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21 November 1979

EUROPEAN COUNCIL, DUBLIN  
29/30 NOVEMBER, 1979

THREE WISE MEN

Brief by Foreign and Commonwealth Office

OBJECTIVE

1. Avoid substantive discussion so as to leave enough time for the budget.

POINTS TO MAKE

Three Wise Men's Report: Handling

2. Have not had time to study Report in detail, but should prove a useful document. Congratulate Wise Men. Foreign Ministers should study and report to next European Council.

Foreign Ministers should not discuss proposals relating to European Council (if raised)

3. Agree that decisions on this should remain with Heads of State/Government. But useful, and in line with Wise Men's own recommendation on preparation for European Council, for Foreign Ministers to clear the ground.

Publication

4. No objection to publication.

Reduction in number of Commissioners (if raised)

5. Understand arguments for smaller Commission (efficiency, cohesion, etc) but such a change would be major departure which needs careful consideration; premature to give firm view.

/Membership

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Membership of next Commission (if raised)

6. No need to consider yet; need to form a view first on size of Commission.

Community Priorities (if raised)

7. Agree that Commission should begin work on preparing their recommendations to the European Council on priorities for Community work. Naturally without prejudice to our position on substance.

Responsibility for follow up to Wise Men's Report (if raised)

8. Can agree that present Irish Presidency should continue taking the lead on follow-up.

Attendance by President of European Council at the Parliament (if raised)

9. Decision premature. Prefer to consider this question in context of Wise Men's other proposals on improving relations between Council and Parliament.

/BACKGROUND

References:

- A Three Wise Men's Terms of Reference
- B Summary of Three Wise Men's Report

Mandate of Three Wise Men

10. At Giscard's initiative the Committee was invited by the December 1978 European Council to look at ways of improving the operation of the Community's institutions, with regard particularly to the prospect of enlargement; and to make proposals which could be implemented swiftly, without Treaty amendment.

Handling of the Report and publicity

11. The Report was distributed at the 20 November Foreign Affairs Council by the Presidency. Mr Lynch is expected to suggest that

- (i) the Report should be referred to Foreign Ministers for study with a view to preparing discussions by the March European Council;
- (ii) copies should go to the Heads of other Community institutions, eg. Parliament, Court (copies will already have gone to Mr Jenkins and Mr Ortoli, who attend the European Council);
- (iii) the Commission should be invited to begin work on preparing their recommendations to the European Council on priorities for the Community as the Report suggests (see paragraph 13(ii)(e) below;
- (iv) the Report should be published; and
- (v) the European Council should give a steer to Foreign Ministers on the themes to which it attaches greatest importance, eg. the primacy of the European Council.

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12. Giscard may try to bounce the meeting into taking decisions on one or two aspects affecting the European Council, and argue that Foreign Ministers should not discuss any recommendations on the European Council. While this would preserve the prerogative of the Heads of State/Government it could lead to time-wasting discussion. The Foreign Ministers could usefully clear the ground.

Substance of Report

13. The Wise Men's own summary of their report is at [B].

The main points are:

(i) Aims of Report:

(a) not to modify institutional balance but suggest practical ways of improving the functioning of each institution to create the best possible administrative conditions for overcoming existing difficulties.

(ii) European Council

- (a) This is the effective source of political guidance in the Community.
- (b) The European Council should adopt before 1981, in collaboration with the Commission, priorities for the Community as a whole.
- (c) The European Council should be integrated as far as possible within the normal framework of inter-institutional relations.
- (d) There should be limited agendas, limited attendance, full preparation and follow-up, early circulation of documents. Presidency responsibility for drafting accurate conclusions.
- (e) Giscard's idea of a longer-term (eg. 2 year) Presidency for the European Council is rejected.

