

PO-CH/NL/0544

PART A

Part A

CONFIDENTIAL
(Circulate under cover and
notify REGISTRY of movement)

Begins: ~~24/11/88~~ 25/7/88
Ends: 19/12/88

**THIS FOLDER HAS BEEN
REGISTERED ON THE
REGISTRY SYSTEM**

PO - CH | NL | 0544.
PT.A.

Chancellor's (Larsson) Papers:
European Commission Portfolios

DD's: 25 Years

J. Anderson

12/4/96

PO - CH | NL | 0544.
PT.A.

PERSONAL IN CONFIDENCE

Qz 06113

FOREIGN SECRETARY

bc. Mr Kerr.
Mr Roberts.
Mr Allen
Mr Cander
Mr Holroyd
Sir J Hawary.

PORTFOLIOS IN THE NEW COMMISSION

Following the announcement of decisions on UK Commissioners, it seems prudent to take a preliminary view before the summer break of what might be our objectives for their portfolios in the new Commission. There are of course still major uncertainties: not all the names of the Commissioners are known and we cannot assume that the present grouping of portfolios will continue. The allocation of portfolios is unlikely to be completed until January. We therefore need to establish our aims flexibly and keep them under review.

Other key figures under Delors will be Andriessen, Christophersen and Bangemann (replacing Narjes). Andriessen's continuing presence is particularly important: he has been a good agriculture Commissioner and, though he is known to want the external relations job which will be vacated by de Clercq, it would probably suit us best if he remained in the agriculture job, as the Dutch Government want. Similarly Christophersen, without being of the same calibre as Andriessen, has been effective as the Commissioner responsible for budget and personnel and it would suit us if he were to remain there. And Natali (assuming he is renominated) could stay with development. We understand that Bangemann wants the external relations portfolio. This is good news, because he would bring a liberal approach; because a German bid for external relations should make it more difficult for Andriessen to move out of agriculture; and because Bangemann would otherwise be a potentially dangerous rival for the internal market job.

The consensus at official level in my small steering group is that our first priority should be to ensure that our senior Commissioner continues to cover the internal market portfolio, including taxation and the financial institutions. We might consider hinting to the Germans that our alternative bid might be

external relations, in order to try to consolidate their support for our retaining Lord Cockfield's portfolio, but in our judgment the UK interest will be best served if we do continue to retain it. And in Mr Brittan we have nominated someone who should be seen as particularly well qualified for this portfolio, given his Treasury and DTI experience, and who is I believe keen to secure it.

For our second Commissioner, one of the other portfolios of particular interest is competition. It seems very likely that Sutherland will not be reappointed. But although we should not rule out a tactical bid it may well be unrealistic to think that we could secure both the internal market and competition portfolios and we should be prepared to settle instead for an effective newcomer.

Turning to other possibilities, the present joint portfolio of environment (including nuclear safety) and transport has been an active and valuable one. There may be a proposal to split it in two: transport is probably more important to us, but either half would be worth having. If Christophersen changes responsibilities, the budget portfolio might be worth considering again. Given the current stress on the "social dimension" the social affairs portfolio could also be a possibility; but our interests seem likely to be better served by not ourselves bidding for it but instead trying to ensure that it goes to a Commissioner who does not have a pronounced left-of-centre view.

We do not need a firm plan until after the summer, and in the case of the second and as yet unidentified Commissioner should not attempt to construct one, for his experience and interests will be relevant. But you might wish to check that Ministerial colleagues endorse the view that the internal market portfolio should be Mr Brittan's target. An appropriate way of doing so might be to circulate a version of this minute to members of OD(E)

22 July 1988


R G LAVELLE



A large, stylized handwritten signature in the top right corner of the page.

FROM: J M G TAYLOR

DATE: 26 July 1988

MR R I G ALLEN

cc PS/Paymaster General
PS/Economic Secretary
Sir P Middleton
Sir G Littler
Mr Lankester
Mr Mercer
Mr Mortimer
Mr Cropper
Mr Tyrie

PORTFOLIOS IN THE NEW COMMISSION

The Chancellor was grateful for your minute of 25 July, and the enclosed note by Mr Lavelle.

2. He has commented that clearly we want the internal market portfolio. But there is something to be said for indicating that agriculture would be the only acceptable alternative. That should worry them.

A handwritten signature, likely of J M G Taylor, located below the main text.

J M G TAYLOR



CONFIDENTIAL

BF 29/7

FCS/14488

Mr. Much like
Mr Lavelle's minute, on which
you've commented.

CHANCELLOR OF THE EXCHEQUER

25
27/7
wbl

CH/EXCHEQUER	
REC.	27 JUL 1988
ACTION	Mr R.I.G. ALLEN
COPIES TO	PMG: EST Sir P. MIDDLETON Sir G. LITTLER Mr LANKESTER Mr MERCER Mr MORTIMER Mr CROPPER Mr TYRIG

27/7

27/7/88

Portfolios in the New Commission

1. Following the announcement of Leon Brittan's nomination to the Commission we need to consider what portfolios we should seek for Leon Brittan and for Stanley Clinton Davis' successor, once nominated.
2. Leon Brittan will be one of the key figures in the new Commission. Other major Commissioners under Delors will be Andriessen, Christophersen and Bangemann (replacing Narjes). Andriessen's continuing presence is particularly important: he has been a good agriculture Commissioner and, though he is known to want the external relations job which will be vacated by de Clerq, it would probably suit us best if he remained in the agriculture job, as the Dutch Government want. Similarly Christophersen, without being of the same calibre as Andriessen, has been effective as the Commissioner responsible for budget and personnel and it would suit us if he were to remain there. And Natali (assuming he is renominated) could stay with development. We understand that Bangemann wants the external relations portfolio. This is good news, because he would bring a liberal approach; because a German bid for external relations should make it more difficult for Andriessen to move out of agriculture; and because Bangemann would otherwise be a potentially dangerous rival for the internal market job.

