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FM UKREP BRUSSELS 120830Z JAN 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 71 OF 12 JANUARY.

mt

COMMISSION PORTFOLIOS: PRIME MINISTERS CONVERSATION WITH THORN.

1. WE HAVE PASSED TO THORN'S CABINET THE PRIME MINISTER'S MESSAGE THAT IT WAS ABSOLUTELY NO PART OF HER INTENTION THAT HER TELEPHONE CALL SHOULD BECOME PUBLIC AND THAT THERE HAD BEEN NO BRIEFING ABOUT IT IN LONDON (OR, WE ADDED, FROM UKREP). IN RIES' ABSENCE, MEADOWS REPLIED THAT IT HAD NOT CROSSED THORN'S MIND THAT LEAKS HAD COME FROM BRITISH GOVERNMENT SOURCES. THE STORIES THEMSELVES POINTED CLEARLY IN A DIFFERENT DIRECTION. BUT HE WOULD TRANSMIT THE PRIME MINISTER'S MESSAGE TO THORN, (IN PARIS) WHO, HE WAS SURE, WOULD APPRECIATE RECEIVING IT. HE ADDED THAT EQUALLY NEITHER THE PRESIDENT NOR HIS CABINET HAD BEEN RESPONSIBLE FOR THE LEAKS. INDEED MEADOWS SAID THORN HAD BEEN SURPRISED TO GET SUCH APPARENTLY KNOWLEDGEABLE QUESTIONS ABOUT THUCK LLHONE CONVERSATION AT HIS PRESS CONFERENCE.

2. AS TO THE ORIGIN OF THE LEAKS, IN TUGENDHAT'S ENTOURAGE ONLY HE AND HIS CHEF AND DEPUTY CHEF DE CABINET KNEW THE CONTENT OF THE CONVERSATION. WE HAVE BEEN IN CLOSE TOUCH WITH THEM THROUGH-OUT. WE ARE SATISFIED THAT THEY HAD NO HAND IN THE LEAKS. NOBODY HAS BEEN MORE SENSITIVE THAN TUGENDHAT HIMSELF TO HIS STANDING WHETHER PUBLICLY, IN THE COMMISSION OR WITH HMG.

3. WE DO NOT OF COURSE KNOW, PACE MEADOWS, WHAT THORN OR HIS ENTOURAGE MAY HAVE SAID IN CONFIDENCE OR OTHERWISE TO THIRD PARTIES OR WHAT ONE OR MORE OF THESE MIGHT HAVE SAID TO OR IN THE PRESENCE OF JOURNALISTS. WE HAVE HOWEVER BEEN TOLD RELIABLY THAT MEMBERS OF THORN'S CABINET MADE NO SECRET WITHIN THE COMMISSION OF THEIR DISPLEASURE SHORTLY AFTER THE TELEPHONE CONVERSATION AND BEFORE THE LINE HAD BEEN GIVEN BY THORN HIMSELF AT, IF NOT BEFORE HIS PRESS CONFERENCE; AND (FROM MORE THAN ONE BRITISH JOURNALIST) THAT "AT LEAST TWO SENIOR COMMISSIONERS" QUOTED TO THEM THE PRIME MINISTER'S REFERENCE TO AN INSULT TO THE UK.

FCO ADVANCE TO:-

FCO - BRIDGES, HANNAY, FENN, SPRECKLEY

CAB - FRANKLIN, ELLIOTT

NO 10 - ALEXANDER, INGRAM

BUTLER

ADVANCED AS REQUESTED
[COPIES SENT TO NO 10 DOWNING ST]

LIMITED
ECD (1)
NEWS D
PS/LPS
PS/POS
MR BULLARD
LORD BRIDGES
MR HANNAY
CABINET OFFICE

CONFIDENTIAL



cc for information
Mr Alexander
Mr Slette
BRITISH EMBASSY,
LUXEMBOURG.

CABINET OFFICE
QZ 7240
FILING INSTRUCTIONS
FILE NO.

LUXEMBOURG.

