

Discussed by Prime Minister & FCC on 16-XI-90
Ivor Richard would not be as good
as Daignon on the Industrial Portfolio. What about
the alternative?

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Prime Minister

P. D. Smith

Ref. A03568

MR. ALEXANDER

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

My own inclination would be to be more loyal 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
European Commission Portfolios & intentions of other Commissioners &
other Governments are rather clearer".

15/XI

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



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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~~ ^{may} ~~presumably~~ 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~~ ^{must} 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 ^{No} ~~September~~ ^{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 ~~an~~ ^{our} interest in the Development portfolio in those circumstances, we should not press Mr. Richard's claim if we could count on

Conversation with R. Danc

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

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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

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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.

REA

(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 |
| | Cheyssou | 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 | | |