



FILE

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10 DOWNING STREET

THE PRIME MINISTER

29 November 1984

Dear Christopher

Thank you for your letter of 12 November with your reflections on the role of Commissioners, the collegiate nature of the Commission and the relationship with the national governments - which, as you say, is a complex and not always an easy one. I read this with great interest.

It has been drawn to the attention of the senior people here concerned with Community affairs; and I am also showing it to Arthur Cockfield before he takes up his position in Brussels.

As the Commissioner responsible for the budget, yours was bound to be a particularly difficult task, given the problems in recent years in relation to Community finances generally and during the long period of negotiation on the correction of our own contribution to the Community budget. Your efforts to help bring about a solution to those problems deserve our thanks as does your real achievement in helping to make budget discipline a part of the Community's way of thinking and acting.

I am most grateful for the part you have played and so, I know, are others in the Community and in the Commission.

I enjoyed our talk today - I hope it didn't sound too gloomy. I am anxious that you stay in the arena.

Yours ever

Ray will

Mr Christopher Tugendhat

107



10 DOWNING STREET

From the Private Secretary

Prime Minister.

There is no brief for Christopher
Tugendhat's call. He just wants a
general valedictory chat. He will
probably urge on you the virtues
of closer cooperation with our
European brethren and the need
for the UK to support European
Union.

May I please fit in, as
well as MA? Chris CDD 26/11

CONFIDENTIAL

cel



Foreign and Commonwealth Office

London SW1A 2AH

26 November, 1984

Dear Charles,

Mr Tugendhat's Letter to the Prime Minister

As requested in your letter of 15 November, I enclose a draft reply for the Prime Minister to send to Mr Tugendhat.

Mr Tugendhat's letter reflects an awareness of a sense here that he did not always fight his corner in the Commission as hard as we would have liked. This was indeed the case on some occasions. But he was bound to be in a difficult position as Budget Commissioner during the years of negotiation on the correction of our budgetary contribution. The Secretary of State suggests that the Prime Minister's reply should not enter into detail, but thank Mr Tugendhat for his thoughtful letter on the role of a Commissioner and for all he has done in eight years in the Commission for Britain and the Community.

The Secretary of State has asked me to suggest that a copy of Mr Tugendhat's letter should be shown to Lord Cockfield. This is mentioned in the draft reply.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

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DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

The Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Mr Christopher Tugendhat

Secret

Copies to:

Confidential

Restricted

ABT

Unclassified

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

Thank you for your letter of 12 November with your reflections on the role of Commissioners, the collegiate nature of the Commission and the relationship with the national governments - which, as you say, is a complex and not always an easy one. I read this with great interest.

It has been drawn to the attention of the senior people here concerned with Community affairs; and I ^{am} ~~should~~ like, ~~if you agree,~~ ^{also showing it} your letter to be shown also to Arthur Cockfield before he takes up his position in Brussels.

As the Commissioner responsible for the budget, yours was bound to be a particularly difficult task, given the problems in recent years in relation to Community finances generally and during the long period of negotiation on the correction of our own contribution to the Community budget. Your efforts to help bring about a solution to those problems deserve our thanks as does your real achievement in helping to make budget discipline a part of the Community's way of thinking and acting.

Enclosures—flag(s).....

most
I am/grateful for the part you have played and
so, I know, are others in the Community and in the
Commission.

~~I am looking forward to our
reunion~~

em.

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7 6 5 4 3 2

26 NOV 1984





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10 DOWNING STREET

From the Private Secretary

15 November, 1984

EC COMMISSION

BS 11
Christopher Tugendhat has written to the Prime Minister with his reflections on the nature of the Commission and has sent a copy to the Foreign Secretary. I should be grateful for a draft reply in due course.

