PREM 19/1219

SECRET.

PART 1

Continued Filing

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

EUROPEAN POLICY

May 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
				23.6.81			
9.6.80		23.10.80		16.6.82			
12.6.80		27.10.80		22.6.82			
22-6-80		3.11.80		24.11.82			
25.6.80		4.11.80		7.1.83			
6-6-9		5.11.80		23.6.83			
7.7.80		18.11.80		6.7.83			
24-7-80		20.11.80		8.7.83			
25.7.80		25.11.80		11.7.83			
		2.12.80		22.7.83			
4-8-80		9.1.81		7.11.83			
26-8-80		13.1.81		6.2.84			
16.9.80		14.1.81		— PART ENDS —			
18.9.80		15.1.81					
24.9.80		22.1.81					
29.9.80		30.1.81					
1.10.80		19.2.81					
6.10.80							
8.10.80		13.4.81					
9.10.80		27.4.81					
4.10.80		8.5.81					
7.10.80		16.6.82					

PREM 19/129

PART 1 ends:-

AJC to FCO 6.2.84

PART 2 begins:-

FCS to PM (PM/84/49) 14.3.84

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
EQS(81) 1	30/01/1981
CC(81) 3rd Item 3	22/01/1981
CC(81) 2nd Item 3	15/01/1981
CC(81) 1st Item 3	08/01/1981
CC(80) 35th Item 3	16/10/1980
CC(80) 27th Item 3	03/07/1980
CC(80) 25th Item 3	26/06/1980

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB** (CABINET OFFICE) CLASSES

Signed _____ Date 16/09/2013

PREM Records Team

RESTRICTED

file BPL
cc: B. Ingham
T. Flesher

10 DOWNING STREET

From the Private Secretary

6 February 1984

Appointments to the EC Commission

Thank you for your letter of 2 February.

The Prime Minister is content with the line which you propose to take in public about British candidates for appointment to the European Commission.

A.J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office

RESTRICTED

(4)

Prime Minister.

Content with this line?

A.J.C. 2/2.

Yes MT

Foreign and Commonwealth Office

London SW1A 2AH

2 February 1984

Dear John,

Appointments to the EC Commission

You may have seen the article in yesterday's Guardian reporting Mr Robin Cook MP as saying that the Labour Party would be seeking to replace Mr Ivor Richard as a Member of the Commission when his present term of office expires at the end of this year and speculating that the Government will nominate Lord Rayner to replace Mr Tugendhat. We can expect increasing public and press interest in the subject. We need a press line which will take us through until the summer, when the President of the next Commission is appointed (probably at the June European Council).

We propose as necessary to take the following line:

'The present Commission's term of office expires at the beginning of 1985. Member Governments will have to decide before then whom to appoint to the new Commission which will take office in January 1985. If past practice is followed, the next President will be chosen at the June meeting of the European Council. Thereafter the members of the Commission will be 'appointed by common accord of the Governments of the Member States' (Article 158 EEC). Member States normally discuss their nominations with the President-elect.

It is for the Government to decide whom to nominate as UK Members of the Commission.

No decisions have yet been taken either on the size or membership of future Commissions.'

Yours ever

Roger Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

PERSONAL AND CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

7 November, 1983

Dear Tony

Anglo/German Summit: Next President of the Commission

I enclose a short Speaking Note on the next President of the European Commission for use at the Anglo/German Summit in Bonn.

Yours ever

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

PERSONAL AND CONFIDENTIAL

SPEAKING NOTE FOR PRIME MINISTER TO USE WITH CHANCELLOR KOHL AT THE ANGLO/GERMAN SUMMIT ON 8-9 NOVEMBER 1983

NEXT PRESIDENT OF THE COMMISSION

We need to begin thinking about who should succeed Thorn as President of the Commission. Theoretically open to all Member States, but in practice several can be ruled out, eg no obvious Irish, Danish or Greek candidates; Benelux probably ruled out because Thorn was Benelux candidate last time; UK and France have both recently held Presidency. In practice this leaves Germany and Italy.

Next President will take over at a critical time. Will have to guide Community on its new course after post-Stuttgart negotiations. In our view, the right candidate should be a person of established political reputation and real ability, not least in the firm management of large organisations. Also of importance that he should have direct experience of the Community, otherwise valuable time would be lost while new President learns the ropes.

We would see advantage in a German President if a really good candidate could be found. UK and German views very close on many Community issues, notably importance of the market economy and the need to counter protectionist tendencies. Has Herr Kohl considered putting forward a German candidate?

[If Kohl says that he is considering Albrecht] An interesting thought. I will reflect further.

[If Kohl mentions candidates other than Albrecht] I shall give these suggestions careful consideration. Is Herr Kohl sure they have the right qualifications, including Community experience?

PERSONAL AND CONFIDENTIAL

BOC

file

10 DOWNING STREET

From the Private Secretary

7 November 1983

Thank you for your letter of 2 November about the next President of the European Commission. The Prime Minister agrees with the Foreign and Commonwealth Secretary that it would be useful to raise the issue of offering British support for a well qualified German candidate at the Anglo-German Summit on 8/9 November.

BOC

I should be grateful therefore if, as you propose, you could provide a brief for the Prime Minister on this question for the Summit.

A. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office

PERSONAL AND CONFIDENTIAL

NR

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister.
Do you wish to raise this issue with Chancellor Kohl?
A.P.C. 4/11

2 November 1983

Yes MT

Dear John,

The next President of the European Commission

We promised to let you have a note about the next President of the European Commission.

Gaston Thorn will complete his term of office in December 1984 unless, as has been rumoured, he retires early in order to run for the Presidency of the European Parliament. The next President should be chosen at least six months before. This points to selection at the European Council in June 1984. We need to begin thinking about whom we might support for this office.

Theoretically all Ten Member States could aspire to offer a successor to Thorn. In practice though, several can be ruled out. The situation can be summarised as follows.

Member States which have never held the Presidency

(a) Ireland. No obviously suitable candidate springs to mind.

(b) Denmark. The Danes are not in the Community main-stream and it is hard to envisage a Danish candidacy being generally welcomed though Elleman-Jensen would be personally an attractive candidate were the Danes to put him forward.

(c) Greece. No obvious candidate and probably ruled out by residual uncertainty over their membership of the Community.

Member States which have held the Presidency before

/ (See attached list for names and dates)

(a) Luxembourg Cannot expect to provide a successor to a Luxembourger.

(b) Belgium Have an obvious and able candidate in Davignon. But in the latter stages of the selection last time Thorn was put forward as the preferred Benelux candidate. We see no reason why the Benelux

/second

second choice on that occasion should succeed Thorn this time. Too close perhaps to the French position in some respects to suit us.

(c) Netherlands Held the Presidency only briefly in 1972 and could have a claim if they were to put forward someone of stature. According to some circles in Brussels, their present Commissioner, Andriessen, is in the field. We doubt whether he carries enough weight.

(d) UK Probably ruled out by the fact that Mr Jenkins was the most recent President before Thorn.

(e) France Also recently held the Presidency (Ortoli preceded Jenkins).

(e) Italy Pandolfi, the present Italian Minister of Agriculture, was much canvassed in 1980 before Thorn was selected. In the end his name was withdrawn as a result of a dispute within the Italian coalition. Italy could mount a strong challenge were they to put him forward again, or someone as well qualified. Natali, whose hat is, we believe, in the ring, does not qualify under this heading. Colombo, also we believe a potential candidate, would carry more conviction, but would not suit us. He is said to regard us with some rancour as a result of differences over UK refunds, new own resources and our attitude to the Genscher/Colombo Solemn Declaration.

(f) Germany It is even longer since the Germans held the Presidency. A good German would stand a strong chance.

The next President of the Commission will take over at a critical moment for the Community. He will have to guide the Commission on its new course after the post-Stuttgart negotiations. This will require a person of stature and Community experience. If he is to carry the necessary weight, he should probably come from one of the Big Four. A British President being ruled out, a good German would probably be best for us because he would correct the growing tendency of the Commission to adopt protectionist positions.

The Embassy in Bonn have reported that a senior CDU official has told them that the CDU have already begun to consider this question and have concluded that Germany can aspire to the next Presidency. They have even begun to consider possible candidates. The Embassy's information is that three candidates are short-listed.

/The first

The first of these is Kiep, CDU Federal Treasurer. Kiep was Foreign Policy Spokesman of the CDU from 1973 to 1976, after which he became Finance Minister of Lower Saxony. He has widespread business experience, is a Director of ICI and extremely well disposed to the UK. He has recently led the CDU in two regional elections in Hamburg from which he emerged beaten. In the judgement of the Embassy in Bonn, Kiep is charming but is a light-weight, better at publicising policies than thinking them out or putting them into effect. He lacks both intellectual and managerial skills and above all the essential experience of the European Community, without which any President will spend the first year or so of his term finding his way round.

The second short-listed candidate is Biedenkopf, a former General Secretary of the CDU. Biedenkopf is by contrast an intellectual heavyweight who is making an interesting contribution to the Party's debate on economic policy. He has written books on cartels, Labour Law and energy policy. But he has fallen out with Chancellor Kohl and was recently ousted, largely at the latter's instigation, as CDU leader in North Rhein Westphalia. He lacks experience of international financial issues and foreign policy and is notoriously bad at running a team.

The third short-listed potential candidate is Ernst Albrecht, whom the Secretary of State mentioned to the Prime Minister during their conversation on 28 October. The Embassy consider that Albrecht would be a valid candidate. He has political experience, a considerable reputation as a manager and his views on economic policy are tough and market orientated. Moreover, he has the essential background of experience of the Commission, having held various posts with the European Communities between 1954 and 1970, finishing as Director-General for Competition, 1967-70.

The Secretary of State believes that there would be advantage in offering British support for a well-qualified German candidate and that it might be useful to raise the issue with Chancellor Kohl at the Anglo-German Summit on 8/9 November. We think it probable that an approach which stressed the importance of Community experience might well lead Kohl to mention Albrecht.

Sir Geoffrey Howe would be grateful to know whether the Prime Minister shares the view that it would be helpful to raise this with the Germans. The Embassy in Bonn believes

Yes

/that

that Albrecht is probably the best candidate, although he can give an impression of coolness and aloofness on first contact. You may find it helpful to see Sir Jock Taylor's letter of 14 October to David Hannay, enclosed.

If the Prime Minister agrees, the Department will produce a Brief for the Prime Minister for the Anglo-German Summit.

Yours ever

Roger Bone

(R B Bone)
Private Secretary

A J Coles Esq
10 Downing Street

PERSONAL AND CONFIDENTIAL

LIST OF COMMISSION PRESIDENTS

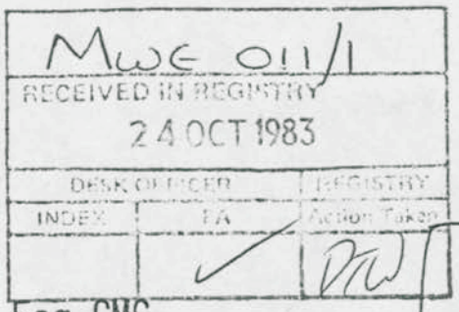
Hallstein	(FRG)	January 1958	-	June 1967
Rey	(Belgium)	June 1967	-	June 1970
Malfatti	(Italy)	July 1970	-	March 1972
Mansholt	(Netherlands)	March 1972	-	December 1972
Ortoli	(France)	January 1973	-	December 1976
Jenkins	(UK)	January 1977	-	December 1980
Thorn	(Luxembourg)	January 1981	-	[December 1984]

PERSONAL AND CONFIDENTIAL

Sir Jock Taylor KCMG

(34)

BRITISH EMBASSY,
BONN.



14 October 1983

D H A Hannay Esq CMG
Foreign & Commonwealth Office

Dr Fairweather
Mr Graffe

A very useful reply.
We must now re-submit with a dft. to No 10.

Dear David

THE NEXT PRESIDENT OF THE EUROPEAN COMMISSION

18/10

1. I have been giving thought to Michael Butler's letter of 13 September to you and your letter of 23 September to me.

A (25) (31)

Williamson?

2. Chancellor Kohl has a strong personal commitment to the European idea. He would dearly like to contribute to its revitalisation. He is therefore likely to react positively to the suggestion that the Commission needs a strong President in the difficult years ahead.

3. I think he would also be keen to put forward a good German candidate. He will not want a candidate from the SPD. I also doubt that he would want one from the FDP. The idea of an FDP appointment could well cause Kohl serious embarrassment by prompting Strauss to propose Genscher, in the hope of furthering his campaign to replace the latter as Foreign Minister.

4. In considering possible candidates, we have therefore concentrated on people from the CDU/CSU with recognised

/ ability,

PERSONAL AND CONFIDENTIAL

ability, a reputation at least at national level and some direct experience of the Community. We have also had in mind the important point that the new President should not be a man whom Genscher could dominate. These requirements amount to a tall order. Given that Stoltenberg cannot be spared (and anyway has relatively little EC experience), there are really only two people who measure up: Carstens and Albrecht. I would rule out the former. He gives up as Federal President next year and, at 70, wants to do some writing and academic work. I think he would regard a move from Head of State to President of the Commission as implying either that the status of the former position was less than he believes or that he was accepting a demotion.

5. Ernst Albrecht has a thorough grounding in Community affairs. He held various posts in the Commission from 1954 to 1970. From 1961 to 1963 he was Deputy Leader of the Commission Delegation handling negotiations for British entry. From 1967 to 1970 he was Director General for Competition.

6. His career as a politician has been equally rapid and successful. He moved quickly on entering politics to build up a power base in Lower Saxony, which he won, unexpectedly, for the CDU in elections in 1976. Since then, he has become one of the top figures in the Federal CDU. He was the CDU choice as Chancellor-Candidate for the CDU/CSU in the 1980 Federal elections but had to stand down when the CSU

/ persuaded

persuaded Strauss to run. Following Strauss's clear defeat, Albrecht was an obvious favourite to be CDU/CSU Chancellor-Candidate for the Federal elections due in 1984. Had the SPD/FDP Coalition not fallen in mid-term, Albrecht might possibly have replaced Kohl at the head of the CDU and now be looking forward confidently to winning the Chancellorship next year.

7. Albrecht has found it hard to come to terms with Kohl's becoming Chancellor and succeeding in the role. He has made no secret of his belief that he would have made a better Chancellor. Relations between him and Kohl are therefore not close. But we have ascertained from the latter's Private Secretary (in a general discussion about leading CDU figures and of course without breathing a word of the question about the Presidency of the Commission) that the two are perfectly friendly and that there is no personal emnity.

8. Albrecht cannot expect a Federal Cabinet job while Kohl is Chancellor. Both of them are 53. Albrecht's hope must be to succeed Kohl in the longer term. He might well regard a prestigious, highly visible job in Brussels as time well spent, increasing his chances of national leadership in due course. Kohl, for his part, might not be averse to seeing Albrecht out of Federal politics for a time. He would have to admit that Albrecht was a very good candidate for Brussels, and would have great difficulty in suggesting an equally convincing alternative. He would also welcome, incidentally, the opportunity of placing his own man at the head of the

/ Land

Land Government in Lower Saxony.

9. Albrecht is a cool, aloof character with a strong will - but not unfriendly when you get to know him. He is not universally popular. He has strong religious convictions (Protestant) and is a keen family man. Politically, some of his views are towards the left in the CDU: he was in favour of the Eastern Treaties concluded under Brandt's Ostpolitik and likes to display a well developed social conscience, for instance about the disadvantaged in society. But on economic policy he stands to the right of the CDU, favouring a tough market-orientated approach. He believes that the present economic policies of the Federal Government will not produce lasting recovery or reduction in unemployment. He would like to see massive tax relief for employers to encourage investment, partly by shifting the cost of unemployment benefits from employer contributions to increased VAT. These attitudes stem in part from 5 years in the 70s as Finance Director of a major food concern in Hanover. Albrecht also favours privatisation. He has pushed through controversial legislation in Lower Saxony to allow private capital in local broadcasting and television.

10. Albrecht is intellectually formidable. He has run a tight ship in Lower Saxony. I think he would be a strong manager and Chairman in Brussels, with a better chance than many others of controlling the bureaucracy. He

/ certainly

certainly has the determination to make real efforts both to contain the Community Budget and to tackle the other great problems facing the EC. I do not know Albrecht well but I have always found him friendly and most impressive, and well disposed to Britain.

11. As to the manner of approaching Kohl on this subject, I agree in general with paragraph 5 of Michael Butler's letter. I suggest that the Prime Minister should preface her suggestion with some general remarks designed to appeal to the Chancellor's commitment to the European idea and the vital importance of gripping the problems of the EC which have caused so much public disillusionment with that idea. After referring, as Michael Butler suggests, to the importance of appointing effective Commissioners and the failure to do so in many cases, the Prime Minister could suggest that the right candidate to be the next President of the Commission should be a person with a widespread reputation and notable ability, not least in the firm management of large organisations. In order to make it harder for Kohl to come forward with any of the less satisfactory figures who might occur to him, the Prime Minister should stress that the right person should, if possible, have significant direct experience of the EC in action. The Prime Minister, if she wished, could add that she would like the next President to be a Conservative politician: I think this would appeal to Kohl. The Prime Minister could then ask Kohl whether he has considered the

/ question

question of a German candidate. If he has not, he might conceivably ask the Prime Minister whether she had any ideas. Or he might express scepticism that all the qualifications mentioned earlier in this paragraph could be found in one man: and this, depending on the atmosphere, might enable the Prime Minister to mention Albrecht. In any case, the Prime Minister should say that the UK would be willing to support a German candidate with the right qualifications.

12. This line of approach is designed to steer between an outright unprompted suggestion of Albrecht, which could annoy Kohl, and any implication that the UK would support the wrong sort of German candidate. It does not guarantee that the right man will be selected by Kohl but it should give a better chance than any other tactic. Clearly the exchange will involve an element of tight-rope walking. We have to avoid the wrong sort of German candidate.

13. On the specific point in paragraph 3 of your letter, during the SPD/FDP Coalition, the two German Commissioners were representatives of the two Coalition parties. If Germany in future still has two Commissioners, both Kohl and Genscher would no doubt want to follow that pattern, having one CDU and one FDP Commissioner. But in Hallstein's day, there were two CDU Commissioners, so one cannot be dead sure. This strengthens my point above about the importance

/ of

of guiding Kohl towards a really strong candidate for the Presidency.

Yours ever

Jock

Jock Taylor

cc: Sir M Butler KCMG
UKRep Brussels

D Williamson Esq
Cabinet Office

HBPM

Ref. A083/2185

MR BUTLER

European Court of Audit

I am glad to be able to tell you that Mr C J Carey has indicated to me that he will be pleased to accept appointment to the European Court of Audit as successor to Mr Norman Price.

Approved by
ROBERT ARMSTRONG
and signed in his absence

22 July 1983

 da

SIR ROBERT ARMSTRONG

European Commission: A1 Appointments

Thank you for your minute of 8 July (A083/2029) about nominations for the post of Deputy Secretary-General of the Commission, which falls vacant when Mr. Michael Jenkins returns to the Foreign and Commonwealth Office in January 1984. The Prime Minister is content that HM Government should put forward the three people mentioned in your minute, with a preference for Mr. Hay.

F E R BUTLER

11 July 1983

Prime Minister
Content with these three names?
(I know Mr. Hay and Mr. Powell and both are first-class).
FERB
8.7.

Ref. A083/2029

MR BUTLER

Yes

European Commission: A1 Appointments

Mr Michael Jenkins, Deputy Secretary-General of the Commission, is due to return to the Foreign and Commonwealth Office in January 1984. The Deputy Secretary-General is not a post that often provides opportunities to tip the balance directly in the UK favour, but it is nevertheless an influential post particularly now that it has a role in political co-operation and one which it would be useful to retain when the issues of Budget and Community financing are still in the forefront.

2. I recommend therefore that we should put British names forward. Strong competition from other Member States, in particular Germany and Italy, is expected. We have been advised that there will be a bias towards a candidate already on the staff of the Commission, and that the Commission would prefer to have three candidates from which to select.

3. There are three candidates I consider suitable:-

Mr Richard Hay, late of HM Treasury but now making his career in Brussels

Miss Pauline Neville-Jones, a Grade 4 officer in the Foreign and Commonwealth Office

Mr Charles Powell, also a Grade 4 officer in the FCO and currently with our Permanent Representation in Brussels.

4. Mr Hay, age 41, is the strongest runner. He is currently an A1 in DGIX (Personnel and Administration); while he lacks experience of political co-operation work, he has many of the right personal qualities and is a highly competent Commission official of whom the Commission's Secretary-General, Monsieur Noel, thinks well. Miss Neville-Jones, age 43, returned from the European Commission in 1982 following a 5-year tour. She was Chef de Cabinet to Mr Tugendhat for two years, after which she worked in the Office of the Secretary-General of the Commission for a further year. She

has experience on political co-operation work. Mr Powell, age 42, has current knowledge and experience of the Community.

5. To sum up, Mr Hay is the best UK candidate and has the advantage of being an internal runner. But the Commission prefers a choice, and Miss Neville-Jones and Mr Powell would be respectable alternatives. I recommend that we should nominate all three, indicating a clear preference for Mr Hay.

6. I should be grateful if you would let me know whether the Prime Minister is content with this proposed course of action.

ROBERT ARMSTRONG

8 July 1983

File A7

10 DOWNING STREET

From the Principal Private Secretary

APPOINTMENTS IN CONFIDENCE

SIR ROBERT ARMSTRONG

EUROPEAN COURT OF AUDIT

Thank you for your minute of 5 July (A083/1965) which the Prime Minister discussed with you this morning.

The Prime Minister is content that you should sound Mr Carey to see if he would be willing to consider this appointment. If he is not, please would you let me know so that the Prime Minister can then consider again the alternatives.

F.E.R.B.

6 July 1983

Agree Mr. Carey
MT

Prime Minister
Agree Mr. Carey as first choice and Mr. Cooper as second?
FERB
5.7.

Ref. A083/1965

MR BUTLER

European Court of Audit

In the light of your minute of 24 June I have discussed further with the Treasury and the Foreign and Commonwealth Office alternative candidates for the United Kingdom member of the European Court of Audit.

2. I have approached Sir Anthony Rawlinson. He does not wish to be considered.

3. In our judgement Mr C J Carey of the Treasury is the front-runner. At 50, he is relatively young and energetic. He has had previous experience in Brussels. He was formerly a Treasury Officer of Accounts and thus has the required familiarity with public finance.

And it would open up an Under Secretary post in the Treasury!

4. Our second choice would be Mr R C M Cooper, CB (52). Mr Cooper is a Deputy Secretary in the Department of Trade and Industry, where he has been a Principal Finance Officer since 1979. He speaks three community languages other than English and has in the past expressed interest in community posts. He has served on loan to the European Launcher Development Organisation (ELDO) in Paris between 1962 and 1967. He must by now have concluded that his chances of promotion at home are not very good, given that he is not very much younger than Sir Brian Hayes.

5. A third possible candidate is Mr K J Sharp (56) the present Head of the Government Accountancy Service. He leaves that post in October. He would bring professional accountancy qualifications to the job, but has been somewhat of a disappointment as the Head of the Government Accountancy Service. I would rank him below the other two.

6. If the Prime Minister is content, I should now like to sound Mr Carey to see if he would be willing to consider the appointment. If he is not, I would then sound Mr Cooper.

RTA

ROBERT ARMSTRONG

5 July 1983

Alan

I cannot find papers on the European Court of Audit – so perhaps these papers should go on your EEC appointments' files. Sir Norman Price was appointed to the Court in 1977.

J.
27/6.

FCS 84

SIR ROBERT ARMSTRONG

European Court of Audit

At your meeting with the Prime Minister this morning, the Prime Minister referred briefly to your minute of 23 June (AO83/1789) and said that she was not inclined to nominate Mr. Downey as the United Kingdom member of the European Court of Audit in October, 1983. You said that you would accordingly think about alternative candidates and give further advice to the Prime Minister.

E.E.R. BUTLER

24 June, 1983

010

Prime Minister
You may like to have a word with Sir Robert Armstrong at the Business Meeting tomorrow morning.
FERB
23.6

Ref. A083/1789

MR BUTLER

European Court of Audit

Sir Norman Price will complete his term as the United Kingdom member of the European Court of Audit in October 1983. We have ideas for improving and slimming down the rather cumbersome structure of this Court; but change will not be possible this year, and we must therefore identify a candidate to succeed Sir Norman Price. The post is effectively in Her Majesty's Government's gift, although the European Parliament's Budget Committee may want to interview the nominee. The post calls for a knowledge of accountancy and public finance, a good personality and persuasive ability and, if possible, a familiarity with the working of the European Community. The present term of appointment is six years.

2. I have reviewed, with Mr Middleton and others concerned, a number of candidates for the post and this produced a short list as follows:

Mr C J CAREY, aged 50 - an Under Secretary in the Treasury
Mr G S DOWNEY, aged 55 - the Comptroller and Auditor General
Mr K J SHARP, aged 56 - Head of the Government Accountancy Service
Mr R W L WILDING, aged 54 - a Deputy Secretary in the Treasury

3. Mr Carey joined the Treasury in 1957 and is a good all-round Under Secretary. He has in his favour two relevant pieces of experience; he was on the staff of our Permanent Representative to the EEC as Financial Counsellor 1974-77, and was Treasury Officer of Accounts 1978-81.

4. Mr Downey is in some ways rather too senior for this post. I was surprised, and not particularly pleased, when Mr Downey asked to be considered for this post: it seemed inexplicable that he should prefer this to the post of Comptroller and Auditor General, to which he succeeded under two years ago, and it would be unwelcome to have so early a change in that office. But, having talked to him, I have to accept that he has good personal reasons for asking that his name should go forward; and in terms of standing and experience he clearly outranks the other names.

5. Mr Wilding has had long experience in the central Departments but he also started his career in the foreign service.

6. Of these names, I would place Mr Wilding fourth choice. Mr Carey has the qualities and experience to do a good job in the post, even if he perhaps lacks the stature to give the United Kingdom the maximum chance of securing the Presidency of the Court when it falls vacant in a few years' time. Mr Sharp would bring professional accountancy qualifications to the job, and would be my second choice - my first if Mr Downey was to be passed over. If we accept that Mr Downey can be released, he certainly has the necessary stature; but can he and should he be released from the post of Comptroller and Auditor General? The Prime Minister may wish to have a word about this.

RTA

ROBERT ARMSTRONG

23 June 1983

2:6 AH

10 DOWNING STREET

From the Principal Private Secretary

SENIOR APPOINTMENTS IN CONFIDENCE

SIR ROBERT ARMSTRONG

Thank you for your minute of 14 January (A083/0127) about nominations for the post in the European Commission currently held by Mr David Williamson.

The Prime Minister is content that we should try to secure this post for Mr Peter Pooley and should also nominate Mr Geoffrey Fitchew and Mr Graham Avery.

F.E.R.B.

17 January 1983

AH

Ref: A083/0127

Prime Minister
Agree that we offer Pooley, Fitchew and Avery?
FERB
14.1.

Yes mt

SENIOR APPOINTMENTS IN CONFIDENCE

MR. BUTLER

In Apples. Section on Civil Service files.

My minute to you of 19th November 1982 (Ref: A082/0172) recommended that Mr. David Williamson, currently Deputy Director General, Agriculture, in the European Commission, should succeed Mr. David Hancock as the Head of the European Secretariat in the Cabinet Office. The Prime Minister agreed to this.

2. As I explained in that minute, one of the problems in bringing Mr. Williamson back from Brussels to fill this appointment is that he will vacate a key post in the European Commission which we want to keep for the United Kingdom. We are likely to have to fight hard to retain the post, as we are already over represented in the Commission at A1 level even though we are seriously under-represented in the Agriculture Directorate-General. It is likely that we shall face strong competition from the Dutch (who held the post prior to British entry into the Community) and the Germans.

3. I have discussed this with my colleagues most closely concerned and also sought advice from Sir Michael Butler in Brussels. We were advised that it was important to offer the Commission a choice of plausible candidates so as not to appear to be treating the post as ours by right. We have found three strong candidates to propose: Mr. Peter Pooley, currently Fisheries Secretary in the Ministry of Agriculture, Fisheries and Food; Mr. Geoffrey Fitchew, an Assistant Secretary in the Treasury, who is on the short-list for promotion to Under-Secretary; and Mr. Graham Avery, who is already on loan to the Commission but at the relatively junior A3 level. I attach brief biographical details on all three.

4. Mr. Pooley is the strongest candidate. He is the most senior of the three, and only returned to London in August 1982 following a period as Minister (Agriculture) on the staff of the United Kingdom Permanent Representative to the European Community. During this period he represented Britain in the Special Committee for Agriculture and he chaired the Committee very successfully during our Presidency. He is a well-known figure in Community circles and

well regarded. There is also reason to believe that the Director-General, Monsieur Villain, would support his candidacy, although Monsieur Villain has also indicated that he would expect to be offered a choice. There is no doubt that Mr. Fitchew has the ability to do this job - he is exceptionally able and has experience of Brussels and the CAP - but neither Monsieur Villain nor his Commissioner are likely to want a Treasury official in DG VI. Mr. Avery is rather junior to be considered for this post, but he could do the job well, and the Commission likes to consider internal candidates. By formally proposing him now we shall increase his chances of getting the A1 post next time.

5. To sum up, Mr. Pooley is the best candidate, and we should do all we can to get him into this key post. To enhance his chances we should give the Commission a choice and also put forward the names of Mr. Fitchew and Mr. Avery.

6. I should be grateful if you would let me know whether the Prime Minister is content with this course of action.

RCA

ROBERT ARMSTRONG

14th January 1983

Mr. Peter Pooley, Ministry of Agriculture, Fisheries and Food(MAFF)

Mr. Pooley is 46 and was educated at Brentwood School and Clare College, Cambridge before joining MAFF as an Assistant Principal in 1959. Between 1961 and 1963 he was seconded to the Foreign Office and took part in the abortive negotiations for British accession to the Community. He was promoted Principal in 1964 and Assistant Secretary in 1971 and held posts as Head of Fisheries Division and Personnel Division before going on loan to Civil Service Department in 1977. On promotion to Under Secretary in 1979 he was again seconded to the Foreign Office as Minister (Agriculture) on the staff of the United Kingdom Permanent Representative to the European Communities and returned to London in August 1982 as Fisheries Secretary in MAFF.

Mr. Graham Avery, Ministry of Agriculture, Fisheries and Food(MAFF)

Mr. Avery who is 39 was educated at Kingswood School, Bath and Balliol. He joined MAFF as an Assistant Principal in 1965 and was promoted Principal in 1969. He held posts in an External Relations Division and subsequently an EEC Division before being posted to the European Commission in 1973 on the staff of Sir Christopher Soames' Cabinet. On his return to London in 1976, Mr. Pooley became Private Secretary to the Minister and the following year returned to the Commission to take up his current post as an A3 in the Directorate General for Agriculture; he was promoted Assistant Secretary, in absentia, in 1981.

Mr. Geoffrey Fitchew, Treasury

Mr. Fitchew is 43 and was educated at Uppingham School, Magdalen, Oxford and the London School of Economics. He joined the Treasury in 1964 as an Assistant Principal and was promoted Principal in 1969 after a period as Private Secretary to the Minister of State. He held Principal posts concerned with fiscal policy, commercial policy and defence expenditure before being promoted Assistant Secretary in 1975 dealing with International Economics. Between 1977 and 1981 he was seconded to the staff of the United Kingdom Permanent Representative to the European Communities as Economic and Financial Counsellor and since his return has been Head of Agriculture Division in the Treasury.

EUROPEAN POLICY

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

24 November 1982

REAPPOINTMENT OF M. THORN

The Prime Minister has seen the minute of 23 November by the Foreign and Commonwealth Secretary on the above subject. Mrs. Thatcher agrees that we should not attempt to block M. Thorn's reappointment but has commented that we should not be the first to raise this question.

I am copying this letter to John Kerr (HM Treasury), Robert Lowson (MAFF) and Richard Hatfield (Cabinet Office).

B. J. COLES

Roger Bone, Esq.,
Foreign and Commonwealth Office.

Prime Minister

Yes - but we should be first to raise the reappointment.

Agree that we should not attempt to block Thorn's appointment?

A.J.L. 23/11

PM/82/103

PRIME MINISTER

Reappointment of M. Thorn

1. Commissioners are appointed for four years but the appointments from within the Commission of the President and the Vice Presidents are for two years. Gaston Thorn has now nearly completed his initial two-year term as President. It is normally Community practice for this to be renewed for a further two years, and the Presidency have suggested that this should be done as an 'A' point - that is to say without discussion - at the Foreign Affairs Council on 13/14 Decmeber.

2. Thorn's performance, both from the UK and the Community points of view, has been patchy and at times inadequate. He is erratic, varies what he says according to whom he is speaking to, is over-influenced by the French, and more inclined to rhetoric than action. But he has also, on important occasions, done his best to be helpful. The Commission's paper on the UK budget problem for 1983 and later, for example, reflects Thorn's ideas and could have been much worse from our point of view. He was also generally helpful over implementation of the agreement on 1982 refunds.

3. Although Thorn's reappointment formally requires the unanimous agreement of member governments, it would be unprecedented for a member government to decline to give its approval. Nor do I think there is anything to be gained from attempting to block his reappointment. We could expect little or no support from the other Member States who would see our action as small-minded and vindictive. If we tried and failed, we should have antagonised Thorn and no doubt

/some of

some of the other member governments, to no purpose. This would hardly help us to achieve our objectives on the UK budget problem or in the Community generally. Even if we succeeded, the most likely successor would be Davignon, who would undoubtedly be more efficient but who would be little better inclined to take account of our interests.

4. On balance, therefore, I recommend that we should agree to Thorn's reappointment, despite his undoubted shortcomings.

5. I am copying this minute to Geoffrey Howe and to Peter Walker.

(FRANCIS PYM)

Foreign and Commonwealth Office
23 November 1982

Euro Pol

Foreign and Commonwealth Office

London SW1A 2AH

22 June 1982

Prime Minister

AR 25/6.

Dear John,

Presidency of the Commission

Thank you for your letter of 17 June confirming the Prime Minister's agreement to the line we proposed on the question of M Thorn's reappointment.

I attach a short brief for the European Council. Because of the sensitive nature of the subject, we have thought it best not to circulate the brief in the normal way, nor to list it in the Index of Briefs.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

A J Coles Esq
10 Downing Street

22 JUNE 1982

EUROPEAN COUNCIL, BRUSSELS
28/29 JUNE 1982

PRESIDENCY OF THE COMMISSION
Brief by Foreign and Commonwealth Office

OBJECTIVE

1. If this question is raised, to have left open until the December European Council the question of M Thorn's re-appointment as President of the Commission.

POINTS TO MAKE

2. No need to take a decision at this meeting. Practice in the past has been to hold over such decisions until later in the year - eg Ortoli re-appointed on 19 December 1974, Jenkins on 19 December 1978. December meeting of European Council would be more appropriate.

BACKGROUND

3. Commissioners are appointed for 4 years, but the President and Vice-Presidents are chosen for only 2 years at a time. M Thorn's first 2 years will be up at the end of this year. It is possible, although we have no indication of it, that the Belgian Presidency may seek, at the European Council, a quick decision to re-appoint him.

Foreign and Commonwealth Office
22 June 1982

CONFIDENTIAL

Eur Pol

10 DOWNING STREET

From the Private Secretary

17 June, 1982.

Presidency of the Commission

Thank you for your letter of 14 June. The Prime Minister agrees with the line which you propose should be taken in respect of any move to re-appoint M. Thorn as President of the Commission. I take it that this line will be reflected in the briefs which you are preparing for the European Council.

A J COLES

F.N. Richards, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

FILE

Euro Pol

RM

10 DOWNING STREET

From the Private Secretary

SIR ROBERT ARMSTRONG

EUROPEAN COMMUNITY APPOINTMENT: DIRECTOR GENERAL FOR EXTERNAL RELATIONS

The Prime Minister has seen your minute of 14 June. She is content that Mr Fieldings name should be run for the post of Director General and that, if there appears to be any risk of other Governments bidding for the post, M. Thorn should be spoken to as proposed in paragraph 6 of your minute.

16 June, 1982

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

14 June, 1982

Prime Minister

Content with this approach?

A.J.C. 16/6

Dear John,

Yes MT

Presidency of the Commission

I think the Prime Minister should be aware, before the meeting of the European Council on 28-29 June, of the position over the Presidency of the Commission. Commissioners are appointed for 4 years, but the President and Vice-Presidents are chosen for only 2 years at a time. M. Thorn's first 2 years will be up at the end of this year.

It has been the practice on the last two occasions (M. Ortoli and Mr Jenkins) to reappoint Presidents of the Commission for a second two year term and Thorn will no doubt be looking for that. The decision is one for the Member States to take by consensus. It is possible, although we have had no indication of it, that the Belgian Presidency may seek, at the European Council, a quick decision to reappoint him.

If the Belgian Prime Minister does raise the subject we think that the Prime Minister would be well-advised to take the line that there is no need to take a decision at this meeting. She could point out that the decisions to re-appoint Ortoli and Jenkins were taken in 19/12/74 and 19/12/78. She might suggest that the matter be settled at the December meeting of the European Council.

