



Prime Minister ②

CDP
19/xii

CONFIDENTIAL

PRIME MINISTER

THE EUROPEAN COMMUNITY - PORTFOLIOS

1. After some difficult negotiations, the outcome has proved very satisfactory.

I have secured:

The Internal Market - very widely defined: see below

The Customs Union

Financial Institutions and Taxation

2. The Internal Market is now defined as the whole of Directorates A, C and D of DG III (there is no B). In addition to the specific Internal Market issues, such as the removal of technical barriers, safeguard measures, mutual recognition of professional qualifications, public purchasing and so on - the so called "horizontal issues" - these Directorates include responsibility for the foodstuffs industry, pharmaceuticals, chemicals, distribution, textiles, clothing, shipbuilding, wood and leather, paper, construction and so on. The logical foundation for this rests upon the fact that in most if not all instances, the Commission's powers to intervene rest primarily on the Treaty provisions relating to the Internal Market: and it would not be sensible to separate responsibility for the industry from responsibility for the powers which enable the Commission to intervene in that industry. This definition of the Internal Market is wider - significantly wider - than it was under the old Commission when the Internal Market comprised only Directorates A and D.

CONFIDENTIAL



CONFIDENTIAL

3. The Financial Institutions and Taxation comprise the whole of DG XV. Together with the Customs Union this completes the Internal Market panorama in a very satisfactory way.
4. Compared with the original offer made by Delors, this means that I have surrendered Steel (Directorate E in DG III). But as I indicated in my minute to you of 23 November that offer was so extensive that it was likely to leave insufficient for other Commissioners: and it would have involved too heavy a work load for the job to be done properly. I contemplated from the beginning therefore that there would have to be some give. But I have given no more than I intended to give: I have preserved the integrity of the Internal Market portfolio defined in the widest sense: and I have extracted a further quid pro quo in a formal recognition that I am entitled to a say in the major industrial policy issues arising under Directorate F.
5. Although this was not reported in the Press, negotiations went on past midnight on the Friday. I had to beat off a determined attempt to redefine the Internal Market portfolio to include the "horizontal issues" only and to move the industries themselves to the Industry portfolio. There was a further attempt to re-open the matter on the Saturday morning but this was firmly suppressed by Delors.
6. I attach a copy of the pages in the Directory showing the detailed make up of the Directorates in DG III. As I have said I have secured A, C and D: Narjes, who is now the senior German Commissioner, takes E and F. We both of course have other responsibilities outside DG III.
7. I am copying this to the Foreign and Commonwealth Secretary and Sir Robert Armstrong.

A.C.

A C

10 December 1984

CONFIDENTIAL

2

AC1AAU

Directorate-General III

Internal Market and Industrial Affairs

Rue de la Loi 200, 1049 Bruxelles
Wetstraat 200, 1049 Brussel

Tel. 235 11 11
Telex 21877 COMEU B

Director-General	Fernand BRAUN
Deputy Director-General (with special responsibility for Directorates A and D)	Paolo CECCHINI
Deputy Director-General (with special responsibility for Directorates C and E)	Arie Adriaan VAN RHIJN
Assistants to Director-General	Albrecht MULFINGER Michel AYRAL

Administrative unit

Head

Directorate A

Distributive trades and industrial affairs I
(removal of technical barriers to trade, motor vehicles, mechanical engineering, foodstuffs, pharmaceuticals, electricity and chemicals)

Tom GARVEY

1. Coordination, removal of technical barriers; motor vehicles and agricultural machinery; electricity, mechanical engineering, metrology, standardization
2. Foodstuffs
Deputy Head of Division
3. Pharmaceuticals, veterinary medicines
4. Chemicals, plastics and rubber
5. Distributive trades

Ernesto PREVIDI
Paul GRAY
Egon GAERNER
Nicolaas BEL
Walter SCHÄFER
Jacques BESNARD

