of the draft attached to your letter, about his personal security.

The Prime Minister has now considered this matter and thinks that it would be better to have an oral word with Lord Cockfield rather than to write.

NLW

Len Appleyard, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

cc PL

Foreign and Commonwealth Office
London SW1A 2AH

20 September 1985

Prime Minister
Agree that the FCS should write broadly in the terms proposed?
N.L.W.
20.9

Dear Nigel,

Security of the Two British Members of the European Commission

According to the most recent threat assessment from the Security Service, there is some intelligence to suggest that PIRA may be planning to attack British politicians and diplomats in European capitals. Our two British Commissioners, Lord Cockfield and Mr Clinton Davis, are both therefore at some risk. Lord Cockfield particularly, as a former Cabinet Minister, could be a target, but - unlike Mr Clinton Davis - he has decided to dispense with the armed escort offered him by the Commission and has declined our offer of a visit by a British security service expert to advise him on his security. Lord Cockfield is sceptical about the seriousness of the threat and reluctant to give his wife cause for anxiety.

As you know, an attempt was made on the life of Christopher Tugendhat when he was a Commissioner. Lord Cockfield is even more prominent as a former Cabinet Minister known to have the confidence of the Prime Minister. Sir Geoffrey Howe therefore proposes to write to Lord Cockfield expressing his concern - and that of the Prime Minister - and asking that Lord Cockfield should fully consider the threat and the offer of protection already made to him.

I should be grateful to know that you are content.

I think an oral word would be preferable.

Yours ever,

Len Appleyard

(L V Appleyard)
Private Secretary

N L Wicks Esq
10 Downing Street

DSR 11 (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
Secretary of State

DEPARTMENT: **TEL. NO:**

Reference
CR5AJJ

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

Enclosures—flag(s).....

TO:
The Rt Hon The Lord Cockfield
Member of the Commission of the
European Communities
rue de la Loi 200, B-1049, BRUSSELS

Your Reference

Copies to:

SUBJECT:

Since your appointment as a Member of the Commission, I have been taking a close interest in the problem of ensuring that adequate security measures are taken on your behalf both in Brussels and when you visit London.

I know you have given this matter full consideration, that you have seen the threat assessments and that you are aware of the very real risks which exist. I understand your reluctance to accept the protection that the Commission security services have offered. This must be your decision. But both the Prime Minister and I are concerned that you should have the fullest possible information about the nature of the threat - and the kind of measures which our experts would normally recommend — before you make up your mind.

I would therefore like to suggest that, with the agreement of the Commission services, one of our own Security Service experts should come to Brussels to

discuss the problem with you. This need not take up a great deal of your time and I do urge you to accept. I look forward to hearing from you.

COP
13/5

FCS/85/132

Secretary of State for Employment

Commission Portfolios after Enlargement

1. Thank you for your letter of 26 April about the redistribution of Commission portfolios after the accession of Spain and Portugal.

2. I share your assessment of Pfeiffer and Sutherland and agree with what you say about the desirability of social affairs not being given back to a Socialist. Nor would we wish to see Sutherland's other major responsibility, competition, pass into unsafe hands. It will not be easy to reconcile all our desiderata. Our ability to influence matters is limited given that the distribution of portfolios is a matter which the Commission themselves decide.

3. I shall have an opportunity, when Delors comes here on 24 May, to tell him of the importance we attach to the effectiveness of the present Commission being maintained after enlargement. Sir Michael Butler is of course in close touch with Arthur Cockfield and his cabinet, so that we can get early warning of how thinking is developing on the redistribution after enlargement; and with Delors' cabinet. I shall have a word with Arthur Cockfield myself both to ensure that the portfolios of our own Commissioners are not whittled away and to ask him to look out for our wider interests on the lines you suggest. I shall also raise this with Jacques Delors when I see him

/at

at Chevening on 24 May.

4. I am copying this minute to the Prime Minister, the Chancellor of the Exchequer, the Secretaries of State for Education and Science, Social Services and Trade and Industry, and Sir Robert Armstrong.

GEOFFREY HOWE

Foreign & Commonwealth Office
13 May 1985

EURO POL: Appt of Commissioner
(PS)

CC AC

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215) 5144
GTN 215)
(Switchboard) 215 7877

From the Minister for Trade

Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON
SW1

PDO 14CT

10 May 1985

R14

Dear Geoffrey

ACCESSION OF SPAIN AND PORTUGAL: RESPONSIBILITIES OF COMMISSIONERS

I have seen Tom King's letter to you of 26 April about the likely reshuffling of portfolios among Commissioners after enlargement.

You will recognise that I am not challenging his analysis of the difficulties he may face if Commissioner Sutherland gives up his portfolio on social affairs. In so far as we are in a position to influence events, however, we should need to consider very carefully whether it would serve United Kingdom interests to press for arrangements under which Mr Sutherland would be asked to yield up any of his competition policy responsibilities in order to keep him in an area where responsibilities are already shared with a German Commissioner. As you know, this very difficult political area is of key importance to our realisation of a genuine internal market and Sutherland has shown a brisk, pragmatic - and indeed courageous - determination to tackle the backslidings of Member States.

I am copying this letter to Tom King as well as to those who received his original letter to you.

Yours

PAUL CHANNON

Paul

999.3

Euro-Pol Appt of Commissioner 173

SUBJECT
cc. Master
Je RAM
cPC

10 DOWNING STREET

From the Private Secretary

1 May, 1985

Dear Colin,

PRIME MINISTER'S MEETING WITH LORD COCKFIELD

The Prime Minister saw Lord Cockfield this morning to discuss the Commission proposals on which he is working to give effect to the European Council's decision to achieve a single large market by 1992.

Lord Cockfield said that his remit was to produce detailed proposals before the June European Council. He was working on the European Community equivalent of a white paper which would be presented to the Commission at the end of May, with the intention of presentation to Member States on about 5/6 June. His paper would not argue the case for completion of the internal market: that had already been clearly established. Rather, it would set out a detailed programme for completion, grouping the barriers to a common market under three main headings: the physical obstacles, the technical obstacles and the fiscal obstacles.

On the first category, that of physical obstacles to the movement of goods and persons, a great deal had already been done. The directive on Harmonisation of Administrative Procedures at Frontiers had been implemented and discussion of proposals for a Single Administrative Document and Frontier Facilitation was at an advanced stage. As regards the technical obstacles, the Commission had already produced a draft directive on standards and was working on removal of discrimination in Government purchasing. He also proposed to deal with services in the section on technical barriers, in the belief that this was a most effective way to out-flank German obstructionism.

CST

Lord Cockfield continued that the third area, that of fiscal barriers, was a particularly difficult one. It would cause particular problems for the United Kingdom. But the fact of the matter was that his proposals had to deal with it because the Treaty of Rome explicitly provided for harmonisation of indirect taxes. The Prime Minister intervened at this point saying that there was absolutely no question whatsoever of the United Kingdom accepting tax harmonisation. It would strike at the root of Parliament's powers. She thought the same consideration would apply to

several other Member States. She was not going to be told by anyone outside the United Kingdom what rate of tax was to be charged here. Moreover, it was not the case that the Treaty was explicit in requiring action on this point. Producing a copy of the Treaty she noted that there was no more than an implicit reference in Article 3 and an undertaking to "consider" harmonisation in Article 99. She had already "considered" and come to a clear conclusion. The issue was one which required unanimity and she could guarantee that it would not be forthcoming. At the same time, she saw no grounds to make progress on harmonisation of indirect taxation an advantage for other moves to complete the internal market.

Lord Cockfield said that the concept of harmonising indirect taxes ran through many of the Community's directives. But in his proposals he would deliberately not be proposing harmonisation. Instead he would set the target of approximation within certain bands. He would also put in a specific provision that, because of the difficulties for certain Member States, there would have to be derogations, either temporary or permanent. There were good precedents for this, for instance in the Sixth VAT Directive. He agreed that adoption of harmonisation should not be a test of completion of the Common Market, though in practice there would never be a completely free internal market unless fiscal barriers were dismantled. The Prime Minister said that she had made her views quite clear. What Lord Cockfield said seemed to go some way to meet them. But it was essential that completion of other aspects of the internal market should not be made dependent upon progress on tax harmonisation. Lord Cockfield commented that the most effective way to block measures unacceptable to the United Kingdom was not to challenge the obligation in the Treaty to move towards harmonisation of indirect taxes, but to work with other Member States to block progress on political grounds. He did not wish to be quoted on this.

The Prime Minister raised the question of the ridiculously low VAT threshold on small businesses. It would be regrettable if the Commission were to take the United Kingdom to court on the higher threshold which we had introduced and once again she had no intention of allowing the United Kingdom to be dictated to. Infraction proceedings seemed miraculously to get tangled up and lost in the Commission's administrative procedures when they involved certain Member States, but to slip through when the United Kingdom was involved. Lord Cockfield said that the best course was for the Chancellor of the Exchequer to get the Council to agree to a higher threshold. The Commission had no alternative but to enforce existing rules.

