



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

No need for firm decisions yet. But as a guideline do you agree that we should try for:

7 September 1984

Yes Budget or Industry / Internal Market for Lord Cockfield?  
 Yes Science/research or overseas development for Clinton Davies?  
 No  
 Dear Charles,  
 CDP 7/9

New European Commission

The Prime Minister asked for agreed recommendations on the portfolios of interest to Britain in the next Commission, to take office in January 1985. The Foreign Secretary has consulted his colleagues, and the recommendations in the attached paper take account of the views they have expressed. They also take account of points made by Mr Tugendhat in his letter of 31 July to the Prime Minister (your letter of 3 August to me). You will already have seen the comments by the Minister of Agriculture, Fisheries and Food and the Chancellor of the Exchequer in their Private Secretaries' letters of 9 and 22 August respectively.

The main thrust of the paper is that when M. Delors comes to London on a tour of Community capitals which is expected to make this autumn, he should be told firmly that we expect one of the key portfolios and a Vice Presidency of the Commission for our senior Commissioner. We should make clear that we expect our senior Commissioner to have a really major portfolio - budget, agriculture, or industry plus the internal market. We should make a bid to keep the Budget portfolio. But it will not be easy for us to do so, given that we have held it for eight years and Mr Tugendhat is leaving. The Chancellor of the Exchequer believes that we should aim for a portfolio based on the Internal Market combined with Competition. The Secretary of State for Trade and Industry sees the attractions of the Internal Market but attaches more importance to the industrial portfolio. The Foreign Secretary's view is that if we do not secure the Budget then a single portfolio covering industrial policy as a whole and the internal market (at present divided between Davignon and Narjes) would be an attractive and coherent objective (Davignon's other responsibilities for energy and research and development are likely to revert to being separate portfolios).

Mr Jopling would like us to bid for the Agriculture portfolio, and Mr Tugendhat has also suggested that we might try for Agriculture. We should certainly make clear that

/the portfolio



the portfolio is one in which we have the keenest interest and which, like the Budget portfolio, must end up in responsible hands, but the Foreign Secretary shares the Chancellor's doubts over the desirability of our getting it. The External Affairs portfolio would be of less interest as there is an effective British Director General. The Foreign Secretary remains of the view that the Economic portfolio would be unlikely to come our way and in any case should not be a priority target for us.

M. Delors will not be in a position to make firm promises as regards the distribution of portfolios. This is done by collective decision of the whole new Commission - though naturally the President is strongly placed to influence its outcome. There will be some acrimonious last minute horse trading, and few Commissioners will get everything they wanted or expected.

The paper also deals with the possibilities for portfolios for our second Commissioner, though its conclusions are inevitably more tentative, since much will depend on how we fare with our first Commissioner, and what pieces are in the event sliced off from the larger existing portfolios.

I am copying this letter and its enclosure to the Private Secretaries of OD(E) members and Sir Robert Armstrong.

*Yours ever,*

*Colin Budd*

(C R Budd)  
Private Secretary

C D Powell Esq  
10 Downing Street

file

RM



cc: NIO  
CO  
DTI  
AGO  
LPS  
MAFF  
HMT

10 DOWNING STREET

From the Private Secretary

10 September, 1984

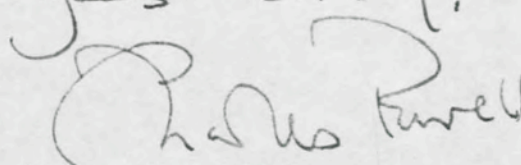
Dear Colin,

NEW EUROPEAN COMMISSION

The Prime Minister has considered the note enclosed with your letter of 7 September about the portfolios which the United Kingdom should seek in the next Commission.

The Prime Minister takes the view that our priorities should be to obtain either the Budget portfolio or a single portfolio covering industrial policy and the internal market for our senior Commissioner; and either science/research or overseas development for our junior Commissioner. She agrees however that our assessment of what we can reasonably expect to obtain for the junior Commissioner portfolio can only be very tentative at this stage.

I am copying this letter to the Private Secretaries of members of OD(E) and to Richard Hatfield (Cabinet Office).

Yours sincerely,  
  
(C.D. Powell)

C. Budd, Esq.,  
Foreign and Commonwealth Office.

Box

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EUROPEAN COMMUNITY : PORTFOLIOS IN THE NEXT COMMISSION

Procedure

1. Dr FitzGerald has announced the agreement of Heads of Government that M. Delors should be the next President of the European Commission. The President-designate is expected to visit the capitals of all member states to discuss nominations for the Commissionerships with Heads of Government. His aim will be to try to influence governments to appoint people he feels he can work with. In practice it is open to governments to insist on their own nominees.

