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CONFIDENTIAL

MR. ALEXANDER

European Commissioners

I see that, in her telephone conversation with the President of the Republic on 21st November, the Prime Minister said that she wanted to know the views of President Giscard so that we could "adjust our views accordingly", and that she did not want to have a clash with the French Government on this issue.

2. This suggests that the Prime Minister accepts - as I think that it is only realistic to do - that we are not going to be able to prise the Development portfolio out of the French on this occasion. If that is right, presumably we should like as a quid pro quo to see if we can get French support for getting the Social Affairs portfolio for Mr. Richard. Mr. Richard has, I understand, accepted that he is unlikely to get the Development portfolio because of the French position, and would now like to go for Social Affairs.

3. If that is the position, I think that it would be advantageous if I were to be authorised to speak to M. Wahl at a very early date. The French will be waiting for us to follow up the Prime Minister's conversation with the President; and we are not likely to gain by delay.

(Robert Armstrong)

25th November 1980

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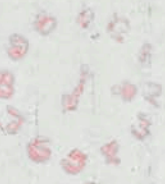
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POST OFFICE BOX 1000

WASHINGTON, D.C. 20540

TO: THE DIRECTOR, FEDERAL BUREAU OF INVESTIGATION  
ATTENTION: SAC, NEW YORK

FROM: SAC, NEW YORK (100-100000) (P)  
SUBJECT: [Illegible]



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RE: [Illegible]

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Extract from PM's telephone conversation with Pres Giscard  
D'Estaing on Friday 5-21 Nov 1980 at 1545 hrs

M: Not before. But we keep a wholly open mind on it at the moment. I am going to Rome I think 2 or 3 days before you.

PG: Ah, yes. This week.

Original:  
France: Anglo/Franch  
Relations, Oct 79

PM: Yes, I'm going on Sunday. Then I have to be back because we're making a statement, the Chancellor of the Exchequer's making a statement in Parliament on Monday. I just felt that I might be tackled about the quadripartite matter. And we'll just play it the way as best I can.

PG: Well I think the answer is that there is no for instance, for the moment there is no proposal to hold such a meeting, so there's no position to take about it. Now probably I will have some questions when I go to Rome and I will say the same.

PM: Just a word if I may about Commission portfolios. I'm not quite sure what the position is and I wondered if you had any particular views because when we came to Paris I know that you weren't quite certain whom you were appointing and you asked me about portfolios. And I wondered if you still have any particular views because they will soon be deciding.

PG: Yes, about the people we have not decided yet about the French representatives. But there is one portfolio we are very keen to keep, that is the portfolio of, I don't know what is the name, it's for cooperation. It's due to the fact that we still have and we will keep for a few years ahead a rather close relationship with the sub-African countries and for them to see it change will probably be resented like some distance we are taking from their interests. So it's a reason for which I meant to talk, that is really the portfolio to which we are deeply attached. The others could be discussed on a, in an open way. But I ask Wahl to tell your assistant, to avoid any conflict on this because we don't want to have a dispute.

PM: Yes, that's why I asked. I don't want to have a dispute either. As you know Mr. Richard has done a lot of work in that sphere and therefore I wanted to know what your views were so that we can adjust ours accordingly.

/ PG:

G: Yes. This we have discussed deeply and there is a very strong desire because it has been like this since the beginning. We know very well that it cannot last forever. But for the moment there is still an expressed desire by our partners so ...

PM: Yes, well we would very much like to keep the budget this year. We've had it just 4 years and Mr. Tugendhat's staying and we would, for similar reasons, very much like to keep the budget. But if Mr. Wahl keeps in touch, we keep in touch with Mr. Wahl then that will see that we don't clash. There's only one other thing may I mention, I had messages from Mr. Muldoon of New Zealand, very concerned, which is why I did send a message Mr. President to you earlier in the week about New Zealand butter which matters a very great deal to them. It's a small amount to Europe and I myself have not gone into the details. May I just say therefore that I hope our Foreign Ministers can sort it out at their next meeting. Hello, hello?

PG: Well, I'm sorry I don't hear you too well.

PM: Oh, I'm so sorry. I sent a message which I had received from Mr. Muldoon about New Zealand butter.

PG: Yes, I received it.

PM: Yes, he's very concerned. It means a lot to his economy and comparatively little to us and I just hope that our Foreign Ministers can sort out the matter at the next Council of Foreign Ministers. I myself have not gone into the detail, we would like to help a person whose been a very great friend of Europe.

PG: Yes, well I received your message and I also instructed Francois-Poncet to study, to review the question in a friendly attitude. I just will mention that there is some contradiction between British attitudes. One is to criticise the excess of stockpile of butter in the Community and the other is to ask for broader imports. But we understand that of course New Zealand interests are at stake in this question so I hope it will be possible to find a fair solution at the next meeting.