The Prime Minister handed over to Lord Cockfield a copy of the note on "Completion of the Common Market: United Kingom Targets for Action".

Lord Cockfield referred to the efforts of the Italian Presidency to undermine the Commission's CAP price- fixing proposals. He was trying to persuade his Commission

colleagues to stand firm against this. Monsieur Delors appeared determined to stand by the Commission's original proposals, but the same was not true of all members of the Commission.

I am sending a copy of this letter to John Mogg (Department of Trade and Industry), Rachel Lomax (HM Treasury) and to David Williamson (Cabinet Office).

Yours sincerely,

(C D Powell)

C Budd, Esq.,
Foreign and Commonwealth Office

E.R.

PRIME MINISTER

David Williamson rang with two additional suggestions:

1. You should hand over to Lord Cockfield the note annexed to the background which sets out our priorities for the internal market. (At the back of the folder).

2. You could compliment Lord Cockfield on having got a commitment from the Agricultural Commissioner that if he wishes to change the Commission's price proposals, he will submit the new ones to a full meeting of the Commission. This is very helpful.

   You might add, though, that you very much hope that Lord Cockfield will attend such a meeting. It is likely to be later this week and we know privately that he is keen to stay over here for a while.

C.D.P.

30 April 1985

Prime Minister

There is too much briefing here for a short meeting. All the essential points are in the first brief. Your aims are:
(a) to deter him from making progress on tax harmonization a condition of completion of the internal market;
(b) to encourage him to take steps to reduce the burden of tax administration on small businesses.

CDP 29/4.

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MR POWELL

PRIME MINISTER'S MEETING WITH LORD COCKFIELD, 1 MAY

In line with United Kingdom objectives, the European Council on 29-30 March agreed that particular emphasis should now be given to "action to achieve a single large market by 1992". It called on the Commission to draw up a detailed programme with a specific timetable before the Milan European Council. The Commission is now working on this. The first discussion in the full Commission is likely to be on or about 15 May, so that a document ("White Paper") can be presented to the Council at the end of May or beginning of June.

2. We understand that the document which the Commission services are preparing, under Lord Cockfield's direction, has three substantive chapters: frontier controls (passage of intra-Community frontiers, Customs requirements etc), technical barriers (product standards, liberalisation of financial services) and fiscal barriers (to which the Commission is intending to respond by proposing harmonisation or approximation of some taxes in all member states). Lord Cockfield believes that there are both intellectual and juridical arguments in favour of the Commission pressing for some further approximation of the coverage and rates of indirect taxes, in particular VAT, in member states.

3. I attach a brief and three background notes for the Prime Minister incorporating material from the Treasury, the Department of Trade and Industry and the Department of Transport, on:

(1) the completion of the common market for goods and services, on which there is much common ground between the United Kingdom and the Commission;

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(2) tax approximation, which will be the main point at issue at this meeting;

(3) other points related to the internal market (eg the European Economic Interest Grouping) which Lord Cockfield may raise but are, for the most part, already the subject of discussions within the Community or between the Commission and the United Kingdom.

4. I am sending copies to Colin Budd (Foreign and Commonwealth Office), Rachel Lomax (Treasury), John Mogg (Department of Trade and Industry), Richard Allan (Department of Transport) and to Sir Robert Armstrong.

Mr Jay

for D F WILLIAMSON

29 April 1985

PRIME MINISTER'S MEETING WITH LORD COCKFIELD, 1 MAY

Brief for the Prime Minister

Objectives

(1) to reiterate the importance which the United Kingdom attaches to the completion of the common market for goods and services; and to encourage Lord Cockfield to press ahead with the specific programme necessary to implement the European Council's decision to complete the internal market by 1992, taking special account of our priorities;

(2) to encourage the Commission to include the liberalisation of transport (eg lorry quotas, air fares, shipping) within the same programme (while recognising that this is not Lord Cockfield's direct responsibility but that of Mr Clinton Davis);

(3) to make clear to Lord Cockfield, that while we are prepared to look at sensible proposals for reducing the administrative burden of frontier tax controls, the harmonisation/approximation of tax rates (in the case of VAT) on either excise taxes or VAT is politically and economically out of the question for the United Kingdom and (we suspect) for many other member states;

(4) to persuade Lord Cockfield to shelve or defer his proposals on tax approximation. But, if as expected, he will not accept this

(5) to persuade him that the Commission should separate its tax approximation proposals from other aspects of the internal market and not try to make progress on the tax proposals a pre-condition for progress on their other internal market proposals;

(6) to persuade Lord Cockfield of the value of allowing greater flexibility for member states in setting VAT exemption limits for small traders;

/(7)

(7) to avoid, as far as possible, discussion of a number of old proposals (eg right of establishment for architects and pharmacists, the commercial agents directive and the European Economic Interest Grouping) which will be discussed at the Internal Market Council on 7 May and to concentrate on the main elements of the major new document now in preparation.

Arguments to use

(1) Completion of the common market is crucial to speed up growth in the Community and to create jobs. Glad that you have taken this in hand. It is far more important to Europe's prosperity than institutional reform - though we have positive ideas on that too. Vital that the promised White Paper provides the spur to precise, realistic and time-bound action; and can be endorsed by the European Council in June.

(2) Our own priorities, which we hope the White Paper will reflect, include action (which we would like to see by 1990):

- to remove obstacles to the free movement of goods
- to bring about a free market in financial services
- to bring about full freedom of establishment
- to ensure a liberalised, freely competitive transport market (current constraints on road haulage, development of air services and on cabotage trade in shipping are prime examples of restrictions which must go if internal market is to be a reality)
- to make European business more competitive, both within the Community and on world markets.

A programme including these elements - and no doubt some others of interest to other member states - could be agreed quickly and could be implemented within the lifetime of the Commission.

(3) Will rely on Lord Cockfield to do what he can to promote these ideas, and in particular

- to persuade Mr Clinton Davis that transport should be included in the White Paper

/ - to

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- to make European business more competitive, both within the Community and on world markets.

A programme including these elements - and no doubt some others of interest to other member states - could be agreed quickly and could be implemented within the lifetime of the Commission.

(3) Will rely on Lord Cockfield to do what he can to promote these ideas, and in particular

- to persuade Mr Clinton Davis that transport should be included in the White Paper

/ - to

- to follow up United Kingdom initiative on deregulation.

But believe it would be a mistake to put progress on these issues at risk by giving high priority to tax harmonisation/ approximation as part of the same package. Recognise that Commission has a duty under the treaty to "consider" harmonisation of indirect taxation. But creating links now between taxation and the internal market could check the momentum towards real progress on the completion of the common market for goods and services.

(4) Deeply concerned, therefore, by the proposal for complete removal of tax frontiers and, as a consequence, for harmonisation or approximation of indirect tax rates. This is quite unrealistic. Politically and economically unacceptable to the United Kingdom and probably to most other member states. Economically out of question for us to surrender this degree of freedom in our fiscal and economic management. Politically, surrender of sovereignty not acceptable to Parliament; and changes in VAT rates - particularly for zero-rated items - a matter of the greatest sensitivity. Much the same objections apply with equal if not greater force - to harmonisation of direct taxes.

(5) At most would be willing to consider sensible proposal for reducing the burden of administration of tax controls at frontiers (provided that possible without changes in tax structure); but could go no further than that.

(6) Concerned that, if Commission puts forward proposals for removing tax frontiers, this could block progress on other "internal market" objectives of real benefit fo the Community and the United Kingdom.

(7) Best solution would be if tax proposals can be shelved or at least deferred. If that not possible, at very least Commission must keep tax harmonisation/approximation proposals wholly separate from other aspects of the internal market and make no links or conditions between them.

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(8) Need to look at realistic ways of reducing existing burden of Community rules, which are excessive particularly for small businesses. One immediate problem concerns the application of VAT to small businesses and the threshold limit. Independently of the outcome of the Commission's current infraction proceedings, the United Kingdom seeks greater flexibility on this issue. To allay the Commission's fears of a free-for-all, we would like to see a relaxation of the Sixth Directive so as to allow member states to raise their VAT exemption limits to a level linked to the highest limit now applicable in the Community on 1 July 1985 (ie the Irish £25,000 = £20,600).

Arguments which Lord Cockfield may use

(1) He will say that Monsieur Delors is giving a strong lead and that the Community is stirring. Britain must not hold back from the new moves forward, or be sidelined.