Thorn has not been a good President and has been unhelpful to us. He is much more likely to be accommodating over the next few months if the question of his reappointment is left open. Whatever our intentions in November, and the Foreign and Commonwealth Secretary is inclined to think that we should not agree to give M. Thorn another term of office, it is important that no hint of our attitude is given until nearer the time.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

A J Coles Esq
Private Secretary
10 Downing Street

CONFIDENTIAL

Prime Minister

Content that we should let Mr. Fielding's name go forward for this post and that, if this is obstructed, M. Thorn should be spoken to as in para. 6?

A.J.C. 14/6

Ref. A08660

PRIME MINISTER

Yes

No

European Community Appointment: Director General for External Relations

We learned last week of a proposal from the European Commission that the present Director General for External Relations, Sir Roy Denman, should be moved from this post to take over as European Community Representative in Washington, to succeed the present incumbent who was likely to retire. This proposal came as a surprise although there has been a history of strained relations between Sir Roy Denman and his Commissioner, Herr Haferkamp. Although these difficulties have been papered over in the past, it has been fairly well known within the Community that Herr Haferkamp would like to get rid of Sir Roy Denman if he could. It appears that at the beginning of last week Herr Haferkamp told Monsieur Thorn that, if Sir Roy Denman did not go, he, Haferkamp, would leave. For the President of the Commission there could be only one answer to that choice.

2. Contrary to our expectations, Sir Roy Denman did not resist the decision that he should be moved, and has acquiesced in it. One of the influences on him seems to have been that he has been Director General for five-and-a-half years now, and has found the post very wearing. It involves a great deal of travel and all-night negotiation and although he did not necessarily wish for a break now, he does not think that he could do the job for another seven years until he retires at the age of 65. Having seen Sir Roy Denman myself at Versailles, I can confirm that he appeared to be unexpectedly tired; I am not very surprised that he did not put up much resistance when offered the job in Washington.

65?

3. If Sir Roy Denman moves to Washington, it is very much in British interests that the key post of Director General for External Affairs, which he will vacate, should continue to be filled by a Briton. The proposal put forward within the Commission, and apparently endorsed by both Monsieur Thorn and Herr Haferkamp, would (if carried through) achieve that object. It is that Mr. Leslie Fielding, at present head of the Commission's office in Tokyo, should

replace Sir Roy Denman. Mr. Fielding, who is nearly 50, was formerly a member of the Diplomatic Service. He was seconded to the European Commission in Brussels in 1973 to join the External Relations Directorate General. He transferred permanently to the Commission in 1979, having been appointed the Commission representative in Tokyo in 1978. If he is the Commission's preferred choice, it would be difficult for us not to endorse him.

4. I took the opportunity of discussing this problem on 11th June with my Permanent Secretary colleagues on the Senior Appointments Selection Committee. We agreed that, although Mr. Fielding is a credible candidate for the post of Director General (External Relations), he is not of the same stature as Sir Roy Denman. This causes us some concern: we do not wish to find that, in endorsing Mr. Fielding's candidature, we are supporting someone who will not find favour with the other members of the Community. If Mr. Fielding were thought by others to be an inadequate replacement for Sir Roy Denman, another Community Government might propose an alternative candidate of greater stature who could command wider support. We might thereby run the risk of losing one of the most important Director General posts in the Commission.

5. However, in addition to the oral assurances which have been given about Mr. Fielding succeeding Sir Roy Denman, the matter was discussed at last Thursday's lunch meeting of Permanent Representatives, and (as you will see from the attached reporting telegram) the intention to appoint Mr. Fielding was confirmed by the Secretary General of the Commission. My Permanent Secretary colleagues and I concluded, therefore, that the right course at this stage was that the Government should allow matters to take their course and let Mr. Fielding's name run for the Director General post.

6. If he gets the post we shall have succeeded in holding on to an important area of Community activity. If, on the other hand, there appears to be any risk of other Community Governments putting in a bid for the post with alternative candidates to Fielding, we may need to intervene sharply with Monsieur Thorn on two points. We should have to make it clear to him that we had agreed not to question the decision that Fielding's name should go forward for the Director General post because that was a matter of the movement of personnel within the

Commission itself and we did not wish to dispute their assessment of the qualifications which Fielding had for the job. We should have to go on to say that, if it was now being suggested that the Commission themselves were not going to accept their own nominated candidate, all bets were off, we were in a new situation in which any number of possible candidates could be considered, that it remained our view that this post should be held by a Briton, and that we should have our own names to put forward as successors to Sir Roy Denman. I am consulting among Departments about possible candidates of the same sort of stature as Sir Roy Denman whose names might be put forward if it were to prove necessary.

7. I should be grateful to know if you are content with what is proposed. Sir Antony Acland is similarly consulting the Foreign and Commonwealth Secretary.

RTA

ROBERT ARMSTRONG

14th June, 1982

GPS 120

RESTRICTED
SENIOR STAFF IN CONFIDENCE
FM UKREP BRUSSELS 101953Z JUN 82
TO PRIORITY FCO
TELNO 2379 OF 10 JUNE

SENIOR STAFF IN CONFIDENCE

MY TELNO 2341: DIRECTOR-GENERAL FOR EXTERNAL RELATIONS AT THE COMMISSION

1. AT TODAY'S COREPER LUNCH NOEL REPORTED ON DENMAN'S APPOINTMENT WASHINGTON. HE MENTIONED THAT HE WOULD LEAVE HIS PRESENT POST ON 1 SEPTEMBER BUT WOULD CONTINUE TO PLAY A ROLE IN THE PREPARATION OF THE GATT MINISTERIAL MEETING. IN ACCORDANCE WITH NORMAL PROCEDURES THE COMMISSION NEEDED TO KNOW URGENTLY IF ANY MEMBER GOVERNMENT HAD ANY OBJECTION.

2. NOEL SAID THAT THE COMMISSION'S INTENTION WAS TO NOMINATE FIELDING TO DENMAN'S PRESENT POST. IN ANSWER TO A QUESTION ABOUT DE KERGORLAY, HE SAID THAT HE MIGHT LEAVE THE COMMISSION.

BUTLER

LIMITED
HD/ECD (E)
PS/MR HURD
PS/PUS
LORD BRIDGES
MR HANNAY

COPIES TO:

PS/SIR R ARMSTRONG	CABINET OFFICE
MR HANCOCK	CABINET OFFICE
MR ELLIOTT	CABINET OFFICE
PS/MR FRANKLIN	DOT
PS/MR WASS	TREASURY
MR TOBIAS	MPO

V

SLH

European Policy

10 DOWNING STREET

From the Private Secretary

23 June 1981

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

MAP

Ken Eastham, Esq., M.P.

copy on Questions file

Government Chief Whip

12 Downing Street, London SW1

23 June 1981

Dear Mike

COUNCIL OF EUROPE AND WESTERN EUROPEAN UNION (DELEGATION)

Following the departure of Sir Thomas Williams, the Labour Party has a vacancy to fill in their substitute members. Michael Cocks spoke to me this morning and said that he would like to nominate Mr Ken Eastham. Attached is a draft written question and answer as well as a draft letter for you to send to Mr Eastham. Subject to your agreement, I should be grateful if you could make arrangements for this change to be announced as soon as possible.

I am copying this to Andrew Kennon in the House of Commons, who is delegation secretary.

Yours ever

Peter

(P J MOORE)

M A Pattison Esq
Office of the Prime Minister
10 Downing Street
SW1

Draft Question for Written Answer by the Prime Minister

( ): to ask the Prime Minister what change has been made in the composition of the United Kingdom Delegation to the Consultative Assembly of the Council of Europe.

Draft Answer by the Prime Minister

I have appointed the Hon Member for Blackley (Mr Eastham) as a substitute member, in place of Sir Thomas Williams QC.

Draft Letter to

[redacted] Eastham Esq MP

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

10 DOWNING STREET

From the Private Secretary

21 May 1981

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

Donald Coleman Esq., CBE, MP

Government Chief Whip

12 Downing Street, London SW1

21 May 1981

Dear Mike

COUNCIL OF EUROPE AND WESTERN EUROPEAN UNION (DELEGATION)

I wrote to Nick Sanders on 5 May about the announcement of the composition of the above delegation. At that time the Labour Party were one name short in their substitute members. The Opposition Chief Whip has telephoned me this morning to say that he would like Mr Donald Coleman appointed and for the question to be tabled for answer tomorrow.

Attached is a draft written question and answer and also a draft letter for you to send to Mr Coleman.

I am copying this to Andrew Kennon in the House of Commons, who is the delegation secretary.

Yours ever

Peter

(P J MOORE)

M A Pattison Esq
Office of the Prime Minister
10 Downing Street
SW1

Draft Letter to

Donald Coleman Esq CBE MP

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

Draft Question for Written Answer by the Prime Minister

( ): to ask the Prime Minister what change has been made in the composition of the United Kingdom Delegation to the Consultative Assembly of the Council of Europe.

Draft Answer by the Prime Minister

I have appointed the Hon Member for Neath (Mr Coleman) as a substitute Member.

SENIOR STAFF IN CONFIDENCE

File AH

Euro Pol

10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT

DIRECTOR GENERAL VII (TRANSPORT) : EUROPEAN COMMISSION

I have shown the Prime Minister your minute of 7 May 1981 and she agrees that Mr Steele's name should be put forward as one of the candidates for the DG VII post in Brussels.

TLW.

8 May 1981

SENIOR STAFF IN CONFIDENCE

SENIOR STAFF IN CONFIDENCE

Euro Pol.

10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT

DG VII (TRANSPORT), EUROPEAN COMMISSION

I have shown the Prime Minister your minute of 24 April 1981 about the post of DG VII in the European Commission. As I told Mr Colman on the telephone this morning, she is content that Mr Godden, Mr Knighton and Mr McIndoe should be put forward as candidates for this appointment.

27 April 1981

SENIOR STAFF IN CONFIDENCE

Prime Minister.

You will remember Mr Steele!

Confirm that his name should go forward?

MR C A WHITMORE

Yes MT

AB
7.V.81.

DIRECTOR GENERAL VII (TRANSPORT) : EUROPEAN COMMISSION

In my minute of 24 April I recommended three names to be put forward as UK candidates for the DG VII post. Subsequently, one of them, Mr Knighton, withdrew his candidature. As it would still be advisable to field three candidates, I now recommend adding Mr J R Steele, Department of Industry, to the list.

Mr Steele is currently the Deputy Secretary in charge of the policy divisions concerned with amongst other things vehicles, shipbuilding, iron and steel, chemicals and textiles. I attach his CV.

I should be grateful for the Prime Minister's approval that Mr Steele's name may be put forward.

IAB

IAN BANCROFT
7 May 1981

Steele J R	CB	1929 Feb 22	Deputy Secretary	1976 Established	TRADE Department

Professional or other qualifications	School University Subject Degree: Queen Elizabeth Gram Sch, Wa efiel Oxford Classical M A - 2nd
Outside experience	Postgraduate study

SERVICE CAREER	Department	Division or Post	Grade	Date
		First Appointment	Asst Principal	1951
	Transport	Road Transport Administration	Principal	1957
		Military Movements Planning		1960
		General Shipping Policy		1962
	Trade		Asst Secretary	1964
		Foreign Shipping Regulations		5/1965
	Dip Service (4yr loan)	Washington		11/1967
	Trade & Industry	Civil Aviation Division 1		12/1971
		Head of Space Division	Under Secy	1/1/73
	TRADE	Shipping Policy		4/1974
		Overseas Trade	Deputy Sec	12/1976
		Civil Aviation, Shipping & Marine Division		5/1978
	TRADE	Industrial Sponsorship-Industrial Raw Materials & Miscellaneous Manufactures	DS	10/1980

Prime Minister.

Agree that these three names should go forward?

TBW 24/4

Yes

Don't let our back go!

MR C A WHITMORE

DG VII (TRANSPORT), EUROPEAN COMMISSION

The present (British) incumbent of the post of DG VII retires at the end of April, and the Commission wish to appoint another Briton to succeed him. They have, regrettably, rejected Mr John Palmer whose name was put forward, with the Prime Minister's approval, as long ago as November. We were told last week that names of further candidates are required in Brussels by Monday.

Apparently the Commission rejected Palmer because they thought his paper qualifications compared badly with those of the rival Dutch candidate (a Permanent Secretary). I am advised that to succeed we need candidates who are at least Deputy Secretaries. Transport experience is not essential.

In conjunction with my senior colleagues I have drawn up a list of Deputy Secretaries, each of whom is willing to be put forward. The names are as follows (in alphabetical order). CVs are attached:

T R H Godden	Scottish Office
W M Knighton	Department of Trade
W McIndoe	Department of the Environment

I should be grateful for the Prime Minister's approval as early as possible on Monday morning that these candidates may be put forward.

IAN BANCROFT
24 April 1981

Full Name:	Tony Richard Hillier GODDEN
Date of birth/age:	13 November 1927 (age 53)
Nationality:	British
Professional and academic qualifications:	BSc(Econ) 1st Economics, Political Science
Languages other than English:	French
Present Post:	Secretary of the Scottish Development Department. The Departments' responsibilities cover policy and functions affecting the physical development of Scotland, including town and country planning, housing, urban renewal, roads and transport; water supplies and sewerage, control of air and river pollution and building control; conservation, historic buildings and ancient monuments; local government administration. Post held since July 198

Directly relevant previous career experience

Head of Transport Division (dealing with Bus and Shipping) as Assistant Secretary November 1968 to October 1969. Under Secretary in charge of Roads and Transport October 1969 to May 1973.

Experience with international organisations, foreign contacts, etc

Worked in Colonial Office 1957 to 1961.

T.R.H.Godden	1927	Deputy Secretary	1973	SDD
CB	13 Nov		Established	Departmen

Professional or other qualifications		School	Barnstaple Grammar School
		University	London
Outside experience		Subject	Economics, Political Science
		Degree	B.Sc.(Econ) 1st.
		Postgraduate study	

SERVICE CAREER

Department	Division or Post	Grade	Date
C.O.	West African Dept.	AP	1951
	P.S. to Parly US/S		1954
	West African Dept B	P	1955
Cabinet	Central Secretariat		1957
C.O.	Econ.Gen. Dept A		1959
SHD			1960
C.O.	General Dept B		1960
SHD	Industry		1961
SDD	"		1962
	Transport Div.	AS	1963
SHHD	Asst. Under Secretary of State	T/US	1969
SDD	" " " " "	"	1969
SDD	Roads & Transport Divisions	U/S	1970
S E P D	Secretary of the new Scottish Economic Planning Department & Accounting Officer	D S	5/1973
SDD	Secretary of Scot Dev Dept		7/1980

Full Name	William Myles KNIGHTON
Date of Birth/age:	8 September 1931 (age 49)
Nationality:	British
Professional and academic qualifications:	BA Law, Maths and Natural Science
Languages other than English:	French
Present Post:	Deputy Secretary responsible for UK policy on competition matters, consumer protection and safety, legal metrology, quality assurance and standards. Co-ordination of UK position on EEC Article 100 harmonisation on industrial matters.

Directly relevant previous career experience

1971-74	Responsible for UK international civil aviation policy and for negotiating air services agreements.

Experience with international organisations, foreign contacts, etc

1964-65	Concerned with negotiations in NATO on development of defence electronic equipment.
1974-80	Responsibility for UK bilateral commercial relations; for export policy; and for the UK position in UNCTAD negotiations on commodities (Common Fund), transfer of technology and restrictive business practices. Chaired (1978/80) the OECD High Level Group on Commodity Policy. Official head of the United Kingdom Delegation to the 1976 and 1979 UNCTAD conferences in Nairobi and Manila.

Other experience

1962-64	Cabinet Office Secretariat (concerned with overseas policy)
1966-68	Private Secretary to Minister of Technology.

W M Knighton CB	1931 Sep 8	Deputy Secretary	1978 Established	Trade Departme

Professional or other qualifications

Outside experience 1952-54 RA 2nd Lieutenant

Courses Devlpmtd in Management Decision Theory 1970

School Bedford School
University Cambridge
Subject Law, Maths & Natural Science
Degree BA 2nd 1952

French

Postgraduate study

SERVICE CAREER

Department	Division or Post	Grade	Date
Supply	Research	AP	1954
	Air Division		1955
	Establishments		1955
	Private Office of PS	P	1957
			1959
Cabinet Office	Electronics/Guided Weapons		1959
Aviation	Interdependence Export & Electronics		1962
	Industry Division		
	Air A4		1964
Technology	Pr Sec to Minister		1965
			7/1966
	Finance 3	AS	2/1967
	Finance & Economic Appraisal Div 4		9/1968
Trade & Industry			11/1969
	Civil Aviation Division 2		10/1970
Trade	Commercial Relations Exports Div 2		1/1972
	Re-structured Division	US	11/1974
	Overseas Trade(C) Commercial Relations Exports		12/1977
	Divisions Partof 1,&2 3 4 &5	DS	5/1978

Trade Competition & Consumer Affairs 4/1980

CURRICULUM VITAE

Full name	William Ian McINDOE
Date of birth/age	11 March 1929 (age 52)
Nationality	British
Professional and academic qualifications	MA Second Class Honours (Upper Division) in Classical Studies and Philosophy
Languages other than English	French
Present post	Deputy Secretary in charge of Environmental Protection, dealing with Water Directorates and Air, Noise and Waste

Directly relevant previous career experience

Transport (Bus and Shipping) Division in Scottish Development Department

Experience with international organisations, foreign contacts, etc.

Commonwealth Relations Office: Western & UN Dept.; Office UK High Commissioner, Canberra; Office UK High Commissioner, Salisbury.
In charge of Division in Department of Agriculture & Fisheries for Scotland dealing with EEC co-ordination; agricultural support policy and subsidies; co-operation and marketing; food processing.

W I McINDOE	1929	DEPUTY SECRETARY	1976	DOE
CB 1978	Mar 11		Established	Departmen

Professional or other qualifications	School Sedbergh High University Oxford Subject Classics Philosopy Degree Upper 2nd
Outside experience Army RHA 2/Lt 1951-53	Postgraduate study

S ICE CAREER

Department	Division or Post	Grade	Date
CRO	Western and UN Dept.	AP	1953
	Constitutional Dept.		1954
	Off.UK High Comm.Canberra		1957
	Off.UK High Comm. Salisbury	P	1958
	PS to Sec.of State		1962
Cab.Off.	PPS to Secretary		1963
	Histories Section	AS	1965
SED	Schools Div.		1966
SDD	Transport Div.		1969
DAFS	Head od Div.C		1/1971
	Plant Health, Horticulture Agricultural Co-operation & Credit Crop & Livestock Guarantees, Food Processing, Animal Health, Livestock Improvment & Ag Labour	US	11/1971
EPD			6/1975
Cab.Off.	Home & Social Affairs	DS	2/2/1976
DOE	Environmental Protection & Water Engineering		3/1979

Euro Pol

13 April 1981

STAFF IN CONFIDENCE

DEPUTY SECRETARY GENERAL OF THE EUROPEAN COMMISSION

The Prime Minister has seen Francis Richards' letter to me of 10 April and is content that Mr. Michael Jenkins should be nominated for the succession to Mr. Christopher Audland as Deputy Secretary General of the European Commission.

MODBA

G.G.H. Walden, Esq.,
Foreign and Commonwealth Office.

STAFF IN CONFIDENCE

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

This would be a very good appointment. Mr Jenkins is highly competent & young. He has done much good work on behalf of HMG in his present post. Content?

Yes mt

10 April 1981

Dear Michael,

Commission Staffing: Post of Deputy Secretary General of the European Commission

I am writing to let you know that the Foreign and Commonwealth Secretary has approved the nomination of Mr Michael Jenkins, a member of Her Majesty's Diplomatic Service, for the succession to the post in Brussels of Deputy Secretary General of the European Commission.

As you will know, the present Deputy Secretary General, Christopher Audland, who is also a member of the Diplomatic Service and has been working in the Commission for some years as an A1 a titre personnel, has been successful in obtaining the post of Director General of Energy (DG XVII), which is also an A1 post. This leaves vacant Audland's present post which it is in our interest to fill with a British candidate whom we need to nominate as soon as possible. The Secretary General, M. Emile Noel, has told us that he personally would welcome the appointment, on promotion to A1, of Michael Jenkins, who is at present Head of the Central Advisory Group, in other words the planning staff of the Commission. The two men have already worked very closely particularly on matters affecting the budget restructuring exercise. There are good prospects therefore of securing the succession but the appointment will inevitably depend on a cascade of other moves.

Sir Michael Palliser has discussed this vacancy with Sir Ian Bancroft and Sir Robert Armstrong. Sir Ian Bancroft has confirmed that there is no Home Civil Service candidate whom he would wish to see running alongside Jenkins. Unless the Prime Minister sees objection the Foreign and Commonwealth Secretary proposes to confirm to the Commission in Brussels that Jenkins has our full support.

I enclose a copy of Jenkins' curriculum vitae.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing Street

MICHAEL ROMILLY HEALD JENKINS

Born	9.1.36
Educated	St Christopher School, Letchworth King's College, Cambridge
Grade	4 Seniority 1.1.74
Entered	Through Open Competition (Method II) 1959

Career

1959	General training. Attached to UKDEL to UN General Assembly New York
1960	Foreign Office, Levant Department
1961	Paris, Third Secretary and Private Secretary to Ambassador
1965	Moscow, Second Secretary
1966	Promoted sur place to Grade 5A
1967	Foreign Office, Northern Department
1969	Seconded to industry, GEC
1970	Bonn, First Secretary (Economic)
1972	Seconded to CEC Brussels, Member of Mr G Thomson's Cabinet
1974	Promoted to Grade 4 sur place
1977	Head of EID(E)
1978-date	Brussels, Director of Planning in the Office of the Secretary General, EEC Commission

Married	1968 Maxine Louise Hodson
Languages	French Aii Russian Ai German Bi

QZ 01973

CONFIDENTIAL

Europe

BL

MR ALEXANDER

c Sir Robert Armstrong

A1 POSTS IN THE COMMISSION

1. The briefs for the calls on the Prime Minister by Mr Tugendhat and M Thorn suggest that the Prime Minister should stress our desire to see British candidates succeed the present British Directors General for Energy and Transport.

2. Having settled on the allocation of portfolios, the Commission is now reviewing the top official appointments (Director General and Deputy Director General) where a number are leaving including two of our four Directors General. Decisions are likely to be taken within the next week or two. We have told the Commission that our preferred choice for Director General for Energy is Mr Le Cheminant; although if the Commission decide on an internal candidate we would support Mr Audland. We have put forward Mr Palmer (an Under Secretary in the Department of Transport) as our candidate for Director General for Transport. The Dutch are pressing to improve their position at A1 level and are promoting the Permanent Secretary of their Department for Industry for the Energy job. There has even been a suggestion that Sir Roy Denman should be moved from his present job as Director General for External Trade to take over Energy (thus presumably opening his present post for a Dutchman). This will certainly not happen but is indicative of the in-fighting now going on.

3. There is no need for the Prime Minister to enter into detail with M Thorn but it would be helpful if she could make clear to him that she personally attaches importance to maintaining a proper balance commensurate with the position of France and Germany (at the moment both France and Germany have five full Directors General whereas we have only four). Other Governments will certainly be lobbying him. The message is a

simple one: we expect to keep the Energy and Transport posts; or if there are to be changes offered something better or at least as good.

M D M FRANKLIN

CABINET OFFICE SW1

19 February 1981

ECF0015/21

X-13

ADVANCE COP

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PS
PS/LPS
PS/PUS
LORD BRIDGES
MR HARVEY
HD ECD-1 (3)
Cabinet Office (2)
MAFF (2)
No 10 Downing St
R.C.
(Ltd

GR 480
CONFIDENTIAL
DESKBY 220900Z
FM UKREP BRUSSELS 211808Z JAN 81
TO IMMEDIATE F C O
TELEGRAM NUMBER 186 OF 21 JANUARY.
INFO SAVING ALL EC POSTS.

IMMEDIATE

COMMISSION PORTFOLIOS

1. THE COMMISSION DECIDED THIS AFTERNOON TO GIVE DALSAGER THE AGRICULTURE PORTFOLIO IN SUCCESSION TO GUNDELACH. ALL OTHER PORTFOLIOS REMAIN UNCHANGED. WE HAVE HAD THE FOLLOWING ACCOUNT OF THE DISCUSSION FROM THE TUGENDHAT CABINET.

2. AT A FIRST DISCUSSION THIS MORNING THE CONCENSUS VIEW IN THE COMMISSION WAS THAT THERE SHOULD BE NO WHOLESALE CHANGE IN PORTFOLIOS BUT EQUALLY NO AUTOMATIC SUCCESSION. THORN WAS INVITED TO PRODUCE PROPOSALS WHICH WOULD INVOLVE A MINIMUM OF CHANGE. THE EXPECTATION WAS THAT HE WOULD PROPOSE ANDRIESSEN FOR AGRICULTURE, DALSAGER FOR FISH AND COMPETITION AND CONTOGEORGIS FOR TRANSPORT AND THE PARLIAMENT.

3. INSTEAD THORN AT THE AFTERNOON SESSION SAID THAT ANY NEW COMBINATION WOULD REQUIRE A CHAIN OF CHANGES. ACCORDINGLY GIVEN DALSAGER'S EXPERIENCE, HE WOULD BE GRATEFUL IF DALSAGER WOULD DO AGRICULTURE.

4. IN A SERIES OF EVIDENTLY PREARRANGED INTERVENTIONS HAFERKAMP, ORTOLI AND DAVIGNON AGREED. NATALI MERELY TOOK NOTE. ON A CUE FROM THORN TO THE EFFECT THAT, AS A NORTHERNER, DALSAGER WOULD NEED NATALI'S HELP ON AGRICULTURE QUESTIONS RELATING TO ENLARGEMENT AND THE MEDITERRANEAN, ORTOLI SAID THAT IF NATALI HAD NOT ALREADY GOT THE HEAVY BURDEN OF ENLARGEMENT, AS A FORMER AGRICULTURE MINISTER HE WOULD HAVE BEEN WELL QUALIFIED TO TAKE THE AGRICULTURE PORTFOLIO. DAVIGNON, EMPHASIZING THE DIFFICULTY OF FOLLOWING GUNDELACH, AND SPEAKING SIMILARLY, SAID THAT THE COMMISSION MUST WORK TOGETHER AS A COLLEGE. IT SHOULD PRODUCE A WORK PLAN FOR AGRICULTURE NEXT WEEK. DALSAGER WOULD NEED HIS COLLEAGUES HELP IN THE COUNCIL. THE PRESIDENT SHOULD DEFINE A ROLE FOR HIMSELF IN AGRICULTURE.

5. DALSAGER EXPRESSED GRATITUDE FOR HIS COLEAGUES UNANIMITY AND SAID HE WOULD BE SEEKING THEIR HELP. JUST BEFORE THORN SUMMED UP CONFIRMING THE DECISION, CHEYSSON INTERVENED TO SAY THAT THIS WAS ONE OF THE COMMISSION'S MOST IMPORTANT DECISIONS. HE WOULD SUPPORT IT. BUT HE HAD HAD HESITATIONS ON GROUNDS OF LANGUAGE AND CONFLICT OF INTEREST (IE DALSAGER COMING STRAIGHT FROM DEFENDING DENMARK'S INTEREST IN AGRICULTURE). THE PRESIDENT HAD MENTIONED AN OPEN GROUP OF COMMISSIONERS ON AGRICULTURE AND HE WOULD WISH TO BE ON IT.

6. COMMENT. THE TUGENDHAT CABINET, WHO HAVE BEEN IN CLOSE TOUCH WITH ANDRIESSEN, ARE IN NO DOUBT THAT ANDRIESSEN HAD THE VOTES BUT THAT NATALI'S ADAMANT OPPOSITION TO ANYTHING OTHER THAN EITHER NATALI HIMSELF OR A STRAIGHT SUCCESSION HAD PRODUCED THIS OUTCOME.

FCO ADVANCE TO:-
FCO - PS/SOFS, PS/LPS, BRIDGES, HANNAY, SPRECKLEY
CAB - FRANKLIN, ELLIOTT
MAFF - PS/SOFS, ANDREWS
NO 10 - ALEXANDER

FCO PASS SAVING TO COPENHAGEN, ROME, DUBLIN, PARIS, BONN, ATHENS.

Ref. A04053

PRIME MINISTER

Cabinet: Community Affairs

The Foreign and Commonwealth Secretary might report on the outcome of the 20th January Foreign Affairs Council, which appointed Mr. Dalsager as the new Danish Commissioner and remitted a Belgian proposal for a political solution to the current dispute over the 1980 supplementary and 1981 budgets for further discussion at the February Council. He may also be able to report on the allocation of the Agriculture portfolio, which is due to be decided at the Commission's meeting on 21st January.

2. Next week the Fisheries Council meets on 27th January.

RWA

ROBERT ARMSTRONG

21st January, 1981

Foreign and Commonwealth Office

London SW1A 2AH

20 January 1981

Dear Michael,

Mr Butler 21/1

COMMISSION PORTFOLIOS

Following discussion in the margins of E Committee this morning about support for candidates for the agriculture portfolio, the Lord Privy Seal spoke to Sir M Butler and Lord Carrington in Brussels.

Sir M Butler said that the Mission had been doing no lobbying on behalf of individual candidates; nor had they been advising our Commissioners on what line to take. Lord Carrington said that he would speak again to Mr Tugendhat to make it clear that we had nothing against the Danish candidate and that he would not wish it to be the UK who blocked his appointment.

Lord Carrington and the Lord Privy Seal agreed that, on this basis, there should be no cause for the Danes to complain of HMG's attitude.

I am copying this letter to Kate Timms (MAFF) and David Wright (Cabinet Office).

Yours ever
Stephen Gomersall

S J Gomersall
Private Secretary to the
Lord Privy Seal

M O'D B Alexander Esq
10 Downing Street

Ref: A03990

CONFIDENTIAL

PRIME MINISTER

Community Affairs

The Lord Privy Seal might be invited to comment on the implications of Commissioner Gundelach's sudden death on 12th January. It is for the Danish Government to nominate his successor, but no firm names have yet emerged. They are likely to want to keep the Agriculture portfolio, but the Irish, Italians and Dutch will also have their eyes on it. The Fisheries portfolio will probably go straight to the Greek, Mr. Kontogeorgis (it was due to go to him in any case within a few months). Meanwhile the Agriculture Council due on 19th-20th January has been postponed. The two British Commissioners are unlikely to be directly affected, even if a partial reshuffle proves necessary, although Mr. Tugendhat is trying to reopen the question of Mr. O'Kennedy's role in the budget restructuring exercise.

2. The Lord Privy Seal might report on his visit to Spain on 8th January. On Community matters, the Spaniards pressed hard for faster progress on their accession negotiations, especially during the forthcoming United Kingdom Presidency, but were non-committal on the trade concessions sought for the United Kingdom by Mr. Nott during his earlier visit.

3. The Minister of Agriculture might report on his talks with M. Mehaignerie, his French counterpart, on 14th January.

4. Next week the Foreign Affairs Council will meet on 20th January.

RTA

(Robert Armstrong)

14th January 1981

CONFIDENTIAL

Europe

HS.

10 DOWNING STREET

THE PRIME MINISTER

14 January 1981

Dear Christopher,

Thank you for your note of 11 January. I was glad to learn that you think matters have turned out satisfactorily. I am sure you are right to say that the important thing now is to get on with the work. You will have plenty of it!

I look forward to seeing you when our people have fixed a mutually convenient time.

Yours ever

Margaret

His Excellency Mr. Christopher Tugendhat

cc for information
Mr Alexander
Mr Elliott

BRITISH EMBASSY,
LUXEMBOURG.

12 January 1981

CABINET OFFICE
QZ 7240
FILING INSTRUCTIONS
FILE No.

D H A Hannay Esq CMG
FCO

Copy to: D. Franklin, Cab. Off.

Dear David,

1. There has been a certain amount of huffing and puffing in the Luxembourg press about the Prime Minister's "grave interference" in the affairs of the Commission when she spoke to M Thorn about Mr Tugendhat's portfolio.

2. I enclose a copy of the leader written by the Editor of Républicain Lorrain on 10 January.

3. I had a word with Camille Montaigu (who is close to Thorn) at the swearing in of the new Commission today. He said he hoped that I did not mind his criticism of Mrs Thatcher. I said I did not mind it in the least but that both he and I knew it was hypocrisy to suggest that governments did not take a close interest in the affairs of the European institutions. Montaigu gave me a great grin and said that of course they did it all the time. But usually they were less open about it than Mrs Thatcher. That was one of the reasons he found her style so refreshing!

Yours ever,

Jeremy

J C Thomas

cc: Sir M Butler KCMG
UKREP BRUSSELS

CONFIDENTIAL

SAMEDI 10 JANVIER 1981

Eth.

éditorial

Le coup de téléphone de Londres

« Les membres de la Commission exercent leurs fonctions en pleine indépendance, dans l'intérêt général des Communautés.

Dans l'accomplissement de leur devoir, ils ne sollicitent ni n'acceptent d'instructions d'aucun gouvernement ni d'aucun organisme. Chaque Etat membre s'engage à respecter ce caractère et à ne pas chercher à influencer les membres de la Commission dans l'exécution de leur tâche », tel est le libellé de l'article 157 du traité CEE. C'est dans cette optique aussi que les membres de la Commission prèteront leur serment devant la Cour de justice des Communautés européennes à Luxembourg, lundi prochain. A examiner les termes du traité, on ne peut se départir de l'idée que Mme Margaret Thatcher, en intervenant directement mercredi soir dans la question de la répartition des portefeuilles aux nouveaux membres de la Commission, n'a pas tout à fait respecté la règle, c'est le moins qu'on puisse dire.

Aussi fallut-il toute la diplomatie, le doigté et une « pirouette » de M. Gaston Thorn pour dédramatiser cet incident et le réduire à une bagatelle.

Le commissaire britannique, M. Christopher Tugendhat, un instant, a cru que M. Gaston Thorn lui avait réduit ses compétences et il n'en fallut pas plus pour que le sujet de Sa Gracieuse Majesté en réfère illico presto à Mme Margaret Thatcher qui a demandé à parler à M. Thorn.

Qu'importe le contenu de cette conversation par-dessus la Manche, même si tous deux n'ont fait qu'échanger les vœux de la nouvelle année, les apparences ne trompent pas. Il s'agit d'une grave ingérence du Premier ministre britannique dans les affaires d'une institution européenne qui doit être au-dessus de tout soupçon pour pouvoir affirmer à chaque instant son indépendance à l'égard des gouvernements dans le seul souci de la « chose européenne ».

Même la presse britannique n'était pas tendre hier matin à l'égard du geste qu'a eu Mme Thatcher et qui aurait dit, sur un ton seigneurial « que M. Thorn proposait une insulte calculée à l'égard de la Grande-Bretagne ».

Le journal conservateur « Daily Telegraph » estime même que cet incident va détériorer les relations entre, d'une part, le commissaire britannique, M. Christopher Tugendhat, et le président Thorn. C'est sans doute mal connaître le nouveau président de la Commission qui a certainement une grande qualité, celle de ne pas être rancunier.

En soulignant au cours de sa conférence de presse que son principal souci sera la « collégialité en faisant participer tous les commissaires aux grands problèmes européens » dénote la volonté de M. Thorn de traiter tous les membres de la Commission sur un pied d'égalité.

Alors que dans la précédente Commission le courant passait mal, que de plus en plus chaque membre semblait seul décider, que certains avaient pris un goût prononcé pour la publicité alors que d'autres brillaient par leur discrétion, il ne faudrait plus que la Commission Thorn tombe dans le même travers, même si apparemment, il y a un déséquilibre dans la répartition des portefeuilles. S'il y a des portefeuilles de première et de deuxième classe, ce ne peut être que dans l'esprit chagrin de ceux qui n'ont pas encore compris qu'il ne peut y avoir de basse besogne dans l'édification sincère de l'Europe.

Comme le laissait entendre le rapport Spirenburg sur la proposition de réforme de la Commission qui incontestablement a manqué de cohésion ces dernières années, **« elle devra, à l'avenir, agir comme un véritable collège, fort, inventif et efficace pour être en mesure de jouer pleinement son rôle d'interlocuteur du Conseil et du Parlement ».**

La distribution des portefeuilles, depuis que la Commission existe, a toujours fait l'objet de difficultés. Cette négociation s'est toujours transformée en marathon nocturne d'où l'appellation de la « nuit des longs couteaux ».

Avec le nouvel élargissement de la Communauté et avec l'augmentation des commissaires, les difficultés n'ont fait que grandir. Le moment est certainement venu pour examiner le prochain élargissement à l'Espagne et au Portugal et qui entrainerait un collège composé de dix-sept à dix-huit commissaires. La Commission en s'alourdissant perdra, à coup sûr, encore bien davantage de son efficacité. D'où la nécessité alors de réduire le nombre des commissaires à celui des Etats membres.

Le Parlement européen par contre, en passant de 198 à 410 membres et maintenant à 434 membres, est sorti renforcé dans sa cohésion. Depuis qu'il est élu au suffrage universel direct, c'est certainement l'institution qui a fait preuve de la plus grande indépendance. Elle vient de le prouver une fois de plus avec le budget supplémentaire de 1980 et surtout avec Mme Simone Veil, la présidente, qui n'a pas hésité un seul instant à arrêter ce budget 1980 et 1981 dès lors que le Conseil était sorti divisé sur la question. Inutile de dire que le Parlement européen réservera lundi prochain une grande ovation à son président mais qu'il s'en trouvera à demander des explications à M. Gaston Thorn sur l'étrange manière de Mme Thatcher de s'immiscer dans les affaires intérieures de la Commission. Il y aura des parlementaires qui traduiront autrement que par « bagatelle » le coup de téléphone de Londres.