2. The new Commissioners then would normally be appointed "by common accord" by the governments of the member states (Article 158 of the Treaty) in the margins of the December General Affairs Council. The President might convene an informal meeting of the Commissioners-designate in December, so that they can get to know each other and have a preliminary discussion of portfolios. The allocation of portfolios takes place at the first meeting of the Commission in early January, with the President of the Commission playing a central role, since it is he who has to reconcile the conflicting demands of his colleagues.

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Portfolios

3. Member states have no formal role in the allocation of portfolios. But by convention as a major state we are entitled to expect one of the major portfolios. In discussing our possible candidates with M. Delors - probably in the autumn - the Prime Minister will wish to make clear from the outset the portfolios for which we think they will be particularly well qualified. It follows that the personal qualifications and standing of the British Commissioners-designate, together with their expressed wishes and those of the Government, will strongly influence their chances of getting any particular portfolio.

4. The Commission operates on a collegiate basis. The ability of Commissioners to exert effective influence depends on their personal qualifications and ability to operate successfully in the Brussels environment. Davignon's success in accumulating power within the Commission has been an outstanding example of this. The new Commission, initially, will still consist of 14 members. With the accession of Spain and Portugal in 1986 the number will probably rise to 17. Within the enlarged Commission there will be a stronger tendency than ever for an inner cabinet to be formed, and it

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will be essential to the pursuit of our interests in the Community that our leading Commissioner forms part of that inner group. An ability to operate effectively in French is virtually a sine qua non for real influence within the Commission. We cannot assume that portfolios will remain the same as in the existing Commission. There will be some re-distribution and we ourselves have been considering suggesting the creation of a combined internal market/services portfolio, or the creation of a separate financial services portfolio, including insurance, for a junior Commissioner.

The British Interest

5. What we need out of the new Commission is better internal management, budgetary control, the development of the internal market and sensible industrial policies. We should consider against these objectives the portfolios for which we might aim with reasonable prospects of success.

6. We should bid for the Budget portfolio, though the chances of retaining it with Mr Tugendhat leaving will not be good as we shall have held it for eight years. We should also express a keen interest in the

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[No British Commissioner except Lord Soames has ever had this. It's rather a silly remark]

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Agriculture portfolio. In the case of both the Budget and Agriculture portfolios we must seek to ensure that these end up in responsible hands. If we do not secure the Budget, we should position ourselves to get the major Industry/Internal Market portfolio. We should make clear that if our senior Commissioner were to get a portfolio in this area it must be a really major one, based on the combined industrial policy and internal market responsibilities of Directorate-General 3 (at present divided between Davignon and Narjes) and including responsibility for new industrial policies (eg telecommunications).

7. External Affairs would be of less interest as there is an effective British Director General (Mr Fielding). Since the External Relations Commissioner spends much of his time travelling, he may be absent for important collegiate discussions in the Commission. In general our interests are likely to be served by keeping our Directors General where they are and bidding for other key portfolios. Mr Steele is doing a good job as Director General for Transport and Mr Audland as Director General for Energy. We need to secure influence in areas of real importance for the future and where our interests are less well

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represented. We should probably not be able to secure the Economic Affairs portfolio so long as we are not participating in the exchange rate mechanism of the EMS and this would be of less direct interest to us than the Budget portfolio. The Fisheries portfolio would also be difficult to secure, and of somewhat less interest now that the main features of the Common Fisheries Policy have been decided.

8. As regards our second Commissioner, there are several portfolios of substantial interest.

- (a) Competition would be of great interest, but would be difficult to obtain if we secured the main industrial and internal market portfolio.
- (b) Financial Services including insurance; in view of the size of the financial services sector and the increasing importance of internal liberalisation it may be worth anticipating the reshuffle which will happen on enlargement, and trying to secure the establishment of this as a new junior portfolio. But we should have to secure a firm undertaking that it would remain intact after enlargement.
- (c) Regional Policy would be of interest. With enlargement we are unlikely to derive significant net benefit from the Regional Fund, and it is

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likely to go as a first portfolio to someone else. But we shall have an interest in seeing it develop in a rational way with as high a proportion coming to us as possible.