(C.D. Powell)

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

ccw

cc PC
cc BI

CHRISTOPHER TUGENDHAT
VICE PRESIDENT OF THE COMMISSION
OF THE EUROPEAN COMMUNITIES

RUE DE LA LOI, 200
1049 BRUSSELS - TEL. 235 25 14
235 26 10

12 November 1984



Dear Prime Minister

Prime Minister
Christopher Tugendhat's
farewell thoughts. We are
working on a dear reply. You
will certainly wish to thank
him. But some of his
comments - particularly those in
paragraphs 12-14
which
are
aimed primarily at
Michael Butler, should
not pass unchallenged.
COP
10/11

1. I thought it useful to send you, as my term of office here draws to a close, certain reflections on the nature of the Commission and on the relationship between national governments and its members. I do so on the basis of eight years' experience - the longest of any of the five British Commissioners who have so far held office - during virtually all of which time both the subject matter of my portfolio (the budget) and the particular concerns relating to it of my own country have dominated the Community's life.

The Nature of the Commission:

2. The Commission is a strange institution for which there is no parallel in British national public life. It has particular institutional responsibilities under the Treaties, notably those of initiative and management; an independent status; a collegiate decision-making procedure; and a multi-national composition of members drawn for the most part from the political life of the Member States. Because its Members come from different backgrounds and will go in different ways when they leave, it tends to lack the sense of collective self-interest that characterises a Cabinet drawn from a single party.

3. The Commission's influence and prestige (such as they are) reflect the uniqueness of its nature and composition. A Commission proposal is treated - or at any rate is expected to be treated - with an initial respect partly because it emanates from the institution whose specific responsibility is for the Community as a whole and partly because it is the fruit of the deliberations of fourteen members of different nationalities and different political affiliations.

The Rt. Hon. Margaret Thatcher, MP

.../...

4. The Commission's job, when there is deadlock in the Council, is to try to find a way through, consistent with its own appreciation of the wider Community interest if any. Finding a way through will usually mean making a proposal which is not identical with the positions of any of the principal Member States involved but around which, it is hoped, they might all be prepared to rally. By its very nature, the Commission cannot be expected to make proposals which reflect the interests, however deeply felt, of one Member State but which are known in advance to be likely to be anathema to nine others; and no individual Commissioner can hope somehow magically to persuade it to do so. Just as I bring to bear in the Commission my own national insights and perceptions, so too do my colleagues. We are in this sense a microcosm of the Community at large. If therefore a specifically British objective is proving impossible to secure in the Council, the same is likely to be true in the Commission.

The Commission's Decision-Making Procedures

5. The Commission tries wherever possible to reach its decisions by consensus: and has indeed established somewhat cumbersome internal decision-making procedures to facilitate this. Nonetheless, the Commission differs from other Community institutions, and notably from any of the formations of the Council, in that at the end of the day it is obliged to take some kind of decision on whatever issue is before it. It can continue its deliberations for a time in order to try to reconcile differing points of view. But sooner or later it has to act in order to fulfil its institutional obligations. It has therefore established clear rules of procedure allowing for decisions to be taken by majority vote. Such votes, though not uncommon on minor issues, are rare on matters of central importance in the Community. But they occur when necessary and the knowledge that they can be called exerts an important influence on the way issues are handled. No Commissioner, nor even any minority group of Commissioners, can therefore prevent a decision from being taken in the way that a Permanent Representative in COREPER, a Minister in the Council of Ministers or a Head of Government in the European Council can.

6. It is against this background of collegiate responsibility and the necessity eventually to take some kind of decision that individual members of the Commission have to operate. These conditions constitute both assets and constraints. None of us enjoy being outvoted on a matter of concern to us and none of us enjoy outvoting one or several of our colleagues. We therefore try to understand one another's point of view and to adjust our decisions wherever possible so as to try to achieve unanimity. But equally we realise that none of us can either impose a particular point of view which is not shared by the majority of our colleagues nor, in the last resort, prevent our colleagues from taking a decision against our wishes. In the latter instance, it is open to us, under Commission rules, to vote against and record in the Commission minutes the reasons for our dissent. But while this may be satisfying to the individual conscience, it does not prevent the decision being taken.

The Independence and Role of Commissioners:

7. When we assume our appointment at the beginning of each Commission, we take an oath committing us to independence from national governments or indeed from outside pressures of any kind. This independence is something which the Commission takes seriously and no Commissioner would be able to operate here with any degree of success if he was regarded as acting in a manner incompatible with it. Nonetheless, one of the reasons for having Commissioners of all nationalities, and for having people with a political background, is that we are all able in our different ways not only to bring particular national insights to bear on common problems but also to have a feeling for the reception which a Commission proposal or decision is likely to receive in the countries we know best. In that sense each of us can and I believe should seek to interpret our own country to the College as a whole and to ensure that Commission proposals take proper account of its interests.