Directorate C

Industrial affairs III

(textiles, leather, paper, shipbuilding, miscellaneous industries and non-tariff barriers)

1. Safeguard measures; removal of non-tariff barriers (Article 30 *et seq.*)
2. Textiles and clothing
3. Shipbuilding, wood, leather, paper, construction and miscellaneous industries
4. Aircraft, railways and public contracts

Daniele VERDIANI

Alfonso MATTERA RICIGLIANO

Roger PEETERS

William TULLY

Reginald SPENCE

Directorate D

Approximation of laws, freedom of establishment and freedom to provide services

Chief Adviser

1. Civil and economic law, criminal law and law of procedure, and citizens' rights
2. Company law, industrial democracy and standards
3. Multinationals, groups of companies and the European company
4. Intellectual property and unfair competition
Deputy Head of Division
5. Free movement of self-employed persons and recognition of diplomas

Ivo SCHWARTZ

Winfried HAUSCHILD

Hans Claudius TASCHNER

Hermann NIESSEN

Karl GLEICHMANN

Robert COLEMAN

Bertold SCHWAB

Jean-Jacques BEUVE-MÉRY

Directorate E

Steel

Policy and relations with industry

1. External measures
2. Sector analysis, administration and implementation of controls

Deputy Head of Division (with special responsibility for the implementation of controls)

- General objectives and structure
 - Production capacities and consultation on Article 54 and 56 ECSC opinions
 - Administration of controls
3. Forward programmes, market and prices
 - Market
 - Prices

Jacques FAURE

Hans KUTSCHER
Chief Adviser

György VON O'SVATH

Piero SQUARTINI

Pierre DUPRAT

Jacques SOENENS

Otto BECKER

Jacobus AARTS

Vivian EVANS

Giacomo GIACOMELLO

Victor CULOT

Directorate F

Industrial restructuring, non-member countries and raw materials

Adviser

Business analyses

1. Industrial and technological problems in relation to non-member countries
2. Secretariat for internal and external work on raw materials
3. Industrial economy, industrial structure and co-ordination
4. Small and medium-sized enterprises, *artisanat*, Business Cooperation Centre and industrial cooperation
 - Small and medium-sized enterprises and *artisanat*
 - Business Cooperation Centre

Rolf MÖHLER

Paul RUTSAERT

Peter John LENNON
Adviser

Guy CRAUSER

José NICOLAI

Pierre DEFRAIGNE

George TZOANOS

Helmut SCHMITT von SYDOW

Luigi MOROSI

CONFIDENTIAL



10 DOWNING STREET

From the Private Secretary

MR BIRCH

THE EUROPEAN COMMUNITY:

PORTFOLIOS

The Prime Minister was grateful for Lord Cockfield's minute of 10 December recording the outcome of the negotiations about the distribution of Portfolios in the new Commission. She agrees with Lord Cockfield that the result is very satisfactory.

I am copying this minute to Colin Budd (Foreign and Commonwealth Office) and to Richard Hatfield (Cabinet Office).

(C.D. Powell)

12 December, 1984

CONFIDENTIAL

CONFIDENTIAL

Qz.04083

MR POWELL

EUROPEAN COMMISSION: PORTFOLIOS

The decisions on portfolios of the Commissioners designate are reported in UKREP Brussels telegram No. 4152 of 10 December. I should like to add these comments on the results from the British point of view:-

(i) the result is very good for Lord Cockfield. It largely achieves the original objective of obtaining responsibility for the internal market (including financial institutions, banking, insurance etc) and for a large range of industries. Although Mr Narjes' portfolio includes formal responsibility for industrial affairs, in fact Lord Cockfield's responsibilities cover the "sponsoring" divisions for many important industrial activities.