Camille MONTAIGU.

CHRISTOPHER TUGENDHAT
MEMBER OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES

RUE DE LA LOI, 200
1049 BRUSSELS - TEL. 735 80 40

January 11, 1981

My dear Prime Minister

I want to thank you for your intervention with Gaston Thorn over the allocation of Commission portfolios. I would not normally have got onto you, but in the circumstances I am sure it was the right thing to do.

I am satisfied that my position has been safeguarded. But dangers remain and I shall be very much on my guard. Feathers have also been ruffled. That was necessary to achieve

the objective and will I hope act as a deterrent for the future. What is now needed is to get on with the work.

I should very much like to come and see you to talk about that and some other matters quite soon. I will ask my people to be in touch with yours.

With best wishes

Yours ever

Christopher

RESTRICTED file

BK

Guro Rd

13 January 1981

Messages to Monsieur Thorn

The Prime Minister has seen your letter to me of 12 January. She has decided that on balance she would prefer to send no further message.

MO'DBA

F.N. Richards, Esq.,
Foreign and Commonwealth Office

GB

(1)

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister
It was a pity that there was insufficient time for your message to be delivered before the storm broke (only about 2 hours elapsed between your approval of the text & the first phone call). I am now rather doubtful about the exercise: we seem to be protesting too much.
Leave it?

12 January 1981

Dear Michael,

I would rather have had it – i.e. send neither message

I wrote to you on 6 January suggesting that the Prime Minister might send M. Thorn a short message of good wishes. I understand that this was approved by the Prime Minister but not sent before she spoke to M. Thorn about Commission portfolios.

In the light of events last Wednesday we would like to suggest that the Prime Minister send a short personal message to M. Thorn expressing her thanks for his understanding of her representations, together with a revised message suitable for communication to the Commission as a whole. I enclose drafts.

The alternative would be to send no message at all, but we feel that this would be a pity. We still wish the new Commission well and a message may help to smooth any ruffled feathers. In addition, I understand that M. Thorn made some helpful remarks ~~to the~~ at his press conference ~~today~~ about the Prime Minister's intervention.

Yours ever,

Francis Richards

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing St

DSR (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
PRIME MINISTER

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

Monsieur Gaston Thorn
President of the Commission of the
European Communities

Your Reference

Copies to: (blind)
Sir M Butler, UKREP

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT:

PERSONAL

I am sure that you understand why I felt obliged to telephone you on Wednesday evening, and I am grateful for the way in which you took note of my concerns, as well as for the helpful remarks which you made at your press conference. I enclose a message to mark the beginning of the first working year of the new Commission, which I hope you will circulate to your colleagues.

Enclosures—flag(s).....

DSR (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:

Monsieur Gaston Thorn
President of the Commission of the
European Communities

Your Reference

Copies to:

SUBJECT:

Dear Mr President,

Now that the new Commission has begun its task, my colleagues and I would like to wish you and your colleagues every success during your term of office. The Community faces many challenges and opportunities in the next few years, but I am sure that with leadership and commitment, any diffculties can be overcome. The British Government looks forward to working closely with you, and in particular to our next meeting at the European Council in Maastricht, as well as to closer cooperation in the latter part of the year during the British Presidency.

Enclosures—flag(s).....

GR 350

CONFIDENTIAL

CONFIDENTIAL

FM UKREP BRUSSELS 120830Z JAN 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 71 OF 12 JANUARY.

COMMISSION PORTFOLIOS: PRIME MINISTERS CONVERSATION WITH THORN.

1. WE HAVE PASSED TO THORN'S CABINET THE PRIME MINISTER'S MESSAGE THAT IT WAS ABSOLUTELY NO PART OF HER INTENTION THAT HER TELEPHONE CALL SHOULD BECOME PUBLIC AND THAT THERE HAD BEEN NO BRIEFING ABOUT IT IN LONDON (OR, WE ADDED, FROM UKREP). IN RIES' ABSENCE, MEADOWS REPLIED THAT IT HAD NOT CROSSED THORN'S MIND THAT LEAKS HAD COME FROM BRITISH GOVERNMENT SOURCES. THE STORIES THEMSELVES POINTED CLEARLY IN A DIFFERENT DIRECTION. BUT HE WOULD TRANSMIT THE PRIME MINISTER'S MESSAGE TO THORN, (IN PARIS) WHO, HE WAS SURE, WOULD APPRECIATE RECEIVING IT. HE ADDED THAT EQUALLY NEITHER THE PRESIDENT NOR HIS CABINET HAD BEEN RESPONSIBLE FOR THE LEAKS. INDEED MEADOWS SAID THORN HAD BEEN SURPISED TO GET SUCH APPARENTLY KNOWLEDGEABLE QUESTIONS ABOUT THUCK LLHONE CONVERSATION AT HIS PRESS CONFERENCE.

2. AS TO THE ORIGIN OF THE LEAKS, IN TUGENDHAT'S ENTOURAGE ONLY HE AND HIS CHEF AND DEPUTY CHEF DE CABINET KNEW THE CONTENT OF THE CONVERSATION. WE HAVE BEEN IN CLOSE TOUCH WITH THEM THROUGHOUT. WE ARE SATISFIED THAT THEY HAD NO HAND IN THE LEAKS. NOBODY HAS BEEN MORE SENSITIVE THAN TUGENDHAT HIMSELF TO HIS STANDING WHETHER PUBLICLY, IN THE COMMISSION OR WITH HMG.

3. WE DO NOT OF COURSE KNOW, PACE MEADOWS, WHAT THORN OR HIS ENTOURAGE MAY HAVE SAID IN CONFIDENCE OR OTHERWISE TO THIRD PARTIES OR WHAT ONE OR MORE OF THESE MIGHT HAVE SAID TO OR IN THE PRESENCE OF JOURNALISTS. WE HAVE HOWEVER BEEN TOLD RELIABLY THAT MEMBERS OF THORN'S CABINET MADE NO SECRET WITHIN THE COMMISSION OF THEIR DISPLEASURE SHORTLY AFTER THE TELEPHONE CONVERSATION AND BEFORE THE LINE HAD BEEN GIVEN BY THORN HIMSELF AT, IF NOT BEFORE HIS PRESS CONFERENCE: AND (FROM MORE THAN ONE BRITISH JOURNALIST) THAT ''AT LEAST TWO SENIOR COMMISSIONERS'' QUOTED TO THEM THE PRIME MINISTER'S REFERENCE TO AN INSULT TO THE UK.

FCO ADVANCE TO:-

FCO - BRIDGES, HANNAY, FENN, SPRECKLEY

CAB - FRANKLIN, ELLIOTT

NO 10 - ALEXANDER, INGRAM

BUTLER

ADVANCED AS REQUESTED
[COPIES SENT TO NO 10 DOWNING ST]

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PS|LPS
PS|PUS
MR BULLARD
LORD BRIDGES
MR HANNAY
CABINET OFFICE

CONFIDENTIAL

Ag
Rmd
(2)

10 DOWNING STREET

Prime Minister.

MT

In view of the lapse of time at the onset of the weekend, I conveyed your message informally to the Taoiseach's office. I thought, I hope correctly, that you would be content with the line suggested by the F.C.O. As my letter records, the message was well received.

Rmd

GRS 280
UNCLASSIFIED
FM PARIS 091625Z JAN 81
TO PRIORITY FCO
TELEGRAM NUMBER 13 OF 9 JANUARY 1981
INFO ROUTINE UKREP BRUSSELS
INFO SAVING TO BONN BRUSSELS COPENHAGEN DUBLIN THE HAGUE
LUXEMBOURG ROME AND ATHENS

UKREP BRUSSELS TELNO 41: COMMISSION PORTFOLIOS

1. THE DISPUTE IN BRUSSELS OVER THE ALLOCATION OF COMMISSION PORTFOLIOS HAS BEEN REPORTED FAIRLY FULLY, THOUGH NOT PROMINENTLY, IN THE FRENCH PRESS. READERS WILL HAVE BEEN LEFT GENERALLY WITH THE IMPRESSION THAT M THORN GOT HIS WAY IN GIVING MR O'KENNEDY A ROLE IN THE COORDINATION OF BUDGET REFORM, AND THAT THE PRIME MINISTER'S INTERVENTION WAS NOT PRIMARILY CONCERNED WITH BUDGET RESPONSIBILITIES.

2. LE QUOTIDIEN (CENTRIST INDEPENDENT) CLAIMS THAT M TUGENDHAT WILL SIMPLY BE DEALING WITH THE BUDGET AND NOT BUDGET REFORM, WHICH WILL BE IN THE HANDS OF A GROUP OF COMMISSIONERS CHAIRED (WHEN M THORN IS ABSENT) BY O'KENNEDY. ACCORDING TO LES ECHOS (BUSINESS DAILY), O'KENNEDY WILL BE HELPING M THORN ''REORGANISE BEFORE 1982 THE (NEXT TWO WORDS UNDERLINED) ACQUIS COMMUNAUTAIRE''. SIMILARLY, LE FIGARO (RIGHT-WING) ENLARGES O'KENNEDY'S AREA OF RESPONSIBILITY, AS M THORN'S ASSISTANT, TO ''THE STUDY OF POSSIBLE DEVELOPMENT OF COMMUNITY POLICIES, IN ORDER TO AVOID UNACCEPTABLE SITUATIONS ARISING FOR MEMBER COUNTRIES''. ACCORDING TO LE FIGARO, THE PRIME MINISTER'S TELEPHONE CALL TO M THORN WAS TO EXPRESS CONCERN ABOUT THE CONCENTRATION OF PORTFOLIOS IN VICOMTE DAVIGNON'S HANDS.

3. ONLY YESTERDAY'S LE MONDE (INDEPENDENT) HAS SO FAR TAKEN A DIFFERENT LINE, PLACING THE PRIME MINISTER'S TELEPHONE CALL FIRMLY IN THE CONTEXT OF BUDGET RESTRUCTURING. IT DESCRIBED THE OUTCOME AS A COMPROMISE WHICH ''OFFICIALLY'' GAVE THE POST OF COORDINATOR TO O'KENNEDY, BUT IT WONDERED WHETHER THE DIFFICULTIES HAVE YET BEEN FULLY CLEARED UP. TODAY'S EDITION OF LE MONDE CONTAINS NO REFERENCE TO THE EPISODE.

FCO PLEASE PASS TO SAVING ADDRESSEES.

HIBBERT

FCO/WHITEHALL
ECD

(REPEATED AS REQUESTED)

2

10 DOWNING STREET

From the Private Secretary

9 January 1981

MO

Commission Portfolios: Message to Mr. Haughey

In the absence of Mr. Nally, I spoke to Mr. Kirwan in the Taoiseach's office in Dublin and asked him to convey the Prime Minister's regret to the Taoiseach about the way the situation had developed in Brussels the night before last. I spoke in accordance with the draft message which you had sent to me earlier and a copy of which I enclose for convenience.

Mr. Kirwan said that he thought Mr. Haughey would be most grateful to have had this message. Mr. Haughey, as an experienced politician, understood our position and no lasting damage would be done. Mr. Kirwan added that the Irish authorities agreed with the point I had made about the efforts of some of the sitting Commissioners to expand their portfolios. He commented that Mr. Davignon's ambitions had not left much room for the new arrivals.

I think this was a useful exercise. Whatever Mr. O'Kennedy's views, it seems clear that the authorities in Dublin bear no ill-will.

I am sending copies of this letter to John Wiggins (HM Treasury) and David Wright (Cabinet Office).

Francis Richards, Esq.,
Foreign and Commonwealth Office.

DSR 11

Registry No.

DRAFT LETTER

Type 1 +

SECURITY CLASSIFICATION

Top Secret.
Secret.
Confidential.
Restricted.
Unclassified.

PRIVACY MARKING

..... In Confidence

To:-

THE TAOISEACH

From

PRIME MINISTER

Telephone No. Ext.

Department

Now that the distribution of portfolios in the new Commission has been settled, I should like to say how sorry I am that there was a clash between Commissioners from our two countries, and that it should have received such wide publicity.

The basic trouble was that some of the sitting Commissioners tried to expand their portfolios and did not have much room for the newcomers. It is a great pity that this had to involve our Commissioners and yours.

I was most concerned when it became apparent that there appeared to be an attempt to reduce the portfolio of one existing Commissioner only. This would have been inconsistent with what was happening with other portfolios; it was also unfortunate that the idea should have been put without the Commissioner concerned being consulted.

It was for these reasons that I decided to contact M. Thorn for clarification of what was being proposed with regard to Christopher Tugendhat's responsibilities.

I am glad that it was possible to resolve the matter so satisfactorily in the end and I am quite confident that, with the present distribution of responsibilities, the Commission will be able to work harmoniously together and with the Member States for the progress of the Community,

/and particularly

and particularly the tackling of the many important problems which we have to face in the coming months. Meanwhile, I look forward to continuing to work with you as closely as we have in the past.

GPS 480

CONFIDENTIAL

CONFIDENTIAL

DESKBY 090800Z MADRID

DESKBY 090900Z RABAT

FM UKREP BRUSSELS 081554Z JAN 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 29 OF 8 JANUARY 1981

AND TO MADRID (FOR PS/LPS, FRANKLIN), RABAT (FOR PS/S OF S)

INFO ROUTINE COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG ATHENS

INFO SAVING BRUSSELS

MB

MY TELNO 24 : COMMISSION PORTFOLIOS

SUMMARY

1. THORN BRIEFED COREPER AMBASSADORS THIS MORNING ON THE PORTFOLIO ALLOCATION AND CIRCULATED THE TEXT IN MY TELEGRAM NO 25. HE OFFERED COMMENTS ON A NUMBER OF THE PORTFOLIOS, INCLUDING THE HANDLING OF THE RESTRUCTURING MANDATE.

DETAIL

2. THORN SAID THAT THE PORTFOLIOS HAD BEEN AGREED THIS MORNING AT AN INDECENT HOUR. ALL COMMISSIONERS WERE AGREED THAT COLLEGIALITY IN THE COMMISSION WAS ESSENTIAL. HE SOUGHT THE CO-OPERATION OF PERMANENT REPRESENTATIVES.

3. RUTTEN (NETHERLANDS PRESIDENCY) THANKED THORN AND PROMISED CO-OPERATION.

4. THORN, IN ANSWER TO A QUESTION ABOUT PRIORITIES, SAID THAT THE COMMISSION WOULD MEET TWICE A WEEK FOR THE NEXT MONTH OR SO. THE FIRST PRIORITY WAS THE 1981 BUDGET. THE COMMISSION WOULD DO WHAT THEY COULD TO QUOTE ARRANGE THINGS UNQUOTE IN THE COMMON INTEREST. (THE COMMISSION IS IN FACT MEETING THIS AFTERNOON ON THIS). THE SECOND PRIORITY WAS WHAT SHOULD BE SAID AT NEXT WEEK'S PLENARY SESSION OF THE PARLIAMENT.

5. THORN MADE THE FOLLOWING POINTS IN ANSWER TO QUESTIONS.

(A) HAFERKAMP'S NUCLEAR RESPONSIBILITIES WOULD TAKE IN OF HAMMER'S DIRECTORATE C IN DGXII (SCIENTIFIC AND TECHNICAL PROGRAMMES; EXTERNAL RELATIONS IN RESEARCH, SCIENCE AND EDUCATION). (IT IS NOT YET CLEAR TO US WHETHER THORN MEANT THE WHOLE OF HAMMER'S DIRECTORATE OR ONLY THE NUCLEAR PARTS).

(B) GUNDELACH WOULD GIVE UP FISH TO CONTOGEORGIS WHEN AGREEMENT WAS REACHED ON THE CFP OR, IN ANY EVENT, IN TWO OR THREE MONTHS.

(C) NATALI WOULD CHAIR AN OPEN GROUP OF COMMISSIONERS ON THE MEDITERRANEAN, WHICH WAS CLOSELY LINKED WITH ENLARGEMENT. HAFERKAMP AND CHEYSSON WOULD PARTICIPATE. NATALI WOULD BE PRIMARILY RESONSIBLE FOR ALL QUESTIONS AFFECTING GLOBAL MEDITERRANEAN POLICY. CHEYSSON WOULD CONTINUE WITH HIS PRESENT MAGHREB RESPONSIBILITIES AND HAFERKAMP WITH YUGOSLAVIA, WITH NATALI ASSOCIATED WITH BOTH. (THORN COMMENTED THAT THE QUESTION OF CHASSES GARDEES IN RELATION TO PORTFOLIOS HAD BEEN THE SUBJECT OF SEVERAL DEBATES).

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/(D)

(D) DAVIGNON: THERE WERE STILL A FEW DETAILS TO SETTLE BETWEEN DAVIGNON AND RICHARD ABOUT RESEARCH (ACCORDING TO RICHARD, DAVIGNON HAS RELINQUISHED RESEARCH, INCLUDING THE JOINT RESEARCH CENTRE TO HIM.)

(E) TUGENDHAT NOW HAD TAXATION. HE HAD ASKED TO BE RELIEVED OF PERSONNEL.

(F) O'KENNEDY: THORN READ THE ANNEX ON THE QUOTE DELEGUE DU PRESIDENT UNQUOTE (SEE MY TELNO 26). HE CONTINUED THAT THE SITUATION REACHED ON THE BUDGET RE-STRUCTURING MANDATE WAS NOT PARTICULARLY REASSURING. NO ONE COMMISSIONER COULD BE GIVEN RESPONSIBILITY. ALL MUST JOIN IN. GUNDELACH COULD NOT DO EVERYTHING ON AGRICULTURE. TUGENDHAT COULD NOT DO THE BUDGET WITHOUT THE COLLABORATION OF ALL. THORN HIMSELF WAS GOING TO DEVOTE HIMSELF FULLY TO IT. BUT HE WOULD BE DOING TOURS OF CAPITALS, ATTENDING PARLIAMENT AND MANY OTHER THINGS. SO O'KENNEDY WOULD ASSIST THE PRESIDENT.

FCO ADVANCE TO:-
FCO - PS/MR HURD, PS/PUS, BRIDGES, HANNAY, SPRECKLEY
CAB - ELLIOTT
NO 10 - ALEXANDER

BUTLER

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FCO | WH
ECD (1)

GRS 200

UNCLASSIFIED
DESKBY MADRID 090800Z
DESKBY RABAT 090900Z
FM UKREP BRUSSELS 081750Z JAN 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 32 OF 8 JANUARY
AND TO MADRID (PS/LPS AND FRANKLIN) RABAT (PS/SOS)
INFO COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG ATHENS
INFO SAVING BRUSSELS

MY TELEGRAM NO 30 : COMMISSION PORTFOLIOS

1. YOU MAY WISH TO KNOW THE LINE WHICH ACCORDING TO THE SPOKESMAN AT THE IRISH PERMREP, MR O'KENNEDY TOOK WITH IRISH JOURNALISTS AFTER PRESIDENT THORN'S PRESS CONFERENCE TODAY.

2. IN THE EVENT, HE HAD DECIDED AGAINST PRESSING HIS CLAIM TO THE SOCIAL AFFAIRS PORTFOLIO (RICHARD HAS CONFIRMED THIS TO US). IN HIS VIEW, IT LACKED SCOPE. THE FACT WAS THAT THE VAST BULK OF SOCIAL AFFAIRS MONEY WAS SPOKEN FOR IN ADVANCE.

3. ON THE OTHER HAND, WHAT HE HAD MANAGED TO SECURE WAS IMPORTANT. THE 30 MAY MANDATE WAS THE KEY PROBLEM FACING THE COMMUNITY AT THE PRESENT TIME. WITHIN THE COMMISSION IT WOULD FALL TO HIM TO PREPARE COMMUNICATIONS TO THE COUNCIL. MOREOVER, HE WOULD EXPECT TO ACCOMPANY M THORN BOTH TO FOREIGN AFFAIRS AND EUROPEAN COUNCILS WHEN THE MANDATE WAS UNDER DISCUSSION.

FCO ADVANCE TO:
FCO - PS/MR HURD PS/PUS BRIDGES HANNAY SPRECKLEY FENN JOY
CAB - ELLIOTT
NO 10 - PRIVATE SECRETARY
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UNCLASSIFIED
DESKBY 090800Z MADRID
DESKBY 090900Z RABAT
FM UKREP BRUSSELS 081614Z JAN 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 30 OF 8 JANUARY
AND TO MADRID (PS/LPS AND FRANKLIN) RABAT (PS/SOS)
INFO COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG ATHENS
INFO SAVING BRUSSELS

MY TELEGRAM NUMBER 25
COMMISSION PORTFOLIOS : PRESS CONFERENCE BY M THORN, PRESIDENT OF THE COMMISSION

1. IN WHAT WAS GENERALLY REGARDED AS A SKILFUL FIRST PERFORMANCE AS PRESIDENT, M THORN ANNOUNCED THE DISTRIBUTION OF PORTFOLIOS TO THE PRESS AT NOON TODAY, BASING HIMSELF ON, BUT NOT DISTRIBUTING, THE TEXT IN MY TUR.

2. HE THEN REPLIED AS FOLLOWS TO QUESTIONS:

(I) ASKED TO EXPLAIN WHAT THE PRIME MINISTER HAD SAID TO HIM THE PREVIOUS EVENING AND WHETHER IT HAD CHANGED THE COURSE OF EVENTS, THORN REPLIED HELPFULLY THAT HE DID NOT KNOW WHETHER IT WAS NORMAL FOR PRIME MINISTERS TO CONTACT PRESIDENTS OF THE COMMISSION IN SUCH CIRCUMSTANCES, BUT HE PERSONALLY WELCOMED SUCH CONTACTS AND HOPED THEY WOULD CONTINUE. THE BRITISH PRIME MINISTER HAD SOUGHT REASSURANCE THAT MR TUGENDHAT'S RESPONSIBILITIES IN RELATION TO THE MANDATE OF 30 MAY WOULD NOT BE DIMINISHED AND A CLARIFICATION OF PRECISELY WHAT WAS BEING PROPOSED. HE HAD NOT REGARDED HER INTERVENTION AS IN ANY SENSE AN ULTIMATUM. HE HOPED THAT HE HAD SATISFIED HER ON BOTH COUNTS:

(II) PRESSED TO EXPLAIN WHAT ROLE MR O'KENNEDY WOULD HAVE IN RELATION TO THE 30 MAY MANDATE, THORN SAID THAT BUDGET RESTRUCTURING WAS OF INTEREST TO MANY COMMISSIONERS, ALL OF WHOM WERE CONCERNED IN ONE WAY OR ANOTHER WITH IT. CLEARLY THE PRESIDENT OF THE COMMISSION HAD A ''PRIVILEGED ROLE'' IN RELATION TO RESTRUCTURING AND HE WAS ANXIOUS TO AVOID THE REPROACH THAT HE HAD NEGLECTED THIS TASK. O'KENNEDY WOULD STAND IN FOR HIM AS AND WHEN NECESSARY BUT WOULD ACT UNDER HIS AUTHORITY AS PRESIDENT. HIS ROLE WOULD NOT COMPROMISE THE AUTHORITY OF ANY OTHER COMMISSIONER:

/(III)

(III) ASKED TO EXPLAIN WHY COMMISSIONER DAVIGNON HAD BEEN GIVEN SUCH A FULL PORTFOLIO WHEREAS O'KENNEDY HAD VERY LITTLE, THORN STRESSED THAT THE SHARE-OUT HAD NOT BEEN AN EASY TASK. IF THE RULE HAD BEEN FOLLOWED THAT ALL PORTFOLIOS WERE UP FOR GRABS, THEN THE TASK OF DISTRIBUTING THEM WOULD HAVE BEEN IMPOSSIBLE. IN FACT AGREEMENT HAD BEEN REACHED WITHOUT ONCE RESORTING TO A VOTE AND HE DID NOT FEEL THAT THE END RESULT WAS UNBALANCED:

(IV) ASKED WHETHER HE WOULD APPROACH THE JOB OF PRESIDENT DIFFERENTLY FROM HIS PREDECESSOR AND IF SO HOW, THORN SAID IT WAS NOT UP TO HIM TO PASS JUDGEMENT ON THE LAST COMMISSION. HE CONFINED HIMSELF TO SAYING THAT HE WOULD SEEK TO STRENGTHEN THE COLLEGIAL NATURE OF THE COMMISSION.

FCO ADVANCE TO:
FCO - PS/MR HURD PS/PUS BRIDGES HANNAY SPRECKLEY FENN JOY
CAB - ELLIOTT
NO 10 - PRIVATE SECRETARY

BUTLER (ADVANCED AS REQUESTED)

FCO WHITEHALL
ECD

RR DUBLIN

RR PARIS

RR BONN

RR LUXEMBOURG

RR ATHENS

GRS 800

ADVANCED AS REQUESTED

IMMEDIATE

PS/MR HURD
PS/PUS
LD/BRIDGES
HD/ECD (1)
MR ELLIOTT } CABINET OFFICE
MR GOODENOUGH }
~~MR ALEXANDER~~, No 10 DS.

RC

CONFIDENTIAL
DESKBY 090800Z MADRID
DESKBY 090900Z RABAT
FM UKREP BRUSSELS 081952Z JAN 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 41 OF 8 JANUARY
AND TO MADRID (FOR PS/LPS AND FRANKLIN) RABAT (FOR PS/SOFS)
INFO COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG ATHENS

MY TELNO 24: COMMISSION PORTFOLIOS.

1. ONLY TIME WILL TELL WHETHER THE SLIGHTLY UNPLEASANT TASTE LEFT IN THE MOUTH BY YESTERDAY'S LONG DRAWN OUT DISCUSSIONS WILL ADVERSELY AFFECT WORKING RELATIONS WITHIN THE COMMISSION. MY GUESS IS NOT. THORN WENT OUT OF HIS WAY IN TALKING TO COREPER AND THE PRESS TO PRESENT THE OUTCOME IN A WAY WHICH WOULD CAUSE NO-ONE PAIN.

2. THORN, PROBABLY AT DAVIGNON'S SUGGESTION, HOWEVER, CLEARLY TRIED YESTERDAY TO PULL A FAST ONE ON TUGENDHAT. TUGENDHAT, TRYING TO AVOID ANY OPEN ROW IN COMMISSION ITSELF, WAS A BIT SLOW TO FIGHT BACK. ONCE HE DID, WITH THE HELP OF THE PRIME MINISTER'S INTERVENTION, HE WAS ABLE TO RESTORE THE SITUATION, ALTHOUGH HE HIMSELF FEELS THAT HE MAY HAVE DAMAGED HIMSELF IN THE COMMISSION TEMPORARILY. THE ANSWER TO THOSE WHO ARE SAYING THAT HE MADE AN ISSUE OF SOMETHING WHICH DID NOT JUSTIFY IT IS THAT IT TOOK HIM UNTIL 2 A.M. TO NEGOTIATE THE CHANGES IN THE TEXT REQUIRED TO MAKE IT ACCEPTABLE. IF THERE HAD NOT BEEN REAL ISSUES AT STAKE, IT WOULD NOT HAVE TAKEN SO LONG TO GET AGREEMENT.

3. THE MAJOR CASUALTY HAS BEEN O'KENNEDY, WHO ALIENATED MANY OF HIS COLLEAGUES DURING THE FIGHT AND HAS ENDED UP WITH NOTHING OF VALUE, AND WITH HIS RESPONSIBILITY IN THE RE-STRUCTURING DEBATE VERY ATTENUATED. NARJES HAS ALSO DONE BADLY BUT DID NOT PUT UP MUCH OF

3. THE MAJOR CASUALTY HAS BEEN O'KENNEDY, WHO ALIENATED MANY OF HIS COLLEAGUES DURING THE FIGHT AND HAS ENDED UP WITH NOTHING OF VALUE, AND WITH HIS RESPONSIBILITY IN THE RE-STRUCTURING DEBATE VERY ATTENUATED. NARJES HAS ALSO DONE BADLY BUT DID NOT PUT UP MUCH OF A FIGHT. ANDRIESSEN IS APPARENTLY DISAPPOINTED: HIS BENELUX PARTNERS GAVE HIM NO SUPPORT. NATALI ALSO FEELS DISSATISFIED AND WE ARE TOLD, NOT NECESSARILY WITH TOTAL RELIABILITY, THAT COLOMBO ALSO PHONED THORN YESTERDAY ON HIS BEHALF. THE CHIEF GAINER IS OF COURSE DAVIGNON, WHO SEEMS TO HAVE GOT PRETTY MUCH WHAT HE WANTED, CLEARLY AIDED AND ABETTED BY THORN. KONTOGEORGIS SHOULD BE PLEASED TO HAVE GOT FISH AS WELL AS TRANSPORT, WHICH WAS APPARENTLY SOMETHING GUNDELACH FIXED FIRST WITH HIM AND THEN SQUARED WITH THORN. RICHARD HAS ALSO DONE WELL AND FROM WHAT WE HAVE HEARD, MADE A GOOD IMPRESSION ON HIS COLLEAGUES.

4. ON THE FACE OF IT THE NEW COMMISSION IS JUST AS TOP-HEAVY AS THE OLD ONE, WITH CERTAIN COMMISSIONERS HAVING MUCH WEIGHTIER PORTFOLIOS THAN THE REST. THORN'S EMPHASIS TO COREPER ON COLLEGIALITY WAS WELCOME, BUT THE INSTINCTS OF DAVIGNON, ORTOLI AND GUNDELACH WILL NO DOUBT CONTINUE TO BE IN THE DIRECTION OF A CABAL. WHETHER THEY GET AWAY WITH IT WILL DEPEND NOT ONLY ON THORN HIMSELF BUT ALSO ON THE EFFECTIVENESS OF OTHER COMMISSIONERS, PARTICULARLY TUGENDHAT BUT ALSO ANDRIESSEN AND NATALI IN FORCING THINGS MORE INTO THE OPEN.

5. LEAVING ASIDE ANY POSSIBLE CONSEQUENCES OF THE FRAY WHICH PRECEDED THE RESULT, THE BRITISH COMMISSIONERS EMERGED PRETTY WELL. TUGENDHAT'S POSITION IS SAFE-GUARDED, DESPITE WHAT O'KENNEDY IS SAYING TO THE PRESS (MY TELNO 32), ALL THE MORE SO SINCE O'KENNEDY IS WIDELY FELT TO HAVE COME OUT OF THE DISCUSSION VERY BADLY. RICHARD IS OFF TO A GOOD START. THERE WILL NO DOUBT BE ORGANIZATIONAL CHANGES AT DIRECTORATE-GENERAL LEVEL TO REFLECT THE PORTFOLIO ALLOCATION. WE SHALL REPORT ON THESE WHEN THEY ARE CLEARER.

FCO ADVANCE TO:
FCO - PS/MR HURD PS/PUS BRIDGES HANNAY SPRECKLEY
CAB - ELLIOTT GOODENOUGH
NO 10 - ALEXANDER

BUTLER

NNNN

CONFIDENTIAL

Subject

File

cc: Amt
CO

10 DOWNING STREET

From the Private Secretary

8 January 1981

Dear Francis,

Allocation of Commission Portfolios

As you know, the Prime Minister spoke to both Mr. Christopher Tugendhat and the President of the Commission, M. Gaston Thorn, last night about the unsatisfactory way in which the discussion over the allocation of responsibilities within the new Commission appeared to be developing.

Mr. Tugendhat briefed the Prime Minister on the situation and explained why he thought it was unsatisfactory that Mr. O'Kennedy should be given "a special mission of co-ordination" in regard to the preparation of the Commission's proposals for restructuring the Community Budget. The Prime Minister strongly agreed with Mr. Tugendhat that it was unacceptable that Mr. O'Kennedy should be given a role in this area at Mr. Tugendhat's expense and agreed to speak to M. Thorn.

When, after some delay, M. Thorn came to the telephone, the Prime Minister told him that she had just learned of a proposal to separate the supervision of the budgetary restructuring from the portfolio of the Budget Commissioner. Such a curtailment of Mr. Tugendhat's responsibilities would be seen by the Prime Minister personally, throughout the United Kingdom, and throughout the Community, as "a deliberate insult" to Britain, and to the Senior Commissioner nominated by the British Government.

She did not see how Mr. Tugendhat could accept such a curtailment of his responsibilities. It would have grievous consequences for Britain's relationship with the Community at a time when the British Government was supporting the Community to the hilt and had been supporting the new President.

M. Thorn said that it was wrong to think that it was proposed to "take something away" from Mr. Tugendhat. On the insistence of the British Commissioners Mr. Ivor Richard had been given the major portfolio of social affairs. This created the need to find something for Mr. O'Kennedy. The proposal was that he should be associated with the President who was mandated to make proposals on budgetary restructuring within three months. M. Thorn needed someone to help him. It had been agreed by the previous Commission that Mr. Tugendhat and Mr. Gundelach should participate in preparing the response to the mandate. This would not be changed but Mr. O'Kennedy would be given a role and would chair the relevant committee in M. Thorn's

/absence

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absence. All the competences now in the hands of Mr. Tugendhat would remain fully under his control.

The Prime Minister made it clear that she was not satisfied with this explanation. She expected Mr. Tugendhat to be in control of Budget restructuring, reporting of course to M. Thorn who would be in overall charge. To suggest that anyone else should be in a position of "overlordship" of the senior British Commissioner would be seen as a calculated insult and would be bitterly and deeply resented. It would show that M. Thorn did not have confidence in Mr. Tugendhat. If Mr. Tugendhat were to accept the situation, he would not retain the confidence of those who had nominated him. Confirmation of the present proposals would have serious consequences and would get the new Commission off to an extremely bad start.

M. Thorn indicated that he was taken aback by the Prime Minister's reaction. The situation had only arisen because of his efforts to give the new British Commissioner what he wanted while leaving Mr. Tugendhat's portfolio untouched. The Prime Minister repeated that it would be unacceptable for Mr. Tugendhat to have a supervisor other than M. Thorn himself. She expected that Mr. Tugendhat would report to M. Thorn alone and that M. Thorn would regard the restructuring exercise as his main responsibility in the early months of his Presidency. M. Thorn confirmed that restructuring was his first priority.

The Prime Minister's conversation with M. Thorn ended at 1905.

I am sending copies of this letter to John Wiggins (HM Treasury) and David Wright (Cabinet Office).

Yours ever

Michael Alexander

Francis Richards Esq
Foreign and Commonwealth Office.

FCO

PS/LORD PRIVY SEAL
MR FERGUSSON
MR BULLARD
~~MR MANKAY~~
LORD BRIDGES
PS/PUS
PS/MR HURD

PS/No. 10, DOWNING ST

~~RESIDENT CLERK~~
HD/ECD (E)(I)(4)
HD/NEWS
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HD/....
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PLUS FCO
Euro Pol.

ADVANCE COPY

IMMEDIATE

CABINET OFFICE	D O T	PLUS OGDS
MR M D M FRANKLIN MR D M ELLIOTT MR A M GOODENOUGH MR S WENTWORTH MRS A BLACKBURN		
H M TREASURY	M A F F	
SIR K COUZENS MR ASHFORD	SIR B HAYES	

1 GRS 200

MS

CONFIDENTIAL
FM UKREP BRUSSELS 061338Z JAN 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 27 OF 8 JANUARY
AND TO MADRID (FOR PS/LPS AND FRANKLIN)
INFO COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG
ATHENS
INFO SAVING BRUSSELS

MY THIRD IPT: COMMISSION PORTFOLIOS

FOLLOWING IS FIRST DRAFT OF TEXT ON BUDGET RESTRUCTURING MANDATE

MR O'KENNEDY IS CHARGED WITH A SPECIAL MISSION OF COORDINATION, IN ASSOCIATION WITH THE PRESIDENT, WITH A VIEW TO ENSURING THE CONTINUITY OF THE WORK ON THE MANDATE OF 30 MAY 1980 GIVEN BY THE COUNCIL.

THIS INCLUDES IN PARTICULAR THE FOLLOWING TASKS:-

MR O'KENNEDY ASSISTS THE PRESIDENT AT THE MEETINGS OF OPEN GROUP OF THE MEMBERS OF THE COMMISSION OR CHAIRS THIS GROUP IN THE CASE OF THE ABSENCE OR NON-AVAILABILITY OF THE PRESIDENT:

THE PREPARATION, UNDER THE CONTROL OF THE PRESIDENT, AND THE PRESENTATION IN AGREEMENT WITH THE PRESIDENT OF THE PROPOSALS TO THE COUNCIL IN LIAISON WITH THE OTHER MEMBERS OF THE COMMISSION

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THE PREPARATION, UNDER THE CONTROL OF THE PRESIDENT, AND THE PRESENTATION IN AGREEMENT WITH THE PRESIDENT OF THE PROPOSALS TO THE COUNCIL IN LIAISON WITH THE OTHER MEMBERS OF THE COMMISSION CONCERNED.

TO THE EXTENT NECESSARY, THE STAFF RESPONSIBLE FOR THIS WORK WILL BE PLACED AT THE DISPOSAL OF THE GROUP OF OFFICIALS PRESIDED OVER BY THE SECRETARY GENERAL.

FCO ADVANCE TO:
FCO - PS/MR HURD PS/PUS BRIDGES HANNAY SPRECKLEY
CAB - ELLIOTT
NO 10 - PRIVATE SECRETARY

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[Advanced, as requested.]

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PS/Mr HURD
MR BULLARD
~~MR HANNAY~~ Mr Fergusson
LORD BRIDGES
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RESIDENT CLERK
HD/ECD ~~(1)~~ ~~(4)~~ (1) (2) E(2)
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HD/....