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3. Our first priority should be to ensure that our senior Commissioner continues to cover the internal market portfolio, including taxation and the financial institutions, though to try to consolidate German support, we might consider hinting to them our alternative might be external relations. Leon Brittan is keen to obtain the internal market job, and should be seen as particularly well qualified for it, given his Treasury, Home Office and DTI experience. But we should not show our hand yet: the first step should be a private discussion with Delors.

4. For our second Commissioner, one of the other portfolios of particular interest is competition. It seems very likely that Sutherland will not be reappointed. But, although we should not rule out a tactical bid, it may well be unrealistic to think that we could secure both the internal market and competition portfolios and we should be prepared to settled instead for competition going to an effective newcomer.

5. Turning to other possibilities, the present joint portfolio of environment (including nuclear safety) and transport has been an active and valuable one. There may be a proposal to split it in two: transport is probably more important to us, but either half would be worth having. If Christophersen changes responsibilities, the budget portfolio might be worth considering again. Given the current stress on the "social dimension", the social affairs portfolio could also be a possibility; but our interests seem likely to be better served by not ourselves bidding for it but instead trying to ensure that it goes to a Commissioner who does not have a pronounced left-of-centre view.

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6. Unless I hear from you or other colleagues to the contrary, I propose that we should be guided by the above and that, in particular, the internal market portfolio should be Leon Brittan's (as yet undisclosed) target.

7. I am copying this minute to other members of OD(E) and to the Cabinet Secretary.

A handwritten signature in black ink, which appears to be 'G. Howe', written in a cursive style.

(GEOFFREY HOWE)

Foreign and Commonwealth Office
27 July 1988

CONFIDENTIAL



Handwritten signatures and initials:
PMP
PMP
Stan
b/ [unclear]

FROM: MS K ELLIMAN

DATE: 28 JULY 1988

MR R I G ALLEN

cc: PS/Chancellor
PS/Economic Secretary
Sir P Middleton
Sir G Littler
Mr Lankester
Mr Mercer
Mr Mortimer
Mr Cropper
Mr Tyrie

PORTFOLIOS IN THE NEW COMMISSION

The Paymaster General has seen your minute of 25 July to the Chancellor and the enclosed note by Mr Lavelle.

2. He has commented he is reassured we have moved on to the Prime Minister only wishing one term Commissioners, as the alternative line seen in the Press that the Prime Minister did not want Mr Clinton Davis to be the senior British Commissioner and thus the British Vice President. The latter does not follow. The Vice Presidency follows on the Government's own nomination to it.

Handwritten signature: Kim Elliman

KIM ELLIMAN
Private Secretary

PERSONAL-IN-CONFIDENCE



FROM: S M A JAMES
DATE: 28 July 1988

PS/CHANCELLOR

cc PS/Paymaster General
PS/Sir P Middleton
Sir G Littler
Mr Lankester or
Mr R I G Allen
Mr Mercer
Mr Mortimer
Mr Cropper
Mr Tyrie

PORTFOLIOS IN THE NEW COMMISSION

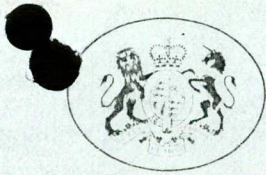
The Economic Secretary has seen Mr Allen's minute of 25 July covering a minute from Roger Lavelle to the Foreign Secretary.

2. The Economic Secretary has commented that Mr Brittan will as a brilliant barrister take the brief Lord Cockfield leaves behind. But the alternative of leaving it to Bangeman is probably worse.

3. The Economic Secretary notes that the minute from Mr Lavelle does not mention press reports that Lord Cockfield's job will split into fiscal and non-fiscal halves. He wonders what would happen if the post were divided?

S M A JAMES

Private Secretary



MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

From the Minister

CONFIDENTIAL

SECRETARY OF STATE FOR FOREIGN AFFAIRS

PORTFOLIOS IN THE NEW COMMISSION

✓ 29/7

CH/EXCHEQUER	
REG:	29 JUL 1988
ACTION	Mr R.I.G. ALEN
COPIES	PMG EST Sir P. MIDDLETON Sir G. LITTLE Mr LANKESTER Mr MERCER Mr MORTIMER Mr CROPPER Mr TYRIE

1. Thank you for sending me a copy of your minute of 27 July to the Chancellor of the Exchequer.
2. I entirely agree with the importance of trying to secure the internal market portfolio for Leon Brittan.
3. I would also like to underline the need for Andriessen to remain in charge of agriculture. Of course we disagree with some of his ideas. But this is much more than outweighed by his qualities. He has overseen a major shift of the CAP in the right direction and has the stature and forcefulness to push through further reforms. His experience as a former finance Minister is clearly an asset.
4. Moreover we have to remember who the alternatives might be. If Pandolfi becomes an Italian Commissioner he would have a strong claim, as a former Agriculture Minister. He is extremely able but would undoubtedly use this ability to push the centre of gravity of the CAP towards the South, building on the myth that the CAP disadvantages Mediterranean products. So, no doubt, would any other Commissioner from a Southern Member State. This would inevitably be to our disadvantage. If Andriessen were not to continue, the next best choice might be Christophersen, even though, as you say, he is not of the same calibre. I hope this can be kept very much in mind in contacts between now and next year.
5. I am copying this minute to other members of OD(E) and to Sir Robin Butler.

