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10 DOWNING STREET

From the Private Secretary

17 July 1984

PRESIDENCY OF THE EC COMMISSION

The Taoiseach telephoned the Prime Minister again on this subject at 1240 today.

Dr. Fitzgerald said that he had now spoken to all Community Heads of Government. It was clear that there would not be a German candidate. Against this background, all, with the exception of Papandreou, had said that Delors was their preferred candidate. Papandreou wanted Cheysson but several Heads of Government had, explicitly or implicitly, expressed reservations about him. Even those countries which had candidates of their own, Belgium, The Netherlands and Denmark, had expressed a preference for Delors. (Schluter had not even mentioned the Danish candidate). Dr. Fitzgerald said that his conclusion was that it had to be Delors.

The Prime Minister said that she found it astonishing that Germany was unable to produce a candidate, and no less surprising that her colleagues were prepared to overlook the outstanding ability of Davignon with all his experience of the Commission. Surely it was a slap in the face for Belgium, a country which had contributed mightily to the Community. She thought very highly of M. Delors but objected to the way in which the matter was being rushed through. Dr. Fitzgerald said that it was indeed surprising that there was no pressure from the small Member States for their candidates. The Prime Minister said they probably thought the situation hopeless and that there had been a fix behind the scenes. She did not wish to give an answer straightaway. She would need to discuss it with Sir Geoffrey Howe. Perhaps the matter could be left to be resolved at the Foreign Affairs Council next week. There were other matters which needed to be considered along with the Presidency of the Commission. In reply to a question from Dr. Fitzgerald, the Prime Minister indicated that she had in mind the Secretary-Generalship.

/Dr. Fitzgerald said

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Dr. Fitzgerald said that delaying matters until the Foreign Affairs Council would be awkward. The French Government in particular was pressing for an early decision since their Government's reshuffle depended upon it. The Prime Minister said that it would be a mistake to try to reach a snap decision. She was concerned that she had had no message from the Germans about their intentions. Nor, indeed, did M. Dumas, whom she had seen this morning, seem to realise that matters were so advanced. She feared that there were crossed wires. Dr. Fitzgerald said that Chancellor Kohl had told him personally that there would be no German candidate and that he would support Delors.

Dr. Fitzgerald asked whether the Prime Minister would call him back today with a firm view. The Prime Minister said that this would not be possible. She had too many other things on her mind and would need to talk to Sir Geoffrey Howe. Dr. Fitzgerald concluded by expressing the hope that the Prime Minister would telephone him tomorrow.

I am sending copies of this letter to David Peretz (HM Treasury) and to Richard Hatfield (Cabinet Office).

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.