REPORT OF THE THREE WISE MEN ON EUROPEAN INSTITUTIONS The main points of the report 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 (pp 13,14). (ii) European Council (a) This is the effective source of political guidance in the Community. (pp 15-18). (b) The European Council should adopt before 1981, in collaboration with the Commission, priorities for the Community as a whole. (pp 19-20) (c) The European Council should be integrated as far as possible within the normal framework of inter-institutional relations. (pp 21-22) (d) There should be limited agendas, limited attendance, full preparation and follow-up, early circulation of documents. Presidency responsibility for drafting accurate conclusions. (pp 22-26) (e) Giscard's idea of a longer-term (e.g. 2 year) Presidency for the European Council is rejected. (pp 26-27) (iii) Council of Ministers (a) The machinery is becoming clogged. (pp 31-34) (b) Clearer definition and more efficient execution of the responsibilities of the Presidency are essential. (pp 35-42) (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.(pp 43) (d) Other options, e.g. "troika" formula, are rejected. (pp 44-45) (e) Council must be free to concentrate on political issues. (pp 46) ) (f) Should be greater delegation to Commission, COREPER and lower-level bodies. (pp 47-50) (g) The "Luxembourg Compromise" is a fact of life so majority voting should be accepted as normal practice in all cases where the Treaty does not require unanimity and no very important interests are involved. (pp 50-52) /(h)- 1 -

(h) There should be greater co-ordination of Community activities at all levels; the Council of Foreign Ministers should play a central role. (pp 52-57) (i) National administrations must be able to produce timely, considered and coherent instructions. (pp 60-62) (j) The Presidency must ensure good relations with the Parliament; and the Commission's contribution is vital to the Council's good functioning. (pp 62-63) (iv) Commission (a) Exercise of role and responsibilities should be more effective. (pp 64-67) (b) Report endorses recommendations of Spierenburg Committee - only one Commissioner per Member State after enlargement, etc. (pp 67-69) (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. (p 70) (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 (ii)(b) above). (p 71) (e) It should participate actively in the work of the Council which should delegate implementation of policies to the Commission. (p 72) (v) European Parliament (a) Must be closer contacts between Parliament and Commission. (p 78) (b) Commission and Council should take Parliament's Resolutions more seriously. (pp 79-80) (c) The implementation of the "conciliation procedure" (between Council and Parliament on acts with "appreciable financial consequences") should be improved. (Annex pp 114-118) (d) The President of the European Council should appear once every six months before the Parliament. (p 81) (vi) Other (a) Any system of a "two-speed" Europe must be rejected. (p 90) /(b) - 2 -

(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. (pp 93-95) (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. (pp 99-100) (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 foundation for longer-term progress. (pp 107-8) Foreign and Commonwealth Office 22 November 1979 - 3 -