If our person for reform is to succeed, it is vital that we have a tough and sympathetic Commissioner.

jm

JOHN MacGREGOR
29 July 1988

CONFIDENTIAL

FROM: R I G ALLEN
DATE: 29 JULY 1988

CHANCELLOR

cc Paymaster General
Economic Secretary
Sir P Middleton
Sir G Littler
Mr Lankester (or)
Mr Mercer
Mr Mortimer
Mr Cropper
Mr Tyrie

Ch. Content to write as proposal? (Mr MacGregor has also now written - copy behind).

OK - 29/7

PORTFOLIOS IN THE NEW COMMISSION

The Foreign Secretary has written to you (and other OD(E) colleagues) about the need to consider what portfolios we should seek for Mr Brittan and for Mr Clinton Davis' successor, once nominated. The minute is on very similar lines to the minute from Mr Lavelle which I showed you a few days ago, and on which you commented:

" clearly we want the internal market portfolio. But there is something to be said for indicating that agriculture would be the only acceptable alternative. That should worry them."

It might be worth replying to the Foreign Secretary so as to record this point (there is the complication, however, that the Foreign Secretary proposes hinting to the Germans that our alternative might be external relations). A draft minute is attached.

2. I also attach a minute from Mr Mortimer which, in response to Mr James' minute of 28 July, discusses whether there is any truth in the current press rumours that the internal market portfolio in the new Commission might be split up (separating out taxation from other internal market issues) and whether such a split would be a good idea. In our view, whatever the truth may be, this does not affect the argument that the internal market portfolio is the plum.

behind |

RIG

R I G ALLEN

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DRAFT MINUTE TO THE FOREIGN SECRETARY

Thank you for your
~~I was interested to see your~~ minute of 27 July on the allocation of portfolios in the new Commission. *I have also seen John MacGregor's minute of 29 July.*

I agree generally with your comments on priorities: it is clear, in particular, that the internal market portfolio should be Leon Brittan's target, notwithstanding the recent rumours that the portfolio might be split so that taxation was separated from other internal market issues. Tactics are obviously difficult to judge at this stage. I agree that, to help secure the internal market portfolio, there may be something to be said for indicating to the Germans that the external relations portfolio is also an attractive one for us. An alternative approach, however - which might become particularly relevant should Andriessen seem likely to move to external relations - would be to let it be generally known that agriculture is the only acceptable alternative to internal affairs. As a shock device this could be quite effective.

Copies of this minute go to other members of OD(E) and to Sir Robin Butler.

FROM: J E MORTIMER
DATE: 28 July 1988

PS/ECONOMIC SECRETARY

cc Mr RIG Allen

PORTFOLIOS IN THE NEW COMMISSION

You asked me whether:

(i) there was any truth in the rumour (hinted at in Lord Cockfield's recent article in The Times) that the internal market portfolio in the new Commission might be split up so that taxation was separated from all other internal market issues;

(ii) whether such a split would be a good idea.

2. I have spoken to various people in UKREP. They tell me that they do not know whether there is any truth in this rumour. The allocation of jobs in the Commission will be decided by the new Commission itself at its first meeting, and it is by no means clear what the outcome will be (indeed, at this stage, it is not known who all the commissioners will be).

3. There may, however, be some pressure to split the internal market portfolio because, for example:

(i) Lord Cockfield has built up the internal market job to one of very considerable importance. Other commissioners, however, have relatively unimportant jobs (the second Italian commissioner, for example, has responsibility for information and culture, whereas the Luxembourg commissioner has responsibility for energy). It might be felt that a more even distribution of responsibility would be desirable;

(ii) if Mr Brittan were given the internal market job, it might be felt by the rest of the new Commission that it would be unfair on him to be required to take over and pursue the agreed Commission line on tax harmonisation.

4. Whether or not it would be a good idea to split the internal market portfolio depends upon a number of factors:

(i) if Mr Brittan were given the internal market portfolio (and this is not of course certain), then it would be in our interests for the job to cover as wide a span as possible, including tax harmonisation;

(ii) if Mr Brittan did not get that job, and the new internal market commissioner were known to be extremely keen on tax harmonisation, then there would obviously be something to be said (at least from our point of view) for giving the tax aspects to someone else;

(iii) leaving aside the personal views of the commissioner himself, there is a certain logic in keeping all internal market issues together.