W.D. 14/1

12 January 1981

D H A Hannay Esq CMG
FCO

Copy to: D. Franklin, Ab. Off.

Jean David,

D. Speckley

STB/1

1. There has been a certain amount of huffing and puffing in the Luxembourg press about the Prime Minister's "grave interference" in the affairs of the Commission when she spoke to M Thorn about Mr Tugendhat's portfolio.
2. I enclose a copy of the leader written by the Editor of *Républicain Lorrain* on 10 January.
3. I had a word with Camille Montaigu (who is close to Thorn) at the swearing in of the new Commission today. He said he hoped that I did not mind his criticism of Mrs Thatcher. I said I did not mind it in the least but that both he and I knew it was hypocrisy to suggest that governments did not take a close interest in the affairs of the European institutions. Montaigu gave me a great grin and said that of course they did it all the time. But usually they were less open about it than Mrs Thatcher. That was one of the reasons he found her style so refreshing!

Yours ever,

Jeremy
J C Thomas

cc: Sir M Butler KCMG
UKREP BRUSSELS



SAMEDI 10 JANVIER 1981

En. J. 13

■ Éditorial

Le coup de téléphone de Londres

« Les membres de la Commission exercent leurs fonctions en pleine indépendance, dans l'intérêt général des Communautés.

Dans l'accomplissement de leur devoir, ils ne sollicitent ni n'acceptent d'instructions d'aucun gouvernement ni d'aucun organisme. Chaque Etat membre s'engage à respecter ce caractère et à ne pas chercher à influencer les membres de la Commission dans l'exécution de leur tâche », tel est le libellé de l'article 157 du traité CEE. C'est dans cette optique aussi que les membres de la Commission prêteront leur serment devant la Cour de justice des Communautés européennes à Luxembourg, lundi prochain. A examiner les termes du traité, on ne peut se départir de l'idée que Mme Margaret Thatcher, en intervenant directement mercredi soir dans la question de la répartition des portefeuilles aux nouveaux membres de la Commission, n'a pas tout à fait respecté la règle, c'est le moins qu'on puisse dire.

Aussi fallut-il toute la diplomatie, le doigté et une « pirouette » de M. Gaston Thorn pour dédramatiser cet incident et le réduire à une bagatelle.

Le commissaire britannique, M. Christopher Tugendhat, un instant, a cru que M. Gaston Thorn lui avait réduit ses compétences et il n'en fallut pas plus pour que le sujet de Sa Gracieuse Majesté en réfère illico presto à Mme Margaret Thatcher qui a demandé à parler à M. Thorn.

Qu'importe le contenu de cette conversation par-dessus la Manche, même si tous deux n'ont fait qu'échanger les vœux de la nouvelle année, les apparences ne trompent pas. Il s'agit d'une grave ingérence du Premier ministre britannique dans les affaires d'une institution européenne qui doit être au-dessus de tout soupçon pour pouvoir affirmer à chaque instant son indépendance à l'égard des gouvernements dans le seul souci de la « chose européenne ».

Même la presse britannique n'était pas tendre hier matin à l'égard du geste qu'a eu Mme Thatcher et qui aurait dit, sur un ton seigneurial « que M. Thorn proposait une insulte calculée à l'égard de la Grande-Bretagne ».

Le journal conservateur « Daily Telegraph » estime même que cet incident va détériorer les relations entre, d'une part, le commissaire britannique, M. Christopher Tugendhat, et le président Thorn. C'est sans doute mal connaître le nouveau président de la Commission qui a certainement une grande qualité, celle de ne pas être rancunier.

En soulignant au cours de sa conférence de presse que son principal souci sera la « collégialité en faisant participer tous les commissaires aux grands problèmes européens » dénote la volonté de M. Thorn de traiter tous les membres de la Commission sur un pied d'égalité.