Reply: agree. But not in issue here. United Kingdom is widely recognised to be in the lead in pressing for the necessary practical actions to complete the common market (eg on product standards, opening up financial services, liberalising transport, freedom of establishment). Community now committed by European Council in March to completion of the common market by 1992. Must press on and not be blocked by preconditions on tax harmonisation/approximation.

(2) He may say that tax approximation is necessary in order to avoid distortions of competition in a completed common market; that some measures have already been taken to approximate VAT and excise duties; and that the Commission has a duty to consider harmonisation of indirect taxation (article 99 of the Treaty of Rome).

Reply: recognise that in certain cases (eg excise duties on alcoholic drinks) distortions of competition must be avoided. But pressing need now is to complete the common market. This can be done. Should not overload the boat with fiscal harmonisation.

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(3) He may say that on the immediate questions for the next Internal Market Council he is finding it easier to persuade the Greeks and Germans than to get United Kingdom agreement to a package, in particular on the proposed commercial agents directive and on proposed legislation on the "European Economic Interest Grouping".

Reply: The United Kingdom's long-standing objections to the commercial agents directive are based on legal policy grounds and on the firm view that the measure is irrelevant to establishment or functioning of the common market. Time spent discussing it since before United Kingdom accession might have been better devoted to removing real barriers to completion of internal market (insurance, transport etc). The United Kingdom always ready to see whether there is a way forward. But we can hold out no hope that it will be easy in this case.

On the European Economic Interest Grouping, as Paul Channon told you on 28 February, United Kingdom firms may be unenthusiastic about need but United Kingdom Government has no problem of principle with it. It is essential, however, to get the technical details right, which is what United Kingdom is seeking to do in negotiations.

Cabinet Office
29 April 1985

PRIME MINISTER'S MEETING WITH LORD COCKFIELD, 1 MAY

Background note on the completion of the common market in goods and services (including transport)

1. The European Council in March called on the Commission to establish a timetable for completing the "single large market for 1992". This timetable and programme is to be presented to the European Council in Milan in June.

2. Progress has been made recently in making life simpler for business in the common market by deciding to reduce customs documentation (the single administrative document) and improve procedures on health and safety standards. We must ensure that those decisions are carried into practice. The Commission, however, has identified a wide range of major internal market questions which remain outstanding. They refer, for example, to the need for general recognition of financial products marketed in the member states. This could be a welcome step in liberalisation/deregulation for which we have been waiting a long time. We would like also to see reference to specific proposals for liberalising road and air transport; to abolishing obstacles to establishment of engineering and accountancy services - where we believe we have a major contribution to make to Community efficiency; and to dismantling exchange controls which inhibit the kind of business co-operation and activity which everyone would welcome.

3. Lord Cockfield knows that much of the Commission's analysis coincides with our own (United Kingdom current objectives and priorities are summarised in the annex). Exchanges with the Foreign and Commonwealth Secretary, the Minister for Trade and others have already alerted him to our priority interests. The Secretary of State for Trade and Industry also hopes to visit Brussels and to see Lord Cockfield before the Milan European Council. Mr Tebbit is putting a paper to OD(E) in the very near future to consider our strategy, in the light of the recent European Council's conclusions.

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4. We have a particular problem in pressing for a liberal transport policy within the Community. In our view freely competitive transport is an integral part of the internal market. It is one of our major priorities. The prevailing view in the Commission, however, is that transport should not be treated as part of the internal market for the purposes of this exercise. This is partly because it forms part of a different Commissioner's portfolio (that of Mr Clinton Davis). When Lord Cockfield saw the Foreign and Commonwealth Secretary and other Ministers recently, the Parliamentary Under-Secretary, Department of Transport (Mr Mitchell) pressed Lord Cockfield to include transport in his internal market paper. Lord Cockfield, however, appeared reluctant to trespass on Mr Clinton Davis' territory. He should be encouraged to do so.

Cabinet Office
29 April 1985

PRIME MINISTER'S MEETING WITH LORD COCKFIELD, 1 MAY

Background note by H M Treasury on tax harmonisation/approximation

(a) Tax Harmonisation

Monsieur Delors has included in the Commission's programme on the "internal market" the proposal that all frontier barriers to trade (including fiscal frontiers) be removed by 1992. Monsieur Delors and the Commission services hold that a necessary pre-condition for fiscal frontiers to be removed is the harmonisation or at least substantial approximation of all indirect tax rates and structures (both VAT and the excise duties). The rationale of this proposal is that, if frontier controls are removed, the differences in indirect tax rates would create substantial distortions in trade flows between member states. Lord Cockfield, as the responsible Commissioner, is preparing a paper on tax approximation, which is expected to go to the other Commissioners in early May and, if agreed, to be transmitted to the Council by the end of the month.

2. Any substantial degree of harmonisation of indirect tax rates would have major consequences for UK tax rates and tax structures. The main probable effects would be:

- the removal of room for manoeuvre in fiscal and economic management through subsequent changes in indirect tax rates;

- a substantial loss of excise revenue (of the order of £4 billion) to come in line with other member states' much lower levels of excise duty;

- significant increases in VAT revenue, arising mainly from the elimination of our zero-ratings, eg on food, children's clothing etc;

- significant consequences for industry and commerce arising from these changes.

/We

We expect that a number of other Member States would be faced with difficulties of a similar magnitude, which they would find equally unacceptable.

3. Lord Cockfield has similar ambitions for harmonisation of direct taxes, but these are unlikely to feature in the current set of proposals.

4. The Prime Minister made it clear at the European Council that tax harmonisation was not in our view necessary for the completion of the internal market and that decisions on tax rates must remain a matter for national states. It follows from this and from the unacceptability of the consequences listed above, that the abolition of fiscal frontiers cannot be regarded as a feasible objective. (The Prime Minister also made it clear at the March European Council that frontier controls will in any case also be necessary to combat drugs, terrorism etc).

5. Lord Cockfield, however, at a recent meeting with the Foreign Secretary and other Ministers early in April (record attached) insisted that the removal of tax frontiers and hence the approximation of indirect tax rates was an integral part of the Commission's proposals on the internal market and that the UK should be ready to fall into line with them.

(b) **VAT Threshold Limit**

6. At a bilateral meeting before the Budget the Chancellor of the Exchequer attempted, with little apparent success, to persuade Lord Cockfield to take active steps to withdraw the infraction proceedings which would result in a reduction of the UK's VAT threshold level of £19,500 by some £4,000, pointing out that this ran counter to the Commission's own policy for reducing burdens on, and encouraging the growth of, small businesses. As the Prime Minister made clear at the March European Council we see this as a prime example of over-regulation of small businesses by the Community. Whatever the outcome of the current infraction proceedings, we seek greater room for manoeuvre in setting our national exemption limit.

29 April 1985

ANNEX

RECORD OF A MEETING AT THE FOREIGN AND COMMONWEALTH OFFICE

AT 0900 ON 4 APRIL 1985

Present:

The Rt Hon Sir Geoffrey Howe, QC MP

Mr Malcolm Rifkind, MP

The Rt Hon Paul Channon, MP

Mr Ian Stewart, MP

Mr David Mitchell, MP

Lord Cockfield

Mr Colin Budd

1. The Secretary of State said that he saw the main purpose of the meeting as to enable the relevant UK Ministers to discuss with Lord Cockfield the opportunities for making progress in the internal market field, with the Commission's help, in the run-up to the UK Presidency. We had very much in mind the possibility of fruitful co-operation with the Netherlands Presidency in 1986, and possibly also with Luxembourg in the second half of this year. What we needed now was a framework for action.

2. Lord Cockfield said he would like to begin by making some more fundamental points. It was important for those concerned in London to be aware of the growing feeling in Brussels that Europe was finally stirring out of its lethargy of recent years. Many people were now pressing for the kind of burst of dramatic progress which had marked the first ten years of the Community's existence. Delors was extremely determined, a strong personality and a very able political operator. The new Commission had made remarkable progress in its first three months, aided partly by the Italian Presidency. The enormous work programme presented to the European Parliament on 6 March showed the breadth of the approach which Delors intended to take.

3. On the internal market, Delors had not only defined in detail what he hoped to achieve, but had also laid down a timescale for that achievement. This issue had been hotly debated within the Commission. In the end a clear decision had been taken to set as the objective not what the Commission thought the Member States would agree to, but what the Commission thought the right target should be. The work programme announced by Delors related solely to 1985, but the Commission had in fact worked out a detailed programme for their full four year term. This was a great deal more than others in the Community had so far done. Wisse Dekker of Phillips had in a recent lecture proposed 1992 as the target for the creation of a proper internal market. Lord Cockfield had written to him asking for a copy of the critical path analysis which had led him to choose that date. It had taken two and a

half months for Dekker to reply at all, and even then he had said nothing of any value.