PLUS FCO

PS/No 10 DS.

CABINET OFFICE

MR M D M FRANKLIN
MR D M ELLIOTT
MR A M GOODENOUGH
MR S WENTWORTH
MRS A BLACKBURN

D O T

PLUS OGDS

MG

H M TREASURY

SIR K COUZENS
MR ASHFORD

M A F F

SIR B HAYES

IMMEDIATE

GRPS 200

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FM UKREP BRUSSELS 081337Z JAN 81
TO IMMEDIATE F C O
TELEGRAM NUMBER 26 OF 8 JANUARY 1981
AND TO MADRID (FOR PS/LPS AND FRANKLIN)
INFO ROUTINE COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG ATHENS
INFO SAVING BRUSSELS

MY SECOND I P T:

COMMISSION PORTFOLIOS

FOLLOWING IS FINAL TEXT ON THE BUDGET RESTRUCTURING MANDATE

1. THE COMMISSION CONFIRMS THE DECISION TAKEN ON 23 JULY 1980 (COM(80 PV 569 - POINT XXIV A 1) THAT WORK IN EXECUTION OF THE MANDATE GIVEN BY THE COUNCIL ON 30 MAY 1980 WILL BE DIRECTED AND FOLLOWED BY AN OPEN GROUP OF MEMBERS OF THE COMMISSION, CHAIRED BY THE PRESIDENT.

2. IN THIS CONTEXT, THE PRESIDENT DELEGATES TO MR O'KENNEDY CERTAIN RESPONSIBILITIES, NOTABLY THE FOLLOWING.

FOLLOWED BY AN OPEN GROUP OF MEMBERS OF THE COMMISSION, CHAIRED BY THE PRESIDENT.

2. IN THIS CONTEXT, THE PRESIDENT DELEGATES TO MR O'KENNEDY CERTAIN RESPONSIBILITIES, NOTABLY THE FOLLOWING:

- MR O'KENNEDY ATTENDS WITH THE PRESIDENT AT MEETINGS OF THE OPEN GROUP, OR CHAIRS THIS GROUP IN THE CASE OF ABSENCE OR NON-AVAILABILITY OF THE PRESIDENT:

- THE PREPARATION, IN LIAISON WITH THE OTHER MEMBERS OF THE COMMISSION CONCERNED AND WITHOUT AFFECTING THEIR RESPONSIBILITY, OF PROPOSALS TO THE COMMISSION IN THIS FIELD.

3. THE SECRETARY-GENERAL, AND THE SERVICES CONCERNED IN THE SECRETARIAT-GENERAL, WILL BE AVAILABLE FOR THE DISCHARGE OF THESE TASKS.

4. MR O'KENNEDY ASSISTS THE PRESIDENT AND THE OTHER MEMBERS OF THE COMMISSION CONCERNED DURING DISCUSSION IN THE COUNCIL OF THESE MATTERS.

FCO ADVANCE TO:-
FCO - PS/MR HURD, PS/PUS, BRIDGES, HANNAY, SPRECKLEY
CAB - ELLIOTT
NO 10 - PRIVATE SECRETARY

BUTLER

ADVANCED AS REQUESTED

NNNN

FCO

PS/LORD PRIVY SEAL
MR FERGUSSON
MR BULLARD
~~MR HANNAY~~
LORD BRIDGES
MR HURD
PS/PUS

~~RESIDENT CLERK~~
HD/ECD (E)(4)
HD/NEWS
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No. 10 DOWNING ST

PLUS FCO

ADVANCE COPY

IMMEDIATE

(20X)

CABINET OFFICE	D O T	PLUS OGDS
MR M D M FRANKLIN MR D M ELLIOTT MR A M GOODENOUGH MR S WENTWORTH MRS A BLACKBURN		
H M TREASURY	M A F F	
SIR K COUZENS MR ASHFORD	SIR B HAYES	

GRS 400

UNCLASSIFIED
FM UKREP BRUSSELS 081336Z JAN 81
TO IMMEDIATE FCO
TELEGRAM NUMBER 25 OF 8 JANUARY
AND TO MADRID (FOR PS/LPS AND FRANKLIN)
INFO COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG
ATHENS
INFO SAVING BRUSSELS

MIPT: COMMISSION PORTFOLIOS

1. FOLLOWING IS TEXT FROM WHICH THORN BRIEFED THE PRESS ON PORTFOLIO DISTRIBUTION

PRESIDENT .....
- SECRETARIAT GENERAL
- SERVICE JURIDIQUE
- GROUPE DU PORTE-PAROLE
- BUREAU DE SECURITE
- SECTEUR CULTUREL

M. ORTOLI .....
- AFFAIRES ECONOMIQUES ET FINANCIERES
- CREDIT ET INVESTISSEMENTS

M. HAFERKAMP .....
- RELATIONS EXTERIEURES Y COMPRIS SECTEUR NUCLEAIRE

- SERVICE JURIDIQUE
- GROUPE DU PORTE-PAROLE
- BUREAU DE SECURITE
- SECTEUR CULTUREL

M. ORTOLI .....
- AFFAIRES ECONOMIQUES ET FINANCIERES
- CREDIT ET INVESTISSEMENTS

M. HAFERKAMP .....
- RELATIONS EXTERIEURES Y COMPRIS SECTEUR NUCLEAIRE

M. GUNDELACH .....
- AGRICULTURE
- PECHE (POUR UNE PERIODE TRANSITOIRE)

M. NATALI .....
- POLITIQUE GLOBALE MEDITERRANEENNE
- ENLARGISSEMENT
- INFORMATION

M. CHEYSSON .....
- DEVELOPPEMENT

M. GIOLITTI .....
- POLITIQUE REGIONALE
- COORDINATION DES FONDS COMMUNAUTAIRES

M. DAVIGNON .....
- AFFAIRES INDUSTRIELLES
- ENERGIE
- AGENCE D'APPROVISIONNEMENT D'EURATOM
- RECHERCHE ET SCIENCE
- CENTRE COMMUN DE RECHERCHE (BUT SEE COMMENT BELOW)

M. TUGENDHAT .....
- BUDGET ET CONTROLE FINANCIER
- INSTITUTIONS FINANCIERES
- FISCALITE

M. CONTOGEORGIS .....
- TRANSPORTS
- PECHE APRES UNE PERIODE TRANSITOIRE
- COORDINATION DES QUESTIONS RELATIVES AU TOURISME

M. NARJES .....
- MARCHE INTERIEUR ET INNOVATION INDUSTRIELLE.
- SERVICE DE L'UNION DOUANIERE
- ENVIRONNEMENT, PROTECTION DES CONSOMMATEURS
- SECURITE NUCLEAIRE

M. CONTOGEORGIS ..... - TRANSPORTS
- PECHE APRES UNE PERIODE TRANSITOIRE
- COORDINATION DES QUESTIONS RELATIVES AU TOURISME

M. NARJES ..... - MARCHE INTERIEUR ET INNOVATION INDUSTRIELLE.
- SERVICE DE L'UNION DOUANIERE
- ENVIRONNEMENT, PROTECTION DES CONSOMMATEURS
- SECURITE NUCLEAIRE

M. ANDRIESSEN ..... - RELATIONS AVEC LE PARLEMENT EUROPEEN
- CONCURRENCE

M. RICHARD ..... - EMPLOI ET AFFAIRES SOCIALES
- CONFERENCE TRIPARTITE
- EDUCATION ET FORMATION PROFESSIONNELLE

M. O'KENNEDY ..... - DELEGUE DU PRESIDENT (NOTE NATAMMENT POUR LE MANDAT DU 30.5.80)
- PERSONNEL ET ADMINISTRATION
- OFFICE STATISTIQUE
- OFFICE DES PUBLICATIONS

2. COMMENT: ACCORDING TO RICHARD, HE AND DAVIGNON HAVE AGREED BETWEEN THEM THAT, THIS TEXT NOTWITHSTANDING, RICHARD SHOULD HAVE RESEARCH AND SCIENCE PLUS THE JOINT RESEARCH CENTRE.

FCO ADVANCE TO:
FCO - PS/MR HURD, PS/PUS, BRIDGES, HANNAY, SPRECKLEY
CAB - ELLIOTT
NO. 10 - PRIVATE SECRETARY

BUTLER

[Advanced, as requested.]

NNNN

FCO

PS/LORD PRIVY SEAL

MR BULLARD
~~MR HANNAY~~ N Ferguson
LORD BRIDGES
PS/M HURD
PS/PUS

~~RESIDENT CLERK~~

HD/ECD (I)(4)
HD/NEWS
HD/....
HD/....
HD/....

+20

PLUS FCO

~~HD/ECD(I)~~

CABINET OFFICE	D O T	PLUS OGDS
MR M D M FRANKLIN MR D M ELLIOTT MR A M GOODENOUGH MR S WENTWORTH MRS A BLACKBURN		PS/No 10 DS
H M TREASURY SIR K COUZENS MR ASHFORD	M A F F SIR B HAYES	

RR ATHENS

GPS 1000

IMMEDIATE

ADVANCE COPY

CONFIDENTIAL
FM UKREP BRUSSELS 081335Z JAN 81
TO IMMEDIATE FCO
TELNO 24 OF 8 JANUARY
AND TO MADRID (FOR PS/LPS AND FRANKLIN)
INFO COPENHAGEN THE HAGUE ROME DUBLIN PARIS BONN LUXEMBOURG ATHENS
INFO SAVING BRUSSELS

NEW COMMISSION: PORTFOLIOS

SUMMARY

1. THE NEW COMMISSION'S DISCUSSION ON PORTFOLIOS STARTED AT 4.00 PM ON MONDAY 6 JANUARY AND ENDED IN THE EARLY HOURS OF THIS MORNING. OTHER THAN THE SERIOUS PROBLEM WHICH AROSE CENTRING ON O'KENNEDY'S AUTHORITY FOR THE BUDGET RE-STRUCTURING MANDATE AND THE EFFECT OF THIS ON TUGENDHAT'S POSITION, THE DISTRIBUTION WAS RELATIVELY PAINLESS THOUGH NATALI IS FAR FROM PLEASED BY THE OUTCOME. TUGENDHAT HAD TO FIGHT HARD AND LONG TO RESTRICT O'KENNEDY'S POSITION ON THE MANDATE. THE INTERVENTION OF THE PRIME MINISTER CAME AT A CRUCIAL STAGE AND HAD THE EFFECT OF TIPPING THE BALANCE OF OPINIO N ROUND THE TABLE AWAY FROM O'KENNEDY. GIVEN THAT BY THIS STAGE THORN WAS OBLIGED TO GIVE O'KENNEDY SOME TEXT, THE FINAL WORDING, THOUGH NOT IDEAL, ADEQUATELY PROTECTS TUGENDHAT'S POSITION. BIGHOP OUT SOCIAL AFFAIRS, FOR WHICH HE OWES MUCH TO

THIS STAGE THORN WAS WILLING TO GIVE O'KENNEDY SOME TEXT, THE FINAL WORDING, THOUGH NOT IDEAL, ADEQUATELY PROTECTS TUGENDHAT'S POSITION. RICHARD GOT SOCIAL AFFAIRS, FOR WHICH HE OWES MUCH TO TUGENDHAT, PLUS APPARENTLY EDUCATION AND RESEARCH (IE MOST OF DG XII), THOUGH THIS IS SUBJECT TO FINAL PRECISION. MY MIFT GIVES THE FULL PORTFOLIO DISTRIBUTION, MY SECOND IFT THE FINAL TEXT ON THE MANDATE AND MY THIRD IFT THE FIRST DRAFT OF THAT.

DETAIL

2. THE COMMISSION DISCUSSION ON 6 JANUARY ENDED AT ABOUT 8.00 PM WITH NO DECISIONS BUT WITH TUGENDHAT'S POSITION APPARENTLY UNASSAILED AND WITH RICHARD SET FAIR TO OBTAIN SOCIAL AFFAIRS. AT A BILATERAL MEETING THAT EVENING WITH TUGENDHAT, THORN GAVE NO INDICATION OF WHAT WAS TO FOLLOW THE NEXT MORNING.

3. WHEN THE DISCUSSION RESUMED AT 10.30 ON 7 JANUARY THORN PRESENTED, INITIALLY ORALLY, A COMPLETE DISTRIBUTION OF PORTFOLIOS WHICH WOULD HAVE CHARGED O'KENNEDY WITH A SPECIAL MISSION OF CO-ORDINATION IN ASSOCIATION WITH THE PRESIDENT, TO ENSURE THE EXECUTION OF THE MANDATE OF 30 MAY ON BUDGET RE-STRUCTURING. O'KENNEDY WOULD ASSIST THE PRESIDENT AND IN THE PRESIDENT'S ABSENCE CHAIR THE EXISTING OPEN GROUP OF COMMISSIONERS ON THIS AND SUPERVISE THE PREPARATION AND PRESENTATION, UNDER THE PRESIDENT, OF THE COMMISSION'S PROPOSALS TO THE COUNCIL. O'KENNEDY, BUT NOT TUGENDHAT HAD SEEN THE TEXT BEFORE THE MEETING. OTHER PORTFOLIOS WERE BROADLY IN LINE WITH THE EMERGING CONSENSUS AND GAVE RELATIVELY LITTLE SUBSEQUENT DIFFICULTY.

4. ANGRY AT WHAT HE SAW AS THORN'S DOUBLE-CROSSING, TUGENDHAT THOUGHT IT BETTER TO AVOID A ROW THERE AND THEN IN FULL COMMISSION WITH O'KENNEDY. HE THEREFORE SAID THAT HE HAD GREAT RESERVATIONS AND TRIED TO HAVE A BREAK IN THE MEETING SO THAT HE COULD SEE THORN BILATERALLY. THORN HOWEVER INSISTED ON A TOUR DE TABLE DURING WHICH MOST COMMISSIONERS APPEARED WILLING TO ACQUIESCE IN THE PROPOSED DISTRIBUTION OF PORTFOLIOS WITH ONLY NATALI AND TUGENDHAT EXPRESSING THEIR DIFFERENT RESERVATIONS.

5. AT THE FIRST BREAK TUGENDHAT TOLD THORN IN STRONG TERMS THAT HE WOULD RESIST THE PROPOSAL. THE MEETING THEN RESUMED AND THORN NEVERTHELESS TRIED TO BULLDOZE HIS PROPOSAL THROUGH AND TABLED DETAILED TEXTS ON THE ABOVE LINES. TUGENDHAT STOOD FAST AND INSISTED ON A BREAK DURING WHICH HE SPOKE TO ME AND SUBSEQUENTLY TALKED TO THE PRIME MINISTER.

6. THE PRIME MINISTER TELEPHONED THORN TO INFORM HIM THAT SHE WAS NOT PREPARED TO GO ALONG WITH THIS CURTAILMENT OF THE AUTHORITY OF

THORN NEVERTHELESS TRIED TO BULLDOZE HIS PROPOSAL THROUGH AND TABLED DETAILED TEXTS ON THE ABOVE LINES. TUGENDHAT STOOD FAST AND INSISTED ON A BREAK DURING WHICH HE SPOKE TO ME AND SUBSEQUENTLY TALKED TO THE PRIME MINISTER.

6. THE PRIME MINISTER TELEPHONED THORN TO INFORM HIM THAT SHE WAS NOT PREPARED TO GO ALONG WITH THIS CURTAILMENT OF THE AUTHORITY OF TUGENDHAT, NOW THE SENIOR BRITISH COMMISSIONER. O'KENNEDY'S OVERLORDSHIP OVER THE BUDGET RE-STRUCTURING WAS NOT ACCEPTABLE. IN INFORMAL CONVERSATION I ENSURED THAT KEY COMMISSIONERS KNEW OF THE PRIME MINISTER'S STRONG VIEWS ON THE SUBJECT.

7. TUGENDHAT HAD A FURTHER BILATERAL WITH THORN AND THE MEETING RESUMED LATE IN THE EVENING, ENDING AT BETWEEN 2 AND 3 THIS MORNING. IN THE COURSE OF THE MEETING DAVIGNON, ORTOLI, NATALI AND NARJES INCREASINGLY SUPPORTED TUGENDHAT IN CUTTING BACK O'KENNEDY'S ROLE IN THE RE-STRUCTURING MANDATE.

8. THE TEXT AS ADOPTED HAS THE FOLLOWING FEATURES:
A) ALL MENTION OF A SPECIAL COORDINATING MISSION WAS DROPPED AND INSTEAD THE COMMISSION'S DECISIONS OF LAST JULY SETTING UP THE NOEL GROUP AND ITS WORKING METHOD WERE CONFIRMED:
B) THE PARAGRAPH CHARGING O'KENNEDY WITH THE DUTY OF CHAIRING THE OPEN GROUP OF COMMISSIONERS IN THORN'S ABSENCE REMAINS (TUGENDHAT REGARDS THIS AS RELATIVELY INNOCUOUS):
C) MOST IMPORTANTLY, O'KENNEDY NO LONGER HAS THE RESPONSIBILITY TO PRESENT PROPOSALS TO THE COUNCIL. FURTHERMORE HE GETS NO SPECIAL STAFF OF WHICH THERE WAS A POSSIBILITY AT ONE STAGE. O'KENNEDY WAS BOUGHT OFF WITH A SENTENCE WHICH CASTS HIM IN THE ROLE OF ASSISTING THE PRESIDENT AND OTHER COMMISSIONERS IN THE COUNCIL:
D) THE FINAL TEXT SPECIFICALLY CONFIRMS THAT THE RESPONSIBILITIES OF OTHER COMMISSIONERS ARE UNAFFECTED BY THESE ARRANGEMENTS.

FCO ADVANCE TO:
FCO -- PS/MR HURD, PS/PUS, BRIDGES, HANNAY, SPRECKLEY
CAB -- ELLIOTT
NO 10 - PRIVATE SECRETARY

ADVANCED AS REQUESTED

BUTLER

MINN

Copy

Subject filed on Euro Pol Comm Budget Part 10.

Ref: A03927

CONFIDENTIAL

PRIME MINISTER

Community Affairs

In the absence of both the Foreign and Commonwealth Secretary and the LordPrivy Seal, you may wish to mention that you have sent a message of congratulation to the Greeks on their accession to the Community. You may then like to invite Mr. Hurd (who will be attending Cabinet for this item as well as Foreign Affairs, in the absence of Lord Carrington and Sir Ian Gilmour) to report on the allocation of portfolios to Mr. Tugendhat (who is likely to retain the budget portfolio) and to Mr. Richard (who may get Social Affairs or part of the industrial portfolio).

2. The Chancellor of the Exchequer might be invited to report on the latest position with regard to the allegations of procedural irregularities in the adoption of the 1980 Supplementary Budget and the 1981 Budget. France, Germany and Belgium have limited their January contributions in respect of the Supplementary 1980 Budget to the amount accepted by the Council and are thus withholding payments towards the extra sum added by the Parliament. The French seem also to be disputing the validity of the 1981 Budget, but no payments under this head are due until February. The Commission have confirmed that they intend to implement the two Budgets as adopted by the Parliament, including the payment to the United Kingdom in the next few weeks of the amount due to us under the Financial Mechanism.

3. The Minister of Agriculture might be invited to report on the action taken, following your agreement in correspondence, to make clear to the new Commission our view that this year's CAP price fixing should not result in an average price increase of more than 4 to 5 per cent.

RA

(Robert Armstrong)

7th January 1981

CONFIDENTIAL

Subject

RECORD OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND M. GASTON THORN ON WEDNESDAY 7 JANUARY 1981

M. Thorn: Hullo. How are you?

PM: I was all right until I heard one or two things which I wanted just to make certain with you. We have learned that there has been a proposal being considered to separate the supervision of the budget restructuring from the portfolio of Mr. Tugendhat, who is , we hope, the budget Commissioner and to allocate the restructuring to some one else as supervisor - BLANK - Christopher with the ordinary budget. We are very concerned about this. I must tell you that if that is true, I think such a curtailment of Mr. Tugendhat's responsibilities would be seen throughout the United Kingdom, and I think throughout the Community, as a deliberate insult to Britain and to the Senior Commissioner nominated to the Commission by the British Government, and by me personally, and I just don't see how he could possibly accept such a curtailment of his responsibilities. If it is not true then I needn't go any further. If it is, then I think it would have grievous consequences for the whole relationship of Britain with the Community, at a time when this Government has supported the Community to the hilt and, of course, supported the new President.

M. Thorn: I am sorry. It is difficult to understand you.

PM: Difficult to understand?

M. Thorn: Yes. Yes. Your voice is very very low.

PM: That is better than being very high. Shall I start again?

M. Thorn: No, no, no. Towards the end. May I just have a word of explanation. I understand, of course, because Christopher Tugendhat told me what was his problem, your problem, national problem. It is honestly quite wrong to think that somebody wants to take something away from him. Yesterday, Edward Christopher and Ivor, speaking on behalf of the United Kingdom, insisted that Ivor Richard should get the major responsibility for the moment. Michael O'Kennedy was ready to take just social affairs. So you have to give it to Ivor Richard so this is essential for us, and in the night we thought what can we give Michael O'Kennedy. And when we found no good portfolio, nothing worse than that, then I said, Michael, I am going to associate you to my job and I am going to give you some delegation to help me. Because within three months, I have to make proposals on the mandate. I have a strike here on in a week. I need somebody to help me for the first weeks. And we should not forget that under Roy Jenkins' Presidency the Commission decided that it was the Commission's job to prepare the answer to the mandate under the Presidency of the President with the participation one as Christopher Tugendhat second / Gunderlach, somebody else, so on and so on. And we are not changing that. But I said that in my absence the Committee would be ~~shared~~ chaired by Michael. So I am not specify-

ing that all the competences now in the hands of Christopher Tugendhat will remain fully as his only competence.

PM: No Gaston. No. I am sorry. It will not do. Christopher is a senior Commissioner now. He is my nominee. He is a British Government's nominee. He is the Budget Commissioner who you would expect to be in charge as the Commissioner of the restructuring. We fully expect him to report directly to you because you are in charge. This is the most single important thing the Commission has to do. And we would expect, therefore, that you would carry it out as your firm and first responsibility. But to suggest that there is any overlordship of the Senior British Commissioner in this job will be seen for what it is. A calculated insult to Britain and I do not see how Christopher Tugendhat could accept it. He certainly could not accept it and retain my confidence. It is an insult and it would be bitterly and deeply resented. There is no way of talking yourself out of it, Gaston. There just isn't. And I feel deeply about it myself. We have supported the Community. We have got everything back on to an excellent relationship. And just when this Government has done that, and just when I have done everything possible I could to support the Presidency and to co-operate I am faced with this. Christopher is the Budget Commissioner. He cannot have his powers curtailed like this. I feel deeply about it which is why I have tried to get you on the telephone and it would have grievous consequences for the whole view of Britain of the Community. As I say, we have done everything to support, and we just cannot take this in any way.

M. Thorn: ...This is incredible, because honestly nobody is taking something away from Christopher.

PM: I am sorry. They are. It is showing that you have no confidence in a Senior British Commissioner and there is no way of getting out of it. And he cannot accept that. I do not think he can possibly accept it as Senior British Commissioner and retain the confidence of the people who appointed him. I simply don't understand you Gaston. The most important thing in the next year, and I shall be President of the Commission in June to December, is the restructuring. We expect you to take it as the main thing.

M. Thorn: Exactly. But I ....

PM: But not only as an overlord or supervisor.

M. Thorn: No. He will help me ....

PM: I am sorry, I... Gaston stand back and look at it as a politician. You are curtailing Christopher's powers and indicating a lack of confidence in him. If you attempt to give any one supervision other than yourself over what is done, and I am making it very very clear that the United Kingdom and the Government will take it as a deliberate insult. And that would be very very serious indeed. I mean an extremely bad start.

M. Thorn: Oh my. I never would have thought it.

PM: Neither would I have thought it Gaston, particularly as you have the support and co-operation I have tried to give you.

M. Thorn: It was quite honest in doing so and I tried my best, and the worst thing is that the idea only came up at the moment when I tried to leave Christopher's portfolio untouched and to give to the second British what he wanted too. That was the problem. Michael would have taken that and no discussion at all. That's the drama.

PM: Gaston, if Christopher has that Budget portfolio, and I assume he will, because we have made it clear that was our first priority, he must not have his powers curtailed. He must not have a supervisor. He reports to you as President of the Commission and we obviously expect you as President to make that your first and main duty.

M. Thorn: I do I promise you.

PM: Well Gaston, I have made my views very clear.

M. Thorn: Yes you made it very clear ..

PM: And I feel very strongly about it and so will the British people. But I do not see how Christopher could possibly accept a truncated responsibility like that.

M. Thorn: ... now we are going to discover from it

PM: All right Gaston. All right.

M. Thorn: Nevertheless, thank you

PM: Thank you for 'phoning. Good bye.

M. Thorn: Good bye.

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Agree text?

6 January 1981

Dear Michael,

The new European Commission starts work this week. The Lord Privy Seal suggests that the Prime Minister should send Monsieur Thorn a short message of good wishes, which would almost certainly be copied widely through the Commission.

I attach a draft message which could be despatched direct to the Commission if the Prime Minister agrees.

Yours ever,

Stephen Gomersall.

S J Gomersall

M O'D B Alexander Esq
10 Downing Street

DSR 11 (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:

Monsieur Gaston Thorn
President of the Commission of
the European Communities

Your Reference

Copies to: (blind)
Sir M Butler, UKREP

SUBJECT:

At the start of the new Commission's first year of office, my colleagues and I extend to you and your colleagues on the Commission our warm good wishes. The Community again faces major challenges and opportunities and, as always, the role of the Commission will be crucial in helping to ensure that we achieve our objectives. I look forward to working with you and , in particular, to our next meeting at the European Council in Maastricht, as well as to closer cooperation in the latter part of the year during the British Presidency.

MT

Enclosures—flag(s).....

010

Euro Pol

P.M. has approved.
h.a.
Secretary of State 4/XII

CONFIDENTIAL

Private Secretary

Copied to:

PS/Lord Privy Seal
PS/PUS
Lord Bridges
ECD(I)
Mr Franklin - Cabinet Office

agree if the P.M. does so, as above

COMMISSION PORTFOLIOS

1. I attach a self-explanatory draft letter to M. Thorn from the Secretary of State.

2. I have not included a reference to Mr Tugendhat's wish to add responsibility for Credit and Investment to his Budget portfolio. This is a third line department, which would have to be prised away from M. Ortoli who has it now. If we mention it in this letter the risk is that we will impair the effectiveness of our sponsorship of Mr Richard for Social Affairs.

3. If the Secretary of State approves this draft, we will want to instruct Sir M Butler or Mr Thomas to deliver it; and we will need to brief our EC posts on our objectives.

4. We will also need to consider warning the Irish we are going for their target. The brief for the Prime Minister's visit to Dublin will be drafted accordingly, with the suggestion that we try to steer the Irish towards Fish, where they have important interests, most of which are parallel and compatible with ours, and where an Irish Commissioner would also mean the moving of the existing Irish Director-General, about whom we are less than enthusiastic.

D H A Hannay

D H A Hannay

2 December 1980

CONFIDENTIAL

CONFIDENTIAL

I wrote to you on 17 November to follow up our conversation on Commission portfolios when you visited London in October.

Since then the picture about nominations to the new Commission has become clearer and only the name of the second German Commissioner is now lacking. I understand that generally speaking it is your intention not to change the responsibility of existing Commissioners, who are re-appointed. As you know Christopher Tugendhat would like to continue with the budget and we would welcome that.

No confidentiality

But the principle of continuity does pose a problem for Ivor Richard, since his first choice portfolios, which I mentioned to you, development and industry, are held by returning commissioners. In these circumstances he feels, and the British Government supports this view, that he would be well qualified to handle Social Affairs. This is an aspect of the Commission's work which arouses a good deal of interest and support in this country and also one where a politician left of centre has a natural advantage. He also feels that it is a responsibility which will help him in the undoubtedly difficult task he will have in keeping open his lines with his own party. I hope you will feel able to take these considerations into account when allocating the portfolios.

D 107991 400,000 7/76 904 953

Foreign and Commonwealth Office

London SW1A 2AH

Dear Gaston

When you were in London on 27 October we discussed briefly the question of portfolios in the next Commission. While decisions on this are, of course, a matter for the Commission itself, I thought it might be useful if I confirmed in writing the British Government's views on the portfolios that might be attributed to the two British nominees.

Christopher Tugendhat would like to retain the budget portfolio and has the British Government's full support in this.

As regards Ivor Richard's possible responsibilities, he has, I know, a personal interest in both development and industry. He is well qualified for both of these posts and would have the British Government's support for either of them, if this fitted in with your plans.

Yours ever

Peter

(CARRINGTON)

His Excellency M. Gaston Thorn

Ewo Pol

Ref: A03647

CONFIDENTIAL

MR. ALEXANDER

European Commissioners

I see that, in her telephone conversation with the President of the Republic on 21st November, the Prime Minister said that she wanted to know the views of President Giscard so that we could "adjust our views accordingly", and that she did not want to have a clash with the French Government on this issue.

2. This suggests that the Prime Minister accepts - as I think that it is only realistic to do - that we are not going to be able to prise the Development portfolio out of the French on this occasion. If that is right, presumably we should like as a quid pro quo to see if we can get French support for getting the Social Affairs portfolio for Mr. Richard. Mr. Richard has, I understand, accepted that he is unlikely to get the Development portfolio because of the French position, and would now like to go for Social Affairs.

3. If that is the position, I think that it would be advantageous if I were to be authorised to speak to M. Wahl at a very early date. The French will be waiting for us to follow up the Prime Minister's conversation with the President; and we are not likely to gain by delay.

RTA

(Robert Armstrong)

25th November 1980

CONFIDENTIAL

Extract from PM's telephone conversation with Pres Giscard D'Estaing on Friday 5-21 Nov 1980 at 1545 hrs

PM: Not before. But we keep a wholly open mind on it at the moment. I am going to Rome I think 2 or 3 days before you.

Original: France: Anglo/French Relations, Oct 79

PG: Ah, yes. This week.

PM: Yes, I'm going on Sunday. Then I have to be back because we're making a statment, the Chancellor of the Exchequer's making a statement in Parliament on Monday. I just felt that I might be tackled about the quadripartite matter. And we'll just play it the way as best I can.

PG: Well I think the answer is that there is no for instance, for the moment there is no proposal to hold such a meeting, so there's no position to take about it. Now probably I will have some questions when I go to Rome and I will say the same.

PM: Just a word if I may about Commission portfolios. I'm not quite sure what the position is and I wondered if you had any particular views because when we came to Paris I know that you weren't quite certain whom you were appointing and you asked me about portfolios. And I wondered if you still have any particular views because they will soon be deciding.

PG: Yes, about the people we have not decided yet about the French representatives. But there is one portfolio we are very keen to keep, that is the portfolio of, I don't know what is the name, it's for cooperation. It's due to the fact that we still have and we will keep for a few years ahead a rather close relationship with the sub-African countries and for them to see it change will probably be resented like some distance we are taking from their interests. So it's a reason for which I meant to talk, that is really the portfolio to which we are deeply attached. The others could be discussed on a, in an open way. But I ask Wahl to tell your assistant, to avoid any conflict on this because we don't want to have a dispute.

PM: Yes, that's why I asked. I don't want to have a dispute either. As you know Mr. Richard has done a lot of work in that sphere and therefore I wanted to know what your views were so that we can adjust ours accordingly.

/ PG:

G: Yes. This we have discussed deeply and there is a very strong desire because it has been like this since the beginning. We know very well that it cannot last forever. But for the moment there is still an expressed desire by our partners so ...

PM: Yes, well we would very much like to keep the budget this year. We've had it just 4 years and Mr. Tugendhat's staying and we would, for similar reasons, very much like to keep the budget. But if Mr. Wahl keeps in touch, we keep in touch with Mr. Wahl then that will see that we don't clash. There's only one other thing may I mention, I had messages from Mr. Muldoon of New Zealand, very concerned, which is why I did send a message Mr. President to you earlier in the week about New Zealand butter which matters a very great deal to them. It's a small amount to Europe and I myself have not gone into the details. May I just say therefore that I hope our Foreign Ministers can sort it out at their next meeting. Hello, hello?

PG: Well, I'm sorry I don't hear you too well.

PM: Oh, I'm so sorry. I sent a message which I had received from Mr. Muldoon about New Zealand butter.

PG: Yes, I received it.

PM: Yes, he's very concerned. It means a lot to his economy and comparatively little to us and I just hope that our Foreign Ministers can sort out the matter at the next Council of Foreign Ministers. I myself have not gone into the detail, we would like to help a person whose been a very great friend of Europe.

PG: Yes, well I received your message and I also instructed Francois-Poncet to study, to review the question in a friendly attitude. I just will mention that there is some contradition between British attitudes. One is to criticise the excess of stockpile of butter in the Community and the other is to ask for broader imports. But we understand that of course New Zealand interests are at stake in this question so I hope it will be possible to find a fair solution at the next meeting.

/ PM:

Ref: A03614

Prime Minister
Given that the French can prevent us getting the Development Portfolio and that Mr Richard has the Employment Secretary's support in going for Social Affairs, you may want to close on this basis.
AT 28/XI

CONFIDENTIAL

MR. ALEXANDER

European Commission Portfolios

I reported to you yesterday my telephone conversation with M. Jacques Wahl.

2. I now attach a copy of a minute by Mr. Franklin, reporting two new developments:-

(a) That, if the Development portfolio is not open to him, Mr. Richard would like to go for the Social Affairs portfolio, and that Sir Michael Butler thinks that we should go for that.*

(b) That the person whom President Giscard would like to nominate for the Development portfolio would be Mme. Christiane Scrivener, a Giscardienne member of the European Parliament.

3. What Mr. Tugendhat learnt from Mme. Scrivener confirms that the retention of the Development portfolio for France is a high priority for President Giscard, to the extent that he is prepared to leave M. Ortoli in position if necessary to continue to be a Vice-President and therefore block M. Cheysson from being a Vice-President if M. Cheysson has to stay to be sure of keeping us out of the Development portfolio.

4. Mr. Tugendhat thinks that Mme. Scrivener would be good news for us. His high opinion of her is endorsed by those who have known something of her in Paris. She was at one time made a Junior Minister for consumer affairs. She is said to be both able and nice, and to be an anglophile: she is said to have British family connections.

5. It is clear that, if we do nothing, M. Cheysson will be re-nominated in order to ensure that we do not get the Development portfolio. The question now is whether we should let it be known, via M. Wahl, that we shall not seek the Development portfolio for Mr. Richard if we can be reasonably sure of getting the Social Affairs portfolio for him instead.

*. I have just learnt that the Secretary of State for Employment would be well content for Mr Richard to have the Social Affairs portfolio.

CONFIDENTIAL

5. Time is of the essence if we are to make a pitch for the Social Affairs portfolio. Perhaps this can be discussed, as Mr. Franklin suggests, before or after the briefing meeting for Rome.

6. I am sending a copy of this minute to Mr. Walden.

RWA

(Robert Armstrong)

20th November 1980

CONFIDENTIAL

SIR ROBERT ARMSTRONG

EUROPEAN COMMISSION PORTFOLIOS

1. Sir Michael Butler telephoned me this morning. Mr Christopher Tugendhat had told him:-

a) that he had spoken to Mr Ivor Richard about the possibilities likely to be open to him and had convinced him that the Social Affairs portfolio would be a good one to go for. (Mr Hannay, who saw Mr Richard last night has confirmed that he is now quite enthusiastic about Social Affairs on the assumption that the Development portfolio is not available to him).

b) that he had lunched with Mme. Christiane Scrivener a Giscardienne member of the European Parliament. She had said that President Giscard would like to appoint her as a Commissioner but this would not be possible if the British were going to press for the Development portfolio. In that event, M. Cheysson would be reappointed, and this would necessitate the reappointment of M. Ortoli as well (to prevent Cheysson being a Vice President). In his, Tugendhat's view Mme. Scrivener would be good news for us: she was a Harvard trained"mid-atlanticist".

2. Sir Michael Butler concluded that, in his view, we should now put our efforts behind getting Social Affairs portfolio for Mr Richard, and that we should need to move quickly since the Irish candidate Mr O'Kennedy, is campaigning for it. I discussed informally with members of EQS last night which of the remaining portfolios it would be in our interest to secure on the assumption that Development and Industrial Affairs would not be available to us and that Mr Richard did not wish to do Competition Policy. There was no dissent from the view that the Social Affairs portfolio, since it encompasses one of the structural Funds, would be worth having. I am checking urgently that the Department of Employment who were not represented at my meeting, do not dissent from this view.

3. If the Prime Minister and the Foreign Secretary (and the Secretary of State for Employment) were content that we should go for Social Affairs, the way would be open to do President Giscard a favour in exchange for firm French support for

Mr Richard getting Social Affairs. But I think the position would need to be explained to Mr Richard before you speak to Mr Wahl again.

4. Perhaps this could be discussed between the Prime Minister and the Foreign Secretary immediately before or after the briefing meeting for Rome tomorrow morning.

M D M FRANKLIN

20th November 1980

CONFIDENTIAL

(2)

Ref. A03598

MR. ALEXANDER

Prime Minister
To note
RTA

Received
Ta RTA

European Commission Portfolios

Monsieur Wahl rang me up this afternoon, to find out whether I had an answer to the point which he had put to me on 14th November.