8. There is however a distinction to be drawn in the way national concerns can be voiced in the Commission. It is one thing for, say, an Italian Commissioner to argue passionately against a proposal in the wine sector because he feels it will be damaging to the economic and social interests of large numbers of wine producers in Italy. It is another to argue against a proposal simply on the grounds that a national government won't like it. A Commissioner who is perceived by his colleagues as merely reflecting views which could just as easily be obtained from a Permanent Representative will soon find his opinions discounted. Moreover, the corollary of seeking a fair deal for one's own country within the context of the Commission's overall approach is that one should be prepared to argue on behalf of the Commission's proposal in one's own capital.

9. There is also some hypocrisy in these matters which needs to be taken into account. When a position or point of view is held by the great majority of governments it tends to be regarded in the Commission as being "communautaire". When it is held by only one or two governments it is likely to be considered as "national". This means that a Commissioner from a minority country who wishes to assist that country's government will be an object of suspicion and must play his hand with great care.

10. The above considerations are of particular relevance when decisions are prepared within a small group of Commissioners specially interested in a certain subject. Inevitably, given the size of the Commission, certain issues are dealt with on the basis of prior consultations among an inner group: indeed, on some issues, for example steel policy, the existence of this inner group is formalised. But if a Commissioner, of whatever nationality, wishes to be part of such an inner group, he must be recognised as having an independent and impartial mind and as being prepared to judge issues in a broad Community perspective. This is all the more important when the subject matter in question touches on the particular interests of the Member State of which he is a national.

Relations with the European Parliament:

11. A further factor affecting the work of the Commission, and the role of individual Commissioners, is the relationship with the European Parliament. Although it is the Council which appoints the Commission, it is the Parliament which can, if it so wishes, dismiss it. So just as British Ministers are responsible to the House of Commons, so the Commission feels responsible collectively to the European Parliament at Strasbourg. The Parliament's views and its likely reaction to Commission proposals therefore loom much larger in the Commission's scheme of things than is generally realised in national capitals. Moreover, the larger political groups in the European Parliament seek to exercise a degree of direct pressure on individual Members of the Commission of their own political persuasion. The fact that the two largest groups, the Christian Democrats and the Socialists, have been conspicuously antagonistic, from a British point of view, on anything to do with the United Kingdom's budgetary problems - and indeed the fact that the Parliament generally has been unhelpful on the subject - has greatly complicated the Commission's deliberations.

British Commissioners and the British Government:

12. I make these observations because I fear that they are not always understood by those in Whitehall and elsewhere who have the job of formulating the British Government's policy and tactics on Community matters. I have sometimes been struck, when receiving approaches from some senior British officials, by their failure to appreciate the extent to which I, as a British Commissioner, must consider the wider Community interest as well as the more specific British one. Indeed, if I had followed some of the exhortations directed to me, I would have effectively ensured that my views and opinions would be discounted in any subsequent Commission discussion in which British interests were involved.

13. I have also sometimes felt that the British interest would be better served if those who made representations to me would be more prepared to consider advice that I and my Cabinet give on the handling of certain issues. The fact that my vantage point is different from that of national officials sometimes enables me to see things which they do not and thus to warn against a particular course of action or in favour of another approach. This should not be regarded as unhelpful to the British cause. It is the very reverse.

14. I send you these thoughts in the belief that the relationship between the British Commissioners on the one hand and British ministers and officials on the other is a delicate and complex one. However close the friendships and political objectives of the two sides may be there are bound to be tensions. I hope the British Commissioners will always be assiduous in trying to ensure that the Commission takes due account of British interests. But I also believe that those interests will be helped if those who make representations to the Commissioners are fully aware of the nature of the Commission as an institution and of the role its individual members, whatever their nationality, have to play within it.

15. I am sending a copy of this letter to Geoffrey Howe.

With best wishes
Yours ever
Chris G. H.

The Rt. Hon. Margaret Thatcher, MP
10 Downing Street
GB - LONDON SW1

c.c. The Rt. Hon. Sir Geoffrey Howe, QC, MP