- (d) Mr Raison has suggested we should bid for Development. If we went for it we should have to be prepared to move fairly rapidly to a consensus on the size of the EDF, but would have in return an attractive chance to reduce French and extend British influence in an area where we often have difficulty in getting our views accepted in the Commission and which is of keen interest to the developing members of the Commonwealth. We should in any event aim to ensure that it is no longer held by the French.
- (e) Social Affairs could be of substantial interest because we will want to continue to do well out of it. But it would be difficult to retain when Mr Richard leaves. A note of caution is also indicated: bearing in mind the track record of the retiring UK junior Commissioner, we will want to avoid allowing this portfolio to fall to anyone who would favour social legislation of a level and nature of which we would not approve.
- (f) Science, Research and Development would be another good possibility as a second portfolio, enabling us to demonstrate political interest while keeping Community activity to realistic levels, although, like the competition policy portfolio, it would be difficult to obtain if we secured a major internal market/competition or industry/internal market portfolio.

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9. An annotated note on the Directorates-General of the Commission and a paper setting out the allocation of responsibilities in the existing Commission are attached.

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DIRECTORATES GENERAL OF THE EUROPEAN COMMISSION

- DG1 External Relations. British Director General (Mr Fielding).
- DG2 Economic Affairs. Unlikely to succeed in a bid for this portfolio as we are not participating in the exchange rate mechanism of the EMS.
- DG3 Industry and Internal Market. We should bid for the major portfolio in this area. At present responsibility is divided between Davignon and Narjes. We should aim for a single Commissioner to supervise the responsibilities of Directorate General 3.
- DG4 Competition. Has played an increasingly important role in the control of state aids; would fit well with the internal market or would be of interest as a second portfolio.
- DG5 Social Affairs. At present held by Mr Richard. Would still be of some interest to us in a new Commission.

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DG6 Agriculture. We should probably have difficulty in securing this portfolio, but it has obvious attractions for us and we should not dismiss the possibility entirely at this stage.

DG7 Transport. British Director General (Mr Steele).

DG8 Development. Difficult to obtain this portfolio as we and the Germans are alone in resisting maintenance in real terms of the EDF. But we want to see it out of French hands and should insist that the French relinquish it if we are unable ourselves to retain the Budget portfolio.

DG9 Personnel. Of no real interest to us and there is a British Deputy Director General (Mr Hay).

DG10 Information. Of little interest.

DG11 Environment and Consumer Protection. Could be of some interest as a second portfolio - but not a priority.

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DG12 Science, Research and Development. Would be of interest as a second portfolio or would combine well with industry as a major portfolio.

DG13 'Information and Innovation'. Portfolio of no great consequence. British Director General (Mr Appleyard).

DG14 Fisheries. We should be unlikely to succeed in a bid for this portfolio.

DG15 Taxation and Financial Institutions, including insurance and banking. Could be of interest to us; or banking and insurance might be combined with the internal market responsibilities of DG3.

DG16 Regional Fund. Would be of interest to us, but there will be strong competition from others seeking this as a first portfolio.

DG17 Energy. British Director General (Mr Audland).

DG18 Credit. Of no real interest.

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DG19 Budget. Of great interest to us. But after eight years, and with Mr Tugendhat leaving, it will be extremely difficult to retain this portfolio.

DG20 Financial Control. Usually goes with the Budget

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## Special responsibilities of the Members of the Commission

President	Gaston THORN	Secretariat-General Legal Service Spokesman's Group Security Office Cultural Affairs
Vice-President	François-Xavier ORTOLI	Economic and financial affairs Credit and investments
Vice-President	Wilhelm HAFERKAMP	External relations including nuclear affairs
Vice-President	Lorenzo NATALI	Mediterranean policy Enlargement Information
Vice-President	Étienne DAVIGNON	Industrial affairs Energy Euratom Supply Agency Research and science Joint Research Centre
Vice-President	Christopher TUGENDHAT	Budget and financial control Financial institutions Taxation
Member of the Commission	Antonio GIOLITTI	Regional policy Coordination of Community funds
Member of the Commission	Richard BURKE	Personnel and administration Joint Interpreting and Conference Service Statistical Office Office for Official Publications
Member of the Commission	Giorgios CONTOGEORGIS	Transport Fisheries Coordination of questions related to tourism