4. Delors had committed himself in his March appearance before the Parliament to publishing a White Paper at the end of May. That White Paper was already being written. Lord Cockfield had himself written the first three chapters, and he had the draft of the fiscal chapter with him to re-write over Easter.

5. The Commission's work programme laid down quite specifically that completion of the internal market would entail dismantling the fiscal frontiers within the Community. This was closely based on the Treaty (Articles 3, 99 and 100). Mr Rifkind said that the US seemed to manage very well with a wide variety of sales taxes. Lord Cockfield replied that the geographical nature of the USA was fundamentally different from that of the Community. All this would be set out in great detail in the Commission's forthcoming paper. He would however be taking great care to talk in terms of approximation rather than harmonisation.

6. The UK, Lord Cockfield said, viewed the question of cross-border trade through a distorting lens. On the continent, many frontiers ran through the areas of densest habitation, and there was a great deal of cross-border shopping. The Commission had been trying for years to increase travellers' allowance from 280 to 400 ecu. The Danes were currently blocking the Irish compromise of 320.

7. The inescapable conclusion from a careful study of the subject was that it was in the overwhelming interest of the Community as a whole to have a single integrated market. The Commission's paper would identify three kinds of barriers: physical, technical and fiscal. In Lord Cockfield's judgement, the existing physical barriers were very largely a reflection of the fiscal ones. The European Parliament wanted to leave the fiscal system untouched, but to abolish the physical barriers - thus creating cirumstances which would, in the end, compel fiscal change. This was a Marxist approach (the Secretary of State intervened to say that it could also be described as a market approach). The comparison with the USA was not apt, because frontiers there were mostly not in areas of dense population.

8. The Secretary of State stressed that harmonisation of the kind envisaged by the Commission would raise very substantial political difficulties in a number of Member States, including the UK - though it was of course true that if the proposal was simply to reach a crude average then we would be inconveienced less than some other Member States, since we were not far from the middle of the range. Lord Cockfield noted that the UK's main problem was the base, not the rate. In the period up to 1977 the Community had made a lot of progress towards harmonisation. The 6th VAT Directive had clearly laid down harmonisation as its aim, one of the specific reasons being to help complete the internal market. Provision had been made for a completely harmonised VAT base, subject to certain derogations. The 18th and 19th VAT Directives, now on the Council table, were designed to remove

many of those derogations.

9. The Secretary of State repeated that harmonisation would cause serious political difficulties. Mr Stewart said that he was not convinced that the absence of harmonisation was such a decisive factor as Lord Cockfield suggested, given the influence of prices and exchange rates. He agreed that there were a number of political problems involved in the movement towards harmonisation. One was the general question of competence. Another was the extent to which harmonisation would infringe Member States' freedom of action in fixing their own national tax pattern. Lord Cockfield pointed out that an approximation of VAT rates would produce substantial increase in tax revenue for the Treasury.

10. The Secretary of State commented that though he could not fault Lord Cockfield's intellectual analysis, he was bound to underline once more the tremendous impact on the domestic political management of economic policy which harmonisation would have.

11. Lord Cockfield said he thought it best to discuss these issues entirely frankly. The terms of the Treaty fully justified the Commission in pressing for harmonisation. He was anxious that the Cabinet should realise that there was a real risk of the EC breaking into two, with the UK voting itself into the lower tier. The Council was currently considering a proposal for frontier facilitation. It was plain that if we blocked it the kernel of the original Six would proceed to implement this reform by themselves. The Secretary of State reminded Lord Cockfield that there was a clear distinction between land frontiers on the one hand and sea and air frontiers on the other.

12. Mr Mitchell asked if Lord Cockfield saw the internal market extending to transport and shipping matters, where there were many questions of keen interest to the UK. Would the Commission's paper cover transport? Lord Cockfield said it would not. He would do what he could to take a fatherly interest in transport questions, but there were real difficulties. Not least of these was the fact that transport questions fell mostly within the portfolio of Mr Clinton Davis. He was personally very approachable, but his mind was not accessible.

13. There was a brief discussion of the EEIG. Mr Channon made it clear that the DTI could live with it.

14. Lord Cockfield explained the Community's standards' initiative, which he thought (others agreed) very important. It would be the harbinger of two other important developments:

(a) applying the framework directive approach to manufactured foodstuffs;

(b) applying the framework approach to the professions.

15. The Secretary of State asked if Lord Cockfield was making headway with financial services. Lord Cockfield replied that services would be dealt with under the heading of "technical barriers" in the Commission's paper. Asked about timing, he said he thought we would be lucky to have it by June.

16. It was agreed that it would be useful to have further such meetings, but no commitment was made on the timing of the next meeting.

17. After the end of the meeting the Secretary of State gave Lord Cockfield a brief account of the Northern Ireland group of Commissioners, of which Lord Cockfield had not previously heard. He undertook to do his best to help.

18. The Secretary of State also raised the question of customs duty relief on imports of military material, speaking as recommended. Lord Cockfield said this was the locus classicus of how problems should not be handled. Sir Michael Butler had approached him about this too late for him to be able to do anything about it. Once legal proceedings were under way he simply could not stop them. It was essential to register our views much earlier, before the Commission started down the legal path. In this particular case, we might not yet be aware that the Germans had reached a bilateral accommodation with the Commission and were no longer supporting us.

Foreign and Commonwealth Office
12 April 1985

Copies to:
PS
PS/Mr Rifkind
PS/PUS
Mr Braithwaite
Mr Renwick
Mr Houston
Mr Adam Fergusson
ECD(I)
ECD(E)
RID
PS/Mr Channon
PS/Mr Stewart
PS/Mr Mitchell
PS/Mr Patten
Mr Williamson, Cabinet Office
Sir M Butler, UKRep Brussels

PRIME MINISTER'S MEETING WITH LORD COCKFIELD, 1 MAY

Background note on the commercial agents' directive and the European Economic Interest Grouping

Commercial agents Directive

1. This proposal for a directive, under discussion since pre-1973, would harmonise laws on relationship between commercial agents and principals. The United Kingdom has a general reserve on the grounds that the measures would interfere unnecessarily in that relationship; wrongly assumes that agent is always weaker party; would make agency contracts inflexible; and is anyway unnecessary to establishment or functioning of common market. Most other member states are prepared to see directive adopted but are not enthusiastic.

2. This proposal for a directive may be on the agenda of the Internal Market Council on 7 May. Lord Cockfield would like to see a package deal under which the United Kingdom would agree this directive while Germans and Greeks drop their opposition to directives on freedom of establishment for, respectively, architects and pharmacists. Against this background, Department of Trade and Industry Ministers are currently reviewing the United Kingdom's approach to the proposed commercial agents directive but are unlikely to agree to alter policy.

The European Economic Interest Grouping

3. The Commission's proposal for legislation to make possible a "European Economic Interest Grouping (EEIG)", under negotiation since 1973, would provide a vehicle for limited cooperative ventures between European firms in activities such as marketing. It is based on a French concept and Monsieur Delors attaches importance to its introduction. Most other member states are in favour. United Kingdom industry is lukewarm. The text of the proposed legislation is still technically unsatisfactory, eg because of creation of potential tax loopholes. Lord Cockfield had hoped for final agreement at Internal Market Council on 7 May but Presidency now intend only a progress report.

Cabinet Office
29 April 1985

COMPLETION OF THE COMMON MARKET : UNITED KINGDOM TARGETS FOR ACTION

Objective

By 1990, to create the integrated common market which the founders of the Community foresaw as the basis for growth in the Community economy and the international competitiveness of its enterprises.

Method

Community to concentrate efforts on proposals which make a real and immediate contribution to opening up the common market. Proposals with less direct impact to be given lower priority.

MAIN TARGETS FOR ACTION BY 1990

1. Action on obstacles to free movement of goods within EC

(i) Frontier procedures

- full implementation of single customs document by 1988.
- progress in computerising customs and VAT procedures with a view to interlinking member states' and Commission systems so that formalities at intra-EC frontiers can be minimised. by 1990]
- remaining frontier procedures to be streamlined so that traffic is not avoidably delayed (save for spot checks).

(ii) Free movement of goods

- the model directive on health and safety standards to be adopted and applied to specific products, facilitated by mutual recognition of member states' national standards and of their testing and certification procedures. by 1990]
- adopting common or compatible standards for major new technologies (such as information technology, telecommunications and advanced manufacturing techniques) so as to open up public purchasing and satisfy major-user requirements. by 1988]
- adoption of Community patent and trade mark rules. by 1987]
- more attention to be devoted to ensuring compliance with Article 30 EEC.

Free market in financial services

[by 1986] - adoption of genuinely liberal non-life insurance services directive.

[by 1988] - liberalisation of financial services market including housing credit, shares, unit trusts and commodity futures and options.