Alors que dans la précédente Commission le courant passait mal, que de plus en plus chaque membre semblait seul décider, que certains avaient pris un goût prononcé pour la publicité alors que d'autres brillaient par leur discrétion, il ne faudrait plus que la Commission Thorn tombe dans le même travers, même si apparemment, il y a un déséquilibre dans la répartition des portefeuilles. S'il y a des portefeuilles de première et de deuxième classe, ce ne peut être que dans l'esprit chagrin de ceux qui n'ont pas encore compris qu'il ne peut y avoir de basse besogne dans l'édification sincère de l'Europe.

Comme le faisait entendre le rapport Spireburg sur la proposition de réforme de la Commission qui incontestablement a manqué de cohésion ces dernières années, « elle devra, à l'avenir, agir comme un véritable collègue, fort, inventif et efficace pour être en mesure de jouer pleinement son rôle d'interlocuteur du Conseil et du Parlement ».

La distribution des portefeuilles, depuis que la Commission existe, a toujours fait l'objet de difficultés. Cette négociation s'est toujours transformée en marathon nocturne d'où l'appellation de la « nuit des longs couteaux ».

Avec le nouvel élargissement de la Communauté et avec l'augmentation des commissaires, les difficultés n'ont fait que grandir. Le moment est certainement venu pour examiner le prochain élargissement à l'Espagne et au Portugal et qui entraînerait un collège composé de dix-sept à dix-huit commissaires. La Commission en s'alourdissant perdra, à coup sûr, encore bien davantage de son efficacité. D'où la nécessité alors de réduire le nombre des commissaires à celui des Etats membres.

Le Parlement européen par contre, en passant de 198 à 410 membres et maintenant à 434 membres, est sorti renforcé dans sa cohésion. Depuis qu'il est élu au suffrage universel direct, c'est certainement l'institution qui a fait preuve de la plus grande indépendance. Elle vient de le prouver une fois de plus avec le budget supplémentaire de 1980 et surtout avec Mme Simone Veil, la présidente, qui n'a pas hésité un seul instant à arrêter ce budget 1980 et 1981 dès lors que le Conseil était sorti divisé sur la question. Inutile de dire que le Parlement européen réservera lundi prochain une grande ovation à son président mais qu'il s'en trouvera à demander des explications à M. Gaston Thorn sur l'étrange manière de Mme Thatcher de s'immiscer dans les affaires intérieures de la Commission. Il y aura des parlementaires qui traduiront autrement que par « bagatelle » le coup de téléphone de Londres.

Camille MONTAIGU.

Europa

HS



10 DOWNING STREET

THE PRIME MINISTER

14 January 1981

Dear Christopher,

Thank you for your note of 11 January. I was glad to learn that you think matters have turned out satisfactorily. I am sure you are right to say that the important thing now is to get on with the work. You will have plenty of it!

I look forward to seeing you when our people have fixed a mutually convenient time.

Yours

Margaret

His Excellency Mr. Christopher Tugendhat

HS

January 11, 1981

My dear Prime Minister

I want to thank you for your intervention with Gordon Thorne over the allocation of Commission portfolios. I would not normally have got onto you, but in the circumstances I am sure it was the right thing to do.

I am satisfied that my position has been safeguarded. But dangers remain and I shall be very much on my guard. Feathers have also been ruffled. That was necessary to achieve

the objective and will I hope act as a
determinant for the future. What is now
needed is to get on with the work.

I should very much like to come
and see you to talk about that and
some other matters quite soon. I will
ask my people to be in touch with
yours.

With best wishes

Yours ever
Christopher

RESTRICTED

file

BK

Guro Rd

13 January 1981

Messages to Monsieur Thorn

The Prime Minister has seen your letter to me of 12 January. She has decided that on balance she would prefer to send no further message.

MO'DBA

F.N. Richards, Esq.,
Foreign and Commonwealth Office

QB

①



Prime Minister

Foreign and Commonwealth Office

London SW1A 2AH

It was a pity that there was insufficient time for your message to be delivered before the storm broke

12 January 1981

Only about 2 hours elapsed between your approval of the text & the first phone call. I am now rather doubtful about the exercise: we seem to be protesting too much.

Dear Michael,

Leave it?