2. I said that I was sorry that I had not been able to be in touch with him before, and even now I was not sure that I had a complete picture to report. The fact was that Mr. Ivor Richard had made it clear that the Development portfolio would be his first choice, and he was well qualified for it; we had many of the same interests in it that the French had; and the French have now held it for eight years. So we were interested in it.

3. Monsieur Wahl thanked me for speaking frankly. In further conversation, I elicited from him that the President attached higher priority to keeping the Development portfolio for France than for keeping the Economic and Finance portfolio.

4. We left it that either of us would ring the other back, if there was anything more to report.

5. I believe that it is proposed that the Prime Minister and the Foreign and Commonwealth Secretary should have a further talk about this matter.

6. I am sending a copy of this minute, together with a copy of my minute of 14th November, to Mr. George Walden.

RTA

ROBERT ARMSTRONG

19th November, 1980

CONFIDENTIAL

Euro Pol.

10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT

EUROPEAN COMMISSION:
DIRECTOR GENERAL VII (TRANSPORT)

I have shown the Prime Minister your minute of 17 November 1980 and she agrees that Mr. John Palmer's name should be put forward as a candidate to succeed Mr. Le Goy.

FRW.

18 November 1980

Prime Minister.
Agree that Mr Palmer's name should go forward?
17xi

MR C A WHITMORE

EUROPEAN COMMISSION: DIRECTOR GENERAL VII (TRANSPORT)

The present incumbent of the post DG VII at Brussels, a Mr Le Goy, will be retiring early in the New Year. This provides an opportunity to propose a British candidate for a top post in the staff of the Commission and I recommend that the name of Mr John Palmer, an Under Secretary in the Department of Transport, should be put forward.

Mr Palmer, who is just 52, served in the Ministry of Housing and Local Government and in the Department of the Environment before moving in 1976 to his present post as head of the Railways Directorate. His work there has been outstanding. He speaks French fluently and is married to a Frenchwoman. He has been an Under Secretary since 1971.

It would, I am advised, have been desirable tactically to put forward more than one candidate. Despite a thorough search however I have to report that Palmer is the only credible candidate who is available to be put forward.

It would also be desirable, to show the UK's interest in the post, for our candidate's name to go forward as soon as possible after Mr Le Goy's formal notice has been given. This will probably happen very soon. I should therefore be grateful for the Prime Minister's early approval that we should put forward Palmer as the UK candidate for DG VII.

The Minister of Transport has been consulted and would be content for this to be done.

IAN BANCROFT
17 November 1980

Ag. Rmt 18/XI

SIR ROBERT ARMSTRONG

Commission Portfolios

1. There was some discussion between the Prime Minister and the Foreign Secretary on the flight to Bonn about your submission on the telephone call from Wahl.

2. The Prime Minister clearly sees Mr Ivor Richard as most suited to the Development portfolio and does not consider that he would be well suited to Industry. I explained that the Industrial affairs portfolio was one of the more influential ones, and Mr Richard had said that it was his second choice after Development. However, if the Germans wanted to keep the Energy portfolio (and Schulman and Fischer subsequently confirmed to me that they did), then Davignon would probably stay with Industry and we would find it difficult to get it. French support would help but not be decisive. As to alternatives, Richard had spoken of Transport or Social Affairs. The latter might be a possibility: it carried responsibility for the Social Fund and involving relations with the trade unions, might be helpful to him in his relations with the Labour Party.

3. The Prime Minister further questioned whether we needed to give first priority to getting the Budget portfolio for Mr Tugendhat. Mr Davignon would do it well. The Foreign Secretary and I argued that even if Davignon would do the Budget competently, he would not be concerned to safeguard British interests. The Budget portfolio would give Mr Tugendhat a central role in the new Commission, and this must be our first priority.

4. The Foreign Secretary said the first thing was to establish the French priorities. If they wanted to hold both Economics and Finance and Development they were asking for more than we were. He was not in favour of doing a deal with the French. We should try to establish the French priorities while indicating that Richard was qualified and interested in the Development portfolio. A deal which involved giving up Development was not attractive.

/5.

5. This still leaves unresolved the basic question: do we want to be helpful to President Giscard on this issue or are we more concerned to keep open the chance of Mr Ivor Richard getting the Development portfolio.

6. If the Prime Minister and the Foreign Secretary want to follow the first course, we would return a fairly straight answer to Wahl, as in the last paragraph of your minute. But if, as I understand, they tend to feel that we should put up a bit of a fight on behalf of Mr Richard and the Development portfolio, then your reply would have to procrastinate. It might consist of:-

(i) an enquiry about the French priorities, eg, who will be their vice-president and which portfolio does he want;

(ii) our difficulty in renouncing any claim to Development given Mr Richard's qualifications and our belief that other countries believe that it might be time for a change. It would be difficult to renounce all claims;

(iii) could our joint interests by met, eg through a French Director-General?

Wal

17 November 1980

Discussed by Prime Minister & FCO on 16.XI.80

Ivor Richard would not be as good as Davignon on the Industrial Portfolio. What is the alternative?

CONFIDENTIAL

Prime Minister

You will wish to discuss this with Lord Carrington on the way to Bonn.

Ref. A03568

MR. ALEXANDER

My own inclination would be to be more coy than this minute suggests:- "We are interested in the Development Portfolio. But of course we understand France's position. It is early days yet. Perhaps we could compare notes again when the hopes of other Commissioners & other Govts are rather clearer".

15/XI

European Commission Portfolios

Monsieur Jacques Wahl, President Giscard's Secretary General, rang up this morning to raise one point which the President had not discussed with the Prime Minister when they spoke on the telephone yesterday.

2. Monsieur Wahl said that the President understood that we wished Mr. Tugendhat to be reappointed as Commissioner responsible for the Budget, and that our second Commissioner would be Mr. Ivor Richard. The French attach high importance to the Development portfolio in the Commission, because of its relevance to their interests in Africa. Monsieur Cheysson had been the Commissioner for Development for eight years. No doubt if he continued as a Commissioner he would be able to retain the Development portfolio. In considering whether to reappoint him, it would be helpful to the President to know whether it would be our intention to seek the Development portfolio for Mr. Richard.

3. The implications from this exchange were clear. The French attach great importance to getting the Development portfolio in the new Commission. They think that we may want the portfolio for Mr. Richard. They would like to replace Monsieur Cheysson, if they could be reasonably sure of retaining the Development portfolio for France. They probably think that Mr. Richard would be a strong candidate, if the portfolio were vacant. Rather than take the risk of losing it, they would reappoint Monsieur Cheysson (though that does not mean that he would necessarily stay for a full term: they could replace him after six months).

4. The fact is that, though our first priority is that Mr. Tugendhat should keep the Budget portfolio, we should indeed like to get the Development portfolio for Mr. Richard. Our national interest in it is certainly no less than that of France. Having that portfolio would put us in a stronger position to affect Community policies on development questions and on relations with states

CONFIDENTIAL

which have an association with the European Community under the Lome Agreement. The Development portfolio would be Mr. Richard's own first choice, and he would be well qualified to hold it. His second choice would be the Industrial portfolio: if he could not get the Development portfolio we should be content for him to have that, but it is now held by Vicomte Davignon, who is continuing as a Commissioner and ~~will presumably~~ may wish to keep that portfolio. We believe that the Germans want to keep the Energy portfolio, held in the present Commission by Herr Brunner. Presumably the Federal Chancellor made this clear when he met President Giscard recently.

5. The question is how I should reply to Monsieur Wahl's query on behalf of the President.

6. It seems to me that we should confirm that our first priority is to retain the Budget portfolio for Mr. Tugendhat. Going on from there, I think we have no choice but to say that we have an interest in the Development portfolio very similar to France's own, that that portfolio would be Mr. Richard's first choice and that he would be well qualified to hold it, and that it would be very difficult for us not to press his claim for it.

7. It ~~will~~ would be possible to leave it at that, but the result of that would certainly be that Monsieur Cheysson would be reappointed, in order that the French could be sure of keeping the Development portfolio. In that sense, the French have us by the short hairs.

8. The question is whether, since we cannot in the end stop the French from getting the Development portfolio, we should try to seek some quid pro quo for not trying too hard to obstruct the French objective. I could, for instance, say to Monsieur Wahl that of course we understand that, if Monsieur Cheysson stays, he is likely to be able to keep the Development portfolio, but that the Prime Minister gathered, from her conversation with the President in September, that he thought that Monsieur Cheysson had been in the Commission for long enough and had in it mind to replace him; while we should be bound to express ~~the~~ an interest in the Development portfolio in those circumstances, we should not press Mr. Richard's claim if we could count on

Conversation with M Dare

No

He may not: he would probably like the Economic and Financial Portfolio (vice Ortoli) or the Foreign Affairs Portfolio, if he could get one of them.

French support in seeking the Industrial portfolio for him. That should be regarded in Paris as a co-operative approach, though we could not guarantee to get the Industrial portfolio for Mr. Richard, even with French support, if Vicomte Davignon was set on retaining it. A weaker variant of this approach, which would be less co-operative but would indicate willingness to come to some kind of arrangement, would be to say that we should be bound to press Mr. Richard's claim for the Development portfolio unless we could look to be able to secure another portfolio for him which would suit his and our interests. This might encourage the French to consider what support they would be prepared to give us: we should not be ourselves naming a price, but inviting them to make an offer.

9. One suggestion has been made that I should explore with Monsieur Wahl whether they would be content to have the post of Director General for Development, if Mr. Richard became the Commissioner. My impression is that a deal on these lines would be of no interest to the French: what they want is to retain the Development Commissionership, and they are prepared to leave Monsieur Cheysson in post, if necessary to be sure they get it.

10. I have told Monsieur Wahl that I have been unable to get instructions before the weekend, and I will ring him back early next week.

11. The Prime Minister may like to discuss this with Lord Carrington on the way to or in Bonn, so that I can be given instructions on the Prime Minister's return (or by telegram from Bonn). How we should react depends very much on whether the Prime Minister would like to be seen by President Giscard to be co-operative on this. As I say, the French have it in their power to ensure that they get the Development portfolio, if they so wish, simply by reappointing Monsieur Cheysson. The question seems to me to be whether we indicate that we shall have to try to compete, or whether we seek a price for not trying to compete; and, if we do that, what the price should be. On the assumption that the Prime Minister will on the whole wish to be co-operative, my inclination would be to say that it would be very difficult

for us not to register an interest in the Development portfolio for Mr. Richard, but that it would be easier for us not to press that claim too far, if we were assured that the French would support a claim that Mr. Richard should have the Industrial portfolio.

RCA

(Robert Armstrong)

14th November, 1980

Member State	Present Incumbent(s)	Portfolio	Incumbent's Intentions	Member State's Position	Member State's Preferred Portfolios
FRANCE	Ortoli (Vice-President)	Economic and Financial	Expected to leave	Accept, finding replacement	Perhaps Energy
	Cheysson	Development Aid	Wants to stay in position	Undecided	Development Aid
FRG	Haferkamp (Vice-President)	External Relations	Expected to stay	Accept	No information
	Brunner	Energy, Research and Science, Education	Elected in West German elections	May have to find interim replacement October-December	No information
ITALY	Natali (Vice-President)	Environment, nuclear safety, enlargement, European Parliament	Expected to stay	Accept	Would like to add Mediterranean to enlargement
	Giolitti	Regional policy, Co-ordination Community funds	Expected to stay	Accept	No information
BELGIUM	Davignon	Industrial and internal market	Probably stay. Would like External Affairs or Energy	Accept	No information
LUXEMBOURG	Vouel	Competition	Leave	Accept	Thorn President
NETHERLANDS	Vredeling	Employment and Social	Leave	Accept, replace with Andriesen	Has expressed interest in Agriculture, Development
DENMARK	Gundelach (Vice-President)	Agriculture and Fisheries	Probably stay	Accept	Agriculture, Finance or Competition or External Affairs
IRELAND	Burke	Taxation, Transport and Consumer Affairs	Leave	Accept, replaced with O'Kennedy	Regional?
GREECE	-	-	New	Front runner Kontogeorgis	Possibly Transport (because of shipping interests)
UNITED KINGDOM	Jenkins (President)	Secretariat-General, Legal, Information	Leave	Accept, replaced with Ivor Richard	1. Development Aid, or 2. Industrial and internal market
	Tugendhat	Budget, Personnel	Wants to stay in position		

CONFIDENTIAL

VLB

FILE

Euro Pol

SIR ROBERT ARMSTRONG

The Prime Minister has seen your minute to me of 4 November proposing that two EQS papers should be shown to Messrs. Richard and Tugendhat. The Prime Minister would be content for the second of the two papers (EQS(80)52) to be shown to the Commissioners designate once it has been approved by Ministers. She does not, however, wish the first paper (EQS(80)45) to be shown to them.

MICHAEL ALEXANDER

KRB

5 November 1980

CONFIDENTIAL

File

Original on: Euro Rel: May 79

Euro Rel.

10 DOWNING STREET

From the Private Secretary

4 November 1980

Dear Julian,

Call by Mr. Jenkins

I enclose an extract from the record of yesterday's conversation between the Prime Minister and the President of the European Commission about British appointments in the Commission.

I am sending copies of this letter and its enclosure to Anthony Meyer (Department of Transport), George Walden (Foreign and Commonwealth Office) and David Wright (Cabinet Office).

Yours sincerely

Michael Alexander

Julian West, Esq.,
Department of Energy.

(1)

Prime Minister
Agree that Mr Richard or Tugendhat may see these two docs?
[illegible] 4/x1

Ref. A03450

MR. ALEXANDER

When we sought the Prime Minister's approval to show European Commissioners designate certain material, she asked what type of papers had been shown in the past, and what access would be proposed in future.

Flag A

2. Mr. Wright said in his minute of 12th August to Mr. Sanders (A0288) that Commissioners designate have not been and would not be put on the circulation list of any Cabinet or Cabinet Committee papers, or given classified papers. We should like to make an exception to that rule for the benefit of Mr. Richard - and indeed of Mr. Tugendhat, if he would like it. We think that it would be helpful for Mr. Richard and probably advantageous for the Government if Mr. Richard were allowed to read (but not retain) copies of two reports by officials:

No - this omitted the possibility of some wording going above 17% VAT.

EQS(80) 45	Report by officials on our strategy for the negotiations on restructuring the Community budget
EQS(80) 52	Note by the Foreign and Commonwealth Office on our interests and policy in the next phase of negotiations on enlargement

but only after discussion if approved.

3. I attach copies of both documents. The first has been discussed and generally approved by Ministers in OD, and the second is to be considered in OD(E) shortly, but the copies shown to Mr. Richard would be those circulated in the Official Committee (EQS).

Returned to CO 5/11/80

4. They would, we think, be a useful "new readers begin here" for Mr. Richard, both on the problems of restructuring and enlargement and on the British interests in and policy towards those problems.

ROBERT ARMSTRONG

(approved by Sir R Armstrong and signed on his behalf).

4th November, 1980

Original on: Euro Pol. May 79

PM/Jenkins meeting Record (extract): 3.11.80

love this but it would be quite contrary to British interests. The Prime Minister asked Mr. Jenkins how he would play the hand. Mr. Jenkins said that he would not try to join the EMS immediately. He would first try to bring down the rate of sterling somewhat and would then join at the 6 per cent margin. The Prime Minister said that she was indeed anxious to bring down the sterling exchange rate and asked Mr. Jenkins how he would effect this. Mr. Jenkins said that he would try to talk the rate down; to reduce interest rates;and to discourage capital inflows e.g. by the introduction of differential interest rates. The Prime Minister said that the reduction of the MLR from 17 per cent to 16 per cent had pushed sterling up and that the introduction of differential interest rates would mean renegotiating double taxation agreements all over the world. Mr. Jenkins agreed about the difficulty of achieving a controlled reduction in exchange rates but repeated that if the Government succeeded in achieving it they should join the EMS within the wider margin. The EMS was a small scale Bretton Woods and the Prime Minister would recall how much post-War prosperity had owed to Bretton Woods.

The European Commission

The Prime Minister said that she understood that it was now the intention of Messrs Ortoli and Cheysson to remain in the Commission and to try to retain their present portfolios. She thought this would be a pity. Mr. Richard was ideally qualified for the development portfolio. Mr. Jenkins said that there was no reason in principle why Commissioners who stayed on should retain their portfolios. But M. Cheysson would certainly wish to keep the development portfolio and it would be difficult to shift him. He had run his "empire" extremely effectively and the French Government would certainly wish him to continue. It would be up to the new President whether he tried to shift the present incumbents or limited himself to allocating the vacant portfolios. M. Thorn would not of course be able to ignore the wishes of Member Governments entirely. The Prime Minister took note and commented that she would wish Mr. Tugendhat to retain responsibility for the budget.

/The discussion

The Prime Minister asked whether the UK could be sure of getting the succession to Mr. Leonard Williams as Director General of DG XVII. Mr. Jenkins said that we should have no difficulty in doing this provided we did not also want the Energy Commissioner post. He had asked Mr. Williams to stay on in order to keep open this possibility. He did not think it would be possible to settle the succession to Mr. Williams before he himself ceased to be President. Mr. Jenkins said that a good British candidate was also required to succeed Mr. le Goy in DG VII. Mr. le Goy had not been a great success. It would be well worthwhile ensuring that his successor was really effective. Finally, Mr. Jenkins commented that Sir Roy Denman had been an outstanding success.

 File

Euro Pol

10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT
CIVIL SERVICE DEPARTMENT

Senior Appointments in Europe - Director General XVII (Energy) EC Commission

I have shown the Prime Minister your minute of 29 October 1980. She agrees that you should put forward Mr. Le Cheminant and Mr. Herzig in that order as the preferred UK candidates for the DG XVII post and that we should support Mr. Audland if an internal Commission candidate is preferred.

T. A. WEITMORE

3 November 1980

Prime Minister.
Agree x/ where?
25x

MR C A WHITMORE

SENIOR APPOINTMENTS IN EUROPE - DIRECTOR GENERAL XVII (ENERGY)
EC COMMISSION

The post of Director General XVII is at A1 level (broadly equivalent to Deputy Secretary or above) and is held by Mr Leonard Williams, formerly of the Department of Energy. Williams will retire in March next.

Energy remains near if not at the top of the international agenda. Having the DGXVII post does not ensure that our views will prevail in Commission proposals or Community decisions, but not having it will certainly make this substantially more difficult to achieve. It is considered important therefore that we put forward a choice of strong candidates for the post.

P Le Cheminant, aged 54, is a Deputy Secretary of the Department of Energy currently serving in the Cabinet Office. He joined the Ministry of Fuel and Power in 1949 and has remained in that area but with spells in the Cabinet Office, No 10, the Ministry of Technology and the Department of Trade and Industry. He is well known in EC energy circles and in the International Energy Agency. He is fluent in French. His wife was born and brought up in France. My colleagues and I are sure that he would do the job well and that his background and expertise would stand him in good stead.

C Herzig, aged 54, is an Under Secretary in the Department of Energy. He joined the Ministry of Fuel and Power in 1951 and has remained in that area but with spells in the Ministries of Supply, Aviation and Technology, the Privy Council Office and the Department of Trade and Industry. He is fluent in Italian and can also speak French and German. He is well known and respected in industry and internationally. He is enthusiastic and dedicated. He has long been considered promotable to Deputy Secretary; unfortunately the right opportunity has not arisen.

C J Audland, aged 54, A3 (Under Secretary) of the Foreign and Commonwealth Office is currently Deputy Secretary General in the European Commission Secretariat (an A1 post). He joined the Foreign Service in 1948; his experience there includes a tour in the seat dealing with European energy matters. He is fluent in French, German and Spanish and also has some Italian.

My senior colleagues and I are unanimous in the view that:

a. Le Cheminant is our best qualified and most suitable candidate for the post;

b. Herzig would be good as a second choice (he is a strong candidate for a post with the International

Atomic Energy Agency in Vienna but we cannot be sure he will get it and therefore should not omit him as a possible DGXVII candidate);

and c. if the Commission find it necessary to have an internal candidate, we should support Audland.

The Secretary of State for Energy has been consulted on this proposal, and is content with what is proposed.

I should be grateful for the Prime Minister's approval that we should put forward Le Cheminant and Herzig (in that order) as preferred UK candidates for DGXVII, and that we should support Audland if for any reason an internal Commission candidate is preferred.

IAB

IAN BANCROFT
29 October 1980

CONFIDENTIAL

Subject file on: Luxembourg Visits to London of M. Thorn! June 1979

EXTRACT OF A:

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF LUXEMBOURG, M. GASTON THORN, AT 10 DOWNING STREET ON MONDAY 27 OCTOBER 1980 AT 1215 HOURS

Present:

Prime Minister	M. Thorn
Mr. M. Alexander	M. Kasel

* * * * * * * * * * *

Commission Portfolios

The Prime Minister asked about the prospects for the allocation of portfolios within the new Commission. M. Thorn said that he had been informed by the Foreign and Commonwealth Secretary about the Prime Minister's wishes. The difficulty for him was that the majority of Commissioners wanted to stay put and to keep their present portfolios. The position of the French Government was not untypical: President Giscard had told him that he would have preferred to change both his Commissioners but since he wished to hang on to the portfolios he would probably end up by keeping both M. Ortoli and M. Cheysson in post. This meant that M. Thorn had very little flexibility. Effectively the only portfolios which he seemed likely to have at his disposal would be Transport, Personnel, Social Affairs, Competition and Energy. It had been proposed that Agriculture and Fish might be separated, but M. Gundelach would not agree to this. M. Davignon would like to absorb the Energy portfolio. Although Industry and Energy would make a good pairing, M. Davignon perhaps had enough responsibilities already. (The Prime Minister made it clear that this was her view also). Generally, it would be sensible to cut down the number of Commissioners, particularly given the prospect of Greek, Spanish and Portuguese appointments. The Prime Minister agreed.

CAP

The Prime Minister said that it was essential to find a different way of financing the Community's agricultural surpluses.

/ It was

CONFIDENTIAL

dsg

10 DOWNING STREET

THE PRIME MINISTER

23 October 1980

Dear Christopher

Thank you for your note of 20 October. I am delighted that you are looking forward so keenly to a second tour with the Commission.

Please do not hesitate to get in touch with my Office whenever you think a meeting might be useful. As you imply in your letter, I am sure it would be better to think in terms of a meeting whenever there is something substantial to discuss rather than of meetings at regular intervals.

Yours ever

MT

Christopher Tugendhat, Esq.

jfh

CHRISTOPHER TUGENDHAT
MEMBER OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES

RUE DE LA LOI 200
1049 BRUSSELS - TEL. 735 80 40

October 20, 1980

My dear Prime Minister,

I want to thank you for nominating me to the new Commission.

I find this a fascinating and fulfilling job. There is also much still to be done to put Britain's membership of the Community on to a proper footing. As you know I have for long wanted to remain here for another term to play a part in that work before trying to return to

the House of Commons. I am grateful to you for enabling me to do so.

I hope that as a Vice-President I will be able to see you more often than recently, as indeed I did when you were Leader of the Opposition. I will only ask to come when I think it justifies the use of your time. But there is no substitute for talking to you if I am to know what is in your mind and what you are trying to achieve in the Community.

With best wishes

Yours ever

Christopher

Guo Pd

Ref. A03269

MR. LANKESTER MAP

Accommodation for European Commissioners

In his minute of 4th August, Mr. Pattison said that the Prime Minister had agreed that the United Kingdom's two Commissioners-designate should be offered accommodation here in the Cabinet Office as was done in 1972 and 1976. I enclose copies of letters which Sir Robert Armstrong has addressed to Mr. Tugendhat and Mr. Richard making this offer.

2. I am sending copies of this minute and of the letters to Paul Lever (FCO).

D.J. Wright

(D.J. Wright)

17th October, 1980

IVOR RICHARD

205 ASHLEY GARDENS
EMERY HILL STREET
LONDON SW1
TEL:828 2996

Mr Rhys
CB 18/10

16 October 1980

Dear Prime Minister,

Thank you for your letter of 13 October.

I have great pleasure in accepting this appointment.

Yours sincerely,

Ivor Richard

The Right Honourable
Margaret Thatcher M.P.

18 OCT 1980

Minutes

May 79

Europe

VB

10 DOWNING STREET

From the Principal Private Secretary

15 October 1980

Dear Lord Northfield,

As you will have seen from today's newspapers, Mr. Ivor Richard has accepted the Prime Minister's invitation to become the second of the two British Commissioners in Brussels.

The Prime Minister has asked me to say that she would have preferred to let you know of Mr. Richard's appointment before it appeared in the Press, but we had to announce it at very short notice yesterday when it became clear that certain newspapers had got to hear of it prematurely.

Yours sincerely,

Clive Whitmore.

The Lord Northfield

Euro Pol

15th October 1980

I was delighted to hear that you had been nominated for a further term as a Commissioner.

In 1972 and (as you will remember) in 1976, we provided accommodation here in the Cabinet Office for the British Commissioners designate during the weeks before they took up their appointment in Brussels. I have offered the same facilities this time to Ivor Richard. There may not be the same need for you to have a base in Whitehall this time round; but I wanted to let you know that, if you felt that it would be useful to have a room here between now and the end of the year we should be very happy to put one at your disposal. Perhaps your Office could let me or Michael Franklin know.

Christopher Tugendhat, Esq

Euro Pol

15th October 1980

I was delighted to know that you had been nominated as a member of the new European Commission. I am writing, with the Prime Minister's agreement, to say that we should be happy to put at your disposal a room here in the Cabinet Office, which you could use between now and the day when you take up your appointment. Similar arrangements were made for your predecessors in 1972 and 1976, and I believe that they found it useful to have a base in Whitehall where they could keep papers and meet those who are involved in EEC matters among the various Departments in Whitehall - including of course the European Secretariat which is part of the Cabinet Office.

I understand that Michael Franklin has already spoken to you, and if you would like to take up the offer of accommodation perhaps you would get in touch with him about the arrangements. He is, I know, looking forward to having a talk with you: we will give you all the help we can.

ROBERT ARMSTRONG

I.S. Richard, Esq., QC

Euro Pol

Foreign and Commonwealth Office

London SW1A 2AH

14 October 1980

Dear Michael.

UK COMMISSIONERS : 1981

Mr Ivor Richard has agreed to accept the Prime Minister's invitation to become the second UK Commissioner and I understand that you would like to make the announcement from No 10 on the afternoon of Wednesday, 15 October.

Our posts have been asked to inform the other Member States on the morning of 15 October of his nomination; I enclose a possible form of words which you may like to use.

I am copying this letter to David Wright and Murdo Maclean.

Yours ever
Stephen Gomersall.

S J Gomersall
Private Secretary to the
Lord Privy Seal

M O'D B Alexander Esq
10 Downing Street

(1) Press notice, substantially amended, issued on 14 October at 16.30: copy attached

(2) Return to Confidential Filing please

CA 14/10

DSR 11 (Revised)

PRESS RELEASE

DRAFT: ~~minute/letter/teleletter/despatch/note~~

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

TO:

Your Reference

Copies to:

PRIVACY MARKING

.....In Confidence

CAVEAT.....

SUBJECT: UK COMMISSIONERS : 1981

The Prime Minister is pleased to announce that Mr Christopher Tugendhat and Mr Ivor Richard QC have accepted her invitation to be nominated by the United Kingdom as Members of the new European Commission which takes office in 1981.

Background from FCO.

Mr Tugendhat's four years as a member of the present Commission fully qualify him to continue as a member of the Commission for the period when the Community will be facing considerable difficulties both internally and in the Community's relationship with the rest of the word.

Mr Richard's legal training and his experience as a Member of Parliament and as the United Kingdom Permanent Representative at the United Nations have given him a deep insight into many of the problems likely to be faced by the new Commission.

Members of the Commission will be nominated by common accord of the governments of the Member States at the European Council on 1/2 December but will not be formally appointed until 1 January 1981, when the Greeks may legally take part in decisions. Although the Member States will have an idea of the portfolios which they will wish their Commissioners to hold, the actual distribution is decided by the Commission itself.

As the senior UK Commissioner we ~~/As the~~ expect Mr Tugendhat will be a Vice-President.

Enclosures—flag(s).....

As the senior UK Commissioner, we expect Mr Tugendhat will be a Vice-President.

Brief biographical notes on Mr Tugendhat and Mr Richard are attached.

Notes for Supplementaries

Salary £55,000 approximately (plus accommodation and representation allowances).
Was Mr Callaghan consulted? Yes.

MR CHRISTOPHER TUGENDHAT

Mr Christopher Tugendhat has been a Member of the European Commission, responsible for Budget and Financial Control, Financial Institutions, Personnel and Administration, since January 1977.

He was born in 1937, the son of Dr Georg Tugendhat, an international oil expert and educated at Ampleforth College and Gonville and Caius College, Cambridge, where he was President of the Union.

Mr Tugendhat was Oil correspondent for the Financial Times, 1960-70. Conservative MP for the Cities of London and Westminster, 1970-75, he was an Opposition spokesman for Employment, 1974-75, and Foreign and Commonwealth Affairs 1975-76. He held various directorships with oil companies (Sunningdale and Phillips (UK)) in early 70's and was consultant to Wood Mackenzie (Stockbrokers) and Aer Lingus.

Married, his wife is an author of children's history books. Two young sons.

OVER

MR IVOR RICHARD

Mr Ivor Richard QC was the Permanent Representative of the United Kingdom at the United Nations from 1974-79 and is a former Labour Member of Parliament.

Ivor Seward Richard was born in 1932 and was educated at St Michael's School, Bryn, Llanelly, at Cheltenham College, and at Pembroke College, Oxford, where he was a Wightwick Scholar. He graduated in jurisprudence in 1953, was called to the Bar in 1955, and became a Queen's Counsel in 1971.

He was Member of Parliament for Baron's Court from 1964-74. From 1965-68 he was a Council of Europe delegate, and was with the Western European Union during the same period. From 1966-69 he was Parliamentary Private Secretary to the Secretary of State for Defence, and Parliamentary Under-Secretary for Defence (Army) from 1969-70. From 1970-72 he was an Opposition Spokesman in the House of Commons on Posts and Broadcasting and from 1972-74 the Deputy Spokesman on Foreign Affairs. Since 1979 he has returned to his practice at the Bar. He is currently of Council to Messrs Chadbourne, Park, Whiteside and Wolff, Attorneys, of New York.

Mr Richard is a member of the Fabian Society, the Society of Labour Lawyers, the Institute of Strategic Studies, and of the Royal Institute of International Affairs. He was a Governor of the Atlantic Institute. He has contributed a number of articles to various political journals, and is co-author of Europe or the Open Sea, published in 1972.

Mr Richard is married, and has a son and daughter ~~and~~ as a son by a former marriage.

PRESS NOTICE

BRITISH NOMINATIONS TO THE EUROPEAN COMMISSION

At the invitation of the Prime Minister, the Right Honourable Margaret Thatcher, M.P., Mr Christopher Tugendhat and Mr Ivor Richard, Q.C. have agreed to be nominated by the British Government as Members of the new European Commission which takes office in January 1981.

10 Downing Street,
London, S.W.1.
Tel: 01-930 4433

14 October 1980

NOTES TO EDITORS

Biographical notes on Mr Christopher Tugendhat and Mr Ivor Richard, Q.C. are attached.

Members of the European Commission

The Commission at present consists of 13 members - two each from Germany, France, Italy and the United Kingdom and one each from Belgium, Denmark, Ireland, the Netherlands and Luxembourg. On 1 January, 1981, there will be a total of 14 Commissioners when Greece joins the European Community and nominates one Commissioner.

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

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 Nine meeting, without the attendance of the Commission, shortly before the new Commission is due to take up office.

The 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 £67,800 a year; Vice-Presidents receive £61,400 p.a. and other Commission members £55,000 p.a. - all figures before tax and excluding allowances.

/MR

MR CHRISTOPHER TUGENDHAT

Mr Christopher Tugendhat has been a Member of the European Commission, responsible for Budget and Financial Control, Financial Institutions, Personnel and Administration, since January 1977.

He was born in 1937, the son of Dr Georg Tugendhat, an international oil expert and educated at Ampleforth College and Gonville and Caius College, Cambridge, where he was President of the Union.

Mr Tugendhat was Oil correspondent for the Financial Times, 1960-70. Conservative MP for the Cities of London and Westminster 1970-75, he was an Opposition spokesman for Employment, 1974-75, and Foreign and Commonwealth Affairs 1975-76. He held various directorships with oil companies (Sunningdale and Phillips (UK)) in early 70's and was consultant to Wood Mackenzie (Stockbrokers) and Aer Lingus.

Married, his wife is an author of children's history books. Two young sons.

/MR

MR IVOR RICHARD

Mr Ivor Richard QC was the Permanent Representative of the United Kingdom at the United Nations from 1974-79 and is a former Labour Member of Parliament.

Ivor Seward Richard was born in 1932 and was educated at St Michael's School, Bryn, Llanelly, at Cheltenham College, and at Pembroke College, Oxford, where he was a Wightwick Scholar. He graduated in jurisprudence in 1953, was called to the Bar in 1955, and became a Queen's Counsel in 1971.

He was Member of Parliament for Baron's Court from 1964-74. From 1965-68 he was a Council of Europe delegate, and was with the Western European Union during the same period. From 1966-69 he was Parliamentary Private Secretary to the Secretary of State for Defence, and Parliamentary Under-Secretary for Defence (Army) from 1969-70. From 1970-72 he was an Opposition Spokesman in the House of Commons on Posts and Broadcasting and from 1972-74 the Deputy Spokesman on Foreign Affairs. Since 1979 he has returned to his practice at the Bar. He is currently of Council to Messrs Chadbourne, Park, Whiteside and Wolff, Attorneys, of New York.

Mr Richard is a member of the Fabian Society, the Society of Labour Lawyers, the Institute of Strategic Studies, and of the Royal Institute of International Affairs. He was a Governor of the Atlantic Institute. He has contributed a number of articles to various political journals, and is co-author of Europe or the Open Sea, published in 1972.

Mr Richard is married, and has a son and daughter as well as a son by a former marriage.

GR 300
CONFIDENTIAL
FM FCO 131856Z OCT 80
TO IMMEDIATE LUXEMBOURG
TELEGRAM NUMBER 130 OF 13 OCTOBER
AND TO IMMEDIATE OTHER EC POSTS, ATHENS
INFO SAVING MADRID LISBON WASHINGTON UKMIS NEW YORK
U K COMMISSIONERS: 1981

MR IVOR RICHARD HAS ACCEPTED THE GOVERNMENT'S INVITATION TO BE NOMINATED FOR MEMBERSHIP OF THE NEW COMMISSION AND MR CHRISTOPHER TUGENDHAT HAS AGREED TO ACCEPT NOMINATION TO CONTINUE AS A MEMBER OF THE COMMISSION. WE REGARD MR TUGENDHAT AS THE SENIOR BRITISH COMMISSIONER AND WILL PUT HIS NAME FORWARD FOR NOMINATION AS A VICE-PRESIDENT IN DUE COURSE.

2. (LUXEMBOURG) ON 7 OCTOBER I TOLD M. THORN OF OUR INTENTION TO NOMINATE MR RICHARD AND THE FORMER SAID HE WAS CONTENT. PLEASE NOW CONFIRM THAT MR RICHARD IS OUR CHOICE AND INFORM HIM OF MR RICHARD'S ACCEPTANCE. YOU SHOULD ALSO CONFIRM OUR INTENTION TO NOMINATE MR TUGENDHAT AGAIN.

3. UKREP BRUSSELS PLEASE INFORM TUGENDHAT THAT WE PROPOSE TO ANNOUNCE HIS RENOMINATION AND MR RICHARD'S ON THE AFTERNOON OF WEDNESDAY 15 OCTOBER. YOU SHOULD ALSO, ON 15 OCTOBER INFORM YOUR COLLEAGUES. YOU MAY ALSO WISH TO TELL THE JENKINS AND CABINET AND M. NOEL. PLEASE STRESS THAT WE DO NOT WISH THE NEWS TO LEAK BEFORE WEDNESDAY AFTERNOON.

4. OTHER EC POSTS AND ATHENS PLEASE TAKE APPROPRIATE ACTION ON 15 OCTOBER.

BACKGROUND

5. MR RICHARD'S APPOINTMENT IS LIKELY TO BE ANNOUNCED BY NO 10 ON THE AFTERNOON OF 15 OCTOBER. CURRICULA VITAE FOLLOW.

6. THE NEW COMMISSION WILL BE AGREED BY COMMON ACCORD OF THE GOVERNMENTS OF THE MEMBER STATES AT OR SHORTLY AFTER THE EUROPEAN COUNCIL ON 1/2 DECEMBER. THE MEMBERS WILL NOT, HOWEVER, BE FORMALLY APPOINTED UNTIL 1 JANUARY (BY THE WRITTEN PROCEDURE) WHEN THE GREEKS MAY LEGALLY PARTICIPATE IN DECISIONS. THE SAME PROCEDURE WAS FOLLOWED WHEN WE JOINED. THE COMMISSION WILL FORMALLY TAKE OFFICE FIVE DAYS AFTER THAT.