J E MORTIMER

CONFIDENTIAL



Handwritten initials

- Paymaster General
- Economic Secretary
- Sir P Middleton
- Sir G Littler
- Mr Lankester
- Mr Mercer
- Mr Mortimer
- Mr Cropper
- Mr Tyrie
- Mr R.L.G. Allen

Treasury Chambers, Parliament Street, SW1P
 01-270 3000

SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

PORTFOLIOS IN THE NEW COMMISSION

Thank you for your minute of 27 July on the allocation of portfolios in the new Commission. I have also seen John MacGregor's minute of 29 July.

I agree generally with your comments on priorities: it is clear, in particular, that the internal market portfolio should be Leon Brittan's target, notwithstanding the recent rumours that the portfolio might be split so that taxation was separated from other internal market issues. Tactics are obviously difficult to judge at this stage. I agree that, to help secure the internal market portfolio, there may be something to be said for indicating to the Germans that the external relations portfolio is also an attractive one for us. An alternative approach, however - which might become particularly relevant should Andriessen seem likely to move to external relations - would be to let it be generally known that agriculture is the only acceptable alternative to internal affairs. As a shock device this could be quite effective.

Copies of this minute go to other members of OD(E) and to Sir Robin Butler.

Handwritten signature

PP [NL]
 1 August 1988

[Approved by the Chancellor
 and signed in his absence].



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

24 November 1988

*I agree with this,
with the qualifications -
a X - Nat McSharry,
that a Northern, but
so much worse
Name
Pandolfi*

Dear Lynn,

COMMISSION PORTFOLIOS

When the Prime Minister saw David Williamson this afternoon, there was a brief discussion about the likely allocation of Commission portfolios in the next Commission. Mr. Williamson said it was likely that Andriessen would go to External Relations. There were three candidates to replace him at Agriculture: Pandolfi, McSharry and a Portuguese, with Pandolfi the most likely candidate. Delors was clearly intending to give a reduced Internal Market portfolio to Bangemann. Christophersen wanted to move to Economic Affairs, with the expectation of eventually securing Financial and Monetary Matters from Delors in addition. Delors' present intention was to give Mr. Brittan the Competition portfolio with some extra bits added, for instance Consumer Affairs. Mr. Millan was likely to get the Regional Affairs portfolio which should be quite helpful.

The Prime Minister said that she thought the Competition portfolio would probably be a good one for Mr. Brittan provided it had sufficient additional subjects added to it. She was particularly keen to see him have Financial Services. She did not like the idea of a Southerner at Agriculture: it would be much better if Andriessen were to stay there. She would be content to see Mr. Millan have Regional Affairs.

I should be grateful if distribution of this letter could be limited to those with a direct need to know.

I am copying this letter to Alex Allan (HM Treasury), Shirley Stagg (MAFF), Neil Thornton (Department of Trade and Industry) and to Roger Lavelle.

*Yours sincerely,
C.D. Powell*

(C.D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.



FROM: J M G TAYLOR
DATE: 28 November 1988

SIR G LITTLER

cc Mr Lankester
Mr R I G Allen

COMMISSION PORTFOLIOS

... The Chancellor has seen the enclosed letter from Charles Powell.

2. He has commented that he agrees with this, with the qualification that McSharry, though a Northerner, would be much worse than Pandolfi as Agriculture Commissioner.

J M G TAYLOR



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

Law MxM

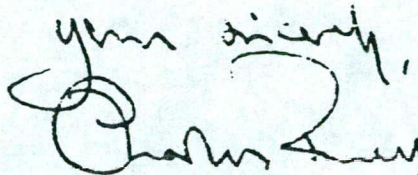
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Your sincerely,

(C.D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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FROM: J M G TAYLOR
DATE: 28 November 1988

A handwritten signature in dark ink, appearing to be 'JMG'.

SIR G LITTLER

cc Mr Lankester
Mr R I G Allen

COMMISSION PORTFOLIOS

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J M G TAYLOR



10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

Law MxM,

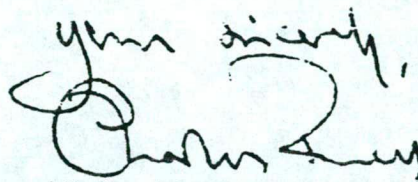
COMMISSION PORTFOLIOS

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Yours sincerely,

(C.D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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Foreign and Commonwealth Office

CONFIDENTIAL AND PERSONAL on SW1A 2AH

CH/EXCHEQUER	
REC.	30 NOV 1988
ACTION	Sir G. LITTLE
COPIES TO	Mr LANKESTER, Mr R. I. G. ALLEN.

✓ 30/11

29 November 1988

Dear Charles,

Commission Portfolios

Thank you for your letter of 24 November to Lyn Parker about the Prime Minister's talk with David Williamson about portfolios in the new Commission.

Since then there have been three developments. First, the Italians have, as expected, announced that, while Ripa will stay on, Pandolfi will replace Natali as the senior Italian Commissioner. This means that all nominations are now in: I attach, at Annex A, a note of the 9 changes.

Second, Mr Brittan has established that Bangemann, though he has abandoned his hopes of the External Relations portfolio, and is ready to take on the Internal Market instead, would not object if Lord Cockfield's current responsibility for Financial Services were transferred to another Commissioner (eg Mr Brittan); Bangemann wishes instead to take over the responsibility for Industrial Policy now held by his FRG predecessor, Narjes, and to have general responsibility for relations with the European Parliament (neither ambition causes us any difficulty).