- progressive abolition of exchange controls and other restrictions on capital movements in accordance with 1960 directive.

- scrutiny of differences in the administrative treatment given to domestic and to locally-established businesses.

3. Full freedom of establishment

- pharmacists, architects (both 1985).

- remaining professions, including accountants, engineers and physiotherapists.

4. Liberalised, freely competitive transport market

- abolition of road haulage quotas by 1990.

- elimination of principal distortions of competition by 1988 (full application of state aids rules, including transparency, to all transport modes; harmonised basis for coverage of road costs following adoption of first ANTS directive in 1986).

- removal of barriers to provision of shipping services by 1987 (liberalisation of cabotage; elimination of flag discrimination in trades with third countries).

- greater competition in civil aviation between member states by 1986 (particularly on route access, capacity and pricing); removal of capacity controls and limitations on access by Community carriers by 1990.

- international coach services fully liberalised by 1988.

Making European business more competitive, both within the Community and on world markets

- measures to promote labour market mobility and flexibility.
- more attention to be devoted to ensuring compliance with Community rules on state aids.
- opening up public purchasing, especially in the new technologies.
- positive action to reduce burdens on small businesses.
- improving the climate for direct collaboration between European firms in particular in R and D.

HMG

RESTRICTED

Caxton House Tothill Street London SW1H 9NF

Telephone Direct Line 01-213 5949

Switchboard 01-213 3000

(2)
cc PC
Prime Minister
CDP
26/4.

MT

Rt Hon Sir Geoffrey Howe, QC, MP
Foreign and commonwealth Office
Downing Street
LONDON
SW1A 2A2

26 April 1985

Dear Geoffrey,

ACCESSION OF SPAIN AND PORTUGAL: RESPONSIBILITIES OF COMMISSIONERS

As you know, the Commission portfolio previously held by Ivor Richard is at present divided between Pfeiffer and Sutherland.

Pfeiffer is an uninspiring though pleasant man, whose attitudes are very much in keeping with his background as a German trade unionist. In contrast, Sutherland is bringing a breath of fresh air to social affairs - he has no obvious political axe to grind and has won praise for his efficiency and ability to learn quickly.

I understand that when Spain and Portugal join the Community next year, Sutherland's social affairs responsibilities and possibly Pfeiffer's employment policy responsibilities as well are likely to pass to a Spanish socialist. I would regard Sutherland's replacement in this way as a serious step backwards. For 8 years until the beginning of this year, employment and social affairs have come under socialist Commissioners. Within the last few months the climate of opinion in the Social Affairs Council has moved in our direction, and Sutherland (and to a lesser extent Pfeiffer) has been willing to acknowledge this. It would greatly add to my difficulties, in an area of Community business where political differences are perhaps more important than in most others, if social affairs were to be given back to a socialist, particularly one from a new member state who would be likely to be influenced strongly by Commission officials.

I hope that you will use your influence to try to prevent a reorganisation of portfolios along the lines I fear.

I am copying this letter to the Prime Minister, Nigel Lawson, Keith Joseph, Norman Fowler, Norman Tebbit and Sir Robert Armstrong.

Yours

RESTRICTED

CONFIDENTIAL

FILE

cc: PC

10 DOWNING STREET

From the Private Secretary

MR WILLIAMSON
CABINET OFFICE

MEETING BETWEEN THE PRIME MINISTER AND LORD COCKFIELD

You minuted on 24 April about Lord Cockfield's intention to submit to the Commission a paper on Tax Harmonisation. The Prime Minister has agreed to see Lord Cockfield to discuss this on 1 May at 1000 am and his office have been informed. I should be grateful for briefing from the Treasury by the evening of 29 April

I am copying this minute to Rachel Lomax (HM Treasury), Colin Budd (Foreign and Commonwealth Office) and John Mogg (Department of Trade and Industry).

(C D Powell)

25 April 1985

1050

CONFIDENTIAL

Prime Minister
Agree to see Lord Cockfield, to try to dissuade him from pressing ahead with this undesirable initiative?
CDP
24/4
Yes
No

Qz.04396

MR POWELL

POSSIBLE MEETING BETWEEN THE PRIME MINISTER AND LORD COCKFIELD

The Commission is pushing on with a more detailed programme and proposals for the completion of the common market in goods and services. The United Kingdom's objectives and priorities will be examined next week in OD(E) on the basis of a paper by the Secretary of State for Trade and Industry. Although many of the Commission's proposals are likely to be in line with British interests we may also need to head off some disadvantageous proposals.

2. We have also been informed that Lord Cockfield is intending to submit to other Commissioners, probably on 15 May, a paper on tax harmonisation or tax approximation. We are concerned that the necessary progress on the completion of the common market for goods and services should not become bogged down through the creation of pre-conditions about tax harmonisation. Some of these points were discussed between Lord Cockfield and a number of British Ministers on 4 April. We consider that if there were time for the Prime Minister to have a brief meeting with Lord Cockfield before he launches any paper on tax harmonisation, this would be an advantage. The Foreign and Commonwealth Secretary, the Chancellor of the Exchequer and the Secretary of State for Trade and Industry support this request. I understand that Lord Cockfield will be in London on 1 May.

3. I am sending copies to Colin Budd (FCO), Rachel Lomax (Treasury), John Mogg and Matthew Cocks (DTI) and to Sir Robert Armstrong.

D.F. Williamson

D F WILLIAMSON

24 April 1985

CONFIDENTIAL

CONFIDENTIAL

RW

FILE

cc: PC

10 DOWNING STREET

From the Private Secretary

28 March, 1985

RELATIONS BETWEEN THE EUROPEAN DEMOCRATIC GROUP AND THE ALIANZA POPULAR

Thank you for your letter of 27 March about the letter the Foreign Secretary proposes to send to Sir Henry Plumb on this subject.

I see no objection to this and believe that the Prime Minister would be content.

(C D Powell)

C Budd Esq
Foreign and Commonwealth Office

CONFIDENTIAL

CAC

Foreign and Commonwealth Office

London SW1A 2AH

27 March 1985

Prime Minister
Agree that Foreign Secretary should write as proposed?
CDP
27/3

Dear Charles, Yours ever

Relations between the European Democratic Group and the Alianza Popular

The Foreign Secretary has it in mind to send the attached letter to Sir Henry Plumb, but would like first to know whether you see any objection to his doing so.

I should be grateful for any comments.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

DSR 11 (Revised)

PERSONAL

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
Secretary of State

DEPARTMENT: **TEL. NO:**

Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

Enclosures—flag(s).....

TO:

Sir Henry Plumb DL MEP
European Democratic Group
2 Queen Anne's Gate
LONDON SW1H 9 AA

Your Reference

Copies to:

SUBJECT:

It is some time since we last corresponded about the Alianza Popular and the question of the European Democratic Group's relations with that party. It occurred to me that it would be useful to bring you up-to-date on recent events between Britain and Spain and their implications for your own position in the European Parliament.

The discussions in Geneva in February were useful and positive, and enabled the Spanish Government, as you know, to lift theland blockade between Gibraltar and Spain which culminated in the full closure of the border in 1969. We have now taken the first steps in a long process in which the legitimate interests of all parties must be protected. But they were a good beginning.

Sr Fraga has in the past publicly criticised the present Socialist Spanish Government for a supposedly accommodating stance over Gibraltar. Despite initially disparaging comments about the Geneva process, he has not made an issue of the agreement on Gibraltar. I believe he has indicated to you that he did not in any case intend to cause undue embarrassment to the Socialist Government in this regard. If he continues on this restrained tack over

PERSONAL /Gibraltar

Gibraltar, it will obviously make your relations with the Alianza Popular easier.

I hear that the European Democratic Group has adopted as its working hypothesis the proposition that the Alianza Popular will join your Group on Spain's accession. We have often spoken of the difficulties you experience as a Group dominated by a single national political party. The AP sits with British Conservatives in the Assembly of the Council of Europe, and are members, as we are, of the European Democratic Union. It seems to me wholly natural and appropriate that the AP should sit with us in the European Parliament. Certainly there will need to be overwhelming reasons to the contrary for us not to take advantage of the Alianza's strong and proclaimed interest in sitting with British Conservatives too.

Such a partnership, of course, should in no way oblige the EDG to relax their efforts to reinforce their essential links and cooperation with the Christian Democrats.

 FILE SH2 ADR.

a MASTER SET

10 DOWNING STREET

4 February, 1985

From the Private Secretary

Dear Colin,

Prime Minister's Meeting with Lord Cockfield

Lord Cockfield called on the Prime Minister this afternoon to give an account of the activities of the Commission.

Lord Cockfield's first point was that the new Commission was predominantly a socialist body or at least distinctly left of centre. Most members of it had an instinctive sympathy for social expenditure and would support initiatives for increasing it.