 /7. WE EXPECT

7. WE EXPECT MR TUGENDHAT, AS SENIOR BRITISH COMMISSIONER, TO HOLD A VICE-PRESIDENCY OF THE COMMISSION. IT IS STANDARD PRACTICE FOR THOSE LARGE MEMBER STATES NOT HOLDING THE PRESIDENCY OF THE COMMISSION TO HAVE A VICE-PRESIDENT EACH. WITH THORN PRESIDENT-DESIGNATE THIS MEANS THAT EACH OF FRANCE, GERMANY, ITALY AND THE U K WILL EXPECT A VICE-PRESIDENCY, LEAVING ONLY ONE MORE TO BE FILLED. AN AGREEMENT WAS REACHED BY THE FOREIGN MINISTERS ON 21 DECEMBER 1976 THAT ONE VICE-PRESIDENCY WOULD BE SHARED BY DENMARK, IRELAND AND LUXEMBOURG, AND ANOTHER BY BELGIUM AND THE NETHERLANDS. THERE IS THEREFORE LIKELY TO BE SOME ARGUMENT BETWEEN THE SMALL MEMBER STATES AS TO WHO SHOULD SUPPLY THE FIFTH VICE-PRESIDENCY.
8. YOU SHOULD NOT RAISE THIS QUESTION AND SHOULD TRY TO AVOID BEING DRAWN INTO DISCUSSION OF IT. IF IT IS RAISED YOU SHOULD TAKE THAE LINE THAT IT IS FOR THE SMALL MEMBER STATES THEMSELVES TO SORT OUT. PARIS, BONN AND ROME SHOULD, HOWEVER, TAKE THE OPPORTUNITY TO CLARIFY THE POINT WITH THEIR RESPECTIVE AUTHORITIES. WE ASSUME THAT THEY TOO ARE EXPECTING TO SUPPLY A VICE-PRESIDENT.
9. IF ASKED WHICH PORTFOLIOS WE ARE INTERESTED IN, YOU SHOULD SAY THAT WE EXPECT THERE TO BE INFORMAL CONTACT ABOUT THIS. FINAL AGREEMENT ON THEIR DISTRIBUTION IS, OF COURSE, A MATTER FOR THE NEW COMMISSION ITSELF.

CARRINGTON

LIMITED
ECD (I)
ECD (E)
WED
NEWS D
OID
PS/LPS
PS/MR HURD
PS/PUS
LORD BRIDGES
MR BULLARD
MR HANNAY
LORD N G LENNOX
MR FERGUSSON

[COPIES SENT TO NO 10 DOWNING ST]

COPIES TO:
MR WRIGHT
MR ELLIOTT } CABINET OFFICE
MR FRANKLIN

JH.

cc CO
LPS
Pol.

10 DOWNING STREET

THE PRIME MINISTER

13 October 1980

Dear Mr. Richard,

The Lord Privy Seal, Sir Ian Gilmour, has already been in touch with you about the possibility of your succeeding Mr. Roy Jenkins as one of the two British members of the European Commission. I am now writing to ask you formally whether you would be willing to accept this appointment.

Assuming that you confirm your readiness to become a Commissioner, I shall wish to arrange for the next President of the Commission, M. Gaston Thorn, and for our partners in the Community to be informed before any announcement is made. I should be grateful therefore if you would regard the appointment as being for the moment confidential.

Yours sincerely

Margaret Thatcher

Ivor Richard, Esq., QC.

Private Secretary

S/S

CONFIDENTIAL

Note for the Record

Copied to:

Private Secretary
PS/Lord Privy Seal
PS/PUS
Lord Bridges
ECD(E)
ECD(I)
Mr Franklin - Cabinet Office
Sir R Arculus - Rome
Sir M Butler - UKREP Brussels
MR. ALEXANDER No. 10

Prime Minister

COMMISSION PORTFOLIOS

1. Signor Ruggiero, the Italian Permanent Representative, spoke to me in Luxembourg on 7 October about portfolios in the new Commission. Subject to any upsets arising out of the change of government in Italy, he expected the Italian Commissioners to be Natali and Giolitti again. He assumed that Giolitti would want to continue with regional policy; Natali certainly wanted to continue with enlargement but he wanted to increase his responsibilities to include also the Southern Mediterranean countries which were currently the responsibility of the Commissioner for Development (the attribution of these countries to the development portfolio dates only from 1973; before that they fell under the external relations portfolio).

2. Signor Ruggiero then asked me if we were interested in the development portfolio. The Italians hoped we would be; they were fed up with the French domination of that sector. He made it clear that, if we would help Natali over the Southern Mediterranean, the Italians would support us for development. I said that the choice of our second commissioner had not yet been made; development was one of several portfolios which interested us and our candidate might be well qualified to hold it. Signor Ruggiero concluded by indicating that he was reflecting Signor Colombo's thinking; and that Signor Colombo might well take the matter up with the Secretary of State when they next met.

D H A Hannay

8 October 1980

CONFIDENTIAL

Euro Rel

Foreign and Commonwealth Office

London SW1A 2AH

8 October 1980

Draft to PM for signature

Dear Michael.

EUROPEAN COMMISSIONERS

I wrote to you about this on 6 October. Mr Ivor Richard telephoned the Lord Privy Seal this morning to say that he had consulted Mr Callaghan and would be glad to become a British nominee for the post of Commissioner. The Lord Privy Seal said that we would let him know as soon as the Government were ready to make an announcement so that he could make his own arrangements. Mr Richard said that he had no particular problems over the timing of the announcement. The way is now open for the Prime Minister if she wishes to approach Mr Richard formally.

M. Thorn should be informed before an announcement is made, and our partners apprised of the Prime Minister's choice. We will be in touch about these aspects shortly.

I am copying this letter to David Wright (Cabinet Office) and Murdo Maclean (Government Whip's Office).

Yours ever

Stephen Gomersall.

S J Gomersall

M O'D B Alexander Esq
10 Downing Street

Euro Pol

Foreign and Commonwealth Office

London SW1A 2AH

6 October 1980

Prime Minister (2)

Dear Michael.

EUROPEAN COMMISSIONERS

As you know, the Prime Minister asked the Lord Privy Seal this morning to sound out Mr Ivor Richard about the possibility of his becoming the second British Commissioner in Brussels. The Lord Privy Seal saw Mr Richard today.

Mr Richard said that he was interested in the appointment but would need to speak to Mr Callaghan before making a decision. He undertook to reply within 48 hours. The Lord Privy Seal gained the impression that he would accept. The Lord Privy Seal told Mr Richard that after this informal sounding, and in the event Mr Richard accepted, a formal offer would be made to him. The Lord Privy Seal and Mr Richard agreed that confidentiality should be maintained meanwhile.

I am sending copies of this letter to Murdo Maclean (Government Whip's Office) and David Wright (Cabinet Office).

Yours ever,

Stephen Gomersall

S J Gomersall
Private Secretary to the
Lord Privy Seal

M O'D B Alexander Esq
10 Downing Street

CONFIDENTIAL

Enter PS. File in Mrs. Sel

10 DOWNING STREET

From the Principal Private Secretary

1 October 1980

European Commissioners

When the Prime Minister met the Foreign and Commonwealth Secretary, Lord Privy Seal and Chief Whip last night to discuss Labour Party candidates for the second of the two British posts on the European Commission, they agreed that now that Mr. Joel Barnett had ruled himself out, the two best runners were Mr. Ivor Richard and Lord Northfield (formerly Mr. Donald Chapman). There was not much to choose between Mr. Richard and Lord Northfield, but it was agreed that on balance Mr. Richard had slightly more in his favour, especially if we were going to try to fill the post now occupied by M. Cheyssen.

The meeting decided that the next step was for the Foreign and Commonwealth Secretary to see whether Mr. Tugendhat would be happy to have Mr. Richard as his fellow Commissioner and that thereafter, if Mr. Tugendhat was content, the Prime Minister should let the Leader of the Opposition know that an approach was going to be made to Mr. Richard.

You told me later yesterday evening that Lord Carrington had spoken to Mr. Tugendhat who had said that he would be happy to see Mr. Richard appointed to the Commission. The Prime Minister has accordingly written to Mr. Callaghan, and I attach a copy of her letter.

I am sending copies of this letter to Stephen Gomersall (Lord Privy Seal's Office), Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

A. WHITMORE

Paul Lever Esq
Foreign and Commonwealth Office.

CONFIDENTIAL

16

CONFIDENTIAL

cc FCO
LPCO
CWO
CO

10 DOWNING STREET

THE PRIME MINISTER

1 October 1980

Dear Jim,

Thank you for your letter of 22 September about possible candidates to succeed Roy Jenkins at the European Commission.

I have sounded out Joel Barnett and, contrary to the indications I had had earlier, he has now told me that he has no wish to be considered for Brussels.

When we met on 21 July to discuss possible Labour Party candidates, Ivor Richard's name was among those you mentioned to me. I thought I would let you know that I now propose to approach him to see whether he is interested in the appointment.

Yours sincerely

Margaret Thatcher

The Right Honourable James Callaghan, M.P.

CONFIDENTIAL

10 DOWNING STREET

PRIME MINISTER

European Commissioners

Following your meeting earlier this evening, the Foreign and Commonwealth Secretary spoke to Christopher Tugendhat who said that he would be happy to have Ivor Richard as the other British Commissioner in Brussels.

I attach a letter for you to send to Mr. Callaghan telling him that you are now going to approach Mr Richard.

AWC.

30 September 1980

Euro Pol

Ref. A03104

PRIME MINISTER

You are to discuss with the Foreign and Commonwealth Secretary tomorrow what to do about the second European Commissioner, now that Mr. Joel Barnett has said definitely that he does not want to be considered.

2. It rather looks as if Mr. Callaghan has signed off. He is merely expressing regret that you do not feel able to go for Mr. Mulley.

3. As you know, Lord George-Brown is very keen to be considered. No doubt his appointment would enrage the Labour Party, though he claims to be in some sense still a member of it by virtue of his union card.

4. Another possibility would be Mrs. Shirley Williams. You will wish to consider whether to approach her, even though the expectation must be that she is likely to say "No".

5. It has recently been suggested to me that you should consider appointing Mr. Jack Jones. I have no idea whether he would take it on, if asked to do so. He would certainly be competent, in his own way; and his appointment might make it more difficult for the anti-Europeans in the Labour Party to press à l'outrance for our withdrawal from the Community. But I am not sure whether a retired trade unionist, even Mr. Jack Jones, cuts all that much ice.

6. A number of other names have been suggested as possible candidates from the Labour Party (in alphabetical order):

Mr. Stanley Clinton Davis

Mr. John Golding

Mr. John Grant

Mr. Frank Judd

Mr. Robert Maclennan

Mr. John Morris

Mr. Ivor Richard.

7. It may just be worth mentioning the name of Dr. Bernard Donoughue who was senior political adviser in No. 10 Downing Street under Mr. Callaghan. Dr. Donoughue is at present with the Economist Intelligence Unit, and I am not sure that that is being a total success.

8. It would obviously be preferable to find somebody from the Labour Party if at all possible. If, however, there is nobody who meets the requirement, it might be worth looking at the Liberal Party. Would Mr. John Pardoe be a possibility?

RTA

(Robert Armstrong)

29th September, 1980

The Rt. Hon. Joel Barnett, M.P.

HOUSE OF COMMONS
LONDON SW1A 0AA

PERSONAL

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
LONDON, S.W.1.

Seen by the Prime Minister.
30.10.

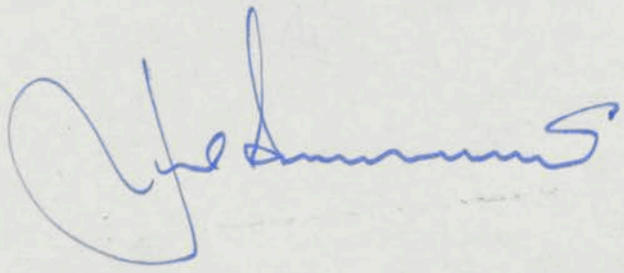
25th September, 1980.

Dear Prime Minister,

I thought I should write to confirm the reply I gave to Michael Jopling and your Private Secretary, on your suggestion that I might reconsider accepting the position as one of our Commissioners in the E.E.C.

I must first express my appreciation that you felt I might be suitable. I declined the offer when it was initially put to me by Jim, as other considerations apart, I was given very little time to make so major a decision. When Michael told me you would like me to reconsider, I naturally gave it much more consideration, but in the event, decided against, on both personal and political grounds. I am, nevertheless, grateful to you for offering me the opportunity.

Yours sincerely,



2.

MS

PRIME MINISTER

European Commissioners

Mr Callaghan has replied saying that he is content for you to approach Mr Barnett but warning that he believes that he remains unwilling to be considered for the European Commission (Flag A).

As you agreed I should, I spoke to Mr Barnett myself today and he confirmed that he was not a candidate for Brussels. A copy of my letter to the FCO recording my conversation with him is at Flag B.

I think that the next step is for you to discuss with the Lord Privy Seal (in Lord Carrington's absence abroad) and the Chief Whip whether to approach Mrs Shirley Williams and if not or in the event of an unsuccessful approach to her, who next to turn to in the Labour Party. In this connection you will be interested to see the attached copy of a letter from Douglas Hurd to Michael Jopling mentioning, rather astonishingly, the name of Mr Jack Jones (Flag C). We have arranged the meeting for 1815 on Tuesday 30 September: this has the advantage of being immediately after your meeting with Lord George-Brown.

TLW.

24 September, 1980

2/.

Prime Minister.

To see.

MCS
26/ix

House of Lords · Westminster

24th September 1980

Dear Mr. Whitmore

Thank you for your letter of 18th September, which enables me to deal for the time being with the domestic problem about which I wrote to the Prime Minister.

In case you would find it useful at some stage, I venture to enclose an abridged c.v. which indicates my EEC experience.

Yours sincerely

Dorothy Northfield.

NORTHFIELD

Clive Whitmore Esq.,
Principal Private Secretary,
10 Downing Street,
S.W.1.

LORD NORTHFIELD (Donald Chapman) Abridged c.v.

Born: 25.11.1923

M.A. (Cantab) 1st Cl. Hons (Economics and Politics)

Formerly:- M.P. for Birmingham, Northfield, 1951-70
(incl. Chairman, Procedure Cttee 1966-70)

Chairman, H.M. Development Commissioners, 1974-80.

Chairman: Cttee of Enquiry into Ownership & Occupancy of Agricultural Land 1978/9. ("Northfield Committee")

At present: Chairman, Telford (New Town) Development Corporation.

"EUROPEAN" Experience:-

At present:- Special Adviser on Environment Policy to the E.E.C. Commission
(Role: assisting at official level in liaison between Commission and DoE; interpretation of UK environment policy to Commission; assistance in drafting key Directives)

Member of UK Delegation (deputy leader 1968/70) to Assemblies of Council of Europe and WEU with special role on environment (Rapporteur 1981)

Previously:- 1971-5. Fellow of Nuffield College, Oxford and then of University of Sussex, doing full time research on the institutions of the E.E.C. (This included periods of residence in Brussels, with freedom of entry for research purposes to all parts of the Commission headquarters and European Parliament. Publications - "The European Parliament - the Way Ahead" (European Movement); and "The Road to European Union" (University of Sussex)).

Work on agricultural land owbership in EEC countries - see "Northfield Report" above.

Work on impact of European economies and Lomé Convention on islands of the West Indies

---

General:- Virtually bi-lingual English & French
Some knowledge of German

CONFIDENTIAL

Enter PM.

Government Chief Whip

12 Downing Street, London SW1

24 September 1980

Dear Clive,

EUROPEAN COMMISSIONERS

I thought that I should put on record what I have already told you orally, namely, that Mr Joel Barnett has spoken to the Chief Whip on the telephone and indicated that he does not wish to let his name go forward for the post of European Commissioner.

As you know, Mr Barnett had expressed a keen interest in the post when he first discussed this with Mr Jopling. We do not know what has brought about his change in attitude, but clearly Mr Barnett is no longer a runner.

I am sending copies of this letter of Paul Lever (FCO) and to David Wright (Cabinet Office.)

Yours sincerely,

Michael MacLean

(M MACLEAN)

C Whitmore Esq
10 Downing Street
SW1

CONFIDENTIAL

CONFIDENTIAL

RH

cc CWD
CO.

10 DOWNING STREET

From the Principal Private Secretary

24 September 1980

Dear Paul,

European Commissioners

The Prime Minister has had the attached reply from Mr. Callaghan to her letter of 16 September in which he agrees that an approach may be made to Mr. Joel Barnett, while repeating that Mr. Barnett does not wish to be considered for the second of the two British posts in the European Commission.

On receipt of this letter and on the Prime Minister's instructions I spoke myself earlier today to Mr. Barnett to see whether he had any interest at all in the appointment in Brussels. He told me that when Mr. Callaghan had first approached him before the Recess, he had given him only 24 hours in which to respond. He had felt that this was too little time in which to make a major decision about his future and he had therefore told Mr. Callaghan that he did not wish to be considered. Subsequently the Chief Whip had made it clear to him that he could take a good deal longer to think about the suggestion that he should let his name go forward and he had accordingly promised to reflect upon the idea during the Recess. He wanted to make it clear that that was all he had agreed to do: he did not believe that he had said anything which might imply that he was now positively seeking to be considered for the post. He had then thought very hard about whether he should throw his hat into the ring but he had concluded eventually, as he had told the Chief Whip when they spoke last week, that he did not wish to be considered. He re-confirmed to me this morning that although he was grateful to the Prime Minister for asking whether he was interested, he had now firmly decided that he did not wish to be thought of as a runner for Brussels.

Since my conversation with Mr. Barnett I have seen Murdo Maclean's letter of today's date which also makes it clear that Mr. Barnett has ruled himself out as a candidate for the Commission.

/I think

CONFIDENTIAL

I think that the next step is for the Prime Minister to have a word on her return to the office next week with the Lord Privy Seal, in the absence of Lord Carrington, and the Chief Whip to decide whether to approach Mrs. Shirley Williams, as was foreshadowed at her meeting on 25 July, and to consider which other candidates with a Labour Party background might be sounded out, if it is decided not to approach Mrs. Williams or if an approach is made to her but is unsuccessful. We will be in touch to arrange a meeting.

I am sending copies of this letter to Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours ever,

Clive Whitmore.

Paul Lever, Esq.,
Foreign and Commonwealth Office.

HOUSE OF COMMONS
LONDON SW1A 0AA

From:

The Rt. Hon. James Callaghan, M.P.

22 September 1980

CONFIDENTIAL

Dear Margaret,

Thank you for your letter of 16th September.

I am sorry to hear your decision about Fred Mulley, as I understand he has made a complete recovery and is now quite well again.

As regards Joel Barnett, I have, of course, no objection at all to you sounding him out. – although I still gather that he is not willing!

Yours sincerely

Jim Callaghan

The Rt. Hon. Margaret Thatcher, M.P.

PERSONAL AND CONFIDENTIAL

MT 23.9.

Foreign and Commonwealth Office

London SW1A 2AH

22 September 1980

From The Minister of State
Douglas Hurd CBE MP

Clive
An original thought. John Roper as you will know is very pro-European & J is identified as such within the Labour Party. Mr J., by the way, would not stand in the way of Jock Richard
Mrs Thatcher 24/9

Dear Michael,

THE SECOND BRITISH EC COMMISSIONER

There was some informal discussion of this among the British in the margins of the Franco-British Conference in Bordeaux last weekend. This centred on an idea originally put forward by Andrew Knight, the Editor of the Economist, that the Prime Minister should appoint Mr Jack Jones. The argument was that Jack Jones, though about 66, was in good health and had time on his hands. He had originally been strongly anti-EEC but after our entry had taken a serious part in meetings of the Economic and Social Council in Brussels. If appointed he would do a conscientious job. The difficulty would be to persuade him. The advantage would be that Jones is a man of much greater influence in the Labour Movement than any other candidate so far discussed. If he took the job it would be very much more difficult, perhaps impossible, for the Labour Party to come out against British membership before the next election. These arguments were favourably received by the two trade union leaders present, David Basnett and Geoffrey Drain, and also by the Labour MP John Roper. John Roper added that it would be a mistake to appoint one of the well-known Labour pro-Europeans since he would carry little weight in this country. I pass this idea on for your consideration. Christopher Soames and Ian Gilmour both know of it. It is certainly imaginative, and might work.

Quite separately, Freddie Bennett rang me up this morning to say that in the Council of Europe there was discussion in the corridors about rumours that Fred Mulley might be appointed. He is President of the Council of Europe Assembly. The general view, which FB shared, was that Mulley was physically not up to the job.

Yours,

Douglas.

The Rt Hon Michael Jopling MP
Chief Whip

Extract from Meeting Note PM + France at the Matignon 19 September 1980

Commission portfolios

The Prime Minister said that President Giscard had suggested earlier in the morning that she and M. Barre should discuss the question of the distribution of portfolios in the new Commission, but this was not a matter to which she had so far given a great deal of thought. Britain would be keeping on Mr. Tugendhat and she was consulting Mr. Callaghan about candidates for the second British post. Britain would want one of the two financial portfolios. We were not seeking the agriculture post.

M. Barre said that neither was France bidding for the agriculture portfolio. Both M. Ortoli and M. Cheyssen had been Commissioners for eight years and they would be replaced.

Euro. Pol.

QZ 01748

CONFIDENTIAL h.c.c. Sir R. Armstrong
O/R. Mr Whitmore
Mr Elliot

MR LEVER

cc Mr Gomersall
Lord Bridges

COMMISSION PORTFOLIOS

1. You kindly sent me a copy of Mr Tugendhat's letter to the Secretary of State. I shall shortly be having a meeting with other Departments to get their latest thinking on Commission portfolios and will report further to you. Personally I would agree with much of Mr Tugendhat's assessment although we may have one or two comments which we will give to the FCO.

2. There is however one aspect on which I should like to comment. We are all agreed that the Budget portfolio has become more important (due in no small measure to Mr Tugendhat's own efforts) and is likely to become even more important during the next two or three years. We should therefore retain it for the UK. Would it however be in our best interests to leave it with Mr Tugendhat if, in the event, the second British Commissioner proves to be Mr Joel Barnett? His qualifications for the Budget job are self-evident and it is less clear that he would be equally successful in another post where he was less familiar with the subject matter as well as having to learn the Commission ropes. Mr Tugendhat on the other hand has, during his time with the Commission, been involved in several issues of industrial and competition policy - both portfolios in which we could have an interest. It is true that the chances of another nationality wresting the Budget portfolio from us would be less with Mr Tungendhat as the sitting tenant, but I do not believe the danger would be too great given Mr Barnett's qualifications. It could be argued that we want the Budget portfolio to be held by our senior Commissioner and by one of the Vice Presidents. But I believe our overall influence might be greater if the Vice President held another portfolio of interest to us since - provided he is active - the Commissioner dealing with the Budget is likely to be in the centre of things anyway.

3. This is a personal view and I do not know whether the Prime Minister had the same point in mind in concluding that Mr Barnett would do the

Commission job well. No doubt the Foreign and Commonwealth Secretary will be consulting her in due course.

M D M FRANKLIN

CABINET OFFICE SW1

18 September 1980

PERSONAL AND CONFIDENTIAL

Euro Pol

10 DOWNING STREET

From the Principal Private Secretary

18 September 1980

Dear Lord Northfield,

The Prime Minister has asked me to thank you for your letter of 15 September.

She understands the dilemma you find yourself in. She is in touch with Mr. Callaghan about people with a Labour background who might be suitable for appointment as the second of the two British Commissioners in Brussels. A number of names are under consideration, and the Prime Minister has asked me to let you know in the strictest confidence that yours is among them. She is not able to say, however, when a decision will be reached.

The Prime Minister realises that this is not a very helpful answer for you in your present domestic situation, but there is no more she can say at the moment. She will let you know as soon as the position becomes clearer.

Yours sincerely,

Clive Whitmore.

The Lord Northfield

PERSONAL AND CONFIDENTIAL

CONFIDENTIAL

MD

European Policy

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

European Commissioners

The Prime Minister has seen your minute AO2931 of 8 September 1980 about Labour Party candidates for the European Commission.

She raised the question of Lord George-Brown's candidature when the Chief Whip came in this afternoon to report on, amongst other things, his private soundings of Mr. Joel Barnett which he was commissioned to undertake at the meeting which the Prime Minister held on 25 July. The Prime Minister and Chief Whip took the view that Lord George-Brown would not be likely to be acceptable to the Labour Party as a successor to Mr. Roy Jenkins. I attach a copy of my letter to Mr. Maclean recording the main points of the Prime Minister's talk with the Chief Whip.

AW

16 September 1980

CONFIDENTIAL

cc FCO
CO
Master

VB

10 DOWNING STREET

From the Principal Private Secretary

16 September 1980

Dear Murdo,

EUROPEAN COMMISSIONERS

When the Chief Whip called on the Prime Minister this afternoon, he told her that, in accordance with the decision reached at the meeting which she had held on 25 July, he had spoken to Mr. Joel Barnett shortly before the recess to see whether he was interested in the second of the British posts in the European Commission. In the light of the discussion which he had already had with Mr. Callaghan about the appointment, Mr. Barnett had been surprised to be told that Ministers were anxious that he should let his name go forward for the post, but he had nonetheless said that he would like to think about the matter further during the recess.

The Chief Whip continued that Mr. Barnett had now been in touch with him again to say that he was very interested in the appointment and would like, as the next step, to take some soundings within the Labour Party about it. He had told Mr. Barnett, however, that before he took the matter any further, the Prime Minister would have to let Mr. Callaghan know that Ministers were not happy with his suggestion that Mr. Mulley should be considered for the post and that instead they would like to approach him, Mr. Barnett, more formally to establish the extent of his interest.

The Prime Minister said that she was still of the view that Mr. Barnett would do the job in Brussels very well. Lord George-Brown had, however, let it be known that he would like his name to be considered, and some thought ought to be given to his suitability. The difficulty about him was that his appointment would probably not be acceptable to the Labour Party.

The Chief Whip said that he thought that if the post were offered to Lord George-Brown, it would infuriate the Labour Party. It should be recognised, however, that some pressure might be put on Mr. Barnett not to accept the appointment.

After further discussion, the Prime Minister said that she would now write to Mr. Callaghan letting him know that Ministers did not wish to pursue his suggestion that Mr. Mulley's name might be put forward but that provided he had no objection, a formal

 / approach

approach would be made to Mr. Barnett (I attach a copy of the letter which the Prime Minister has now sent to Mr. Callaghan).

I am sending copies of this letter to Paul Lever (FCO) and to David Wright (Cabinet Office).

Yours ever,

Clive Whitmore.

Murdo Maclean Esq
Chief Whip's Office

CONFIDENTIAL

cc CWO
CO
FCO

DS

10 DOWNING STREET

THE PRIME MINISTER

16 September 1980

Dear Jim

When we met on 21 July you put forward the name of Fred Mulley as a possible candidate to succeed Roy Jenkins at the turn of the year as one of this country's two European Commissioners. I promised to reflect on your suggestion and to let you know privately what conclusion I came to.

I doubt whether Fred Mulley is the most suitable person we could find for this important job, particularly now that there is bound to be a question mark over his health. As you know, I was attracted to the idea that Joel Barnett might do it, but you told me that he had said that he did not want to be considered for it, though you thought that in certain circumstances he might be persuaded to let his name go forward.

Since our talk Joel and Michael Jopling, who knows him well, have had an entirely private word, and Joel now seems more interested in the appointment than perhaps he was earlier. Provided you have no objections, I would now like to sound him out rather more formally.

The Rt. Hon. James Callaghan, M.P.

CONFIDENTIAL

Prime Minister.

Tricky.
Could I please have a word with you about how we reply.
16 ix

House of Lords

Lord NORTHFIELD, 60 Courtenay Street, London SE11 5PQ

15th September 1980

R16

CONFIDENTIAL

Dear Prime Minister

You will know through Mr. Callaghan (and possibly through Sir Michael Palliser) that I indicated interest in case you are conducting a broad search for a nominee with a Labour background for the new Commission of the EEC.

It so happens that I am being pressed to sign a contract for the purchase of a house; and before doing so, I enquired of Mr. Callaghan whether he knew if your choice is now made. I will continue to postpone if need be. Mr. Callaghan writes to suggest that I should contact you direct; and this I do in the hope that you can indicate - if necessary in complete confidence - whether I should rule out the hope of Brussels and go ahead with these personal plans.

Yours sincerely.

Lord Northfield

Rt. Hon. Mrs. M. Thatcher M.P.
Prime Minister

10 DOWNING STREET

From the Principal Private Secretary

SIR IAN BANCROFT

CABINET OFFICE: HEAD OF THE EUROPEAN SECRETARIAT

The Prime Minister has seen your minute of 26 August 1980.

She has given a good deal of thought to the proposal that the post of Head of the European Secretariat in the Cabinet Office should be upgraded to the level of Second Permanent Secretary. She shares your view that the case for upgrading has not been fully established and she therefore agrees with your recommendation that the post should remain at Deputy Secretary level.

TLW.

15 September 1980

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

HEAD OF THE EUROPEAN SECRETARIAT

The Prime Minister has given very careful consideration to your minute AO2969 of 11 September 1980 about the post of Head of the European Secretariat. She has decided, however, that its grading should remain at its present level of Deputy Secretary. I attach a hidden copy of the minute which I have now sent to Sir Ian Bancroft.

TCR.

15 September 1980

PRIME MINISTER

The Chief Whip is coming in at 1530 tomorrow to see you primarily about the search for a Labour European Commissioner to succeed Mr. Roy Jenkins. As I told you some days ago, he rang me on my return from leave to say that Mr. Joel Barnett was now showing a considerable interest in the appointment.

If we want to pursue the possibility of Mr. Barnett succeeding Mr. Jenkins, the next step is for you to write to Mr. Callaghan to let him know that you wish to approach Mr. Barnett formally. I attach the draft of a letter which you might send to Mr. Callaghan. It would be useful if you could show this to the Chief Whip tomorrow (I will let him have a copy in advance), to ensure that it is consistent with what he has said to Mr. Barnett in their private contacts and will not embarrass Mr. Barnett vis-à-vis Mr. Callaghan.

I also enclose below a minute from Sir Robert Armstrong reporting Mr. Mulley's continuing interest in the appointment and a bid for the post from Lord George Brown.

TLW.

15 September 1980

010

No. it should not be a P.S. post.

Ref: A02969

MANAGEMENT IN CONFIDENCE

MR. WHITMORE

Prime Minister.

When you saw Sir Ian Bancroft's submission on this proposal last week-end (flag A), you rejected the case for upgrading Mr Franklin's post. When Sir Robert Armstrong heard of your decision, he asked for an opportunity to put to you succinctly the arguments for making the appointment a 2nd Permanent Secretary one. Hence this minute.

Do you stand by your original decision that the post should remain at Deputy Secretary level? If you think there is anything in the proposal in paragraph 5 below, I suggest that you should discuss it with Sir Ian Bancroft. AJ 12/x.

Head of the European Secretariat

I understand that Sir Ian Bancroft has submitted to the Prime Minister my proposal that the post of Head of the European Secretariat should be upgraded to Second Permanent Secretary, expressing his own reservations.

2. I understand the reasons for those reservations, and indeed the Prime Minister's reasons for wishing both to reduce numbers at senior levels and to resist grading inflation. I can claim to have made a good contribution to the reduction of numbers, with one Deputy Secretary post gone and another to go shortly (two out of seven); and on my present proposal there would be no increase in numbers, since I should be giving up a third Deputy Secretary post in exchange for the proposed Second Permanent Secretary post.

3. As for the case on merits, I cannot do better than send you the attached copy of the letter I sent to Sir Ian Bancroft. I believe that at this juncture in our relations with the Community, with large problems ahead as well as the United Kingdom Presidency, the role and responsibilities of this post, both in relation to the rest of Whitehall and in relation to our partners and the Community institutions, would amply justify a return to the higher grading.

4. I should take this view irrespective of personalities. But I do also think that Mr. Franklin has done and continues to do a very effective job as Head of the European Secretariat and is qualified on merits for such a promotion, and I should unreservedly want him to continue here to see us through the next two years as Head of the European Secretariat.

5. If Sir Ian Bancroft is reluctant to see the post definitively regraded, I wonder whether the Prime Minister would be prepared to consider an alternative proposition (which I have not discussed with Sir Ian Bancroft), whereby the post would be (as they say) flexibly graded: it would thus be a post which would carry Deputy Secretary rank on appointment, the holder of which would be eligible,

not automatically but only if his merits justified it, to be considered for promotion en poste after a certain period. On this basis the post would not be formally regraded, but Mr. Franklin could be considered (and I would recommend him) for personal promotion as a reward for merit.

The trouble with this device is that once Mr Franklin is promoted, it will appear and be assumed externally that his post has in fact been upgraded.

AJL.

RCA

Robert Armstrong

11th September 1980

File

Ref. A02500

1st July, 1980

About a year ago John Hunt - supported by Michael Palliser - wrote to you floating the proposal that the demands on the Head of the European Secretariat were likely to be such that a good case could be made for reverting to the practice of grading the post at the Second Permanent Secretary level; and he suggested that Michael Franklin should be promoted into it. At that time you had some doubts about whether the case was then sufficiently strong to fully support the move, and you thought it best to defer consideration until we could see how the role of the Unit developed under the new Government and also what my own view would be when I had settled in here.

I have now had a few months to experience and reflect on the matter. There is no doubt in my mind about the continuing need for the European Unit; nor that under the policies pursued by the present Government the role of the Unit has developed and that its responsibilities are now weightier than they have been for some years. In terms of the contribution which the Head of the Unit is required to make, particularly on the strategy level, the situation appears to me to be very different from that which was foreseen at the time of the 1976 Staff Inspection Report to which you referred in your letter of 10th July 1979. We have a Government committed to continuing British membership of the Community. But the Government is also committed to seeking to ensure that that membership is on terms which have as much regard for British interests and requirements as for those of other members; and a Community which is committed to a restructuring of its budgetary and agricultural policies, and to a further enlargement. All this calls for the European Unit not just to be a co-ordinating group but to take a lead in the formulation of the British Government objectives and policies to be pursued in the evolution of the Community.

The demands on the Head of the Unit can thus be expected to grow still further in the coming years. The United Kingdom has just passed through a difficult stage in its relationships with its European partners in achieving the recent budget settlement. But that was essentially a holding operation, and we are now about to engage in a fundamental review of the structure of the budget and of the common agricultural policy. There is also

/the awkward

Sir Ian Bancroft, GCB

the awkward fisheries aspect to be taken into account. We shall thus be in major discussions with our partners for as long as one can foresee on complex issues which will require us to develop our negotiating positions on a number of fronts and carry negotiations on coherently, constructively and toughly. Additionally in the second half of 1981 there will be the problems associated with the United Kingdom assuming the Presidency. I am sure there will be a deep Prime Ministerial involvement in all these developments.

I did not think it right to reopen the grading of Franklin's post until we knew that the budget settlement had been satisfactorily achieved. But now it has; and in my view the time has come to upgrade the post. The job to be done needs the extra status - both here and in Europe - which the Second Permanent Secretary rank will give. The tasks which the Unit now face are greater in scope and formidability than those which were tackled at the time of the renegotiation of entry terms in 1974, when it was headed by a Second Permanent Secretary and a Deputy Secretary. If the top post had remained at the former level we should certainly not be thinking that it should be downgraded now. I do not see myself as being sufficiently available to give the developing situation the degree of exclusive attention it will require from time to time.

I fully appreciate the difficulties in making a case for such a senior upgrading in the present climate; but all staffing and structural changes cannot be in the downwards direction. The Prime Minister recently agreed that we should recast the responsibilities in the Home and Social Affairs area which resulted in the saving of a Deputy Secretary post. There is no question of asking for a Deputy Secretary to support the top post in any regrading in the European Unit. Overall, therefore, the Cabinet Office top hamper would be adjusted by substituting one Second Permanent Secretary for two Deputy Secretaries.

So much for the principle of what the grading of the post should be, and turning now to Michael Franklin's own position. He continues to hold the Prime Minister's full confidence and his background and experience makes him the obvious and ideal person to continue in the top post in the Unit. It was agreed some time ago that he was ready for promotion, and I very much hope that we shall now be able to give it to him.

I have spoken informally to Michael Palliser. He is in wholehearted support of what I am proposing. He agrees that the developments of the past year and the job which now needs to be done all add to the strength of the case for an upgrading; and he assures me that promotion in situ for Michael Franklin would not cause any difficulties vis a vis the Foreign Office.

Perhaps we could have an early word about how you now see the position. In the meantime I have not copied this to the other members of SASC.

ROBERT ARMSTRONG

Ref: A02931

CONFIDENTIAL

MR. ALEXANDER

Before the recess the Prime Minister discussed with the Foreign and Commonwealth Secretary the appointment of the next "Labour Party" Commissioner on the European Commission, to succeed Mr. Roy Jenkins at the end of the year.

2. I should report that, shortly before I went on holiday, I happened to meet Mr. Fred Mulley, who indicated to me his great interest in the appointment. He was, of course, the candidate suggested to the Prime Minister by Mr. Callaghan.

3. The Prime Minister should also know that I have had a signal from Lord George-Brown, to the effect that he would very much like to succeed Mr. Jenkins. He said that he was still a member of the Labour Party by virtue of his political levy.

4. Perhaps we ought to consider whether to take this any further, and if so how.

RA

Robert Armstrong

8th September 1980

CONFIDENTIAL

No - Posl. should not be upgraded MT.

Prime Minister.

I think that Sir Robert Armstrong's proposal is, frankly, related more to getting Michael Franklin promoted (there are no other PUS level jobs in the offing for which he might be considered) than to the responsibilities of the post; and hard though it is on Michael Franklin, I agree with Sir Jean Bancroft that the case for upgrading the post is not made out. Do you take the same view?