/ PM:

Ref: A03614



MR. ALEXANDER

European Commission Portfolios

*Prime Minister*  
CONFIDENTIAL Given that the French can prevent us getting the Development Portfolio and that Mr Richard has the Employment Secretary's support in going for Social Affairs, you may want to look on this basis.  
*Ant 20/11*

I reported to you yesterday my telephone conversation with M. Jacques Wahl.

2. I now attach a copy of a minute by Mr. Franklin, reporting two new developments:-

- (a) That, if the Development portfolio is not open to him, Mr. Richard would like to go for the Social Affairs portfolio, and that Sir Michael Butler thinks that we should go for that.\*
- (b) That the person whom President Giscard would like to nominate for the Development portfolio would be Mme. Christiane Scrivener, a Giscardienne member of the European Parliament.

3. What Mr. Tugendhat learnt from Mme. Scrivener confirms that the retention of the Development portfolio for France is a high priority for President Giscard, to the extent that he is prepared to leave M. Ortoli in position if necessary to continue to be a Vice-President and therefore block M. Cheysson from being a Vice-President if M. Cheysson has to stay to be sure of keeping us out of the Development portfolio.

4. Mr. Tugendhat thinks that Mme. Scrivener would be good news for us. His high opinion of her is endorsed by those who have known something of her in Paris. She was at one time made a Junior Minister for consumer affairs. She is said to be both able and nice, and to be an anglophile: she is said to have British family connections.

5. It is clear that, if we do nothing, M. Cheysson will be re-nominated in order to ensure that we do not get the Development portfolio. The question now is whether we should let it be known, via M. Wahl, that we shall not seek the Development portfolio for Mr. Richard if we can be reasonably sure of getting the Social Affairs portfolio for him instead.

\* I have just learnt that the Secretary of State for Employment would be well content for Mr Richard to have the Social Affairs portfolio.  
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5. Time is of the essence if we are to make a pitch for the Social Affairs portfolio. Perhaps this can be discussed, as Mr. Franklin suggests, before or after the briefing meeting for Rome.

6. I am sending a copy of this minute to Mr. Walden.

REA

(Robert Armstrong)

20th November 1980

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SIR ROBERT ARMS 

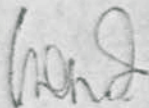
## EUROPEAN COMMISSION PORTFOLIOS

1. Sir Michael Butler telephoned me this morning. Mr Christopher Tugendhat had told him:-
  - a) that he had spoken to Mr Ivor Richard about the possibilities likely to be open to him and had convinced him that the Social Affairs portfolio would be a good one to go for. (Mr Hannay, who saw Mr Richard last night has confirmed that he is now quite enthusiastic about Social Affairs on the assumption that the Development portfolio is not available to him).
  - b) that he had lunched with Mme. Christiane Scrivener a Giscardienne member of the European Parliament. She had said that President Giscard would like to appoint her as a Commissioner but this would not be possible if the British were going to press for the Development portfolio. In that event, M. Cheysson would be reappointed, and this would necessitate the reappointment of M. Ortoli as well (to prevent Cheysson being a Vice President). In his, Tugendhat's view Mme. Scrivener would be good news for us: she was a Harvard trained "mid-atlanticist".
2. Sir Michael Butler concluded that, in his view, we should now put our efforts behind getting Social Affairs portfolio for Mr Richard, and that we should need to move quickly since the Irish candidate Mr O'Kennedy, is campaigning for it. I discussed informally with members of EQS last night which of the remaining portfolios it would be in our interest to secure on the assumption that Development and Industrial Affairs would not be available to us and that Mr Richard did not wish to do Competition Policy. There was no dissent from the view that the Social Affairs portfolio, since it encompasses one of the structural Funds, would be worth having. I am checking urgently that the Department of Employment who were not represented at my meeting, do not dissent from this view.
3. If the Prime Minister and the Foreign Secretary (and the Secretary of State for Employment) were content that we should go for Social Affairs, the way would be open to do President Giscard a favour in exchange for firm French support for

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Mr Richard getting Social Affairs. But I think the position would need to be explained to Mr Richard before you speak to Mr Wahl again.

4. Perhaps this could be discussed between the Prime Minister and the Foreign Secretary immediately before or after the briefing meeting for Rome tomorrow morning.



M D M FRANKLIN

20th November 1980



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Ref. A03598

MR. ALEXANDER

*Arrived*

*La. [unclear]*

*Prime Minister*

*To note*

*[unclear]*

European Commission Portfolios

Monsieur Wahl rang me up this afternoon, to find out whether I had an answer to the point which he had put to me on 14th November.

2. I said that I was sorry that I had not been able to be in touch with him before, and even now I was not sure that I had a complete picture to report. The fact was that Mr. Ivor Richard had made it clear that the Development portfolio would be his first choice, and he was well qualified for it; we had many of the same interests in it that the French had; and the French have now held it for eight years. So we were interested in it.

3. Monsieur Wahl thanked me for speaking frankly. In further conversation, I elicited from him that the President attached higher priority to keeping the Development portfolio for France than for keeping the Economic and Finance portfolio.