Lord Cockfield went on to describe the situation in the Commission over Integrated Mediterranean Programmes. Delors had considerable sympathy for the Greeks and saw the IMPs as a way of fulfilling the Community's obligations under the Greek Memorandum. What he had in mind was expenditure of some 1.35 billion ecus over five years on IMPs with 150 million ecus in the first year and 300 million a year over the next four. Other Commission members were still seeking a higher figure and a longer period. The Prime Minister said that she would take a dim view of any such proposal. There had been considerable support at the European Council in Dublin for a ceiling of some 600 million ecus. Anyway Italy and Greece were already major beneficiaries from the Community. Lord Cockfield said that, objectively speaking, the figure was higher than justified. But 1.3 billion in 1985 prices was a lot better than 6.6 billion in 1982 prices. The key was to find a way of reducing the share of the total going to Italy.

Lord Cockfield reported that, at the first meeting of the new Commission, no other member except himself would have any truck with budget discipline. However, there had subsequently been some changes of position. At a meeting of the Commission last Friday Delors had made clear that he thought the Commission should be guided by the Council's conclusions on budget discipline and Christopherson (Budget Commissioner) was also moving towards support, though Andriessen was still arguing against it. Although the Commission had refused to insert figures for the agricultural guideline in its original agricultural price proposals, it had considered the matter again last Friday

and decided to agree the Council's request to supply these figures.

Lord Cockfield continued that a very satisfactory agreement had been reached on agricultural prices. The Prime Minister said that it had been a mistake by the Commission to propose a price increase for milk. Lord Cockfield said that this had been essential to make the supplementary levy stick. The decisive question now would be whether the Council would take as restrictive a line as the Commission. The Prime Minister said that it was already clear that the Germans would be working for price increases and would no doubt form an alliance with the Mediterranean countries.

Lord Cockfield reported that he had got his new initiative on standards through the Commission. It would go to the Internal Market Council next week. The initiative put the main onus on Standards Institutes in individual member states with the Community providing only a framework. There would be a requirement for pre-notification of changes in standards; and there would be a Commission body to which those with grievances could turn. He had talked to the President of the Council (Signor Forte) and they both hoped to be able to reach agreement at the Internal Market Council in May. He had also brought forward a proposal on travellers' allowances. Problems remained with the draft directives dealing with freedom of the professions, although it might be possible to solve these through a package deal whereby each member state currently blocking a single directive would move simultaneously to lift its objections (the UK would have to move on the Commercial Agents' Directive). M. Delors was particularly keen to see the initiative on a European Economic Interests Grouping brought to fruition. This was being blocked by the United Kingdom which saw it as a bargaining card in relation to the Non-life Insurance Directive. Delors was strongly in favour of the latter. Lord Cockfield continued that a conclusion which he drew from the various obstacles to progress in this field was that there would have to be a move towards more frequent use of majority voting. The Prime Minister said that she did not necessarily share this general conclusion, though there might be scope for it in certain limited areas.

On the 1985 Community budget, Lord Cockfield said that the Commission silently supported the compromise proposal put forward by Andreotti.

Lord Cockfield said that he foresaw ever greater problems with the European Assembly who were increasingly adopting the tactic of refusing to give opinions. The Council might have to steel itself for confrontation with the Assembly on this if a great deal of Community business was not to be hamstrung. He cited as a particular example the difficulties being created by the European Assembly over the directive on aid to German farmers through the VAT mechanism (20th VAT Directive) though personally he sympathised with the Assembly's objections. He himself was

trying his best to work with the Assembly. The Prime Minister observed that she would be seeing members of the EDG on 5 February and would raise the general point made by Lord Cockfield.

Lord Cockfield stressed that he was speaking to the Prime Minister in strict confidence. It is important that this should be respected and circulation of this account be restricted.

I am sending copies of this letter to Callum McCarthy (Department of Trade and Industry), Rachel Lomax (H.M. Treasury), Ivor Llewelyn (Ministry of Agriculture, Fisheries and Food) and David Williamson (Cabinet Office).

Yours sincerely.

Charles Powell

C. D. POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

Foreign and Commonwealth Office

London SW1A 2AH

1 February, 1985

Prime Minister
Points for
Lord Cockfield
CDP 1/2.

Dear Charles,

European Community: Lord Cockfield's Call on the Prime Minister

Thank you for your letter of 23 January.

I enclose a note of current European Community issues which the Prime Minister might raise with Lord Cockfield. The Foreign Secretary thinks that the new Commission has started off well. He had a good meeting with Delors on 28 January and found him realistic on most issues, including IMPs, control over agricultural spending, our 1985 abatement and the work on the development of the Community. I enclose a note summarising some of the points from his recent speech to the European Parliament.

Delors spoke of new Commission initiatives on the internal market. The Prime Minister will wish to discuss this with Lord Cockfield. In preparation for the March European Council we are doing some work of our own on a possible time-table we might put forward for the completion of priority objectives in the internal market. Delors has set as his objective the demolition of all internal Community barriers to trade within the span of two Commissions, ie by 1992. We can accept that as an overall objective, but must aim for specific time-tables to be set for the implementation of the key Treaty Articles. Precise proposals of this kind will be essential if we are to pin down those Member States who pay lip-service to the aim of completing the internal market but continue to block specific proposals in the Council. We shall wish to keep in close touch with Lord Cockfield about this.

We understand that, following a discussion yesterday with Herr Bangemann, the German Minister of the Economy, Lord Cockfield may mention to the Prime Minister the possibility of a package deal whereby the Germans would lift their reserves on certain outstanding issues where they are isolated, including the Directive on Mutual Recognition of Architects' Qualifications and the fiscal package before the Ecofin Council, in return for other Member States doing the same for directives which they are blocking. While we want to see early progress on the Architects' Directive, we are opposing the Commercial Agents Directive because it cuts across our traditional approach to freedom of contract and we do not consider it necessary for the functioning of the Common Market. If Lord Cockfield mentions this, the Prime Minister might say that he should

 /discuss

discuss this with Mr Tebbit, whom Lord Cockfield will also be seeing. (He will also be calling on Mr Channon and Mr Jopling).

You may also like to be aware in this context that Delors is reported to have told some of his associates earlier this week that there was only one Member State which had a clear idea of where it wanted the EC to go, and was organising its efforts to that end effectively. No, he said, it was not France. It was the UK.

I am copying this letter to Richard Hatfield (Cabinet Office) and Callum McCarthy (DTI).

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

PRIME MINISTER'S MEETING WITH LORD COCKFIELD:
COMMUNITY ISSUES

Agricultural Prices

- Overall price proposals represent reduction of -0.3% in ecu terms and smaller rise in national currency terms than last year [0.1%, compared with 2% last year].

- There should, however, have been a zero increase for cereals and milk.

- It will be real test of Commission's determination and authority to stick to their proposals despite pressure from Germans on cereals, Italians/ Greeks on Mediterranean products.

- If policy begun at last year's price fixing maintained, will lead to real changes in the CAP.

- Very important that price-fixing should be within agricultural guideline. This vital if we are to get Own Resources Decision through House of Commons.

Budget

- Germans blocking progress by refusing to accept early introduction of Own Resources Decision to cover overrun and UK abatement.

- Very reluctantly, we could agree to cover the overrun by an inter-governmental agreement with our abatement being covered through the Own Resources Decision. All Member States except Germans could accept. We are in touch with the Germans. Fontainebleau conclusions on our abatement must be met.

- We shall not agree to finance an overrun of 1.9 billion ecu. Must stick to 1.3 billion as agreed last year.

Internal Market

- We have succeeded in making this the number one Community priority (interim report of the Dooge Committee, Delors' speech to the European Parliament, etc).

- Many Member States still paying only lip service, however. Our attitude to their ideas for the future development of the Community will depend on their willingness to agree to specific time-table for completion of the internal market.

- Welcome publication of commission proposals on new approach to technical harmonisation and standards. Agree with Lord Cockfield's objective that work should start on this without delay.

- Will keep in touch about our ideas on how the internal market might be handled at March/June European Councils.

Integrated Mediterranean Programmes (IMPs)

- Welcome approach outlined by Delors.

- Solution must lie with Greece having a larger share of a much smaller amount.

- Important that if new proposal mentions total sums, they should be sufficiently low to enable a settlement to be reached at level we, and Germans envisage (600 mecu for all IMPs).

EXTRACTS FROM SPEECH BY M. DELORS TO EUROPEAN PARLIAMENT
14 JANUARY 1985

"... I supported the efforts of all those who quite rightly took exception to the continued existence of substantial obstacles [to free movement]. To them ... Europe appeared - and still appears - like some kind of feudal state where barriers, customs posts, formalities and red tape proliferate. But now that the Heads of State or Government have decided ... to clear away all obstacles to free movement, whether hidden or visible, it may not be over-optimistic to announce a decision to eliminate all frontiers within Europe by 1992, and to implement it."