Third, Mr Brittan yesterday had a further talk with M Delors, and indicated that he would be ready to settle for the Competition portfolio, provided it were enhanced by the addition of responsibility for Financial Services, and for consumer protection, deregulation, and measures to assist small and medium-sized enterprises. There is little doubt that Mr Brittan can secure the latter three bids: I understand that Delors undertook to reflect further about Financial Services.

As the Prime Minister knows, the Foreign Secretary believes that the Competition portfolio would be a good one to get, particularly if satisfactorily enhanced. With UK state aids (as a proportion of GDP) now only half those of the FRG, Italy and France, we have a strong "level playing field" interest in the Commission enforcing the competition rules

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actively. Moreover, with the Internal Market portfolio likely to be broken up into at least two and possibly three parts (Delors intends to make separate arrangements for indirect taxation, and Mr Brittan is bidding for financial services), it should not be difficult to explain in public that we have in fact done well not to retain a cut-down Cockfield portfolio.

The Foreign Secretary agrees with the Prime Minister's view that it would be satisfactory if Mr Millan were to obtain the Regional portfolio, as now seems likely. He is inclined to think that our interests might also be served if the new Irish Commissioner, MacSharry, were to inherit the Social portfolio, where a socialist might cause us more difficulty. MacSharry's own bid is for Agriculture: we would not wish to see it succeed.

The Foreign Secretary has noted that the Prime Minister would prefer that Andriessen stayed at Agriculture. He very much agrees; but it now seems virtually certain that Andriessen will in fact move to External Relations (where he will be good). The front runner for Agriculture is now probably Pandolfi: the others are Christophersen, who would be better for us but isn't keen on the job, and MacSharry and Cardoso, both of whom would be bad. During the European Council, the Foreign Secretary plans to put in a word with M Delors for Andriessen or Christophersen, stressing the importance of the Commission keeping up the pace of its work on CAP reform. He will indicate that he does not think the appointment of Cardoso or MacSharry would help in this regard. (His own view is that the appointment of Pandolfi, though not ideal, would not be a disaster.)

The Prime Minister may wish to see the summary note at Annex B of the likely changes of most importance to the UK; but the Foreign Secretary sees no need for her to take any action on this subject at Rhodes.

I am copying this letter to Alex Allan (HM Treasury), Shirley Stagg (MAFF), Neil Thornton (DTI) and Roger Lavelle.

Yours,
Stephen Wall
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL AND PERSONAL

President	Delors	
Vice-Presidents	Natali (Italy: Development)	Pandolfi
	Narjes (FRG: Industry)	Bangemann
	Andriessen (Netherlands: Agriculture)	[staying]
	Cockfield (UK: Internal Market)	Brittan
	Christophersen (Denmark: Budget)	[staying]
	Marin (Spain: Social)	[staying]
Commissioners	Cheysson (France: North/South)	Mme Scrivener
	Varfis (Greece: Structural, Consumer)	Mme Papandreou
	de Clercq (Belgium: External Relations)	van Miert
	Mosar (Luxembourg: Energy)	Dondelinger
	Clinton-Davis (UK: Environment, Transport)	Millan
	Ripa di Meana (Italy: Information, Culture)	[staying]
	Sutherland (Ireland: Competition)	MacSharry
	Schmidhuber (FRG: Regional, Economic)	[staying]
	Cardoso (Portugal: Fisheries)	[staying]
	Matutes (Spain: Credit, SMEs)	[staying]

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ANNEX B

1. Mr Brittan's target now is Competition (ex-Sutherland) plus Financial Institutions (ex-Cockfield) Consumer Protection (ex-Varfis) Small and Medium-sized Enterprises (ex-Matutes)
2. Bangemann is likely to secure Internal Market (ex-Cockfield) minus Indirect Tax (? to Mme Scrivener) and (possibly) minus Financial Institutions (? to Brittan) plus Industry (ex-Narjes)
3. Andriessen is likely to have External Relations (ex-de Clercq), and be replaced at Agriculture by Pandolfi, Christophersen, Cardoso or MacSharry. (Christophersen, though he would prefer to retain Budget, would be best for us; Pandolfi second best; MacSharry worst)
4. Mr Millan's target has been Social (ex-Marin) or Regional (ex-Schmidhuber). He is likely to secure Regional. It might be best for us if Social went to MacSharry (not a socialist, and best kept out of Agriculture).

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Pre type letter final

CONFIDENTIAL AND PERSONAL

From: Sir G. Littler
Date: 30 November 1988

MR J M G TAYLOR

*Ch. The Foreign Secretary has
now written (behind). I have
amended Sir's draft to take
account of this. Contact for me to
write as proposed?*

c.c. Mr Lankester
Mr R I G Allen

OK

COMMISSION PORTFOLIOS

I think it would be worth your writing to Mr Powell to convey the Chancellor's comment recorded in your minute of 28 November to me.

I suggest the following:

(Geoffrey Littler)

To Charles Powell Esq
10 Downing Street

- c.c. Lyn Parker, F.C.O.
- Shirley Stagg, M.A.F.F.
- Neil Thornton, D.T.I.
- Roger Lavelle, Cab.Off.

