



Foreign and Commonwealth Office

London SW1A 2AH

21 November 1980

Dear Michael,

Prime Minister's Telephone Conversation with
President Giscard

/ You asked for some brief notes of points which the Prime Minister might raise with President Giscard when they speak on the telephone this afternoon. These are attached.

Yours WEs

Paul

(P Lever)
Private Secretary

M O'D B Alexander Esq
No 10 Downing Street
LONDON SW1

Registry
No.

DRAFT

Type 1 +

SECURITY CLASSIFICATION

Top Secret.
Secret.
Confidential.
Restricted.
Unclassified.

To:-

From

Telephone No. Ext.

Department

PRIVACY MARKING

.....In Confidence

COMMISSION PORTFOLIOS

Suggested Line for the Prime Minister to Take when
Talking to President Giscard this Afternoon

1. Our first priority is to retain the budget portfolio for Mr Tugendhat. We think that he has proved a good Commissioner and that he has acquired considerable knowledge and skill in this difficult area. It would be a mistake to move him.
2. Mr Richard has wide and varied experience which would enable him to fill a number of portfolios, including development: his experience as our Ambassador in New York makes him well fitted for this. *He has other qualifications, for example in the field of industry, and social affairs.*
3. Britain and France are the two Members of the Community with the strongest interest in the work of the Community in aid and economic development in the Third World. Bearing in mind that France has held this portfolio since the foundation of the Community, and having a suitable candidate, we are certainly interested in the possibility of *our holding the portfolio. There is a feeling that*
4. ~~Our reaction is therefore that we find it rather difficult to see the basis of an understanding about the retention of the portfolio by a French Commissioner: although we would be interested in considering the possibilities further.~~
5. Perhaps this is a subject which might be discussed again in the margins of the European Council meeting.

that it is time for a change since France has held the Development portfolio from the beginning.

4. I hear you may be thinking of appointing a woman. Do I understand that you would, on the whole, prefer to appoint a new Commissioner?

5.

PS

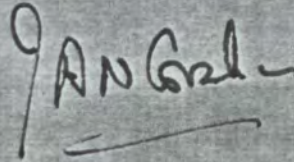
1. You asked me to put down a few points on the Middle East which the Prime Minister might use in her telephone conversation with President Giscard. Accordingly, I suggest the following:

- a. Officials have made progress in drafting a paper on elements which will need to be covered in any settlement between Israel and the Arabs, building on the principles set out in the Venice Declaration.
- b. The Declaration and the subsequent visits by Mr Thorn have aroused expectations and it is widely known that the Community has been working on papers (this was true ~~before~~ the Foreign and Commonwealth Secretary's interview with the Herald Tribune).
- c. On the other hand, the papers produced would not be suitable for publication: if published, they would attract criticism and objection from all the parties and the effect would not further attempts to reach a settlement.
- d. The new US Administration will be looking at its policies in this field, and while we can expect them to be much more pragmatic now that they are faced with the responsibilities of office, it may be some time before they are ready to take up firm positions. On the other hand, there is an eagerness in the Middle East among the moderate Arabs for progress and they are looking to the Community.
- e. How does President Giscard think we should play the hand at the Council meeting? For our part, we believe that the time is not right for any major public initiative, but that we can make a further constructive statement and back it up with contacts with all the parties designed to advance their thinking on the detailed issues that must be dealt with in any settlement. The paper produced by officials provides good background for such contacts.

/ f.

- f. We shall also need to be in contact with Mr Reagan's people in order to influence their thinking in the formative stages.
- g. The EC is now committed to a meeting of the Euro/Arab Dialogue at Ministerial level, subject to progress in the economic and political discussions. We should press hard to make the PLO, who are the demandeur in this, pay us the political price, eg by ~~showing a readiness to~~ subscribe to the Venice Declaration's principles.

2. We believe that there may be some difference of emphasis between President Giscard on the one hand, who appears to take the same view as we hold, that the time is not right for a major initiative by the European Community, and the Quai d'Orsay on the other, who appear to be arguing that if the Community is not ready to move, the French will make a move on their own. The above points are designed to smoke out this difference if it exists, and find out President Giscard's own views.



John Graham

21 November 1980

copy to

Mr J Moberly

NENAD

Mr Bullard

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

Copies to:

PRIVACY MARKING

SUBJECT: NOTES FOR PRIME MINISTER'S TELEPHONE CONVERSATION WITH PRESIDENT GISCARD

.....In Confidence

CAVEAT.....

QUADRIPARTITE CONSULTATIONS

1. I have been thinking about the question of contacts with the new American Administration. Each of us will want to establish these bilaterally: Helmut Schmidt is already doing so. But as soon as Reagan is in office our hope will be to carry on with the Quadripartite machinery which has proved so valuable recently.

2. The problem is how to manage Quadripartite meetings at levels which cannot be kept secret, ie Foreign Ministers or Heads of Government. The Italians have been complaining and will no doubt do so again in Rome this weekend. I shall give them a robust reply. Obviously the Four must stand together on this, which means waiting for President Reagan to take office.

3. If Reagan is ready for a high-level Quadripartite meeting, so am I. But in view of his inexperience it might be best to wait a few months and perhaps fit in a meeting of the Four Foreign Ministers beforehand.

Mr Lever

*MBM ed
21/11*

Enclosures—flag(s).....

Euro Pol Council notes



L/W. - relative cooperation → Scale of Trade

Rec. - gloom. - acid.

Japanese. - Anti-protectionist. - Steel, Plants

Summit

1% VAT. → Surpluses

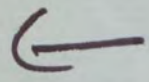
Bot. Industrial - Seasonal problems

Middle East

What does President Giscard think the European Council should say on the Middle East? For our part, we believe that the reconnaissance begun by M. Thorn must be continued: there is an eagerness in the Middle East among the moderate Arabs for progress and they are looking to the Community. But it will take some time for Mr Reagan and his people to take up firm positions. I doubt therefore whether the Council should be an occasion for taking any major new public initiative. But we should make a further constructive statement and follow it up with contacts with all the parties concerned.

Quadripartite Consultations

Does President Giscard have any thoughts on how to arrange contacts with the new US Administration? Any new ideas, for example, about an early Quadripartite Heads of Government meeting? For my part, I would be ready for such a meeting if Mr Reagan is. But in view of his inexperience he may be reluctant to commit himself in the immediate future. It might therefore be best to wait a few months and fit in a meeting of the four Foreign Ministers beforehand. I expect to be taxed by the Italians this weekend about Quadripartite consultations. I shall give them a robust reply.



African Countries

Commission Portfolios

Our first priority is to retain the Budget portfolio for Mr Tugendhat. Mr Richard has wide and varied experience which would qualify him for a number of portfolios, including development which he himself is keen to have. I understand that there is a possibility of M. Cheysson being replaced. Is it really necessary for France to retain this post? You have had it for 22 years, ever since the



foundation of the Community. We are the other Community country with the strongest interest in aid and relations with the Third World and, having a suitable candidate, we are obviously interested in the possibility of holding this portfolio.

(Depending on what Giscard says)

I will think about what you have said. Do you need to decide soon or can we have a word in Luxembourg? I would like to be helpful if I can.