"A real Community currency will not be one of the objectives of my four year term. I am too well aware of the fundamental problems and technical complexities of monetary questions to make any promises on this."

"Wnat a triumph if the Community could demonstrate that monetary stringency and the fight against unemployment go hand in hand"

"Any attempt to harmonise models of growth and regional development in Northern and Southern Europe would be an affront to consistency."

"Let us identify the improvements to be made within the framework of the existing rules and then decide what can be done beyond the Treaty of Rome."

FILE

Ref

10 DOWNING STREET

From the Private Secretary

23 January, 1985

EUROPEAN COMMUNITY

BC

Lord Cockfield is to call on the Prime Minister at 2.00 pm on 4 February.

I should be grateful for a brief note of current European Community business which the Prime Minister might usefully raise with him, by 1 February.

I am copying this letter to David Williamson (Cabinet Office).

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

10. IR.

CONFIDENTIAL FILING

LORD COCKFIELD

BF1

I have offered Lord Cockfield 1400 hours on 4 February. I tried to persuade the Prime Minister against seeing him when he is over in February as I fear this will become an unnecessary precedent. But Mrs. Thatcher insisted.

CR

Caroline Ryder
22 January 1985

14.00-1430 on Monday 4 Feb. CR. 2211

10 DOWNING STREET

From the Private Secretary

David Barclay / Caroline Ryder.

The PM will against my advice see Lord Cockfield on 4 February. I fear this will become a time-consuming habit.

Can we find a time which is heavily squeezed at both ends. Half-an-hour in the diary: twenty minutes in practice.

CDP

10 DOWNING STREET

Prime Minister

You're quite right. The earlier letter went on 31 December when I was away & I was not aware of it.

No need for any further reply.

CDP.

MT

Look out previous letter referred to by PM.

Dear Graston

We did write to him earlier. This is a reply to our letter. Do I have to reply back? What do we do?

10 DOWNING STREET

THE PRIME MINISTER

Thank you so much for your letter upon your departure from the Commission. I have much enjoyed working with you over the years and pay tribute to your achievements. I am sure that we shall continue to have opportunities to see each other.

With best wishes.

His Excellency M. Gaston Thorn

210

Foreign and Commonwealth Office

London SW1A 2AH

16 January 1985

Dear Charles,

Farewell Letter from Gaston Thorn

Thank you for your letter of 14 January. We advise that nothing more than a brief personal acknowledgement is needed.

with CDP?

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

GRS 700

UNCLASSIFIED
FRAME GENERAL

FM UKDEL STRASBOURG 142125Z JAN 85
TO IMMEDIATE FCO
TELEGRAM 004 OF 14 JAN
AND TO PRIORITY ROME UKREP BRUSSELS PARIS BONN
AND ROUTINE TO OTHER EC POSTS

FROM UKREP BRUSSELS

DELORS' INAUGURAL STATEMENT TO THE EUROPEAN PARLIAMENT, 14 JANUARY

SUMMARY

1. DELORS' STATEMENT WAS WORKMANLIKE IF UNSPECTACULAR. HE PUT THE EMPHASIS ON THE INTERNAL MARKET AND INDUSTRIAL COOPERATION : THE STRENGTHENING OF THE EUROPEAN MONETARY SYSTEM : AND THE CONVERGENCE OF ECONOMIES TO LEAD TO HIGHER GROWTH AND MORE JOBS.

DETAIL

2. DELORS GAVE HIS INAUGURAL STATEMENT AT THE START OF THE PLENARY'S BUSINESS ON 14 JANUARY. HE WAS FLANKED BY THE WHOLE COMMISSION. ATTENDANCE WAS GOOD IN SPITE OF TRAVEL PROBLEMS DUE TO THE WEATHER FOR MANY MEPS AND THE SPEECH WAS QUITE WELL RECEIVED.

INTERNAL MARKET

3. THE PRIMARY EMPHASIS WAS ON THE NEED TO CREATE A STRONG EUROPEAN ECONOMY BASED ON THE BENEFITS OF SCALE IN A LARGE MARKET AND ON INDUSTRIAL COOPERATION. THOUGH DELORS GENERALLY AVOIDED HOSTAGES TO FORTUNE, HE POINTED TO A TWO-STAGE TIMETABLE ON THE INTERNAL MARKET:

(I) 'BY THE END OF THIS PARLIAMENT IN 1988' ... 'WE WOULD LIKE TO SEE THE PEOPLE OF EUROPE ENJOYING THE DAILY EXPERIENCE OF A TANGIBLE EUROPE, A REAL COMMUNITY WHERE TRAVEL, COMMUNICATION AND TRADE ARE POSSIBLE WITHOUT ANY HINDRANCE'.

(II) ' NOW THAT THE HEADS OF STATE OR GOVERNMENT HAVE DECIDED TO SET AN EXAMPLE, TO THROW THEIR WEIGHT INTO THE BALANCE, TO CLEAR AWAY ALL OBSTACLES TO FREE MOVEMENT, WHETHER HIDDEN OR VISIBLE, IT MAY NOT BE OVER-OPTIMISITC TO ANNOUNCE A DECISION TO ELIMINATE ALL FRONTIERS WITHIN EUROPE BY 1992 AND TO IMPLEMENT IT. THAT GIVES US EIGHT YEARS, THE TERM OF OFFICE OF TWO COMMISSIONS. WE, FOR OUR PART, ARE PREPARED TO WORK TOWARDS THAT GOAL, IN ASSOCIATION WITH THE COMMITTEE ON A PEOPLE'S EUROPE'.

4. HE EMPHASISED INDUSTRIAL COOPERATION. THE SEARCH FOR A LARGER SCALE WOULD REQUIRE THE PROMOTION OF COOPERATION BETWEEN EUROPEAN FIRMS AND TAX CONCESSIONS TO ENCOURAGE BUSINESS COOPERATION.

/THE

THE EUROPEAN MONETARY SYSTEM

5. DELORS SAID THAT THE EMS, BY EFFECTIVELY STOPPING MONETARY DUMPING, HAD HELPED TO INCREASE INTRA-COMMUNITY TRADE. MOREOVER IT HAD PROVIDED AN AREA OF RELATIVE CALM IN A SEA AGITATED BY WIDE AND SUDDEN FLUCTUATIONS OF CURRENCIES. FOR ALL ITS MEMBERS THE ADVANTAGES OUTWEIGHED ANY DRAWBACKS AND CONSTRAINTS ''A REAL COMMUNITY CURRENCY WILL NOT BE ONE OF THE OBJECTIVES OF MY FOUR-YEAR TERM. I AM TOO WELL AWARE OF THE FUNDAMENTAL PROBLEMS AND TECHNICAL COMPLEXITIES OF MONETARY QUESTIONS TO MAKE ANY PROMISES ON THIS. HOWEVER, I DO BELIEVE THAT A SUBSTANTIAL STRENGTHENING OF MONETARY COOPERATION AND A CONTROLLED EXTENSION OF THE ROLES OF THE OFFICIAL AND THE PRIVATE ECU ARE BOTH POSSIBLE. THE COMMISSION WILL PROPOSE A METHOD TO MAKE PROGRESS IN THIS IN THE LIGHT OF THE LESSONS LEARNT FROM THE TWO ABORTIVE ATTEMPTS OF RECENT YEARS, IN WHICH,

I FOR ONE, WAS CLOSELY INVOLVED''.

6. DELORS POSED QUESTIONS ON THE EMS' FUTURE: IF THE PRIVATE USE OF THE ECU CONTINUED TO DEVOLOP WOULD THIS NOT IMPOSE RESPONSIBILITIES ON THE EMS COUNTRIES? AND IF IT WAS ACCEPTED THAT THE BURDEN PLACED ON THE DOLLAR WAS TOO GREAT- AS DELORS HIMSELF BELIEVED, - SHOULD NOT THE COMMUNITY INTRODUCE A CURRENCY, THE OFFICIAL ECU, WHICH WOULD ENABLE THE CENTRAL BANKS TO DIVERSIFY THEIR RESERVES?

ECONOMIC COOPERATION AND EMPLOYMENT

7. A STRENGTHENED EMS SHOULD STIMULATE GROWTH AND CREATE JOBS. IN ADDITION MEMBER STATES SHOULD EACH USE THEIR MARGIN FOR MANOEUVRE IN ECONOMIC MANAGEMENT TO STIMULATE THE GROWTH OF ALL. NATIONAL ACTION COULD BE BACKED BY A COMMUNITY INVESTMENT PROGRAMME, FOR EXAMPLE CONTRIBUTING TO A BETTER EUROPEAN NETWORK OF COMMUNICATIONS ROUTES. EDUCATION AND TRAINING WERE IMPORTANT. AND BOTH SIDES OF INDUSTRY HAD TO CONTRIBUTE. SO COLLECTIVE BARGAINING MUST REMAIN ONE OF THE CORNERSTONES OF THE ECONOMY.