Member of the Commission  
Chef de cabinet  
Deputy Chef de cabinet

Karl-Heinz NARJES  
Heinrich VON MOLTKE  
Günter BURGHARDT

Member of the Commission  
Chef de cabinet  
Deputy Chef de cabinet

Frans ANDRIESEN  
Carlo TROJAN  
Berend-Jan van VOORST  
tot VOORST

Member of the Commission  
Chef de cabinet  
Deputy Chef de cabinet

Ivor RICHARD  
Aneurin Rhys HUGHES  
Dennis GRENNAN

Member of the Commission  
Chef de cabinet  
Deputy Chef de cabinet

Poul DALSAGER  
Ove JUUL JØRGENSEN  
Jens HAUGE PEDERSEN

Member of the Commission  
Chef de cabinet  
Deputy Chef de cabinet

Edgard PISANI  
Jean DELORME  
Jean-Charles LEYGUES





## NOMINATIONS FOR THE NEW COMMISSION

1. Belgium      M Willy de Clerq  
Deputy Prime Minister and Minister of Finance since 1981, and at present Chairman of the IMF Interim Committee. Has held three previous financial or budgetary Ministerial posts, and has for many years been the leading figure in the Flemish Liberal Party (roughly equivalent to the British Conservative Party).
  
2. Denmark      Mr Henning Christophersen  
Deputy Prime Minister and Minister of Finance September 1982 - July 1984. Chairman of Venstre (Liberal) Party 1977 - 1984. Foreign Minister 1978 -1979
  
3. France      i) M Jacques Delors (See separate CV)  
ii) No announcement.
  
4. Germany      i) Herr Karl-Heinz Narjes  
Responsible for Internal Market and Industrial Innovation, Scientific and Technological Information, Customs Union, Environment and Consumer Protection and Nuclear Safety in the present Commission. No Ministerial experience in FRG above Land level. As Commissioner has concentrated (with some success) on Internal Market, but has made little impact in wider Commission politics.  
  
ii) Herr Alois Pfeiffer  
Head of Economic Policy Division of the German Trade Union Federation (DBG) since 1975. A career trade union official.
  
5. Greece      Mr Grigoris Varfis  
Has served as PASOK's (Greek Socialist Party's) main Community expert since 1979, as Under Secretary for Foreign Affairs during Greek Presidency, then special adviser on EC matters to Prime Minister Papandreou, until his election to European Parliament in June 1984.
  
6. Ireland      Mr Peter Sutherland  
Currently Attorney General (for the second time). Distinguished legal career both academic and at the bar.

7. Italy i) Onorevole Lorenzo Natali

Natali is expected to stay on, though there has been no official announcement. Vice President of the Commission with responsibility for enlargement since 1977 and Information and Global Mediterranean Policy since 1981. Christian Democrat. Held various Ministries 1958-1973, including the Ministry of Agriculture (twice briefly).

ii) No announcement. Speculation has centred on Forte (PSI; currently Minister for EC Coordination), Battaglia (Republican Deputy) and Dido (PSI; Trades Unionist and MEP). The latter appears to be the favourite.

8. Luxembourg Mr Nicolas Mosar

Leader of Christian Social Parliamentary Group. A lawyer; able but no Ministerial experience.

9. Netherlands Mr Franz Andriessen

Responsible for Competition Policy and Relations with the European Parliament in the Commission since 1981. Christian Democrat; Minister for Finance 1977-80. A heavyweight Commissioner.

10. United Kingdom i) Lord Cockfield (See separate CV)  
ii) Mr Stanley Clinton Davis (See separate CV)

## BRITISH COMMISSIONERS

Lord Cockfield was born in 1916 and graduated in both Law and Economics from the London School of Economics before being called to the Bar in 1942. Long experience in the fields of Public Finance (Commissioner of Inland Revenue 1951-52, Adviser on Taxation Policy to the Chancellor of the Exchequer 1970-73, Chairman of the Price Commission 1973-77, Minister of State HM Treasury 1979-82), Industry (Managing Director and Chairman of the Executive Managing Committee of Boots 1961-67, Founder Member of the National Economic Development Council, on which he served 1962-64 and 1982-83) and Trade (Secretary of State for Trade 1982-83). As a Cabinet Minister since 1982, he has participated in the formulation and presentation of the whole range of Britain's economic policies. He was President of the Royal Statistical Society 1968-69, and an Honorary Fellow of the London School of Economics 1972: knighted 1973, Life Peer 1978. The Prime Minister's decision to nominate a Senior Cabinet Minister. As the Senior UK Commissioner underlines our commitment to an effective Commission with political weight.

Mr Stanley Clinton Davis was born in 1928, and received a Law Degree from Kings College London before being admitted as a solicitor in 1953. Experience both in local government (Mayor of Hackney) and in national politics (Labour MP 1970-1983, Parliamentary Under Secretary of State at the Department of Trade 1974-79 and Opposition Spokesman on Trade, Prices and Consumer Protection 1979-83).