Because of his own personality Mr Davignon was able to use his power base in his own way. In the new Commission I would expect that Lord Cockfield will carry substantial weight in all the industrial discussions, despite Mr Narjes' apparent responsibility for general issues relating to industrial affairs;

(ii) Mr Clinton Davis' portfolio covers all environment and transport issues and also more general questions of consumer protection. This latter point will give him a direct say in a number of other areas of the Commission's responsibilities. He is also responsible for nuclear safety and for forestry;

/(iii)

CONFIDENTIAL

Prime Minister

CDP
11/12

A satisfactory outcome and clever of Delors to have got it sorted out so painlessly.

2

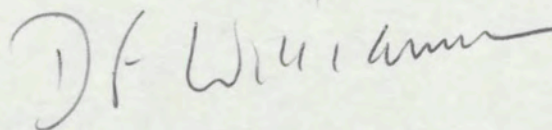
CONFIDENTIAL

(iii) Mr Andriessen has obtained the agriculture portfolio, as we wished. He also has responsibility for fisheries (although this may go to a Portuguese Commissioner later);

(iv) Mr Natali has been given the development portfolio (of which a part has been removed for Mr Cheysson). For the present Mr Natali retains his current responsibilities for enlargement. We remain of the view that the allocation of the development portfolio to Mr Natali (who is the senior remaining Commissioner) is the least difficult result for the United Kingdom.

2. We consider that the Commissioners who have come off worst in this distribution are Mr Narjes, whose responsibilities will in practice be more circumscribed than they appear, and Mr Cheysson, who has responsibility for the Mediterranean and North/South relations, while the greater part of foreign affairs is the responsibility of Mr de Clercq.

3. I am sending a copy to Colin Budd (FCO) and to Sir Robert Armstrong.



D F WILLIAMSON

11 December 1984



10 DOWNING STREET

From the Private Secretary

MR WILLIAMSON
CABINET OFFICE

European Commission: Portfolios

Thank you for your minute of 11 December about the decision on Portfolios in the new Commission. The Prime Minister has noted your comments with which she agrees.

I am sending a copy of this minute to Mr. Budd (Foreign and Commonwealth Office) and to Mr. Hatfield (Cabinet Office).

Charles Powell

12 December 1984

GR 540

CONFIDENTIAL

C O N F I D E N T I A L

FM UKREP BRUSSELS 151108Z DEC 84

TO IMMEDIATE F C O

TELEGRAM NUMBER 4152 OF 10 DECEMBER,

INFO BRUSSELS COPENHAGEN THE HAGUE ROME DUBLIN PARIS

BONN LUXEMBOURG ATHENS.

M I P T : MEETING OF COMMISSIONERS DESIGNATE:
ROYAUMONT, 8/9 DECEMBER.

1. FOLLOWING IS ALLOCATION OF RESPONSIBILITIES AMONG NEW COMMISSION AS AGREED AT ROYAUMONT. WHEN PUBLISHED THE BREAKDOWN WILL NOT INCLUDE THE ELEMENTS SET OUT IN BRACKETS NOR THE FOOTNOTES.

JACQUES DELORS	SECRETARIAT GENERAL (SAUF SG 7 ET 12) SERVICE JURIDIQUE GROUPE DU PORTE-PAROLE SERVICE COMMUN INTERPRETATION - CONFERENCES BUREAU DE SECURITE AFFAIRES MONETAIRES (II - D) COORDINATION DES FONDS STRUCTURELS (TASK-FORCE ET II.B.3) ET PROGRAMMES INTEGRES MEDITERRANEENS.
LORENZO NATALI	COOPERATION ET DEVELOPPEMENT (DG VIII SAUF VIII D.3 ET D. DG VIII.A.5 CNUCED) (1) ELARGISSEMENT (I.H SAUF I.H.4)
CLAUDE CHEYSSON	POLITIQUE MEDITERRANEENNE (I.F.2, VIII D.1 ET I.H.4) RELATIONS NORD-SUD (I.C ET VIII D.3 - VIII A.5 CNUCED)
KARL-HEINZ NARJES (2)	AFFAIRES INDUSTRIELLES (III E ET F) TECHNOLOGIES DE L'INFORMATION (TASK FORCE T.1 DG XIII) RECHERCHE ET SCIENCE (DG XII) CENTRE COMMUN DE RECHERCHE (CCR)
FRANS ANDRIESEN	AGRICULTURE (DG VI SAUF VI.F.3) PECHE (DG XIV)
LORD COCKFIELD	MARCHE INTERIEUR (DG III A.C.D) SERVICE DE L'UNION DOUANIERE (SUD) FISCALITE INSTITUTIONS FINANCIERES (DG XV)