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(iii) Council of Ministers

- (a) The machinery is becoming clogged.
- (b) Clearer definition and more efficient execution of the responsibilities of the Presidency are essential.
- (c) The Presidency should be free to lighten its own load by entrusting particular dossiers to other members of the European Council, Council of Ministers or subordinate organs. [It may be suggested that the Irish should assume responsibility for co-ordinating follow-up to the 'Three Wise Men's Report']
- (d) Other options, eg. "troika" formula, are rejected.
- (e) Council must be free to concentrate on political issues.
- (f) Greater use of majority voting.
- (g) There should be greater co-ordination of Community activities at all levels; the Council of Foreign Ministers should play a central role.
- (h) The Presidency must ensure good relations with the Parliament; and the Commission's contribution is vital to the Council's good functioning.

(iv) Commission

- (a) Exercise of role and responsibilities should be more effective.
- (b) Report endorses recommendation of SPIERENBURG Committee (see paragraphs 11 and 12 below) - only one Commissioner per Member State after enlargement, etc.
- (c) The President of the Commission's authority must be reinforced. He must be chosen six months before the Commission's renewal, must be consulted on the selection

of Commissioners and have the last word on the allocation of portfolios.

- (d) The Commission should set up at the start of its term of office a general programme (which can be revised at least once a year) in harmony with the priorities defined by the European Council (see paragraph 13(ii)(e) above).
- (e) It should participate actively in the work of the Council which should delegate implementation of policies to the Commission.

(v) European Parliament

- (a) Must be closer contacts between Parliament and Commission.
- (b) Commission and Council should take Parliament's Resolutions more seriously.
- (c) The implementation of the "conciliation procedure" (between Council and Parliament on acts with "appreciable financial consequences") should be improved.
- (d) The President of the European Council should appear once every six months before the Parliament.
- (e) There should be balanced relations between Commission, Council and Parliament.

(vi) Other

- (a) Any system of a "two-speed" Europe must be rejected.
- (b) Use of national languages cannot be limited systematically and by compulsion but essential that pragmatic arrangements are found to reduce number of interpreters at meetings.

/(vii)

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(vii) Conclusions

- (a) In the face of a difficult period for Europe in the next few years the Member States must maintain their solidarity and counter the pressures for protectionism.
- (b) The first and greatest task for the Community is the maintenance and consolidation of the acquis.
- (c) Solidarity between the Member States must be given practical expression to help survive immediate dangers and lay foundations for longer term progress.

SPIERENBURG COMMITTEE AND SIZE OF NEXT COMMISSION

14. Commission Review Body chaired by Ambassador Spierenburg reported to Commission on 24 September. Principal recommendations were: one Commissioner per Member State following enlargement; reduction in number of portfolios and of Directorates General; reduction in power of Cabinets; series of staff changes aimed at improving management flexibility, career structure, operational effectiveness of Commission etc. Commission must now decide what follow-up action it proposes. No role for Council yet.

15. Commission following enlargement would normally number 11, (at present 13). Spierenburg recommends 12. Streamlined Commission likely to be more efficient; but UK (like France, FRG and Italy) would lose a second Commissioner. Ministers have not yet taken firm view of UK's best interests. Schmidt may argue for reduction. Giscard has supported smaller Commission in the past but might change his mind. Cossiga probably disposed to retain two Commissioners, but might be prepared to agree reduction, at a price. No advantage in HMG taking firm line at this early stage: if we give up a Commissioner we too might expect to extract something in return.

/MEMBERSHIP

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MEMBERSHIP OF NEXT COMMISSION

16. There may be discussion of the composition of the next Commission, and in particular who should be President, due to take office at the beginning of 1981. GUNDELACH (Danish, current Vice-President, Agriculture) VAN DER STEE (Dutch Minister of Agriculture) THORN (Luxembourg, ex Prime Minister currently Foreign Minister) and TINDEMANS (Belgian, ex-Prime Minister) have all been mentioned already, eg. in Press speculation, as possible candidates for Presidency. Final choice will have to take into account decision on size of Commission in context of Three Wise Men/Spiereburg Reports, apart from other political factors.