INSTITUTIONS

8. DELORS WAS NOT RADICAL ON INSTITUTIONAL CHANGE. BUT HE CALLED FOR A SENSE OF URGENCY IN DECISION-MAKING. ACHIEVEMENT OF THE INTERNAL MARKET HAD BEEN HELD UP BY THE RULE OF UNANIMITY, IN PARTICULAR UNDER ARTICLE 100. ''YOU MAY REST ASSURED THAT THE NEW COMMISSION WILL MAKE FULL USE OF ALL THE POSSIBILITIES OFFERED BY THE TREATY TO OVERCOME THESE OBSTACLES AND TO ENSURE THAT THERE IS NO SHIRKING OF RESPONSIBILITIES. A PROGRAMME, A TIMETABLE AND A METHOD WILL BE PROPOSED TO COUNCIL AND PARLIAMENT.''

FCO PLEASE ADVANCE TO:-

FCO - PS/PS MR RIFKIND, RENWICK, WALL ECD(I)

CAB - WILLIAMSON

TSY - PS/MR ELLIS, UNWIN

STODDART

FRAME GENERAL

ECD(I)

COPIES TO

AS ADDRESSEES.

Photo to sign. Put in Box 9/1/85

Gardley Revan.

Cd. I please have a photograph for the Prime Minister to sign.

CDR

Ref. A085/60

MR POWELL

With Monsieur Delors succeeding Monsieur Thorn as President of the European Commission, Mr Jacques Durieux ceases to be the Directeur du Cabinet to the President of the Commission and the President's Personal Representative for the purposes of preparing economic summits.

2. Monsieur Durieux has asked whether there is any possibility of his receiving a signed photograph of the Prime Minister.

3. Mr Durieux has been consistently helpful and friendly as my fellow Personal Representative, and if the Prime Minister felt able to enable me to gratify Mr Durieux's request both he and I would be very grateful.

RTA

ROBERT ARMSTRONG

9 January 1985

Returned to RTA with signed photograph.

CDR 10/1

Gaston THORN

Gaston THORN 25/1 FILE

cc. Mr. Willetts

10 DOWNING STREET

From the Private Secretary

14 January, 1985

D 28/1 Closed 29/1

I enclose a copy of a formal farewell letter to the Prime Minister from Gaston Thorn.

You may advise that only a brief personal acknowledgment is necessary in which case I will draft one. Equally, you may wish to use the occasion to make some substantive point. In that case, I should be grateful for a draft.

BF

The Prime Minister has also had a personal farewell letter from Viscount Davignon to which she will be replying.

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office

COMMISSION
OF THE
EUROPEAN COMMUNITIES

The President

200 RUE DE LA LOI
1049 BRUSSELS
TEL: (02) 235 11 11

f 1411

Brussels, 4th January 1985

Dear Prime Minister
Dear Margaret,

At this time when my term of office as President of the Commission is drawing to a close, I wished to tell you how much I have appreciated your assistance in the task of creating a stronger, more united Community.

The relationships established between us through our work, but also through the many personal contacts we have had, will always be present in my thoughts.

These years devoted to trying to give Europe fresh impetus have been among the most stimulating of my political career, though they have not been without their disappointments.

There will be no lack of opportunities to review the action of the Commission of which I have had the honour to be President for four years.

During those years significant progress has been achieved towards European unity.

The Commission is now about to take in two new Member States.

./..

Mrs. Margaret THATCHER
Prime Minister
10 Downing Street,
GB-LONDON SW1A 2AL

Reform of the common agricultural policy has commenced and the effects are beginning to appear, though these must be consolidated and extended to other sectors.

In the steel industry, which is of vital importance for most of our countries, restructuring is now under way.

The European Monetary System, and the ECU, have made their impact felt in difficult circumstances in which the internal cohesion of the system has been sorely tried.

The Community's image has been strengthened on the international scene, particularly through the part played by the Commission at the economic summits of industrialised countries.

Now more than ever before we realise how essential it is to unify our internal market and to develop a European-scale strategy for industry and technology if we want Europe to be in a position to meet the challenges of the third millennium.

Nevertheless, in leaving the Commission I am painfully aware that there has been a constant slowing down in actual achievement along the path of European construction; for every step forward a greater effort and more time is required, whereas it is so needful for the Community to be able to adjust rapidly and smoothly to the far-reaching mutations affecting society.

Our decision-making process is jammed. This is the heart of the matter. It must be brought back into working order : this is the sine qua non for European recovery. There is no point in preparing ambitious projects for Europe unless we are willing to give it decision-making powers commensurate with its ambitions.

Moreover, we must succeed in drawing together Europe with its citizens by virtue of their daily life.

For the future of the Community and each of its Member States, I trust that my successor Mr. Delors will find in you and your colleagues partners who are aware of all that is at

stake in the next few years and who are resolved to put all their political weight behind the construction of this second-generation Europe which we so greatly desire to see take shape.

I wish to thank you once again for your cooperation and support in the pursuit of our common goal.

Sincerely Yours

Gaston E. THORN

Annexes

OO DUBLIN
GRS 271
RESTRICTED
FRAME GENERAL
FM FCO 021100Z JAN 85
IMMEDIATE DUBLIN
TELEGRAM NUMBER 1 OF 2 JANUARY
INFO UKREP BRUSSELS AND ROME
SAVING TO OTHER EC POSTS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 01/85
cc MASTER
OPS

EUROPEAN COMMUNITY: IRISH PRESIDENCY

1. PLEASE DELIVER THE FOLLOWING MESSAGES TO MARK THE CONCLUSION OF THE IRISH PRESIDENCY.

(A) MESSAGE FROM THE PRIME MINISTER TO DR FITZGERALD.

QUOTE. AT THE CONCLUSION OF YOUR PRESIDENCY I WANTED TO SEND YOU MY THANKS AND MY CONGRATULATIONS ON A VERY SUCCESSFUL SIX MONTHS. YOU FACED A NUMBER OF VERY TRICKY ISSUES, MOST OF WHICH INEVITABLY CAME TO A HEAD AT DUBLIN. THE FACT THAT DUBLIN WAS A SUCCESS IS A TRIBUTE TO YOUR SKILL AND TENACITY. THANKS TO YOUR EFFORTS, WE CAN LOOK FORWARD TO 1985 KNOWING THAT WE HAVE ALREADY DONE A GREAT DEAL TO IMPLEMENT THE FONTAINEBLEAU CONCLUSIONS AND HAVE PAVED THE WAY FOR COMPLETING OUR NEGOTIATIONS WITH SPAIN AND PORTUGAL.

IN SENDING YOU MY THANKS I ALSO SEND YOU MY BEST WISHES FOR 1985, WHEN I LOOK FORWARD TO WORKING CLOSELY WITH YOU BOTH IN THE COMMUNITY AND BILATERALLY. UNQUOTE.

(B) MESSAGE FROM ME TO MR BARRY.

QUOTE: AS YOU COME TO THE END OF YOUR PRESIDENCY MAY I SEND YOU MY CONGRATULATIONS ON THE WAY IN WHICH YOU HAVE CHAIRED THE COUNCIL OVER THE LAST SIX MONTHS. THE COMMUNITY HAS MADE SUBSTANTIAL PROGRESS AND THE DUBLIN EUROPEAN COUNCIL PRODUCED REAL ACHIEVEMENT OF WHICH YOU CAN BE JUSTLY PROUD. THIS IS IN LARGE MEASURE DUE TO YOUR OWN PATIENCE AND SKILL THROUGH THE MANY HOURS WE SPENT TOGETHER ON COMMUNITY BUSINESS IN THE SECOND HALF OF THIS YEAR, AND I WANTED YOU TO KNOW THAT WE ARE GRATEFUL FOR ALL THAT YOU AND YOUR COLLEAGUES HAVE DONE.

WITH BEST WISHES FOR 1985. UNQUOTE.

HOWG
FRAME GENERAL
GCD(L)

file

10 DOWNING STREET

From the Private Secretary

2 January 1984

Thank you for your letter of 31 December, with which you enclosed a draft telegram containing messages from the Prime Minister to Dr. FitzGerald, and from the Foreign Secretary to Mr. Barry.

The Prime Minister is content with the message to Dr. FitzGerald, which may now be despatched.

DAVID BARCLAY

Colin Budd, Esq.,
Foreign and Commonwealth Office.

PART 2 ends:-

FCO to DB 31/12/84

PART 3 begins:-

DB to FCO 2/1/85