4. We left it that either of us would ring the other back, if there was anything more to report.

5. I believe that it is proposed that the Prime Minister and the Foreign and Commonwealth Secretary should have a further talk about this matter.

6. I am sending a copy of this minute, together with a copy of my minute of 14th November, to Mr. George Walden.

*RIA*

ROBERT ARMSTRONG

19th November, 1980

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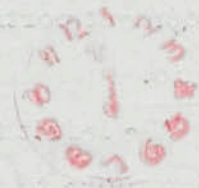
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SIR ROBERT ARMSTRONG

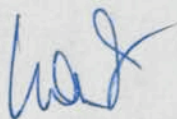
Commission Portfolios

1. There was some discussion between the Prime Minister and the Foreign Secretary on the flight to Bonn about your submission on the telephone call from Wahl.
2. The Prime Minister clearly sees Mr Ivor Richard as most suited to the Development portfolio and does not consider that he would be well suited to Industry. I explained that the Industrial affairs portfolio was one of the more influential ones, and Mr Richard had said that it was his second choice after Development. However, if the Germans wanted to keep the Energy portfolio (and Schulman and Fischer subsequently confirmed to me that they did), then Davignon would probably stay with Industry and we would find it difficult to get it. French support would help but not be decisive. As to alternatives, Richard had spoken of Transport or Social Affairs. The latter might be a possibility: it carried responsibility for the Social Fund and involving relations with the trade unions, might be helpful to him in his relations with the Labour Party.
3. The Prime Minister further questioned whether we needed to give first priority to getting the Budget portfolio for Mr Tugendhat. Mr Davignon would do it well. The Foreign Secretary and I argued that even if Davignon would do the Budget competently, he would not be concerned to safeguard British interests. The Budget portfolio would give Mr Tugendhat a central role in the new Commission, and this must be our first priority.
4. The Foreign Secretary said the first thing was to establish the French priorities. If they wanted to hold both Economics and Finance and Development they were asking for more than we were. He was not in favour of doing a deal with the French. We should try to establish the French priorities while indicating that Richard was qualified and interested in the Development portfolio. A deal which involved giving up Development was not attractive.

5. This still leaves unresolved the basic question: do we want to be helpful to President Giscard on this issue or are we more concerned to keep open the chance of Mr Ivor Richard getting the Development portfolio.

6. If the Prime Minister and the Foreign Secretary want to follow the first course, we would return a fairly straight answer to Wahl, as in the last paragraph of your minute. But if, as I understand, they tend to feel that we should put up a bit of a fight on behalf of Mr Richard and the Development portfolio, then your reply would have to procrastinate. It might consist of:-

- (i) an enquiry about the French priorities, eg, who will be their vice-president and which portfolio does he want;
- (ii) our difficulty in renouncing any claim to Development given Mr Richard's qualifications and our belief that other countries believe that it might be time for a change. It would be difficult to renounce all claims;
- (iii) could our joint interests be met, eg through a French Director-General?



17 November 1980

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

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Prime Minister

P. D. Smith

~~Alternative?~~

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~~ <sup>may</sup> ~~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~~ <sup>must</sup> 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 September, that he thought that Monsieur Cheysson <sup>No</sup> ~~had~~ <sup>been</sup> in the Commission for long enough and had in it mind to replace him; while we should be bound to express ~~an~~ <sup>our</sup> ~~interest~~ <sup>interest</sup> 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 (like Botoli) 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		

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S/S

Note for the Record

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- Mr Franklin - Cabinet Office
- Sir R Arculus - Rome
- Sir M Butler - UKREP Brussels
- MR. ALEXANDER No. 10/1

for PUS  
 Pomic Minister  
 MB  
 PUS 8/14

COMMISSION PORTFOLIOS

1. Signor Ruggiero, the Italian Permanent Representative, spoke to me in Luxembourg on 7 October about portfolios in the new Commission. Subject to any upsets arising out of the change of government in Italy, he expected the Italian Commissioners to be Natali and Giolitti again. He assumed that Giolitti would want to continue with regional policy; Natali certainly wanted to continue with enlargement but he wanted to increase his responsibilities to include also the Southern Mediterranean countries which were currently the responsibility of the Commissioner for Development (the attribution of these countries to the development portfolio dates only from 1973; before that they fell under the external relations portfolio).

2. Signor Ruggiero then asked me if we were interested in the development portfolio. The Italians hoped we would be; they were fed up with the French domination of that sector. He made it clear that, if we would help Natali over the Southern Mediterranean, the Italians would support us for development. I said that the choice of our second commissioner had not yet been made; development was one of several portfolios which interested us and our candidate might be well qualified to hold it. Signor Ruggiero concluded by indicating that he was reflecting Signor Colombo's thinking; and that Signor Colombo might well take the matter up with the Secretary of State when they next met.

*D H A Hannay*

D H A Hannay

8 October 1980



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