FOREIGN AND COMMONWEALTH OFFICE

21 November 1979

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TERMS OF REFERENCE FOR THE 'COMMITTEE OF WISE MEN'

As a follow-up to the proposal made by the President of the French Republic, the European Council has agreed to call upon a number of eminent persons with special knowledge of European affairs to give thought to such affairs.

The Committee thus formed is made up of the following persons:

Mr Barend Biesheuvel

Mr Edmund Dell

Mr Robert Marjolin

The European Council invites the Committee to consider the adjustments to the machinery and procedures of the institutions which are required for the proper operation of the Communities on the basis of and in compliance with the Treaties, including their institutional arrangements, and for progress towards European union. It emphasises the interest it attaches to having available specific proposals in this connection which may be implemented swiftly and which take into account experience to date and the prospective enlargement to 12.

The European Council requests the Committee to report back on its conclusions when the Council meets in October 1979.

*December 1978*

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S U M M A R Y

REF B

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We have prepared this summary solely for the convenience of readers of our report. It is not a part of the report.

Barend BIESHEUVEL  
Edmund DELL  
Robert MARJOLIN

The European Council has asked us to make proposals on adjustments to the machinery and procedures of the Community institutions. We are well aware that the most fundamental causes of weakness in the functioning of the Community do not arise from mechanisms and procedures. The latter play, in fact, only a secondary role. The more serious obstacles are the economic difficulties and divergences of interests and views among the Member States.

The Community is likely to find itself facing real and fundamental problems in the coming years. Moreover, the number of Member States is to be increased during the same period. We must at least ensure that the institutions, rather than aggravating the difficulties by their inefficiency and the dispersion of effort, provide all the conditions for tackling them with the maximum chance of success.

We have tried not so much to fix new detailed rules for the functioning of a Community of Twelve as to propose practical adjustments which can be made here and now to the activities of Community institutions. If these recommendations are adopted, we believe they will result in the new members entering a Community that is more dynamic, more efficient and better prepared to receive them.

.../...

Due credit must be given to the Community's achievements. The greater part of the Treaties has already been implemented. Co-operation among Member States has been extended well beyond the letter of the Treaties. But the Community faces difficulties in building new common policies, often without precise Treaty guidelines. Moreover, the multiplication of the Community's tasks and their growing diversity have considerably increased the "lourdeur" of the Community's institutional apparatus. The latter has become both more complex and less efficient.

Our proposal is to improve the functioning of the apparatus by means of the definition of priorities and the clear identification of responsibilities. In our report we have deliberately set aside any kind of ideological approach. The intention is not to modify the institutional balance. Instead we suggest practical ways of improving the functioning of each institution.

The creation of the European Council was in itself a pragmatic response to the Community's institutional difficulties. It has become an effective source of political guidance in the Community.

The task is to find the right balance between freedom and discipline in the European Council's proceedings. The operational solutions already developed to this end should be reaffirmed and reinforced: limited agendas, limited attendance, coherent preparation and follow-up, early circulation of documents, Presidency responsibility for drafting clear and accurate conclusions. We have examined the idea of a longer-term Presidency for the European Council and it seems to us that it would present real difficulties in the present state of the Community.

There is considerable scope for improvement in the European Council's relations with the Treaty institutions. Our specific suggestions for preserving the role of the Council of Ministers, strengthening the Commission in its collaboration with Heads of Government, and establishing direct relations between the European

Council and Parliament, are designed to integrate the European Council so far as possible within the normal framework of inter-institutional relations. To make full use of its potential for political guidance, we propose that the European Council should adopt before 1981, in collaboration with the Commission, a master plan of priorities indicating the main tasks and directions for progress for the Community as a whole. This master plan must be precise and practical, a declaration of intent rather than a pious hope.