If you do, it will not come as a surprise to Sir Robert Armstrong: he knows that Sir Jean Bancroft is recommending against upgrading the post.

PRIME MINISTER

CABINET OFFICE: HEAD OF THE EUROPEAN SECRETARIAT

The purpose of this minute is to seek a decision on the upgrading to 2nd Permanent Secretary of the post of Head of the European Secretariat in the Cabinet Office.

The post, which is currently held by Mr Michael Franklin, at Deputy Secretary level, was formerly graded 2nd Permanent Secretary. Sir Robert Armstrong argues that it should return to that level. Under the policies of the present Government the role of the Unit has developed and its responsibilities are now weightier than they have been for some years. The reviews of the Community's budgetary, agricultural, and fisheries policy will, in his view, make heavy demands on the Head of the Unit. More, he believes, even than during the 1974 renegotiation when the Unit was headed by a 2nd Permanent Secretary and a Deputy Secretary. Additionally, in the second half of 1981, there will be the UK Presidency.

Sir Michael Palliser has said he would agree that the post should be upgraded.

In view of the Lord President's responsibilities for manpower cuts, including the Open Structure, and his knowledge of the European scene generally and the UK end of it in particular, I have discussed Sir Robert Armstrong's proposal with him. He did not think that the grading of the post would much affect its status as seen from overseas; what mattered there was how well the incumbent argued the British case. On the other hand, he could see that it would make a difference to its status in the UK. He thought that the forthcoming UK Presidency was also a relevant factor.

As to the record of the Cabinet Office in saving senior posts: Sir Robert has already saved one Deputy Secretary post and he expects to save a second (in the Central Statistical Office) in the coming year. If his request for upgrading this post is granted he will not be retaining a Deputy Secretary post in the European Unit. Nevertheless the record of the Service generally in applying staffing cuts equally to the senior ranks as to the junior is not very good. In your personal minute of 31 March on this subject, you made clear that a very stringent line would be adopted on the question of staffing at senior levels. In particular you said: "all proposals for new posts at this level will be turned down unless the case is both urgent and established up to the hilt."

For myself, I have grave doubts whether the case made by Sir Robert meets the criteria which you have prescribed. If the post were upgraded it would create an unusual structure - a 2nd Permanent Secretary sitting over one Under Secretary, two Assistant Secretaries, and four Principals.

My recommendation would be that the post should remain at Deputy Secretary level.

Should you decide, contrary to this recommendation, that the post should be upgraded I would submit to you separately my recommendation on who should fill it once I have taken the views of my Senior Appointments Selection Committee. (It is quite likely to be Mr Franklin).

IRB

IAN BANCROFT
26 August 1980

MFJ

Euro Pol.

MR HILTON

In his minute of 12 August - reference AO2883 - Mr. Wright responded to my minute of 4 August about accommodation for Commissioners-Designate.

In the light of this explanation, the Prime Minister is content for Sir Robert Armstrong to offer the facilities proposed in his minute, reference AO2789, of 31 July.

MAP

26 August 1980

Discussed with Mr Whitmore
Agreed
15/X

C.F. Scott

10 DOWNING STREET

THE PRIME MINISTER

13 August 1980

Dear Fred,

Thank you for your letter of 8 August, about the European Commission.

It is most helpful to me to know your mind on the subject. I am sure you will understand that we are some way from reaching decisions, but I shall certainly be in touch with you if there are any developments.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Fred Mulley, M.P.

~~BF 22/8/11~~ ~~MAP~~ 1.

Euro Pol.

Prime Minister.
In the light of this explanation content for Sir Robert Armstrong to offer the facilities proposed below?
MAP 22/8

Ref. A02883

MR. SANDERS

Yes. MT.

Accommodation for Commissioners-Designate

In his minute of 4th August, Mr. Pattison says that the Prime Minister would like to know what type of confidential papers have been shown to Commissioners-Designate in the past and what access would be proposed in the future.

2. Commissioners-Designate have not been and would not be put on the circulation list of any Cabinet or Cabinet Committee papers, or given classified papers. What Sir Robert Armstrong had particularly in mind was informing our Commissioners-Designate about the functioning of the Commission and British officials working in the Commission. It could be helpful to let them read some of our background papers e.g. on the budget restructuring exercise and CAP reform, once Ministers have taken decisions; but that would be done only with Ministerial agreement.

D.J. WRIGHT

12th August, 1980

Note - We shall soon have to make a positive approach. I don't think Mr. C's first choice will find favour with us. Michel Witt has spoken to Mr. Barrett but as we have had no reply (and I am reluctant to create a bye-election in the meantime) perhaps we should consider approaching others on Mr. C's list nt.

HOUSE OF COMMONS
LONDON SW1A 0AA

8/8/80

R11

Dear Private Secretary,

I enclose a personal letter for the Prime Minister which I hope you can let her see at a convenient time.

In case you may be required to contact me in the recess I enclose telephone numbers which will cover most of my movements until early September when I go to The Hague & Paris for meetings as President of the Assembly of W.E.U. & could be contacted through them.

Yours sincerely

Fred Mulley

from
Fred Mulley

HOUSE OF COMMONS
LONDON SW1A 0AA

8th August 1980

Personal

Dear Prime Minister,

Jim Callaghan has told me that he has suggested my name as a suitable candidate for the forthcoming vacancy as a member of the European Commission, although it is well understood that the decision is entirely for you to make.

I write only to say that I should be most happy if you see fit to appoint me and that I am confident that I have the necessary qualifications and experience to do a satisfactory job. I am glad to say that my health should present no problems as I have made a good recovery.

I do not expect a reply but, of course, I am completely at your disposal should you wish to see me. I hope also you will manage some well deserved rest and recreation.

Yours sincerely
Fred Mulley

HOUSE OF COMMONS
LONDON SWIA OAA

Rt. Hon. Fred Mulley, M.P.
and
Joan Mulley

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4

10 DOWNING STREET

PRIME MINISTER

You might like to glance at this Despatch from Sir Ronald Arculus, commenting on the Italian Presidency of the European Community.

MTD

8 August, 1980

ROME DESPATCH (012/593/3) OF 7 JULY 1980

THE ITALIAN PRESIDENCY OF THE EUROPEAN COMMUNITY: JANUARY-JUNE 1980.

SUMMARY.

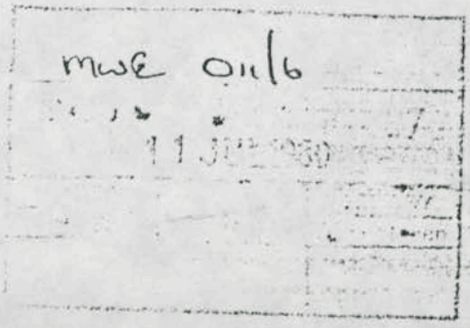
1. The Italians were well pleased with the achievements of their Presidency, especially the solution of our budget problem. (Paragraph 1).

2. The European Community has an important place in Italian politics, and gives their Ministers a role on the world stage. (Paragraphs 2-3).

3. After a bad start the Presidency improved when Signor Colombo became Foreign Minister. Some Ministers were very good though not all the business was conducted efficiently. (Paragraphs 4-6).

4. Success in Europe does not give Signor Cossiga an assured period as Prime Minister. He remains vulnerable to a Parliamentary enquiry and to economic pressures. (Paragraphs 7-8).

5. Italy is important for us, inside and outside the European Community context. The close links developed with Italian Ministers during the Presidency are a valuable asset, worth maintaining by bilateral efforts. (Paragraphs 9-12).



BRITISH EMBASSY,
ROME.

7 July 1980

(013/598/3

The Rt Hon The Lord Carrington KCMG MC
Foreign and Commonwealth Office
LONDON S W 1.

My Lord,

THE ITALIAN PRESIDENCY OF THE EUROPEAN COMMUNITY: JANUARY-JUNE, 1980.

1. The Italian Presidency which ended on the 30th of June was dominated for us by the budget problem. The Italians also, as Foreign Minister Colombo told the European Parliament on the 13th of June, gave absolute priority to its solution, even above some of their own interests. He told me in Venice he was well pleased with the results of the Presidency, particularly because he thought the European Council meeting there had proved that the relations of the members were back to normal. He had a long memory of Community history. The atmosphere after the failure to agree on the British budget reduction was very bad. Indeed, he went so far as to compare it with the two worst periods of Community history, that following the de Gaulle veto of British entry and when France pursued the empty chair policy. The final settlement of the British problem had been accepted with good grace all round, and normal relations were restored. Italy thought this a considerable achievement and was glad to have made a contribution to it.

/2.

2. The European Community holds an important place in Italian politics despite the perennial preoccupation with party and personal manoeuvres. Unified Italy is little more than a century old. It is nearly a quarter of a century since the Treaty of Rome set the Italian state on what was seen to be the path to wider integration. Italians in general despise their domestic politics. They tend therefore to look to the Community. There is the hope that Europe can be invoked to resolve nationally insoluble problems such as that of the South or to assure democratic political stability in a nation of which 30% of the population vote Communist. NATO and the close relationship with the United States afford similar, complementary props.

3. Moreover, perhaps because of the lack of confidence or conviction in the State there remains a conviction that European integration is a great ambition to be pursued even at the cost of setting aside some Italian regional or economic advantages. There is also a desire to see the Italian leadership play a substantial role on the world stage. The achievements of Signor Cossiga and his Ministers during the past six months may not guarantee his survival. But at least the Presidency has shown the Italian Government playing with some distinction a role among the great powers of the industrialised West, and winning some acclaim for the determined pursuit of a reasonable compromise in the face of a major Community crisis. Only Europe gives them the chance to cut such a figure. Italy is the country of "la bella figura".

/4.

4. The Italian Presidency started badly. In Political Cooperation the response of the Nine to the Afghanistan crisis was lamentably slow, and the Italians must take some of the blame. There were the changes of Foreign Minister. Signor Malfatti's illness and subsequent resignation on the 15th of January led to the appointment of Signor Ruffini, who proved quite unsuitable. Only with the advent of Signor Cossiga's second government and the appointment of Signor Emilio Colombo on the 5th of April was there the assurance of adequate skill and experience in the Foreign Affairs Council; and although the Government crisis was resolved quickly by Italian standards, the fact that it led to the postponement of the European Council created a deeply unfavourable impression. (Though, with hindsight, it may have been a good thing for us.) But from April onwards, with the successful outcome to the budget negotiations, the European Council in Venice and immediately thereafter the Economic Summit, the reputation of the Presidency was transformed.

5. The Italian gift for improvisation stood them in good stead. The wily Renato Ruggiero (Chef de Cabinet to the Foreign Minister) somehow managed to carry all the burdens and the changes of master. Signor Colombo was quick off the mark. Signor Cossiga, beset with crises, somehow found time to cope.

6. The overall performance was predictably patchy. Some Ministers and officials were outstanding, including Signor Colombo, Signor Marcora in the

/Agricultural

Agricultural Council, and the Finance Minister Signor Pandolfi. Signor Cossiga himself, though desperately tired at Venice, was unfailingly helpful. Signor Signorello did his best on the delicate subject of fisheries. On the other hand, there was an unnecessary meeting of Ministers of Justice in Rome, and a rather insubstantial one of Ministers of Industry in Venice. And Ambassador Gardini's Chairmanship of the Political Committee was inexpert. But on balance the Italians feel they did pretty well and that we in particular are in their debt.

7. So how far will the comparatively successful Presidency help Signor Cossiga to stay in office and increase his control of the Italian political scene? The answer, I fear, is not all that much. Although virtually all Italian party politicians are declared supporters of the Community and of European integration, Europe is not the stuff of which Italian governments are made. The Community was not a major topic in the June regional and local elections, dominated by national issues, during which the opposition made vicious (but unsuccessful) attempts to discredit the Christian Democrats and undermine Cossiga's personal position. Nor did Italy's European responsibility prevent (as some outsiders supposed that it might) the government crisis of March and April.

8. Whilst, therefore, conspicuous failure in the European Presidency might have damaged Signor Cossiga's government, relative success does not give him assured tenure of office. He still faces a full parliamentary enquiry into allegations that he helped protect the

/terrorist

terrorist son of one of his associates, Donat Cattin. The present expectation is that the storm will break later this month and that he will weather it, but the result is not assured. The lira has been under pressure during the summer with the Bank of Italy calling for tough financial measures, and devaluation canvassed as the likely result of protracted delay. On the 2nd of July the measures were announced, and should see the lira through the summer, perhaps better. But the industrial scene is worsening and there are signs of a swift deepening of the recession. Political terrorism continues, despite many more arrests than hitherto. In a country with ramshackle, if resilient, political institutions and support for the Communist Party from about 30% of the population, the prospect is not encouraging. But the flexibility of the system is remarkable and neither Signor Cossiga nor his government can yet be written off as many Italian commentators sought to do a month ago. Certainly his survival is in our interest.

9. This interest and the importance of Italy for us did not come to an end with the first of July. Despite the Communists, Signor Cossiga was robust on TNF. Despite the farmers, he works for the enlargement of the European Community. Albeit with different objectives from ours, he seeks restructuring and convergence. He fears Franco-German hegemony and wants to see Britain play a larger role. He is prepared to oppose the French when necessary. In Political Cooperation, Italy's contribution can be helpful. We shall need a change of approach now,

as the Italians will be less inhibited than they were in their Presidency in furthering their own interests. But they will side with us when they can.

10. We have all gone to considerable lengths during the Italian Presidency to cultivate Signor Cossiga and his government. We have reaped a worthwhile benefit. There is a very good working relationship and understanding at Prime Minister level, between yourself and Signor Colombo, and between Signor Pandolfi and the Chancellor, as well as with other pairs of Ministers. There are close links between our senior officials, particularly with Signor Ruggiero, who is likely to become Italian Permanent Representative in Brussels this autumn. These are assets not to be devalued. Her Majesty's State Visit in October, when you will have bilateral talks in Rome, and the Prime Ministers' next bilateral exchange in Rome, should be useful for continuity. But because the Italians are boringly verbose and sometimes incompetent, we may tend to underrate the need to take them seriously. This would be a mistake, as our work with them during the last six months has shown. In the Community we have some, though not all, interests in common. We need to keep the Italians up to the mark in NATO and encourage a greater defence effort. They have interests in Africa which may be useful, as was the case over Rhodesia. They may count more as the Community looks more Mediterranean in aspect.

/11.

11. I recommend therefore that we keep our relationships with Italian Ministers and senior officials close and warm, for they respond to being valued and counted upon. And that, where they are inevitably left out of restricted big-power consultations, we should compensate by bilateral means. In this way we can serve our purposes by working with them when our interests coincide and limit the damage where they may conflict.

12. I am grateful for the messages of thanks which have been passed to the Italians from Her Majesty's Government at various levels at the end of June. Such courtesies are particularly valued here. Their party is over now, but it will pay us, I believe, not to forget the Italians.

I am copying this despatch to Her Majesty's Representatives at Washington, UKREP Brussels, and all EC Posts.

I have the honour to be
Your Lordship's obedient Servant,

(R Arculus)

Econ

BF 18.8.80

Euro Pol

MR. WRIGHT
CABINET OFFICE

The Prime Minister has seen Sir Robert Armstrong's minute (Ref. A02789) about accommodation for Commissioners-designate.

The Prime Minister has asked for more information about the type of confidential papers to which access has been granted in the past, and to which Sir Robert would presumably propose to arrange access in the future.

M. A. PATTISON

4 August 1980

HS

Prime Minister

Agree para 3 below?

(The Chief Whip has not yet been able to speak to Mr Barnett.)

MT 1/8

Ref. A02789

PRIME MINISTER

THE NEW COMMISSION OF THE EUROPEAN COMMUNITIES 1981

ACCOMMODATION FOR COMMISSIONERS-DESIGNATE

In 1972 and 1976 the Cabinet Office provided office accommodation for the United Kingdom's Commissioners-designate in the few months prior to their taking up office in Brussels. This proved to be of mutual advantage. Whitehall was able to provide briefing and access to confidential papers. The Commissioners-designate were able to meet representatives of a variety of British interests.

2. There was Ministerial correspondence in 1977 when Mr Arthur Lewis MP questioned why Mr Roy Jenkins as a back-bencher was being offered such accommodation in his capacity as Commissioner-designate, but I would not see any difficulty in dealing with further public questioning of what has become an established arrangement.

3. If you agree, therefore, I would propose to offer the same facilities here to our Commissioners-designate once they have been nominated, although if Mr Tugendhat is re-appointed there may not be the same need in his case.

What confidential papers?

MT.

RTA

(ROBERT ARMSTRONG)

31 July 1980

Euro. Pol.

CABINET OFFICE
70 WHITEHALL
LONDON SW1A 2AS

01-XXXXXXXX 233 7256

Qz01701

30 July 1980

Mr Whitmore
Mrs. Thatcher

Thank you very much for your letter of 23 July about the appointment of British Commissioners as from 1st January next year. I will, of course, see that your suggestion is considered.

I will be writing to you shortly in reply to your other letter on the use of funds under the proposed Supplementary Measures for the United Kingdom.

M D M FRANKLIN

R Balfe Esq M.E.P.
259 Barry Road
London SE22 0JT

cc Mr Alexander (No 10)
Mr Spreckley (FCO)

Richard Balfe M.E.P.

From: 259 Barry Road, London SE22 0JT Tel: 01 299 0863

23rd July, 1980

~~SECOND LETTER.~~

Mr. Michael Franklin
Cabinet Office
70 Whitehall
London, S.W.1.

Dear Mr.Franklin

Further to our conversation in Strasbourg regarding the next Labour Commissioner, I am writing to confirm that it is my personal opinion that the best person for this job would be Gwyneth Dunwoody.

There has been considerable pressure within the European Parliament for a woman to be appointed as a member of the next Commission. Mrs. Dunwoody obviously fills this criterion. I understand she is a linguist, and finally, her less than fulsome support for the EEC might inject a welcome critical view into the Commission. I am sure she would approach the job constructively and would balance a defence of Britain's interests with the need to act as an effective part of the Commission's team.

Yours sincerely

Richard Balfe

RICHARD BALFE

CONFIDENTIAL

cc Master Set

10 DOWNING STREET

From the Private Secretary

25 July 1980

Dear Paul,

EUROPEAN COMMISSIONERS

The Prime Minister held a meeting this morning to discuss possible Labour candidates for the second of the two British posts of the European Commission. The Home Secretary, the Foreign and Commonwealth Secretary, the Chief Whip and Sir Robert Armstrong were present.

It was agreed that Mr. Fred Mulley, whose name had been put forward by Mr. Callaghan was not a credible candidate. His recent heart attack had been very severe and it was doubtful whether he was any longer up to the job. The names of a considerable number of other candidates were considered. It was agreed that the strongest candidate was Mr. Joel Barnett. He had told Mr. Callaghan that he did not wish to be considered but it was possible that he might be persuaded to allow his name to go forward if he were guaranteed the budget post on the Commission. It was agreed that the Chief Whip would talk to Mr. Barnett to establish his precise views.

The Foreign and Commonwealth Secretary said that if Mr. Barnett were interested, there might be something to be said for speaking to M. Gaston Thorn to establish whether he could give any assurance that the UK would retain the budget post. It was recognised that M. Thorn would probably find it difficult to give an assurance.

The Prime Minister said that if Mr. Barnett did not wish to be a candidate, she would probably want to offer the post to Mrs. Shirley Williams. Mrs. Williams would probably not want to be a candidate, but it would be right that she should have been given the refusal.

I am sending copies of this letter to Murdo Maclean (Chief Whip's Office) and to David Wright (Cabinet Office).

Yours ever

Michael Alexander

Paul Lever, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

CONFIDENTIAL

Euro Pol.

NOTE FOR THE FILE

EUROPEAN COMMISSIONERS

The following names were mentioned in the discussion this morning recorded in my letter to Mr. Lever of today's date:-

The Rt. Hon. Dr. J. Dickson Mabon	- It was considered that he would not be an effective Commissioner.
Mr. Robert Maclennan	- Unlikely to fight hard enough for British interests
The Rt. Hon. William Rodgers	- An excellent candidate but would not accept the post because of the repercussions on his own standing in the Labour Party
The Rt. Hon. David Owen	- (as above)
Lord Northfield	- A light-weight
Lord Brimelow	- A backroom operator
Lord Harris	
Professor David Marquand	- A dilettante MP
Mr. Maurice Foley	
Mr. Ivor Richard	- A good candidate but lacking in political weight
The Rt. Hon. Alan Williams	- (as above)
Roderick MacFarquhar	- Plenty of international experience but no administrative experience

The names of Sir Roy Denman, Sir Michael Palliser and Mr. John Pardoe were also mentioned but it was agreed that for the moment at least the effort to find a suitable Labour Party candidate should be continued.

25 July 1980

CONFIDENTIAL

CONFIDENTIAL

(1) Mr Alexander Pass fa.

(2) NOTE FOR THE FILE

(1000, Friday 25 July Meeting to discuss European Commissioner)

He did not attend.

It is possible that the Lord Privy Seal will not be able to be at the meeting on Friday morning as he will be returning from Seretse Khama's funeral. His office rang to say that he is not happy with the choice of Mulley as he is really "over the top". He suggests Shirley Williams or Dickson-Mabon.

C.S.

22 July 1980

CONFIDENTIAL

CONFIDENTIAL

Miss Stephens.

Can you please keep a record of this meeting.

MCS 21 vii

10 DOWNING STREET

From the Principal Private Secretary

21 July, 1980

cc Martin Sel

Dear Paul,

European Commissioners

I wrote to you on 2 July to let you know that Mr Callaghan had undertaken to let the Prime Minister have the names of two or three possible Labour candidates to become the second of the two British European Commissioners when Mr Roy Jenkins leaves Brussels at the beginning of next year.

The Prime Minister saw Mr Callaghan again today when he offered only one name - that of Mr Fred Mulley. Mr Callaghan said that he thought Mr Mulley would make a very good European Commissioner. He was now quite recovered from his recent heart attack. He was a shrewd man who took a balanced and sensible view of the Community. Though a quiet man, he was a tough and skilful operator inside a bureaucracy. It was, of course, for the Prime Minister to decide whether to put forward Mr Mulley. He had approached seven or eight other people, including Mr Joel Barnett, but they had said that they did not wish to be considered. Most of them were clearly influenced in their view by the difficulty which any Labour member was likely to experience in trying to get back into British politics after he had given up a constituency to go to Brussels.

Mr Callaghan added that one or two people had also proposed themselves to him as candidates for the European Commission, but he did not support any of them and did not wish to put forward any of their names.

The Prime Minister said that she was grateful to Mr Callaghan for suggesting Mr Mulley's name and she would now like to reflect further on this. She would let Mr Callaghan know privately as soon as she came to a conclusion.

/The Prime Minister

CONFIDENTIAL

The Prime Minister would now like to discuss Mr Callaghan's suggestion and possible alternatives to Mr Mulley with the Foreign and Commonwealth Secretary, the Lord Privy Seal and the Chief Whip. We will be in touch with you to arrange a time.

I am sending copies of this letter to Michael Richardson (Lord Privy Seal's Office) and Murdo Maclean, (Chief Whip's Office). A copy also goes to David Wright (Cabinet Office).

Yours ever,

Brian Griffiths.

Paul Lever, Esq
Foreign and Commonwealth Office

With the compliments of

EUROPEAN COMMUNITY DEPARTMENT

(INTERNAL)

FOREIGN AND COMMONWEALTH OFFICE

LONDON, SW1A 2AH

CONFIDENTIAL

Mr Hannay
Lord Bridges

THE ITALIAN PRESIDENCY

1. I submit Sir R Arculus's despatch on the Italian Presidency. It is not established procedure to send despatches on Presidencies; Heads of Mission have discretion. But the Italian Presidency covered a very important period for us in the Community and their role on the budget settlement was crucial.

2. Sir R Arculus stresses that over the budget negotiations we have built up relationships with Italian Ministers which we should keep ''close and warm''. Though he does not make specific recommendations he is clearly anxious that the Italians should not be seen to be excluded from consultations among their friends and allies, particularly now they no longer have the Presidency. The further consolidation of the Franco/German axis that we saw last week will make the Italians even more anxious to keep close to us.

3. I attach a draft acknowledgement which we will send from the Department and we are giving the despatch a limited distribution in the departmental series.

4. WED agree.

Colin Reeves

17 July 1980

W Marsden
European Community Department (Internal)

cc: (with copy despatch)
Mr Bullard,
Mr Fergusson
ECD(E)
WED
Research Dept
Economists
Defence Dept
Mr Franklin, Cabinet Office

CONFIDENTIAL

(vised)

DRAFT: [illegible]/lette[illegible]Z

TYPE: Draft/Final 1+

FROM:

J N T Spreckley

DEPARTMENT: TEL. NO:

Reference

Your Reference

SECURITY CLASSIFICATION

Top Secret
Secret
Confidential
Restricted
Unclassified

PRIVACY MARKING

.....In Confidence

CAVEAT.....

Enclosures—flag(s).....

TO:

Sir R Arculus KCMG
Rome

Copies to:

SUBJECT: THE ITALIAN PRESIDENCY OF THE EUROPEAN COMMUNITY

Thank you for your despatch of 7 July on the Italian Presidency in the first half of this year which we have submitted within the Office and copied to interested Departments.

The settlement of our Budget problem was indeed a considerable Italian achievement, and I am pleased to note that the various messages of thanks were appreciated.

We must certainly keep our relationships warm and build on the understandings that have developed during the Italian Presidency. We will look for what common ~~efforts~~ ground we can with Italy in the forthcoming period of discussions on Community restructuring. The next round of Anglo/Italian consultations later this year should give us an opportunity to emphasise the importance we attach to the bilateral relationship for its own sake. We fully agree with you that the survival of the Cossiga Government is in our interests.

CONFIDENTIAL

COVERING CONFIDENTIAL

2 July 1980

As I promised, I attach copies of the records of this morning's meeting between the Prime Minister and Mr. Callaghan.

C. A. WHITMORE

Sir Tom McCaffrey

COVERING CONFIDENTIAL

10 DOWNING STREET

cc Master Set.

From the Principal Private Secretary

2 July 1980

Dear Paul,

EUROPEAN COMMISSIONERS

The Prime Minister met the Leader of the Opposition earlier today to discuss who should become the second of the two British European Commissioners when Mr. Roy Jenkins left Brussels at the beginning of next year.

The Prime Minister said that Mr. Tugendhat would stay on and would become the senior of the two British Commissioners. We did not yet know what portfolio he would hold but since much of the Commission's work over the next two or more years would be devoted to such key issues as the reform of the budget and the CAP, we would aim to secure one of the economic or financial posts. There was also a case for trying to take over M. Cheysson's portfolio dealing with Community aid to the Third World. It was surprising how much of the trade associated with Community assistance to developing countries seemed to go to French firms. She was in favour of multilateral aid, provided we gained as much as we put in. One portfolio we could be sure the UK would not get was the agriculture one. She would welcome any names Mr. Callaghan would like to suggest for consideration as the second British Commissioner.

Mr. Callaghan said that he could not offer any names today but he would take some soundings and let the Prime Minister have the names of two or three possible candidates in the course of next week. He agreed that the UK should try to secure one of the economic or financial portfolios. He also shared the Prime Minister's views about multilateral aid.

The Prime Minister said that if M. Thorn succeeded Mr. Jenkins as President of the Commission, he would have to be consulted at the appropriate moment about who the British Commissioners should be. She added that she had been supporting M. Thorn's candidature for the Presidency.

Mr. Callaghan said that he thought M. Thorn would probably make a good President. But the Prime Minister should bear in mind that he was a strong federalist, a fact which probably explained President Giscard's objection to him for the Presidency. If M. Thorn was appointed, there would be much to be said for the Prime Minister finding an opportunity to warn him that whatever his personal views, Europe as a whole was not federalist.

/The Prime Minister

The Prime Minister said that she was herself strongly anti-federalist. If M. Thorn attempted to push the Community in a federalist direction, she thought that he would be strongly resisted. She looked forward to receiving Mr. Callaghan's suggestions for the Commission next week.

I am sending a copy of this letter to Murdo Maclean (Chief Whip's Office) and David Wright (Cabinet Office).

Yours ever,

Brian Hitchman.

Paul Lever, Esq.,
Foreign and Commonwealth Office.

Ref: A02508

PRIME MINISTER

Community Affairs

You will want to make this item very brief.

2. The Foreign and Commonwealth Secretary might be invited to report on the outcome of the 30 June Foreign Affairs Council and the related Association Council meeting with Turkey -

a. It now seems likely that the Council and the European Parliament will soon settle the 1980 Budget.

b. Agreement has been reached on M Thorn as the next President of the Commission, although his formal nomination has run into difficulties because of his coincidental assumption of the Presidency of the Council from 1 July.

c. After lengthy negotiations, agreement was reached on measures to give new life to the Community's Association agreement with Turkey, including a fourth financial protocol amounting to 600 mua over the five years from October 1981. The Turks re-stated their intention to apply for membership of the Community.

3. The Secretary of State for Education might report on the outcome of the 27 June Education Council, which approved a modest Community programme of activities in the education field.

4. The Secretary of State for the Environment might report on the outcome of the 30 June Environment Council, which adopted Directives on sulphur dioxide and drinking water and agreed in principle - at United Kingdom behest - to a regulation banning the import of whale products into the Community.

of a

4. The Secretary o
of the 30 June Environmen
and drinking water and a
regulation banning th

5. The Minister of Agriculture might report on his talks on fisheries with Commissioner Gundelach on 1 July.

RWA

ROBERT ARMSTRONG

2 July 1980

Euro PS

CONFIDENTIAL

GR 125
CONFIDENTIAL
FM ANKARA 261250Z JUN 80
TO IMMEDIATE F C O.

TELEGRAM NUMBER 302 OF 26 JUN 80
INFO IMMEDIATE UKREP E C
INFO PRIORITY PARIS, BONN, ROME, LUXEMBOURG, COPENHAGEN, DUBLIN
BRUSSELS

FOLLOWING FOR PRIVATE SECRETARY FROM LEVER
PRESIDENCY OF THE COMMISSION
1. COLOMBO LAST NIGHT CONVENED A MEETING OF FOREIGN MINISTERS OF THE NINE PRESENT IN ANKARA MINUS THORN AND FRANCOIS-PONCET (WHO HAD ALREADY LEFT) TO DISCUSS THE PRESIDENCY OF THE COMMISSION. EVERYONE PRESENT WAS DISPOSED TO ACCEPT THORN FOR THE JOB. THE SECRETARY OF STATE SAID THAT THERE WERE A NUMBER OF GOOD CANDIDATES WHOSE NAMES HAD BEEN MENTIONED BUT THAT IF THERE WAS A GENERAL CONCENSUS FOR THORN THE BRITISH WOULD BE HAPPY TO ACCEPT THIS. IT WAS LEFT THAT COLOMBO WOULD CONTACT THE FRENCH AND IRISH GOVERNMENTS WITH A VIEW TO RESOLVING THE ISSUE BY 30 JUNE.

LAURENCE

mb.

FILES
ECD(I)
WED.
PS
PS/LPS
PS/Mr HURD.
PS/PUS
Mr BULLARD
LORD ARIDGES
Mr HANNAY
Mr FERGUSSON

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No. 10 DOWNING STREET

CONFIDENTIAL

Ref. A02443

PRIME MINISTER

Cabinet: Community Affairs

There is little Community business of substance to discuss this week.

2. The Minister of Transport might report on the outcome of the 24th June Transport Council, which discussed intra-European air fares, driving licences and harmonised periods of summer time.

3. Community Education Ministers meet on 27th June, an Environment Council is scheduled for 30th June and a Foreign Affairs Council on 1st July.

RCA

(Robert Armstrong)

25th June, 1980

Emor Rd
Mr. Alexander

CONFIDENTIAL
DESKBY 231000Z
FM THE HAGUE 230805Z JUN 80
TO IMMEDIATE VENICE
TELEGRAM NUMBER 001 OF 23 JUNE
INFO IMMEDIATE UKREP BRUSSELS
INFO PRIORITY F C O

FOLLOWING FOR PUS

VENICE TEL NO 001: PRESIDENT OF EUROPEAN COMMISSION

1. OF THE POSSIBLE NETHERLANDS CANDIDATES MENTIONED SO FAR, VAN DER STEE WOULD IN MY VIEW COME CLOSEST TO THE REQUIREMENTS OF THE JOB, WITH THE POSSIBLE EXCEPTION OF BIESHEUVEL, WHO REMAINS ADAMANT THAT HE WILL NOT ALLOW HIS NAME TO GO FORWARD.

2. VAN DER STEE HAS BEEN AMONG THE MOST SUCCESSFUL AND BEST KNOWN OF NETHERLANDS AGRICULTURAL MINISTERS OF RECENT YEARS ALTHOUGH HE HAD NO EARLIER EXPERIENCE OF AGRICULTURE. HIS FINANCIAL BACKGROUND AND EXPERTISE ARE A MATTER OF RECORD (LAWYER, TAX CONSULTANT AND STATE SECRETARY FOR FINANCE 1971-73). HE IS ON CLOSE POLITICAL TERMS WITH VAN AGT (BOTH ARE MEMBERS OF THE KVP, THE CATHOLIC CONSTITUENT PARTY OF THE CDA). HE IS ALSO GENERALLY POPULAR IN THE PARTY AND COUNTRY AT LARGE. HE HAS A WELL DESERVED REPUTATION FOR SHREWDNESS AND POLITICAL ACUMEN, BUT CAN BE RUTHLESS WHEN NECESSARY. NOR IS HE AFRAID TO SPEAK HIS MIND. HE HAS CROSSED SWORDS SHARPLY WITH HIS COLLEAGUES IN THE NINE (MR SILKIN IN PARTICULAR) IN THE PAST BUT ALWAYS RETAINED GOOD PERSONAL RELATIONS WITH THEM. MOST OBSERVERS HERE WOULD AGREE THAT HE HAS THE TALENTS, EXPERIENCE AND ENERGY TO FILL THE JOB EFFECTIVELY.

3. BEFORE HE (RELUCTANTLY) BECAME MINISTER OF FINANCE IN MARCH, VAN DER STEE HAD MADE LITTLE SECRET OF HIS EUROPEAN AMBITIONS. HE IMPLIED STRONGLY TO SIR J TAYLOR LAST YEAR THAT HE HAD SET HIS SIGHTS ON THE AGRICULTURE PORTFOLIO IN THE COMMISSION AND THAT HE HAD AN UNDERSTANDING WITH GUNDELACH THAT WERE THE LATTER TO BECOME PRESIDENT, HE WOULD INSIST ON VAN DER STEE BECOMING AGRICULTURAL COMMISSIONER.

4. THE ONLY QUESTION MARK MUST BE OVER HIS AVAILABILITY. DESPITE CONSULTATIONS OVER THE WEEK-END BETWEEN THE THREE BENELUX PRIME MINISTERS THEIR AGREEMENT ON A SINGLE BENELUX CANDIDATE HAS NOT YET BEEN ANNOUNCED ALTHOUGH THE PRESS REPORTS THIS MORNING THAT VAN AGT HAS AGREED TO THORN'S CANDIDATURE. MORE IMPORTANT, VAN AGT MIGHT BE RELUCTANT TO RELEASE VAN DER STEE WHEN HE HAS JUST WORKED HIMSELF INTO THE SADDLE AND PUBLIC EXPENDITURE CUTS NOTABLY IN THE SOCIAL WELFARE FIELD MAKE THE TASK OF PREPARING NEXT YEAR'S BUDGET PARTICULARLY DIFFICULT IN THE FACE OF THE RESTIVENESS OF THE LEFT WING OF THE CDA INCLUDING SOME MEMBERS OF THE CABINET.

5. VAN DER STEE HAS BEEN VERY HELPFUL TO US IN THE PAST BOTH AS MINISTER OF AGRICULTURE AND AS A CONFIDANT OF VAN AGT EG IN THE LATTER CASE OVER OUR BUDGETARY CONTRIBUTION. BRITISH MINISTERS (MR WALKER, MR BUCHANEN-SMITH AND SIR G HOWE) WOULD I THINK CONFIRM THIS. IF HE WERE TO SUCCEES MR JENKINS, WE WOULD HAVE VERY REASON TO EXPECT THIS TO CONTINUE WITHIN THE CONSTRAINTS OF THE JOB.

6. COD, VENICE AND UKREP BRUSSELS: PLEASE NOTE DESKBY.

HERVEY

NNNN

Mr. Alexander

Prime Minister has seen.

Euro Pol

22/6

Fco. 23/6

THE PRESIDENCY OF THE EUROPEAN COMMISSION

The Belguim Foreign Minister's Chef de Cabinet telephoned me this afternoon. He was instructed by his Minister to convey the following message for the Prime Minister and Lord Carrington, resulting from the meeting of Benelux Prime Ministers.

At last week's European Council in Venice there had been a consensus that the next President of the Commission should come from one of the smaller Community countries; and preferably from a Benelux country. The name of Ms. Thorn had been suggested as the candidate. It was now for the Presidency to check whether Ms. Thorn's name was acceptable to other Community Governments. Sg. Cossiga had accordingly been asked to establish this, in particular while he was in Venice at the same time as the French President and the British and German Heads of Government. The Benelux Ministers had asked to be informed of his conclusion during the weekend, so that they could react. They were accordingly now waiting to hear from Sg. Cossiga but wished the Prime Minister and Lord Carrington to know the position.