DELORS, JACQUES

President-designate of the European Commission.

Born 1925 in Paris. Worked for the Banque de France and later the Economic and Social Council. Counsellor for Social Affairs in the Commissariat-General of the Plan, 1962-68. A member of the French equivalent of the Consumers' Association (a Government body) 1968-70. Secretary-General of the Inter-Ministerial committee for Industrial Training and Social Affairs 1969-73. Appointed adviser to the Prime Minister on Social and Cultural Affairs, June 1969 and from 1971-72 Charge de Mission in the Cabinet of Chaban-Delmas when he played an important part in the development of Chaban's "new society" policy. Delors is in particular credited with the idea of long term progressive wage contracts (contrats de progres) in the public sector. He left the Inter-Ministerial committee in 1973 to take a position at the University of Paris-Dauphine where he lectured on social policy and became an Associate Professor. Founded the "Association 1973-80" to study economic, social and environmental planning in 1973. Member of the Board of the Bank of France, 1973-79. Joined the PS at the time of the Presidential Election in 1974. PS National Delegate for international economic affairs 1976-81. Elected an MEP in 1979, he was President of Economic and Monetary Commission of the European Parliament. During the 1981 Presidential election campaign, he acted as one of Mitterrand's principal advisers on economic affairs. Member of Management Committee of the PS since 1981. Minister for the Economy and Finance from May 1981 to March 1983 and, from then to July 1984, also for the Budget.

Married with two children.



Ministry of Agriculture, Fisheries and Food  
Whitehall Place London SW1A 2HH

From the Minister's Private Office

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P F Ricketts Esq  
Foreign and Commonwealth Office  
LONDON  
SW1A 2AH

*Paper being prepared  
for submission to P.F.*

*CDP 30/8.*

*30<sup>th</sup> August 1984*

*Dear Peter,*

THE NEW EUROPEAN COMMISSION

You copied your letter of 9 August to Ivor Llewelyn: I am replying in his absence. I apologise for missing your deadline, but my Minister has been away. You will recall that I wrote to Colin Budd on 9 August registering Mr Jopling's view that we should not rule out the possibility of obtaining the agricultural portfolio and putting forward Sir Henry Plumb as a possible candidate for the post. His view is unchanged. He feels that the reference in the Annex attached to your letter is much too dismissive and should be amended to indicate that this is one of the portfolios in which we have an interest and for which we have potential candidates.

In any discussion with Mr Delors the Prime Minister will want to emphasise the fact that the United Kingdom must have one of the major portfolios. Under the present arrangement of portfolios there are five important areas of responsibility. These are the portfolios currently covered by Ortoli (economic and financial affairs, credit and investment), Haferkamp (external relations including nuclear affairs), Davignon (industrial affairs, energy etc), Tugendhat (budget and financial control etc) and Dalsager (agriculture). My Minister appreciates that a Commissioner appointed to a portfolio where there is already a British Director General would require a change but does not consider that this would be an insuperable obstacle if the Director General could get another influential post. The arguments against making a bid for

*30 the 11*  
/the Haferkamp and ...

Kuro Pol: Appr of British Commission P42

the Haferkamp and Davignon portfolios do not appear overriding. The general tone of the paper is too defeatist in the sense that it lists all the reasons why it may be difficult to obtain portfolios.

My Minister believes the Prime Minister's approach should be to say that we expect to have one of the five major portfolios, it will be for Mr Delors to indicate which, and we will provide an appropriate candidate of sufficient calibre to fill the post.

He is not convinced of the arguments in paragraph 7 of the paper that because the UK is at odds with the mainstream of Community opinion on the budget we should be automatically excluded from agriculture. The worst of all possible outcomes would be for this portfolio to go to an Italian and he believes that there would be a number of northern countries who would certainly support the UK in preference to such an outcome. My Minister does not see an able candidate being particularly inconvenienced by the problem of being pressed between farming interests on the one hand and the need for budgetary discipline on the other. As to the danger of excluding ourselves from other desired portfolios by putting forward too specialised a candidate this can be dealt with by the approach suggested for identifying the appropriate portfolio for the UK in advance.

I am copying this letter to the Private Secretaries of OD(E) members and of Sir Robert Armstrong. (and to David Barclay at No.10).

Yours ever,

David Harbourne

D W HARBOURNE  
Private Secretary

30 AUG 1984