I would rather have had 12/1
it - i.e. send rather message

I wrote to you on 6 January suggesting that the Prime Minister might send M. Thorn a short message of good wishes. I understand that this was approved by the Prime Minister but not sent before she spoke to M. Thorn about Commission portfolios.

In the light of events last Wednesday we would like to suggest that the Prime Minister send a short personal message to M. Thorn expressing her thanks for his understanding of her representations, together with a revised message suitable for communication to the Commission as a whole. I enclose drafts.

The alternative would be to send no message at all, but we feel that this would be a pity. We still wish the new Commission well and a message may help to smooth any ruffled feathers. In addition, I understand that M. Thorn made some helpful remarks ^{at his} ~~to the~~ press conference ~~today~~ about the Prime Minister's intervention.

Yours ever,

(F N Richards)
Private Secretary

M O'D B Alexander Esq
10 Downing St

DSR (Revised)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
PRIME MINISTER

Reference

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Monsieur Gaston Thorn
President of the Commission of the
European Communities

Copies to: (blind)

Sir M Butler, UKREP

PRIVACY MARKING

SUBJECT:

.....In Confidence

PERSONAL

CAVEAT.....

I am sure that you understand why I felt obliged to telephone you on Wednesday evening, and I am grateful for the way in which you took note of my concerns, as well as for the helpful remarks which you made at your press conference. I enclose a message to mark the beginning of the first working year of the new Commission, which I hope you will circulate to your colleagues.



Enclosures—flag(s).....

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PRIME MINISTER

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DEPARTMENT: TEL. NO:

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Monsieur Gaston Thorn
President of the Commission of the
European Communities

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

Dear Mr President,

CAVEAT.....

Now that the new Commission has begun its task, my colleagues and I would like to wish you and your colleagues every success during your term of office. The Community faces many challenges and opportunities in the next few years, but I am sure that with leadership and commitment, any difficulties can be overcome. The British Government looks forward to working closely with you, and in particular to our next meeting at the European Council in Maastricht, as well as to closer cooperation in the latter part of the year during the British Presidency.



Enclosures—flag(s).....

12 JAN 1981



GRS 230
UNCLASSIFIED
FM PARIS 091625Z JAN 81
TO PRIORITY FCO
TELEGRAM NUMBER 13 OF 9 JANUARY 1981
INFO ROUTINE UKREP BRUSSELS
INFO SAVING TO BONN BRUSSELS COPENHAGEN DUBLIN THE HAGUE
LUXEMBOURG ROME AND ATHENS

UKREP BRUSSELS TELNO 41: COMMISSION PORTFOLIOS

1. THE DISPUTE IN BRUSSELS OVER THE ALLOCATION OF COMMISSION PORTFOLIOS HAS BEEN REPORTED FAIRLY FULLY, THOUGH NOT PROMINENTLY, IN THE FRENCH PRESS. READERS WILL HAVE BEEN LEFT GENERALLY WITH THE IMPRESSION THAT M THORN GOT HIS WAY IN GIVING MR O'KENNEDY A ROLE IN THE COORDINATION OF BUDGET REFORM, AND THAT THE PRIME MINISTER'S INTERVENTION WAS NOT PRIMARILY CONCERNED WITH BUDGET RESPONSIBILITIES.
2. LE QUOTIDIEN (CENTRIST INDEPENDENT) CLAIMS THAT M TUGENDHAT WILL SIMPLY BE DEALING WITH THE BUDGET AND NOT BUDGET REFORM, WHICH WILL BE IN THE HANDS OF A GROUP OF COMMISSIONERS CHAIRED (WHEN M THORN IS ABSENT) BY O'KENNEDY. ACCORDING TO LES ECHOS (BUSINESS DAILY), O'KENNEDY WILL BE HELPING M THORN "REORGANISE BEFORE 1982 THE (NEXT TWO WORDS UNDERLINED) ACQUIS COMMUNAUTAIRE". SIMILARLY, LE FIGARO (RIGHT-WING) ENLARGES O'KENNEDY'S AREA OF RESPONSIBILITY, AS M THORN'S ASSISTANT, TO "THE STUDY OF POSSIBLE DEVELOPMENT OF COMMUNITY POLICIES, IN ORDER TO AVOID UNACCEPTABLE SITUATIONS ARISING FOR MEMBER COUNTRIES". ACCORDING TO LE FIGARO, THE PRIME MINISTER'S TELEPHONE CALL TO M THORN WAS TO EXPRESS CONCERN ABOUT THE CONCENTRATION OF PORTFOLIOS IN VICOMTE DAVIGNON'S HANDS.
3. ONLY YESTERDAY'S LE MONDE (INDEPENDENT) HAS SO FAR TAKEN A DIFFERENT LINE, PLACING THE PRIME MINISTER'S TELEPHONE CALL FIRMLY IN THE CONTEXT OF BUDGET RESTRUCTURING. IT DESCRIBED THE OUTCOME AS A COMPROMISE WHICH "OFFICIALLY" GAVE THE POST OF COORDINATOR TO O'KENNEDY, BUT IT WONDERED WHETHER THE DIFFICULTIES HAVE YET BEEN FULLY CLEARED UP. TODAY'S EDITION OF LE MONDE CONTAINS NO REFERENCE TO THE EPISODE.