COMMISSION PORTFOLIOS

The Chancellor has seen your letter of 24 November to Lyn Parker, and Stephen Wall's reply of 29 November

He is
~~[The Chancellor was] very much at one with the comments recorded in~~
both letters. In particular,
~~[your recent letter [? date], subject to one gloss.] While~~

shares the Prime Minister's dislike of the idea of a Southerner for the Agriculture portfolio. ~~He fears that an Irishman could be~~ *However, Sir M. Sharry, whom*

~~worse.~~ He knows ~~McSharry~~ *McSharry* as a fellow Finance Minister and ~~has~~ *would*
~~observed his strong and persistent pursuit of Community financial~~ *be even worse. In short, he shares' re*

~~benefits to Ireland, among which agriculture plays a big part.~~ *So he agrees*
~~with the Foreign Secretary's view that the appointment of Pandolfi, though not ideal would not be~~ *a disaster.*

I am copying this to the recipients of your letter.

JMBT-p-5-

In paragraph 3 of Annex B of Stephen Wall's letter.



cc Sir G. Little
Mr Lankester
Mr R.I.G. Allen

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

1 December 1988

Charles Powell Esq
10 Downing Street
LONDON
SW1

Dear Charles

COMMISSION PORTFOLIOS

The Chancellor has seen your letter of 24 November to Lyn Parker, and Stephen Wall's reply of 29 November. He is very much at one with the comments recorded in both letters. In particular, he shares the Prime Minister's dislike of the idea of a Southerner for the Agriculture portfolio. He fears, however, that Mr Sharry, whom he knows as a fellow Finance Minister, would be even worse. In short, he shares the Foreign Secretary's view in paragraph 3 of Annex B of Stephen Wall's letter.

I am copying this to the recipients of your letter.

Yours sincerely
J M G Taylor
J M G TAYLOR
Private Secretary

171706Z

Ms Symes

we spoke.

ARC/fcw

1730
17/12

COMMENT

UNCLASSIFIED

FM UKREP BRUSSELS (SECOND CORRECTED VERSION)

TO DESKBY 190900Z FCO

TELNO 3941

OF 161705Z DECEMBER 88

INFO IMMEDIATE OECD POSTS

INFO PRIORITY STRASBOURG. UKMIS NEW YORK. UKMIS GENEVA. UKDEL NATO

INFO PRIORITY MOSCOW

FRAME GENERAL

COMMISSION PORTFOLIOS

FOLLOWING IS TEXT OF COMMISSION PRESS RELEASE:

LE PRESIDENT DELORS A REUNI A VILLERS-LE-TEMPLE LES MEMBRES DESIGNES DE LA COMMISSION QUI PRENDRA SES FONCTIONS LE 6 JANVIER, AVANT D'OUVRIER LA JOURNEE DE TRAVAIL CONSACREE AUX ORIENTATIONS DE LA PROCHAINE COMMISSION ET A SES METHODES DE TRAVAIL. LA REPARTITION DES ATTRIBUTIONS A ETE ARRETEE COMME SUIT :

JACQUES DELORS

SECRETARIAT GENERAL ET SERVICE JURIDIQUE

AFFAIRES MONETAIRES

SERVICE DU PORTE PAROLE

CELLULE DE PROSPECTIVE

SERVICE COMMUN INTERPRETATION-CONFERENCES

BUREAU DE SECURITE

FRANS ANDRIESEN

RELATIONS EXTERIEURES ET POLITIQUE COMMERCIALE

COOPERATION AVEC LES AUTRES PAYS EUROPEENS

HENNING CHRISTOPHERSEN

AFFAIRES ECONOMIQUES ET FINANCIERES

COORDINATION DES FONDS STRUCTURELS

OFFICE STATISTIQUE

MANUEL MARIN

COOPERATION ET DEVELOPPEMENT

POLITIQUE DE LA PECHE

FILIPPO MARIA PANDOLFI

SCIENCE, RECHERCHE ET DEVELOPPEMENT

TELECOMMUNICATIONS, INDUSTRIES DE L'INFORMATION ET INNOVATION

CENTRE COMMUN DE RECHERCHE

MARTIN BANGEMANN

MARCHE INTERIEUR ET AFFAIRES INDUSTRIELLES

RELATIONS AVEC LE PARLEMENT

LEON BRITTAN

POLITIQUE DE LA CONCURRENCE

INSTITUTIONS FINANCIERES

CARLO RIPA DE MEANA

ENVIRONNEMENT
SECURITE NUCLEAIRE
PROTECTION CIVILE

ANTONIO CARDOSO E CUNHA
PERSONNEL. ADMINISTRATION ET TRADUCTION
ENERGIE ET AGENCE D'APPROVISIONNEMENT EURATOM
PME. ARTISANAT. COMMERCE. TOURISME
ECONOMIE SOCIALE (COOPERATION-MUTUALITE)

ABEL MATUTES
POLITIQUE MEDITERRANEENNE
RELATIONS AVEC L'AMERIQUE LATINE
RELATIONS NORD-SUD

PETER SCHMIDHUBER
BUDGET
CONTROLE FINANCIER

CHRISTIANE SCRIVENER
FISCALITE ET UNION DOUANIERE
QUESTIONS RELATIVES AUX PRELEVEMENT OBLIGATOIRES (PRELEVEMENTS
FISCAUX ET SOCIAUX)

