

RR PARIS

ADVANCED AS REQUESTED

PS/MR HURD

RR BONN

PS/PUS

LD/BRIDGES

RR LUXEMBOURG

IMMEDIATE

HD/CEB (1)

RR ATHENS

MR ELLIOTT } CABINET
MR GOODENOUGH } OFFICE

GRS 820

~~820~~

~~MR ALEXANDER, No 10 DS.~~

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.

RC

MT

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. ANDRIESEN 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. KONTAGEORGIS 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 COLLEGI-ALITY 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 ANDRIESEN 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

FCO

PLUS FCO

+ 20

~~Handwritten initials~~

PS/LORD PRIVY SEAL

RESIDENT CLERK

MR BULLARD

HD/ECD (1)(4)

~~MR HANWAY~~

HD/NEWS

LORD BRIDGES

HD/.....

PS/M. HURD

HD/.....

PS/PUS

HD/.....

CABINET OFFICE

DOT

PLUS OGDS

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

PS/N° 10 DS.

H M TREASURY

MAFF

SIR K COUZENS
MR ASHFORD

SIR B HAYES

Handwritten notes:
R. Spackley
Kabat (on ps/48)
immediate

RR ATHENS

fn. (4 ltr)

IMMEDIATE

GPS 1000

Print 8/1

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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 BOJIN 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 OPINION 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...

THIS STAGE THORN WAS OBLIVIOUS TO GIVE O'KENNEDY SOME FEEDBACK ON 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 MIFT THE FINAL TEXT ON THE MANDATE AND MY THIRD MIFT THE FIRST DRAFT OF THAT.

DETAIL

2. THE COMMISSION DISCUSSION ON 6 JANUARY ENDED AT ABOUT 8.30 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

BUTLER

ADVANCED AS REQUESTED

NNNN

FCO

PLUS FCO

PS/LORD PRIVY SEAL
MR FERGUSSON
MR BULLARD
~~MR BRIDGES~~
LORD BRIDGES
MR HURD
Ps/Pus

No. 10, DOWNING
ST

~~RESIDENT CLERK~~
HD/ECG (EX)(4)
HD/NEWS
HD/.....
HD/.....
HD/.....

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. HAERKAMP

- 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. CONTOGEOORGIS	.....	- TRANSPORTS
		- PECHE APRES UNE PERIODE TRANSITOIRE
		- COORDINATION DES QUESTIONS RELATIVES
		AU TOURISME
M. NARJES	.....	- MARCHÉ INTERIEUR ET INNOVATION
		INDUSTRIELLE.
		- SERVICE DE L'UNION DOUANIÈRE
		- ENVIRONNEMENT, PROTECTION DES
		CONSUMMATEURS
		- SECURITE NUCLEAIRE

M. CONTOGEOGRIS

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

M. NARJES

- MARCHÉ INTERIEUR ET INNOVATION INDUSTRIELLE,
- SERVICE DE L'UNION DOUANIERE
- ENVIRONNEMENT, PROTECTION DES CONSOMMATEURS
- SECURITE NUCLEAIRE

M. ANDRIESEN

- 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.]

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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

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 CONTOGEOGRIS 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 RESPONSIBLE 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) 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

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ADVANCED AS REQUESTED

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E.C.D (1)

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CONFIDENTIAL

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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:

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(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