FCO PLEASE PASS TO SAVING ADDRESSEES.

HIBBERT

ico/whitwell
ECD

(REPEATED AS REQUESTED)

CONFIDENTIAL

25.

Subject

File



cc: Amt
Co

10 DOWNING STREET

From the Private Secretary

8 January 1981

Dear Francis,

Allocation of Commission Portfolios

As you know, the Prime Minister spoke to both Mr. Christopher Tugendhat and the President of the Commission, M. Gaston Thorn, last night about the unsatisfactory way in which the discussion over the allocation of responsibilities within the new Commission appeared to be developing.

Mr. Tugendhat briefed the Prime Minister on the situation and explained why he thought it was unsatisfactory that Mr. O'Kennedy should be given "a special mission of co-ordination" in regard to the preparation of the Commission's proposals for restructuring the Community Budget. The Prime Minister strongly agreed with Mr. Tugendhat that it was unacceptable that Mr. O'Kennedy should be given a role in this area at Mr. Tugendhat's expense and agreed to speak to M. Thorn.

When, after some delay, M. Thorn came to the telephone, the Prime Minister told him that she had just learned of a proposal to separate the supervision of the budgetary restructuring from the portfolio of the Budget Commissioner. Such a curtailment of Mr. Tugendhat's responsibilities would be seen by the Prime Minister personally, throughout the United Kingdom, and throughout the Community, as "a deliberate insult" to Britain, and to the Senior Commissioner nominated by the British Government.

She did not see how Mr. Tugendhat could accept such a curtailment of his responsibilities. It would have grievous consequences for Britain's relationship with the Community at a time when the British Government was supporting the Community to the hilt and had been supporting the new President.

M. Thorn said that it was wrong to think that it was proposed to "take something away" from Mr. Tugendhat. On the insistence of the British Commissioners Mr. Ivor Richard had been given the major portfolio of social affairs. This created the need to find something for Mr. O'Kennedy. The proposal was that he should be associated with the President who was mandated to make proposals on budgetary restructuring within three months. M. Thorn needed someone to help him. It had been agreed by the previous Commission that Mr. Tugendhat and Mr. Gundelach should participate in preparing the response to the mandate. This would not be changed but Mr. O'Kennedy would be given a role and would chair the relevant committee in M. Thorn's

CONFIDENTIAL

/absence

285

CONFIDENTIAL

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absence. All the competences now in the hands of Mr. Tugendhat would remain fully under his control.