BRUCE MILLAN
POLITIQUES REGIONALES

JEAN DONDELINGER
AFFAIRES AUDIOVISUELLES ET CULTURELLES
INFORMATION ET COMMUNICATION
EUROPE DES CITOYENS
OFFICE DES PUBLICATIONS

RAY MACSHARRY
AGRICULTURE
DEVELOPPEMENT RURAL

KAREL VAN MIERT
TRANSPORTS
CREDITES ET INVESTISSEMENT
PROTECTION ET PROMOTION DES INTERETS DES CONSOMMATEURS

VASSO PAPANDREOU
EMPLOI. RELATIONS INDUSTRIELLES ET AFFAIRES SOCIALES
RESSOURCES HUMAINES. EDUCATION ET FORMATION

2. COMMENT FOLLOWS.

HANNAY

YYYY
ADVANCE 25
FRAME GENERAL 1
RESIDENT CLERK 1
PS/SOFS 1
PS/MRS CHALKER 1
KERR FCO 1
LAVELLE CAB 1
PS 1

171705Z

COMMENT

CONFIDENTIAL

FM UKREP BRUSSELS

TO DESKBY 190900Z FCO

TELNO 3958

OF 171340Z DECEMBER 88

INFO IMMEDIATE DECD POSTS

INFO PRIORITY STRASBOURG. UKMIS NEW YORK. UKMIS GENEVA. UKDEL NATO

INFO PRIORITY MOSCOW

FRAME GENERAL

UKREP TELNO 3941

COMMISSION PORTFOLIOS : COMMENT

SUMMARY

1. A CURATE'S EGG. AS USUAL, TWO BRITISH COMMISSIONERS GET SUBSTANTIAL PORTFOLIOS. INSUFFICIENCY OF LOAVES AND FISHES TO GO ROUND 17 COMMISSIONES LEADS AGAIN TO MANY AWKWARD DIVISIONS OF RESPONSIBILITY. RECOMMENDATIONS FOR MESSAGES TO AND MEETINGS WITH NEW APPOINTEES.

DETAIL

2. THE ALLOCATION OF PORTFOLIOS IN THE NEW COMMISSION SEEMS TO HAVE GONE REMARKABLY SMOOTHLY, AND RAPIDLY. THE OUTCOME CORRESPONDING EXACTLY TO THE DRAFT WHICH WAS AVAILABLE IN BRUSSELS JUST BEFORE THE MEETING BEGAN IN THE ARDENNES. ONLY CARDOSO, THE PORTUGUESE COMMISSIONER BEWAILED HIS LOT, AND HE WAS GIVEN SHORT SHRIFT.

3. IN THE LAST TWO WEEKS DELORS HAS BEEN GRADUALLY SLOTTING THE PIECES INTO PLACE AND IT WAS CLEAR A FEW DAYS AGO THAT HIS ONLY REAL REMAINING PROBLEM WAS WITH MARIN, THE SPANISH VICE-PRESIDENT, WHO HAD SET HIS HEART ON HAVING THE BUDGET AND WAS RESISTING DELORS' CHOICE FOR HIM OF DEVELOPMENT AID. THERE WAS MUCH TALK OF AN INTERVENTION ON HIS BEHALF BY THE SPANISH PRIME MINISTER WHO SAW DELORS ON 12 DECEMBER. WHATEVER THE TRUTH OF THAT, DELORS HAS GOT HIS WAY. THE DEVELOPMENT PILL BEING SWEETENED FOR MARIN BY THE ADDITION OF THE FISHERIES PORTFOLIO.

4. THE TWO BRITISH COMMISSIONERS HAVE GOT SUBSTANTIAL PORTFOLIOS. IN ADDITION TO COMPETITION POLICY WHICH HAS BEEN STEADILY GAINING IN SIGNIFICANCE OVER RECENT YEARS AND IS SET TO CONTINUE TO DO SO IN FUTURE. MR BRITTAN HAS RESPONSIBILITY FOR FINANCIAL SERVICES (BANKING, INSURANCE ETC.): BUT CONSUMER POLICY WAS WHISKED AWAY FROM HIM AT THE LAST MOMENT TO MAKE UP WEIGHT FOR VAN MIERT'S PORTFOLIO. MR MILLAN IS RESPONSIBLE NOT ONLY FOR THE MUCH EXPANDED REGIONAL POLICY BUT ALSO FOR THE INTEGRATED MEDITERRANEAN PROGRAMMES AND FOR OTHER INTEGRATED DEVELOPMENT OPERATIONS: BUT UNFORTUNATELY HE WAS NOT ABLE TO PRIZE RURAL DEVELOPMENT (THE NEW OBJECTIVE 5(B)) AWAY FROM AGRICULTURE.

5. THERE ARE A NUMBER OF OTHER PLUSES FOR US IN THE NEW APPOINTMENTS. TRADE POLICY, WITH THE URUGUAY ROUND AT ITS HEART, IS IN THE EXPERIENCED HANDS OF ANDRIESSEN. THE SINGLE MARKET PORTFOLIO.

