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MR POWELL

THE NEW EUROPEAN COMMISSION: PORTFOLIOS FOR BRITISH COMMISSIONERS

The Prime Minister will be receiving before 1 September a paper about possible portfolios for British Commissioners in the new European Commission. This paper has been discussed between officials and is expected shortly to receive the endorsement of the Ministers principally concerned.

2. It seems to me that in discussion with Monsieur Delors, the next President of the new Commission, in the early autumn there would be considerable advantage in not scattering our shot but concentrating on a limited number of important portfolios. A good number of Commissioners have portfolios of little importance or interest and it is best not to concern ourselves too much about them.

3. There are four major portfolios which a top British Commissioner might aim for - Budget, Foreign Affairs, Agriculture and Industry (with the internal market). On Budget, there will be very strong pressure for a change of nationality after 8 years of a British Commissioner and it is doubtful whether it would be worthwhile to press to the last for this portfolio. On Foreign Affairs, there is already a British Director General, which gives us some influence. The Agriculture portfolio is very important and I see no reason why we should not try for it, although there will be strong resistance from other member states. The Industry portfolio, provided that it covers also the internal market, could be increasingly important over the next 4 years and could serve the United Kingdom well. At present, this area of work is divided between, principally, Mr Davignon (who also has numerous other responsibilities for energy policy, research and development, etc) and Mr Narjes but there is no reason

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why it should not be the responsibility of a single Commissioner since industry and the internal market are the responsibility of a single Directorate General and Director General below the level of the Commission. I would recommend that the Prime Minister should say to Monsieur Delors, when he visits the United Kingdom in the early autumn, that the United Kingdom's principal portfolio should be one of these four subjects (Budget, Foreign Affairs, Agriculture and Industry (with the internal market)) but that we should indicate a preference for either Agriculture or Industry (which must include the internal market). We shall probably not get Agriculture but it is bad in principle that we should disqualify ourselves.

4. For a second United Kingdom Commissioner probably the most attractive and useful portfolios would be Competition (principally because this can help to control concealed aids elsewhere in the Community), Research and Development (because we want to establish proper priorities in this sector) and Social Affairs (because the United Kingdom has important financial benefits from the Social Fund). I recommend that this should be the order of priority.

5. These ideas may need some revision if the United Kingdom Commissioners have a particular experience or knowledge of a specific area of the Community's work.

6. I am sending a copy to Sir Robert Armstrong.

DF Williamson

D F WILLIAMSON

15 August 1984

THATCHER MAY DENY LABOUR EEC POST

By *NICHOLAS COMFORT Political Staff*

THE Prime Minister has told Mr Kinnock that she might break with tradition and appoint both of Britain's next two Common Market commissioners herself, instead of leaving the choice of one of them to Labour.

At a meeting with the Labour leader, Mrs Thatcher made it plain that while he was entitled to be consulted, he had no automatic right to nominate a commissioner, and the final choice was hers alone.

A decision on the Prime Minister's part to put forward two candidates of her own choice would effectively mean the sacking of Labour's Social Affairs Commissioner, Mr Ivor Richard.

Mr Richard, a former Labour MP and Ambassador to the United Nations, was reassured earlier this year by Mr Kinnock that the party would be happy for him to serve a second four-year term in Brussels.

His removal, especially if he were replaced by a committed Conservative, would prompt angry protests from Labour members of the European Parliament, and probably from the entire Socialist group.

At present all that is being said by Downing Street is that the "normal process of consultation" over the choice of EEC commissioners has begun. It is understood that Mr Kinnock is the only Opposition party leader being consulted, despite rumours that Mrs Thatcher might offer one of the jobs to Mr Steel, Liberal leader.

Based on 'mythology'

Mrs Thatcher has apparently been advised that the practice of each main party putting forward a nominee for the Commission is based on "mythology" rather than any formal requirement.

And her meeting with Mr Kinnock has given rise in some Labour circles to a conclusion that she is conducting only the "appearance of consultation."

Since Britain joined the Common Market in 1973, the Conservatives have been represented in Brussels by Lord Soames (1973-6), and Mr Christopher Tugendhat (1977 to date).

Labour's nominees have been Lord Thomson of Monifieth (1973-6); Mr Roy Jenkins (1977-80); and Mr Richard (since 1981).

Gruelling stint

While Mr Richard is apparently ready to stay on, and has been assured by Mr Kinnock that Labour would wish him to, Mr Tugendhat is anxious to return to domestic British politics after a gruelling stint as EEC Budget commissioner.

Consequently any decision by Mrs Thatcher to fill both posts herself when the new Commission under M. Delors, the for-

mer French Finance Minister, takes over at the end of the year, will mean her finding two suitable new names.

Nor has she much time, as most candidates of suitable standing would probably require a couple of months at least to wind up their present activities before moving to Brussels.

Decision way off

However, word from Downing Street that a decision is some way off strengthens suspicions that the Prime Minister may have no obvious candidates of her own in mind despite the firm line she is taking with Mr Kinnock.

A wide variety of names have been canvassed, with Sir Henry Plumb, present Conservative leader in the European Parliament, and Lord Cockfield, Chancellor of the Duchy of Lancaster, among the more plausible.

The chance of Mrs Thatcher nominating a former Minister like Mr Cecil Parkinson or Mr David Howell is eliminated because of her determination to avoid by-elections in the wake of the Conservatives' mishap at Portsmouth.

It was authoritatively suggested at one time that she might put forward two senior civil servants and take the issue out of politics altogether, but the Budget agreement at Fontainebleau in June, despite subsequent recriminations over the small print, apparently put an end to this idea.

The possibility has been floated, however, that Sir Roy Denman, a former Whitehall mandarin who is now EEC representative in Washington, might be given one of the British places on the Commission.

A problem seen by EEC "insiders" is that a number of the more eligible candidates are probably too pro-European for Mrs Thatcher's liking. But if she appoints anyone too hostile to the line now being taken by the rest of the Community, tensions between Britain and its partners would merely be heightened.