The Prime Minister made it clear that she was not satisfied with this explanation. She expected Mr. Tugendhat to be in control of Budget restructuring, reporting of course to M. Thorn who would be in overall charge. To suggest that anyone else should be in a position of "overlordship" of the senior British Commissioner would be seen as a calculated insult and would be bitterly and deeply resented. It would show that M. Thorn did not have confidence in Mr. Tugendhat. If Mr. Tugendhat were to accept the situation, he would not retain the confidence of those who had nominated him. Confirmation of the present proposals would have serious consequences and would get the new Commission off to an extremely bad start.

M. Thorn indicated that he was taken aback by the Prime Minister's reaction. The situation had only arisen because of his efforts to give the new British Commissioner what he wanted while leaving Mr. Tugendhat's portfolio untouched. The Prime Minister repeated that it would be unacceptable for Mr. Tugendhat to have a supervisor other than M. Thorn himself. She expected that Mr. Tugendhat would report to M. Thorn alone and that M. Thorn would regard the restructuring exercise as his main responsibility in the early months of his Presidency. M. Thorn confirmed that restructuring was his first priority.

The Prime Minister's conversation with M. Thorn ended at 1905.

I am sending copies of this letter to John Wiggins (HM Treasury) and David Wright (Cabinet Office).

Yours ever

Nicholas Alexander

Francis Richards Esq
Foreign and Commonwealth Office.

CONFIDENTIAL

Subject

RECORD OF A TELEPHONE CONVERSATION BETWEEN THE PRIME MINISTER AND
M. GASTON THORN ON WEDNESDAY 7 JANUARY 1981

M. Thorn: Hullo. How are you?

PM: I was all right until I heard one or two things which I wanted just to make certain with you. We have learned that there has been a ~~proposal~~^{proposal} being considered to separate the supervision of the ~~restructuring~~^{budget} from the portfolio of Mr. Tugendhat, who is, we hope, the budget Commissioner and to allocate the restructuring to some one else as supervisor - BLANK - Christopher with the ordinary budget. We are very concerned about this. I must tell you that if that is true, I think such a curtailment of Mr. Tugendhat's responsibilities would be seen throughout the United Kingdom, and I think throughout the Community, as a deliberate insult to Britain and to the Senior Commissioner nominated to the Commission by the British Government, and by me personally, and I just don't see how he could possibly accept such a curtailment of his responsibilities. If it is not true then I needn't go any further. If it is, then I think it would have grievous consequences for the whole relationship of Britain with the Community, at a time when this Government has supported the Community to the hilt and, of course, supported the new President.

M. Thorn: I am sorry. It is difficult to understand you.

PM: Difficult to understand?

M. Thorn: Yes. Yes. Your voice is very very low.

PM: That is better than being very high. Shall I start again?

M. Thorn: No, no, no. Towards the end. May I just have a word of explanation. I understand, of course, because Christopher Tugendhat told me what was his problem, your problem, national problem. It is honestly quite wrong to think that somebody wants to take something away from him. Yesterday, Edward Christopher and Ivor, speaking on behalf of the United Kingdom, insisted that Ivor Richard should get the major responsibility for the moment. Michael O'Kennedy was ready to take just social affairs. So you have to give it to Ivor Richard so this is essential for us, and in the night we thought what can we give Michael O'Kennedy. And when we found no good portfolio, nothing worse than that, then I said, Michael, I am going to associate you to my job and I am going to give you some delegation to help me. Because within three months, I have to make proposals on the mandate. I have a strike here on in a week. I need somebody to help me for the first weeks. And we should not forget that under Roy Jenkins' Presidency the Commission decided that it was the Commission's job to prepare the answer to the mandate under the Presidency of the President with the participation one as Christopher Tugendhat secondly, somebody else, so on and so on. And we are not changing that. But I said that in my absence the Committee would be shared by Michael. So I am not specify-

Chair

ing that all the competences now in the hands of Christopher Tugendhat will remain fully as his only competence.