ALBEIT A LITTLE TRUNCATED FROM THE ONE HELD BY LORD COCKFIELD. TOGETHER WITH THE OLDER, RUSTBELT INDUSTRIES, GO TO BANGEMANN, AN ECONOMIC (AS WELL AS A POLITICAL) LIBERAL WHO IS NOT LIKELY TO FAVOUR OVER-REGULATORY AND INTERVENTIONIST POLICIES. THE BUDGET HAS FALLEN TO SCHMIDHUBER WHOSE INTENSELY CAUTIOUS CONSERVATISM MAY PROVE AN ASSET THERE. ALTHOUGH HIS ABSENCE OF CLOUT WITH HIS COLLEAGUES WILL CERTAINLY NOT, THE LUXEMBOURGER, DONDELINGER SHOULD BRING AN APPROACH TO BROADCASTING, CULTURE AND AUDIO-VISUAL WORK MUCH CLOSER TO OUR THINKING THAN THAT OF HIS PREDECESSOR. RIPA, THE APPOINTMENT OF A SEPARATE COMMISSIONER FOR FISCAL QUESTIONS AND ONE WITHOUT ANY VERY FIXED IDEAS ON HOW TO PROCEED, COULD REDUCE THE TENSIONS IN THAT SECTOR.

6. THERE ARE HOWEVER A NUMBER OF LESS ENCOURAGING ASPECTS TO THE APPOINTMENTS. IT IS BAD NEWS THAT THE NEED TO PACIFY MARIN HAS LED TO A SPANIARD GETTING THE FISHERIES PORTFOLIO. HOWEVER GOOD MACSHARRY'S RECENT TRACK RECORD AS A FINANCE MINISTER, THE APPOINTMENT OF AN IRISHMAN TO THE AGRICULTURAL PORTFOLIO IS HARDLY LIKELY TO BOOST THE CAUSE OF CAP REFORM. THE CONCENTRATION OF SPANIARDS IN THE THIRD WORLD JOBS MEANS THAT RELATIONS WITH LATIN AMERICA WILL GET MUCH MORE ATTENTION; MARIN, WITHOUT A WORD OF ENGLISH AND WITH A QUARRELSOME DISPOSITION, SEEMS UNLIKELY TO MAKE A SUCCESS OF THE LOME RE-NEGOTIATION. THE APPOINTMENT OF RIPA TO HANDLE ENVIRONMENT IS HARD TO TAKE SERIOUSLY, AND PUTTING PROBABLY THE MOST LEFT-WING OF THE NEW COMMISSIONERS, MS PAPANDREOU, IN SOCIAL AFFAIRS HARDLY BODES WELL FOR US (DELORS DID TRY FOR SOME WEEKS TO IDENTIFY A NON-SOCIALIST FOR THAT JOB BUT FINALLY ABANDONED THAT APPROACH WHEN MACSHARRY WAS NEEDED ELSEWHERE).

7. THE VERY NUMEROUS OVERLAPS BETWEEN OUR OWN DIVISION OF MINISTERIAL RESPONSIBILITIES AND THOSE IN THE NEW COMMISSION MAKES IT DIFFICULT TO PUT FORWARD DETAILED RECOMMENDATIONS FOR MESSAGES TO THE NEW COMMISSIONERS. BUT, GENERALLY SPEAKING, I WOULD RECOMMEND THAT MINISTERS WHO NORMALLY GO TO PARTICULAR COUNCILS SHOULD SEND MESSAGES TO THE COMMISSIONERS THEY WILL EXPECT TO MEET AT THEM (TO EXISTING COMMISSIONERS WITH CHANGED JOBS AS WELL AS TO NEW ONES). IN ADDITION I WOULD RECOMMEND MESSAGES FROM LORD YOUNG TO BANGEMANN AND TO ANDRIESEN; AND FROM YOURSELF TO ANDRIESEN AND TO MATUTES.

8. MORE IMPORTANT THAN MESSAGES, I RECOMMEND THAT WE PUT IN HAND A SYSTEMATIC EFFORT TO ENSURE THAT SUBSTANTIAL BILATERAL MEETINGS BETWEEN EACH OF THE NEW COMMISSIONERS AND OUR OWN MINISTERS ARE ORGANISED WITHIN THE FIRST QUARTER OF 1989. SUCH MEETINGS CAN EITHER BE ARRANGED IN BRUSSELS, IN SOME CASES TACKED ON TO A COUNCIL MEETING, OR BY INVITING THE NEW COMMISSIONERS TO LONDON (MORE PRACTICAL WHEN THEIR RESPONSIBILITIES COVER MORE THAN ONE OF OUR OWN MINISTERS). OTHER MEMBER STATES WILL NOT BE BACKWARD IN PRESSING THEIR OWN POINTS OF VIEW ON THE NEWCOMERS AND WE CANNOT AFFORD TO DO OTHERWISE.

9. RESIDENT CLERK PLEASE ENSURE THIS TELEGRAM AND MY TUR ARE AVAILABLE TO THOSE ATTENDING THE FAC ON 19 DECEMBER (PS/ S OF S, PS/MRS CHALKER, KERR).

HANNAY
ADVANCE
RESIDENT CLERK
PS/SOFS
PS/MRS CHALKER
KERR FOO

Prof

FROM: SUSIE SYMES
DATE: 19 December 1988

cc Mr Lancaster
Mr RLG Allen
Mr Mathews

PS / CHANCELLOR

COMMISSION PORTFOLIOS

As you expect, UKRGP telegrams add little to the weekend press reports. As Sir David Hannay's comment suggests, Mr Brittain's portfolio was perhaps less enhanced than might have been hoped.
(Telno 3958)

Susie Symes