The European Council is responsible for reviewing the whole range of Member States' common action, whether it has a strictly Community character or not - as is the case notably for Political Co-operation. It has, therefore, a certain choice among the procedures to be used particularly for new actions. Priority must be given to the application of Article 235. But if it appears impracticable to apply this procedure, action in common by other methods which allow the Community to make progress should not be ruled out a priori.

The Council of Ministers in its various formations, and the associated machinery, are producing results which do not match up to the amount of effort deployed. The burden of work is becoming impossible to handle and the efforts of the various subordinate bodies and of the specialized formations of the Council are insufficiently co-ordinated. To tackle these problems, the clearer definition and more efficient execution of the responsibilities of the Presidency seem to us essential. Each Presidency should establish its work programme, respecting the priorities defined by the European Council, and should report on the execution of the programme at the end of its term. The authority of the Presidency in enforcing procedures, and in establishing the agenda, should be clearly recognized. The Presidency should be free to lighten its own load by entrusting particular dossiers to other members of the European Council, the Council of Ministers or subordinate organs. Other options, such as a change in the rotation of the Presidency and the "troika" formula, are rejected.

The Council itself must be free to concentrate on the genuinely political issues. This means making wider use of delegation to the Commission; and giving more room for manoeuvre to the Committee of Permanent Representatives and the lower-level bodies. We do not recommend altering the status of Permanent Representatives. Procedures for taking decisions must be as economical as possible. The "Luxembourg Compromise" has become a fact of life in the Community. Each State must be the judge of where its very important interests lie. But if all States feel sure they will not be overruled on matters involving such interests for them, they should all accept voting as the normal practice in all cases where the Treaty does not impose unanimity and no very important interests are involved.

The working groups below COREPER should not, as too often happens, be left to their own devices. The Presidency, helped by the Council Secretariat and in liaison with the Commission, has special responsibility for co-ordinating their work within the framework of agreed priorities and for avoiding unnecessary delays.

Horizontal co-ordination is also essential to counteract the fragmentation and dispersion of Community activities. While it cannot retrieve the dominant position it held in the early years, the Council of Foreign Ministers should continue to play a central role. Certain specialized Councils might hold less frequent meetings.

National administrations can make a further, very significant contribution to the proper functioning of the Communities. Co-ordination of Community affairs is carried out by very different methods from one capital to another. We do not seek to impose a single stock model on practices which have been shaped by tradition and on structures which are often highly diverse. But it is vital that the capacity should exist in all Member States to produce, in good time, instructions which are both considered and coherent. The Permanent Representative can play

a helpful role in this respect.

Finally, the Council does not operate in isolation. The Commission makes a contribution which is vital for its good functioning, and the Presidency should look after the quality of its relations with the Parliament.

The role and authority of the Commission have declined in recent years. The exercise of its right of initiative and its role as guardian of the Treaties, together with its management and implementing tasks, need to be made more effective and adapted to current circumstances. The number of Commissioners in the enlarged Community should be limited to twelve - one per Member State. The number of Directorates-General should be reduced and brought in line with that of Commissioners. The college of Commissioners should be more homogeneous and should act more as a collective body. Co-ordination between departments should be strengthened and the central services - budget, personnel, administration - grouped under the authority of the President. The President of the Commission's authority must be reinforced within the institution of which he is the head. He should be chosen by the European Council six months before the renewal of the Commission. He should be consulted by Governments on the selection of Members of the Commission, and should have the last word on the allocation of portfolios.

It is essential that the Commission should maintain an active role in the Community. It represents the interests of Europe as a whole and not a compromise between different points of view. It should set up at the start of its term of office a general programme which can be revised at least once a year, in harmony with priorities defined by the European Council. It should organize the application of its resources on the basis of this programme, taking account of the capacity of the Council machine. The production and handling of "harmonization" proposals need careful planning. The Commission should consult States, where necessary, at a high political level and should avoid repeated low-level consultations on the policy aspects of its drafts.