PM: No Gaston. No. I am sorry. It will not do. Christopher is a senior Commissioner now. He is my nominee. He is a British Government's nominee. He is the Budget Commissioner who you would expect to be in charge as the Commissioner of the restructuring. We fully expect him to report directly to you because you are in charge. This is the most single important thing the Commission has to do. And we would expect, therefore, that you would carry it out as your firm and first responsibility. But to suggest that there is any overlordship of the Senior British Commissioner in this job will be seen for what it is. A calculated insult to Britain and I do not see how Christopher Tugendhat could accept it. He certainly could not accept it and retain my confidence. It is an insult and it would be bitterly and deeply resented. There is no way of talking yourself out of it, Gaston. There just isn't. And I feel deeply about it myself. We have supported the Community. We have got everything back on to an excellent relationship. And just when this Government has done that, and just when I have done everything possible I could to support the Presidency and to co-operate I am faced with this. Christopher is the Budget Commissioner. He cannot have his powers curtailed like this. I feel deeply about it which is why I have tried to get you on the telephone and it would have grievous consequences for the whole view of Britain of the Community. As I say, we have done everything to support, and we just cannot take this in any way.

M. Thorn: ...This is incredible, because honestly nobody is taking something away from Christopher.

PM: I am sorry. They are. It is showing that you have no confidence in a Senior British Commissioner and there is no way of getting out of it. And he cannot accept that. I do not think he can possibly accept it as a Senior British Commissioner and retain the confidence of the people who appointed him. I simply don't understand you Gaston. The most important thing in the next year, and I shall be President of the Commission in June to December, is the restructuring. We expect you to take it as the main thing.

M. Thorn: Exactly. But I

PM: But not only as an overlord or supervisor.

M. Thorn: No. He will help me

PM: I am sorry, I... Gaston stand back and look at it as a politician. You are curtailing Christopher's powers and indicating a lack of confidence in him. If you attempt to give any one supervision other than yourself over what is done, and I am making it very very clear that the United Kingdom and the Government will take it as a deliberate insult. And that would be very very serious indeed. I mean an extremely bad start.

M. Thorn: Oh my. I never would have thought it.

PM: Neither would I have thought it Gaston, particularly as you have the support and co-operation I have tried to give you.

M. Thorn: It was quite honest in doing so and I tried my best, and the worst thing is that the idea only came up at the moment when I tried to leave Christopher's portfolio untouched and to give to the second British what he wanted too. That was the problem. Michael would have taken that and no discussion at all. That's the drama.

PM: Gaston, if Christopher has that Budget portfolio, and I assume he will, because we have made it clear that was our first priority, he must not have his powers curtailed. He must not have a supervisor. He reports to you as President of the Commission and we obviously expect you as President to make that your first and main duty.

M. Thorn: I do I promise you.

PM: Well Gaston, I have made my views very clear.

M. Thorn: Yes you made it very clear ..

PM: And I feel very strongly about it and so will the British people. But I do not see how Christopher could possibly accept a truncated responsibility like that.

M. Thorn: ... now we are going to discover from it

PM: All right Gaston. All right.

M. Thorn: Nevertheless, thank you

PM: Thank you for 'phoning. Good bye.

M. Thorn: Good bye.



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

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Apex list?

6 January 1981

Print 6/1
see subsequent correspondence

no

Dear Michael, F.O. Print 12/1

The new European Commission starts work this week. The Lord Privy Seal suggests that the Prime Minister should send Monsieur Thorn a short message of good wishes, which would almost certainly be copied widely through the Commission.

I attach a draft message which could be despatched direct to the Commission if the Prime Minister agrees.

Yours ever,

Stephen Gomersall

S J Gomersall

M O'D B Alexander Esq
10 Downing Street

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:
Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Monsieur Gaston Thorn
President of the Commission of
the European Communities

Copies to: (blind)
Sir M Butler, UKREP

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

At the start of the new Commission's first year of office, my colleagues and I extend to you and your colleagues on the Commission our warm good wishes. The Community again faces major challenges and opportunities and, as always, the role of the Commission will be crucial in helping to ensure that we achieve our objectives. I look forward to working with you and , in particular, to our next meeting at the European Council in Maastricht, as well as to closer cooperation in the latter part of the year during the British Presidency.



Enclosures—flag(s).....