I said that this message did not strike her as entirely clear. Was I being told that Ms. Thorn now be the Benelux candidate? Ms. de Schoutete did not give me a direct reply. He repeated that it was Ms. Thorn's name that had been suggested last week. What his Ministers wished to establish was whether that suggestion was acceptable to others. If there were "an unsurmountable obstacle" to Ms. Thorn's candidature then they would wish to reflect on the conclusions they should draw. I saw no point in trying to push him beyond this delphic position but said I would report to my Ministers.

The Chancellor of the Exchequer reported a conversation with Pandolfi, who recorded (and agreed with) Matthoefer's view. This was that, whether or not there was a Benelux consensus in favour of Thorn, he would not be elected; and that a further search among the small countries would produce another candidate who again would not be elected. The way would then be open for Pandolfi; and the Chancellor's impression was that Pandolfi - who was already willing - would be made available by the Italian Government.

Michael Pattison
22/6/80

cc. Sir R. Armstrong
Private Secretary
PS/PUS.

IMMEDIATE ADVANCE COPY

DESKBY 2110002

PS (b)
PS/2PS
PS/PUS
Sir D Maitland
Mr Bullard
Mr Bridges
Mr Hannay
Mr Ferguson
Hds ECD(I)
ECD(E)
WED
Mr C.
Mr Alexander N° 10 D.S.

Europe Policy

+17

+7

0927

LUXFO ØØ1/21

OO FCO DESKBY 211ØØØZ

PP UKREP BRUSSELS

PP ROME

PP PARIS

PP BONN

PP BRUSSELS

PP THE HAGUE

GRS 11Ø
CONFIDENTIAL
DESKBY 211ØØØZ
FM LUXEMBOURG 21Ø855Z
TO IMMEDIATE FCO
TELEGRAM NUMBER 194 OF 21 JUNE
INFO PRIORITY UKREP BRUSSELS, ROME, PARIS, BONN, BRUSSELS, THE HAGUE
INFO SAVING COPENHAGEN, DUBLIN

Fils

YOUR TELNO 79
PRESIDENCY OF THE COMMISSION

1. I PASSED YOUR REPLY TO M THORN'S CHEF DE CABINET THIS MORNING. HE WAS GRATEFUL. HE SAID THAT THE ITALIANS HAD TOLD THORN THAT COLOMBO PROPOSED TO DISCUSS THE PRESIDENCY IN THE MARGINS OF THE NATO MEETING IN ANKARA AND TO TRY TO REACH A CONCLUSION THEN. KASEL ADDED THAT WERNER AND MARTENS HAD NOT AGREED ON A SINGLE BENELUX CANDIDATE AT THEIR MEETING YESTERDAY (MY BELGIAN COLLEAGUE CONFIRMS THIS). A TRIPARTITE BENELUX MEETING IS TO BE HELD TOMORROW (SUNDAY) AND WERNER HOPES TO BE ABLE TO NOTIFY OTHER EC HEADS OF GOVERNMENT AT VENICE OF THE OUTCOME BY TOMORROW EVENING.

EC HEADS OF GOVERNMENT AT VENICE OF THE OUTCOME BY TOMORROW EVENING.

2. RESIDENT CLERK PLEASE PASS TO ALEXANDER (NO 1ø) OR REPEAT TO VENICE.

FCO PASS SAVING TO COPENHAGEN AND DUBLIN

THOMAS

NNNN

SENT/RECD AT 21ø927Z DH/DGN

HAGFO 001/20

OO FCO

PP UKREP BRUSSELS

PP BRUSSELS

PP LUXEMBOURG

PP ROME

X-12

ADVANCE COPY

IMMEDIATE

PS
PS/LPS
PS/PUS
Mr Bullard
Lord Bridges
Mr Harvey
HD ECD (4)
Mr Franklin
Mr. Williams } Cabinet Office
Mr Alexander No 10 Downing St.
(File)

GRPS 130
CONFIDENTIAL
FM THE HAGUE 200821Z JUN 80
TO IMMEDIATE FCO
TELEGRAM NUMBER 209 OF 20 JUNE
INFO PRIORITY UKREP BRUSSELS, BRUSSELS, LUXEMBOURG, ROME
INFO SAVING ALL OTHER EC POSTS

UKREP BRUSSELS TELNO 3025: PRESIDENCY OF THE COMMISSION

1. VAN DER KLAAUW CONFIRMED TO COMMUNITY AMBASSADORS ON 20 JUNE THAT THE THREE BENELUX PRIME MINISTERS HOPED TO AGREE THIS WEEKEND ON A BENELUX CANDIDATE. HE IMPLIED THAT POSSIBLE DUTCH CANDIDATES (TO BE FURTHER CONSIDERED BY THE CABINET AT THEIR WEEKLY MEETING THIS MORNING) WOULD INCLUDE DUISENBERG. HE WOULD NOT BE DRAWN ON THE PROSPECTS OF VAN DER STOEL'S NAME (HERVEY'S LETTER OF 18 JUNE TO SPRECKLEY) GOING FORWARD: VAN AGT IS REPORTED TO BE STRONGLY OPPOSED.

2. VAN DER KLAAUW MADE IT CLEAR THAT IN THE EVENT OF THORN'S APPOINTMENT, THE DUTCH WOULD PRESS STRONGLY FOR A COMMISSIONERSHIP OTHER THAN THAT CURRENTLY HELD BY VREDELING: BUDGET AND FINANCIAL CONTROL MIGHT WELL BE A TARGET.

FCO PLEASE PASS TO SAVING ADDRESSEES

HERVEY

[Files]

LUXFO 001/19

ADVANCE COPY

PP FCO

RR UKREP BRUSSELS

RR ROME

RR PARIS

RR BONN

RR BRUSSELS

RR THE HAGUE

PS
PS/LPS
PS/PUS
LORD BRIDGES
MR HANNAY

MR FRANKLIN
MR WILLIAMS } CABINET OFFICE

MR ALEXANDER
NO 10 D/ST.

GRS 150
CONFIDENTIAL
FM LUXEMBOURG 191500Z
TO PRIORITY FCO
TELEGRAM NUMBER 191 OF 19 JUNE 1980
INFO UKREP BRUSSELS ROME PARIS BONN BRUSSELS AND THE HAGUE
INFO SAVING DUBLIN AND COPENHAGEN
PRESIDENCY OF THE COMMISSION

1. LUXEMBOURG MFA OFFICIALS ARE ALL VERY FED UP WITH THE BELGIANS. THEY CLAIM MARTENS HAS BEEN STALLING OVER THEIR EFFORTS TO HOLD AN EARLY BENELUX SUMMIT TO TRY TO ARRIVE AT AN AGREED BENELUX CANDIDATE BUT THEY NOW THINK THE MEETING WILL TAKE PLACE AT THE WEEKEND. THEY SUSPECT THORN'S PROSPECTS ARE SLIPPING AND THAT A THIRD MAN MAY END UP THE WINNER (? AN ITALIAN). THEY SUSPECT DAVIGNON AND GISCARD OF HAVING BROUGHT THEIR FAMILY RELATIONSHIP INTO PLAY. THEY CLAIM THAT SCHMIDT DOES NOT REALLY WANT DAVIGNON AND THAT THERE IS NO SERIOUS DUTCH CONTENDER. THEY PROFESS THAT, IF FACED BY THORN AS THE SINGLE BENELUX NAME, GISCARD WOULD FIND IT HARD TO MAINTAIN HIS OPPOSITION.

2. I HAVE THE IMPRESSION THAT THIS IS ABOUT THE ONLY SUBJECT OCCUPYING THE LUXEMBOURG MFA AT THE MOMENT. IF THORN MISSES THIS BUS WE SHALL HAVE A SORE MAN TO DEAL WITH DURING THE LUXEMBOURG PRESIDENCY.

THOMAS

cc Master Set
cc Euro Pol, Presidency of Commission
Community Budget PS

File

cc CO
HMT
Euro Pol

10 DOWNING STREET

From the Principal Private Secretary

12 June 1980

BF 23.6.80

Dear Paul,

Meeting with Chancellor Schmidt

The Prime Minister met Chancellor Schmidt at 1445 today in her room in the Hotel Cipriani.

Presidency of the Commission

The Prime Minister said that she wondered what Chancellor Schmidt's ideas were about possible successors to Mr. Jenkins. The principal task of whoever succeeded Mr. Jenkins would be to take charge of the restructuring of the Community Budget, and this was going to be a very big job indeed. This meant that we should go for someone who was a considerable person in his own right, regardless of nationality. The UK had begun to take the view that Signor Pandolfi might best fill the bill, but Signor Cossiga had now given her to understand that Signor Pandolfi's name would not be going forward. She thought that this was something which Heads of Government should discuss when they were alone after dinner that evening.

Chancellor Schmidt said that the ideal candidate should be somebody who had been a strong and effective Finance Minister in his national government: this was the kind of person needed to undertake the reform of the Community Budget. Against this criterion, both Signor Pandolfi and Signor Colombo would have been good candidates. On the other hand, he did not believe Mr. Gundelach would be suitable. But even if Signor Pandolfi and Signor Colombo had been prepared to be considered, there was the difficulty that it was the turn of one of the small countries to have the Presidency of the Commission. These various factors meant that the choice boiled down in practice to Viscount Davignon and M. Thorn. Neither of them was the ideal person to undertake the restructuring of the Budget. Viscount Davignon was a little too pro-French and a little too protectionist. But he was one of Europe's better diplomats. M. Thorn was too cautious and too diplomatic, but he had a great deal of experience. He thought that President Giscard would prefer Viscount Davignon; whereas Herr Genscher would favour M. Thorn who was a personal friend of his. He had no strong preference himself between Viscount Davignon and M. Thorn and could live with either. He agreed that Heads of Government should discuss the matter after dinner that night.

Community Procedures

Chancellor Schmidt said that it was ridiculous to invite the European Council to discuss the formal agenda which the Italians had proposed. The original purpose of the European Council was not to solve specific problems but to allow just the nine Heads of Government to discuss in an informal and

/personal

personal way the major issues facing the world. The nature of the meetings had changed greatly within recent years, and the Heads of Government were now behaving like Agriculture Ministers. The European Council had now become a piece of machinery like N A T O or the United Nations. The Heads of Government ought to be able to speak their minds alone without a Secretariat. Moreover, the bureaucracy in Brussels was getting out of hand. It was growing all the time and now numbered more than 5,000 people. After enlargement there would, on present plans, be seventeen Commissioners, and this was ridiculous.

The Prime Minister said that she agreed entirely with what Chancellor Schmidt had said. She thought meetings of the European Council should consist of an informal exchange of views between the Heads of Government. She did not like the habit of issuing a formal communique. Moreover, she thought that the Council met too frequently: two meetings a year would be enough. She would be very happy to settle for only one Commissioner for the UK after enlargement. The Commission issued far too many directives which were very detailed: they were seeking standardisation and not harmonisation.

Encouraged by the Prime Minister, Chancellor Schmidt said that he would raise the possibility of reducing the number of European Council meetings to two a year with the other Heads of Government after dinner that evening.

Restructuring of the Community Budget

The Prime Minister said that she was fearful that rather than face up to the difficult task of restructuring the Budget, the Commission would take the easy way out and propose that the 1% VAT ceiling should be breached. If they did that, she would be in a difficult position because she did not want to be isolated again in the Community in saying no.

Chancellor Schmidt said that he thought it important that the U K should not find itself isolated again in the next two years or so. He agreed about the importance of not going above the 1% VAT ceiling, but he had been alarmed to be told in the last week or so that the ceiling was not the clear and firm limitation which he had previously supposed it was. He was advised that if the Community reached a ceiling on its revenues and was thus unable to make payments to those who, under existing Community law, were entitled to receive them, these people could apply to their national governments for payments in substitution, and the latter were obliged, again in accordance with existing Community law, to make such payments. When the Prime Minister suggested that the way of dealing with this situation would be to change the treaties, Chancellor Schmidt said that he did not believe either the Bundestag or the House of Commons would ratify the necessary amendments. He was in any case facing considerable difficulties over the Community Budget in the Bundestag. The German Government had always been willing to make large contributions to Community finances in order to encourage convergence. But he could not persuade either his own party or the FDP that Germany should pay in order to enhance the standard of living in countries like Denmark and Holland which were richer than Germany. He did not know where he was going to find the additional contribution required of Germany as a result of the recent Brussels package. His Government would now have to find DM2½ billion but they had provided for only DM600 million in their forward plans. The Federal Budget was already in deep deficit, and the servicing of it was getting out of hand. His Government could not borrow any more on the capital market because to do so would push up interest rates and this would have a disastrous effect on the German economy. This left him with no alternative but to increase taxes, and he had had to announce the previous week that taxation would be raised to meet the Brussels package on the 1st January 1981. The political

/implications

implications of having to do this four months before the Federal elections d not need spelling out. Against this background, he had it in mind to tell the other Heads of Government after dinner that evening that it was likely that he would demand in about a year's time that ceilings should be imposed on net receipts from the Community Budget as well as on net contributions. He recognised that this approach was a little crude but it might be necessary and it would also help in the restructuring of the Budget.

The Prime Minister said that she entirely understood Chancellor Schmidt's difficulties, and she had pointed out at Luxembourg that it would not be fair to ask Germany to pay substantially more to the Community Budget than they already did. What he had said underlined the importance of getting ahead quickly with the restructuring of the Budget and she wondered whether some steps at least could be taken in time to be incorporated in the 1980 Budget.

Chancellor Schmidt said that that might be trying to move too quickly. The Commission would not come forward with any worthwhile proposals in the next twelve months, and he believed that the impetus would have to come from national governments. But the brake here was the French Government: although President Giscard wanted to see the CAP reformed, he would not be able to do anything, because of the strength of his agriculture lobby, until after the Presidential elections in April and May of next year. This meant that restructuring would have to go ahead very quickly after that and should be completed by the summer of 1982, if it was not to get caught up in the run-up to the French Assembly elections in 1983. He was not saying that the Commission should not make a start on preparatory work straightaway, though he doubted whether they would get very far. In any case he thought that member Governments should set up small bilateral task forces to work up ideas for restructuring. There might, for example, be an Anglo-German task force composed of, perhaps, two aside, and there might be similar Anglo-French and Franco-German groups. It was essential for these groups to work secretly, with no leak of their activities, for otherwise the French would have difficulties.

The Prime Minister said that she agreed that the restructuring of the Budget needed a lot of preparation. She thought that Chancellor Schmidt's idea of bilateral groups was a good one and she would consider it further.

I should be grateful if you could let me have a note for the Prime Minister on Chancellor Schmidt's assertion that those who were unable to get from the Commission payments that were due to them could have recourse, under existing Community law, to their national Governments for payments in substitution.

I am sending copies of this letter to Martin Hall (HM Treasury) and David Wright (Cabinet Office).

Yours ever,

Clive Whitmore.

Paul Lever, Esq.,
Foreign and Commonwealth Office.

Original on Euro Pol, Venice Cancil Pkg

RECORD OF A DISCUSSION BETWEEN THE PRIME MINISTER AND THE ITALIAN PRIME MINISTER, SR COSSIGA, OVER LUNCH AT THE PREFECTURA, VENICE, AT 1320 ON 12 JUNE

PRESENT:

Prime Minister	Sr Cossiga
The Foreign Secretary	Sr Colombo
Sir Robert Armstrong	Sr Plaja
Mr Alexander	Sr Berlinguer

PRESIDENCY OF THE COMMISSION

1. There was a brief discussion about the possible candidates to succeed Mr Jenkins as President of the European Commission. (This took place without notetakers.) In the course of the discussion it became apparent that Sr Pandolfi would not be a candidate. Sr Colombo said that the balance of the new Italian Government was such that it would be impossible to release Sr Pandolfi. The other names mentioned included Mr O'Kennedy, M. Thorn and Viscount Davignon. No consensus emerged as to which was the preferred candidate.

MIDDLE EAST

2. Sr Colombo said that the Arab/Israel question would not be the only problem in the region which was likely to be raised. He expected that the French would wish to discuss Afghanistan. The Foreign and Commonwealth Secretary said that he hoped the Nine could include something about Libya in the Communiqué. Sr Colombo said that this would be important for Italy. Sr Cossiga said that Italy's relations with Libya were very complex. He wondered whether a statement by the Nine would make things any easier. He thought that of the Nine, only Italy, the Federal Republic and the UK were really concerned with the Libyan problem. The Foreign Secretary pointed out that the French Embassy in Tripoli had been burnt down. It was agreed that the Foreign Ministers and Heads of Government should discuss the problem further.

3. As regards the text on the Arab/Israeli dispute, Sr Colombo said he thought the discussion of the text was likely to throw up two problems:-

a) the references to self-determination. It would have to be made clear that these were part of an evolutionary process; and

b) the question of whether the text should refer to a Palestinian state or a Palestinian homeland.

His own view was that it was too soon to refer to a state. The Prime Minister said that she strongly agreed with Sr Colombo on the second point.

4. Sr Colombo said that the Americans, with whom he had just been discussing the problem in Washington, would wish it to be clear that the statement of the Nine did not in any way interrupt or disturb the Camp David process. It would be important therefore for the statement to make it clear that the position taken up by Heads of Government was consistent with the positions they had taken up in the past. The present reference to preceeding resolutions and statements might not be enough. The Americans would also like an explicit reference to Camp David. The existing reference in the first paragraph was too cryptic. The difficulty here was that the French would not accept an explicit reference. The Foreign and Commonwealth Secretary added that to include such a reference would gravely undermine the chances that the statement would be favourably received in the Middle East. The Prime Minister said that she was in favour of making it as clear as possible that the intention was not to undermine Camp David but to fill the vacuum until the Americans were able, after their elections, to resume the process of negotiation.

5. In response to a question from the Foreign and Commonwealth Secretary, Sr Colombo said that he did not think the Americans would regard the statement as undermining their efforts so long as it did not propose changes in resolution 242 and so long as it did not imply that the Camp David process was exhausted or that the Europeans were taking over. The Americans had followed the evolution of European thinking on the Middle East. They would not applaud the statement but would show understanding. From the point of view of Europe's relations with the Middle East, it was of course clear that the Arabs had high expectations and that the disappointment of these expectations would be badly received. The Prime Minister remarked that there was no question of withdrawing from previous positions. It was a question of whether or not Europe moved forward.

6. Sr Colombo said that the problem of the implementation of a European initiative remained to be resolved. Who would carry out the contacts or soundings and how would it be done? He himself was hesitating between two approaches:-

a) that the soundings should be carried out by representatives of the present Presidency, the preceeding Presidency and the next Presidency; or

b) that the present Presidency, plus three, or so, representatives or experts should be responsible.

Sr Cossiga added that there was a third possibility, viz that an eminent personality who was not a member of one of the Nine Governments, but enjoyed their confidence, should take on the task. The Foreign and Commonwealth Secretary said that he preferred Sr Colombo's second option. He did not think it would be possible to identify a personality who enjoyed the confidence of all Nine Governments.

/7.

7. The discussion ended at 1415.

CONFIDENTIAL

GR 70
CONFIDENTIAL
FM ROME 110940Z JUN
TO PRIORITY FCO
TELEGRAM NUMBER 386 OF 11 JUNE
AND TO PRIORITY BONN, PARIS AND UKREP BRUSSELS

YOUR TELNO 281: PRESIDENCY OF THE COMMISSION

1. BERLINGUER (COSSIGA'S DIPLOMATIC ADVISER) TOLD ME THAT THE ITALIANS PUT DOWN A MARKER AT NAPLES. THEY HAD A FAIR CLAIM ON THE JOB AND THEY ALSO HAD A GOOD CANDIDATE (PANDOLFI). HE CONFIRMED THAT COLOMBO WAS NOT A CANDIDATE.

2. IT LOOKS AS IF THE ITALIANS WOULD LIKE TO SEE PANDOLFI GET THE JOB BUT THEY AND HE HIMSELF DO NOT WANT TO COURT A REBUFF AND ARE THEREFORE PLAYING IT CAUTIOUSLY.

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ARCULUS

FILES
ECD(I)
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SIR D MAITLAND
LORD BRIDGES

COPIES TO:-

MR FRANKLIN CABINET OFFICE
MR HANCOCK TREASURY

[THIS TELEGRAM WAS NOT ADVANCED]

CONFIDENTIAL

x-8

CDBONN/FCO 003/10

ZZ FCO

FLASH

GRS 250
CONFIDENTIAL
FM BONN 101345Z JUN 80
TO FLASH FCO
TELEGRAM NUMBER 451 OF 10 JUNE

PS
PS/LPS
PS/PUS
Lord Bridges
Mr. Hannay
HD. ECD-1 (2)
PS/No 10 Downing St.
Mr Franklin Cabinet Office.

ADVANCE COPY

YOUR TELNO 249: PRESIDENT OF THE COMMISSION

1. CHANCELLOR'S OFFICE REGRET THAT IT IS A QUOTE PHYSICAL IMPOSSIBILITY UNQUOTE FOR HIM TO SEE ME FOR EVEN A FEW MINUTES BEFORE HIS DEPARTURE FOR VENICE. HE IS AT HIS PARTY'S CONFERENCE IN ESSEN ALL DAY TODAY, AND HAS A LONG LIST OF ENGAGEMENTS ON HIS RETURN INCLUDING A CABINET MEETING TOMORROW.

2. RELUCTANTLY, I THINK I MUST ACCEPT THIS. VON STADEN IS ALWAYS HELPFUL, AND WOULD I AM SURE HAVE ARRANGED FOR ME TO HAVE EVEN A FEW MINUTES WITH THE CHANCELLOR IF IT HAD BEEN POSSIBLE. HE EXPLAINS THAT THE CHANCELLOR HAS NOT YET PROPERLY TURNED HIS ATTENTION TO THIS PROBLEM (PARTLY, NO DOUBT, BECAUSE THE COMING FEDERAL ELECTION MAKES IT DIFFICULT FOR HIM TO THINK SERIOUSLY ABOUT GERMAN NON-PRESIDENTIAL CANDIDATES AT THIS STAGE: MY TEL. NO. 438). THIS WOULD MAKE IT DIFFICULT FOR HIM TO SWITCH ON TO THE SUBJECT FOR A TALK WITH ME. VON STADEN DOES NOT SUGGEST THAT I COME AND TALK TO HIM INSTEAD, BECAUSE HE HIMSELF HAS NOT YET PUT THE PAPERS TO THE CHANCELLOR AND SO IS NOT YET PRIVY TO THE CHANCELLOR'S THINKING.

3. AS AN ALTERNATIVE, VON STADEN WONDERS WHETHER IT MIGHT BE POSSIBLE TO ARRANGE FOR THE PRIME MINISTER AND THE CHANCELLOR TO HAVE A FEW WORDS IN VENICE BEFORE THE FORMAL PROCEEDINGS THERE BEGIN. HE SHOULD BY THEN HAVE BEEN ABLE TO FOCUS ON THE QUESTION, HOWEVER BRIEFLY. IF THIS IDEA COMMENDS ITSELF TO THE PRIME MINISTER, THE MEETING COULD BE FIXED EITHER THROUGH THE RESPECTIVE PRIVATE OFFICES OR THROUGH ME.

WRIGHT

Done
Rmt

* If you agree I will have a word with Von Staden on the 'phone to-morrow.
Rmt

PP ROME
GRS 129
CONFIDENTIAL
FM FCO 101300Z JUN 80
TO PRIORITY ROME
TEL NUMBER 281 OF 10 JUNE
INFO PRIORITY BONN, PARIS, UKREP BRUSSELS
PRESIDENCY OF THE COMMISSION

1. THE CHANCELLOR OF THE EXCHEQUER SPOKE BRIEFLY TO PANDOLFI AFTER THE FINANCE COUNCIL IN LUXEMBOURG ON 9 JUNE TO ENQUIRE WHETHER HE WERE A CANDIDATE FOR THE PRESIDENCY OF THE COMMISSION. HE SAID THAT HE WOULD BE IF THERE WERE A CONSENSUS IN HIS FAVOUR: BUT BE DID NOT WANT HIS NAME TO BE THRUST FORWARD PREMATURELY. HIS BELIEF WAS THAT THE FRENCH AND GERMAN GOVERNMENTS WERE NOW CONSIDERING A CANDIDATE FROM ONE OF THE SMALLER MEMBER STATES 'IN ORDER TO DEVELOP A DIFFERENT, LESS BUREAUCRATIC, STYLE OF MANAGEMENT IN THE COMMISSION'.

2. NOTHING WAS SAID ABOUT WHETHER THE ITALIAN GOVERNMENT WOULD SUPPORT PANDOLFI'S CANDIDATURE.

CARRINGTON

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Euro PSI

CONFIDENTIAL

GRS 170

CONFIDENTIAL
FM FCO 091600Z JUN 80
TO FLASH BONN
TELEGRAM NUMBER 249 OF 9 JUNE

PRESIDENT OF THE COMMISSION.

1. PLEASE SEEK URGENTLY TO SPEAK TO CHANCELLOR SCHMIDT, SAYING THAT YOU HAVE BEEN ASKED TO DO SO BY THE PRIME MINISTER. YOU SHOULD EXPLAIN THAT WE ATTACH GREAT IMPORTANCE TO THE APPOINTMENT OF A NEW PRESIDENT OF THE COMMISSION, GIVEN THE CRUCIAL NATURE OF THE DECISIONS THAT WILL HAVE TO BE TAKEN IN THE NEXT FEW YEARS OVER THE FINANCING OF THE COMMUNITY, REFORM OF THE CAP AND ENLARGEMENT. IN OUR VIEW THIS REQUIRES A STRONG PRESIDENT, OF PROVED INTERNATIONAL STATURE AND FINANCIAL EXPERIENCE WHO WILL REALLY TAKE A GRIP ON THE COMMISSION. THE PRIME MINISTER WOULD VERY MUCH WELCOME ANY INDICATION WHICH THE CHANCELLOR WAS PREPARED TO GIVE OF HIS THINKING. SHE HERSELF HAD NOT YET FORMED A FIRM VIEW. YOU MAY SAY THIS IS NOT PART OF A GENERAL APPROACH BY US IN CAPITALS BUT RATHER A WISH TO KNOW HERR SCHMIDT'S OWN VIEWS.
STRICTLY FOR YOUR OWN INFORMATION THIS APPROACH IS NOT BEING MADE THROUGH GENSCHER WHOM WE ASSUME WILL BE BACKING THORN ON POLITICAL GROUNDS.

CARRINGTON

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cc CO

APPOINTMENTS IN CONFIDENCE

MR. FRANKLIN

THE NEW EC COMMISSION

The Prime Minister has read your undated minute to me (Qz 01605) on this subject. She has not expressed any preference amongst the various candidates named in your minute but has commented as follows:

> "When we paid our first visit to Rome, the Italians wanted the 1% VAT ceiling raised. They were only dissuaded by West Germany. I still feel their conversion is temporary. Keeping to the 1% VAT ceiling is vital to force the reconstruction of the CAP."

I am sending a copy of this minute to David Wright (Cabinet Office).

MA

9 June 1980

EuroPol.

PRIME MINISTER

EUROPEAN COMMISSIONERS

The Chief Whip told me this morning that Michael Cocks believes that the Opposition are likely to suggest that Joel Barnett should succeed Roy Jenkins at the European Commission.

I gather from the Chief Whip that Mr. Barnett would be acceptable to the Foreign Secretary and the Lord Privy Seal.

You might like to have a word with the Chief Whip about this on Monday morning. If you are ready to accept Mr. Barnett, you might like to speak to Lord Carrington yourself to confirm that he has no objections. Then you will no doubt wish to have a word with Mr. Callaghan.

AW.

6 June 1980

MT.

When we paid our joint visit to Rome the Italians wanted the 1% to V.A.T. certainly raised. They were only dissuaded by Mrs Thatcher's vehemence. I still feel their conversion is temporary. Keeping the 1% vol. certainly is vital to save the reconstruction of the C.A.P.
M.T.

(2)

Prime Minister
A useful survey. You will probably not want to come to any conclusions just yet but Signor Colombo would be a good choice for President.
MT 5/6

Qz 01605

MR ALEXANDER

cc Sir Robert Armstrong (o.r.)

THE NEW EC COMMISSION

1. In his letter of 29 May to Mr Lever, Mr Whitmore referred to the brief conversation the Foreign Secretary had with the Prime Minister after the Colombo dinner and said that they would need to consider further the appointment of the President of the new 1981 Commission, on which the Venice European Council is due to reach a decision. For that purpose you may like to have a note on the latest position as we understand it. I discussed the question with Sir Robert Armstrong before he left for Paris.

2. The situation is still fluid, and the French in particular have yet to shew their hand. The only formally declared candidate is the Danish Commissioner, Gundelach (although there is a newspaper report that he has withdrawn and wants to stay on as the Commissioner for Agriculture). Other names mentioned recently are Thorn (Luxembourg), O'Kennedy (Ireland), Pandolfi or Colombo (Italy) and possibly Tindemans or Davignon (Belgium). Despite earlier speculation, there is no sign of Barre (France), Biesheuvel or van der Stee (Netherlands) coming forward as serious candidates. Similarly, although there was some talk earlier of Mr Jenkins staying on - and he has recently denied that he intends to resign before the end of the year - there is no evidence that the other member states are disposed to press him to serve a further term.

3. Of this list, Thorn has the necessary political experience but is generally thought to be light weight. Even if he is in Giscard's bad books, he would be more likely to respond to French than to British pressure. No one doubts Gundelach's cleverness but he has not enhanced his reputation in recent months and even if his instincts tend to be Anglo-Saxon, we could not rely on him to push through eg reforms of the CAP. O'Kennedy is no more than an average Irish politician. In short, none of these names merit our support. The only one likely to emerge with significant support is Thorn, and it might be difficult to stop him if a consensus began to emerge.

4. Mr Jenkins has mentioned to Lord Carrington that Commissioner Davignon might attract French support. Davignon has been an energetic and pragmatic Commissioner for industrial affairs, showing no discernible national bias and a

good deal of flexibility in bending the Treaty to accommodate political realities eg in relation to our North Sea landing requirement. He would be worth considering if there is a general wish to give the job to a smaller member state (although the Belgians have supplied a President in the past).

5. But from our point of view one of the Italians would be a better choice for the United Kingdom. Pandolfi has the backing of Mr Tugendhat and the Chancellor of the Exchequer thinks well of him. During the next few difficult years of living with the 1 per cent VAT ceiling, and ensuring the effective implementation of the budget settlement, we could do worse than a competent Italian with a financial background and an implied commitment to make the settlement negotiated under the Italian Presidency work. Colombo would be even better, but we should need to be careful not to interfere in internal Italian politics by expressing too clear a preference for one or the other. We should have to expect that either of them would take a Mediterranean rather than a northern view of enlargement.

6. If it were agreed that we should go for Pandolfi or Colombo, there would be advantage in letting Signor Cossiga know before the Venice summit that if the Italian Government were to put forward either name, it would have our support.

7. In case the discussion moves on to the question of British Commissioners, the Prime Minister should know that, at official level, we have reviewed the various portfolios (there is no certainty that they will stay exactly the same in the new Commission) and having regard to likely availability etc take the view that the portfolios for the United Kingdom to go for this time round would be the Budget, Development, Economic and Monetary, Internal Industrial Market, and Competition Policy; with a preference for the first two (though personally I would rate the third as equally desirable). We think Development important to try to neutralise the present francophone bias in the Community's dealings with the Lome countries, which has cost us aid contracts to French companies. The Budget portfolio, although traditionally not very important, can be made so in the context of the forthcoming negotiations over restructuring and the 1 per cent VAT ceiling.

8. As regards names, might I just record our view that there would be no objection if the Prime Minister wished to ask Mrs Shirley Williams. Failing that, Mr Joel Barnett would be well suited for the Budget portfolio, if Mr Tugendhat moved on to another one. But there is not the same urgency about the British Commissioners at this stage, and the Prime Minister may wish to have some further advice when the President has been chosen and we know a little more about the intentions and aspirations of other countries.

M D M FRANKLIN

10 DOWNING STREET

The Principal Private Secretary

29 May 1980

Dear Paul,

PREPARATIONS FOR THE EUROPEAN COUNCIL -
12/13 JUNE 1980

Thank you for your letter of 28 May to Michael Alexander about the subjects which the Italian Presidency envisage the European Council will discuss.

I have shown your letter to the Prime Minister who is content with the line which the Foreign Secretary is proposing to take on the outline agenda at today's meeting of the Foreign Affairs Council. She has also noted that the European Council is likely to choose the next President of the Commission at its meeting next month. The Prime Minister and the Foreign Secretary discussed this matter briefly after last night's dinner for Signor Colombo, and they will clearly need to come back to it again in the next few days.

I am sending a copy of this letter to David Wright (Cabinet Office).

Yours ever,

Clive Whitmore.

P. Lever, Esq.,
Foreign and Commonwealth Office.

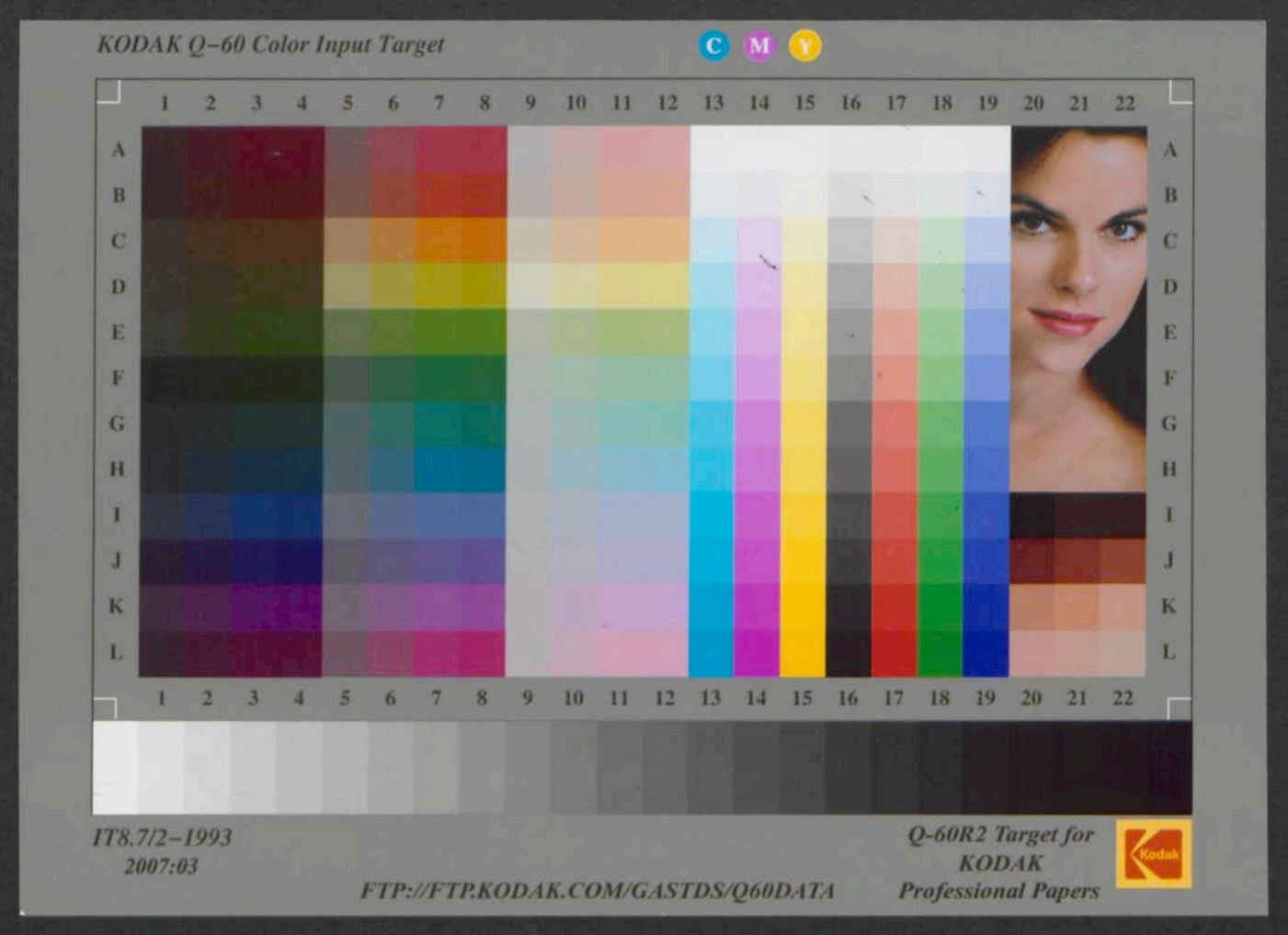
Extract from Meeting Record - PM and Chief Whip on 3 June 1980

Original filed Parliament Mem TSRB, Pt 2

3. European Commissioners

As you may know, the Chief Whip had a word some days ago with the Foreign Secretary about these appointments when it was agreed that he would discuss the matter further with the Prime Minister. The Prime Minister agrees that Christopher Tugendhat should be invited to stay on and she would see merit in making such an announcement at an early opportunity.

With regard to the Labour side, the Prime Minister feels that she ought, as a courtesy, to ask the Leader of the Opposition to suggest some names, but making it quite clear that at the end of the day the Government has the discretion over the appointments. She has very serious reservations about two of the names already canvassed, Dickson Mabon and Joel Barnett. Two possibilities would be David Owen and Eric Varley. The Prime Minister, however, is more attracted to the idea of asking Roy Jenkins if he would like to stay on and she would not be averse to offering him a (hereditary) peerage as a consequence. I understand that there is a precedent for a former President continuing as a Commissioner. Perhaps we could have a word about how this should be further pursued.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