CONFIDENTIAL

/ALois.

ALOIS PFEIFFER	AFFAIRES ÉCONOMIQUES (DG II SAUF II.D ET II.B.3) EMPLOI (V.A) CREDIT ET INVESTISSEMENT (DG XVIII) OFFICE STATISTIQUE (OSCE)
GRIGORIS VARFIS	POLITIQUE REGIONALE (DG XVI) RELATIONS AVEC LE PARLEMENT (SG 7)
WILLY DE CLERQ	RELATIONS EXTERIEURES ET (I.A I.B ET I.F.1) POLITIQUE COMMERCIALE (I.D I.E I.G)
NIC MOSAR	ENERGIE (DG XVII) AGENCE D'APPROVISIONNEMENT EURATOM OFFICE DES PUBLICATIONS (OPOC)
STANLEY CLINTON-DAVIS	ENVIRONNEMENT - PROTECTION DES CONSOMMATEURS ET SECURITE NUCLEAIRE (DG XI ET V.F.3) FORETS (VI F.E) TRANSPORTS (DG VII SAUF VII B.3)
CARLO RIPA DE MEANA (3)	QUESTIONS INSTITUTIONNELLES (APPUI SG ET SJ) PROBLEMES CONCERNANT L'EUROPE DES CITOYENS POLITIQUE DE L'INFORMATION (DG X) SECTEUR CULTUREL (SG 12) TOURISME (DG VII B.3)
HENNING CHRISTOPHERSEN	BUDGET (DG XIX) CONTROLE FINANCIER (DG XX) PERSONNEL ET ADMINISTRATION (DG IX)
PETER SUTHERLAND	CONCURRENCE (DG IV) AFFAIRES SOCIALES, EDUCATION, FORMATION (DG V SAUF V.A ET V.E.1)

(NOTE 1. LES DEUX DIVISIONS VIII D.1 ET VIII D.E SERONT
TRANSFEREES A LA DG I.

NOTE 2. UN GROUPE DE TRAVAIL REUNIRA, A L'INITIATIVE DE M.LE
PRESIDENT, LES COMMISSAIRES CHARGES DU MARCHÉ INTERIEUR
ET DES AFFAIRES INDUSTRIELLES POUR HARMONISER LES
POLITIQUES MENEES PAR CEUX-CI.

NOTE 3. M.RIPA DI MEANA SERA LE REPRESENTANT PERSONNEL DU
PRESIDENT DE LA COMMISSION AUX COMITES AD HOC POUR LES
QUESTIONS INSTITUTIONNELLES ET POUR L'EUROPE DES CITOYENS)

CONFIDENTIAL

/F.CO.

CONFIDENTIAL

FCO ADVANCE TO:

FCO - P.S, P.S/MR RIFKIND, RENWICK, BRAITHWAITE, CROWE, FAIRWEATHER
CAB - WILLIAMSON.
DTI - WILLIAMS.
MAFF - ANDREWS.
TSY - FITCHEW.

BUTLER

(REPEATED AS REQUESTED)

LIMITED

EC D (B)

EC D (I)

PS

PS/MR RIFKIND

MR RENWICK

MR BRAITHWAITE

COPIES TO

ADVANCE ADDRESSEES.

³
CONFIDENTIAL