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RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE

PRIME MINISTER OF LUXEMBOURG, M. GASTON THORN, AT 10 DOWNING

STREET ON MONDAY 27 OCTOBER 1980 AT 1215 HOURS

Present:

Prime Minister
Mr. M. Alexander

M. Thorn

M. Kasel

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Commission Portfolios

The Prime Minister asked about the prospects for the allocation of portfolios within the new Commission. M. Thorn said that he had been informed by the Foreign and Commonwealth Secretary about the Prime Minister's wishes. The difficulty for him was that the majority of Commissioners wanted to stay put and to keep their present portfolios. The position of the French Government was not untypical: President Giscard had told him that he would have preferred to change both his Commissioners but since he wished to hang on to the portfolios he would probably end up by keeping both M. Ortoli and M. Cheysson in post. This meant that M. Thorn had very little flexibility. Effectively the only portfolios which he seemed likely to have at his disposal would be Transport, Personnel, Social Affairs, Competition and Energy. It had been proposed that Agriculture and Fish might be separated, but M. Gundelach would not agree to this. M. Davignon would like to absorb the Energy portfolio. Although Industry and Energy would make a good pairing, M. Davignon perhaps had enough responsibilities already. Prime Minister made it clear that this was her view also). Generally, it would be sensible to cut down the number of Commissioners, particularly given the prospect of Greek, Spanish and Portuguese appointments. The Prime Minister agreed.

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The <u>Prime Minister</u> said that it was essential to find a different way of financing the Community's agricultural surpluses.

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