It should participate actively in the work of the Council, modifying its proposals and suggesting compromises.

The Council, for its part, must delegate more of the implementation of new policies to the Commission. Ways must be found, for example by the development of stock formulae and political understandings between the institutions, to eliminate the obstacles which have blocked certain delegations in the past.

This report makes no claim to pronounce on the process of evolution which the European Parliament may go through following its election by direct universal suffrage. But we can suggest certain adjustments which are necessary in relations between the Parliament and the other institutions. In this context, closer contacts must be developed between the Parliament and the Commission. The latter must present its programme to the Parliament for debate. It must work out with the Parliament a six-monthly programme for consultative work. Above all, the Commission must make a more serious response to the Parliament's Resolutions. The Council, too, should take these Resolutions more seriously. It is up to the Presidency to draw them to Member States' attention and to develop personal contacts with the Parliament. The institutions should try to agree on practical improvements to tackle the difficulties arising in the implementation of the "conciliation" procedure. Finally, the President of the European Council should appear once every six months before the Parliament, so as to achieve a direct dialogue at the highest level between the two organs. In the interests of the Community, balanced relations need to be maintained between the three points of the Commission-Council-Parliament triangle.

The Court of Justice has presented suggestions itself for resolving its problems. Solutions should be found by discussion between the institutions. The same applies to the Court of Auditors. The Economic and Social Committee faces more serious difficulties. In these times of crisis, the Community needs an efficient mechanism for consultation with the social partners. We make some

suggestions for reaffirming the Economic and Social Committee's role in socio-economic consultations in the Community, and also for increasing the effectiveness of the Tripartite Conference, the Standing Committee on Employment and the Joint Committee system.

In this whole study, we have taken account of the prospective enlargement of the Community to twelve members. Our technical proposals designed to improve the transparency, coherence and efficiency of the Community institutions are based on experience of a Community of nine members, but they can do much to ease the functioning of a Community of Twelve.

However, enlargement will not add only to the "lourdeur" of the institutions. It will also extend the range of differing circumstances and interests among Member States. Any system of a "two-speed" Europe which created differences of status between Member States must in our view be rejected. Differentiated solutions for the application to Member States of policies decided in common may however prove useful in some cases, as they have in the present-day Community. Certain safeguards should be applied whenever they are used.

The Community of Twelve will have nine official languages. Any attempt to limit systematically and by compulsion the use of any national language would be unjust as well as politically impractical. But the costs and complications will be on a scale to make it essential that pragmatic arrangements are found allowing the number of interpreters to be reduced according to the nature of each meeting.

We have also reflected on the problems likely to face Europe in the next few years. This period will be a difficult one for Europe. Everything points to a relatively low rate of economic growth, accompanied and aggravated by monetary disturbances and difficulties in the energy market. The unemployment problem will lead to social and political tensions. The prospects for the Community's future, and for progress towards European Union, will depend on how it copes with this continuing crisis. The



Community's Member States must maintain their solidarity both in the active sense - i.e. mutual aid - and in the passive sense of abstaining wherever possible from action likely to cause problems for other members. Much resolve and political intelligence will be needed to counter the pressures for protectionism which are bound to arise both in the enlarged Community's internal trade and in its dealings with the outside world.

The priorities which the Community sets itself in dealing with these challenges must be flexible enough to allow adjustment to changing circumstances. They must be based on a realistic appreciation of the scope for Community action. The first and greatest task is the maintenance and consolidation of the acquis, with any adjustments that modern conditions may demand. In dealings with the outside world the Community and its Member States must act in the most united way possible both on the economic and on the political front. The solidarity between States must be given practical expression, whether it be in joint action to face up to the energy crisis, in mutual aid for other emergencies, or in the development of efforts for greater monetary stability such as are reflected in the European Monetary System. Priorities of this kind should help the Community not only to survive the immediate dangers, but also to lay the practical foundations for progress in the longer term.

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