

**Ad hoc Committee
on Institutional Affairs**

**Interim report
to the European Council
(Dublin, 3-4 December 1984)**

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Presidency conclusions

Ad hoc Committee on Institutional Affairs

The European Council decided to set up an *ad hoc* Committee consisting of personal representatives of the Heads of State or Government, on the lines of the 'Spaak Committee'.

The Committee's function will be to make suggestions for the improvement of the operation of European cooperation in both the Community field and that of political, or any other, cooperation.

The President of the European Council will take the necessary steps to implement that decision.

AD HOC COMMITTEE
ON INSTITUTIONAL
AFFAIRS

Dublin, 27 November 1984

An Taoiseach,
Dr Garret FitzGerald, TD,
President-in-Office of
the European Council

Dear President,

At its meeting in Fontainebleau in June 1984, the European Council decided to set up an ad hoc Committee to suggest improvements in the operation of European cooperation in both the Community field and that of political or any other cooperation.

The ad hoc Committee submits the attached interim report so as to enable the European Council meeting in Dublin to indicate to the Committee along what lines it should continue its work.

The text of this interim report reflects the broad consensus reached on the topics concerned. Where members were unable to accept the consensus on any point this is indicated either in a footnote or in an annex to the interim report.

There are a number of areas in which further deliberation by the Committee might be expected to reduce some of the divergences that exist at present. There are also a number of areas in which further deliberation would enable the Committee to make more detailed proposals.

The President of the European Parliament attended meetings of the Committee on two occasions and there was an exchange of views. The Committee is of the opinion that the text of the interim report should be made available to the President of Parliament.

The Committee was greatly facilitated in its work by the diligence of its small secretariat and by the facilities made available to it by the Council Secretariat, by the Belgian Government and the Commission.

Yours sincerely,

James Dooge

Senator James Dooge

List of Members of the ad hoc Committee on Institutional Affairs

Mr DOOGE

Representative of Mr FitzGerald, Prime Minister of Ireland (Chair)

Mr ANDRIESEN

Representative of Mr Thorn, President of the Commission

Mr DONDELINGER

Representative of Mr Santer, Prime Minister of Luxembourg

Mr FAURE

Representative of Mr Mitterrand, President of the French Republic

Mr FERRI

Representative of Mr Craxi, President of the Italian Council

Mr HERMAN

Representative of Mr Martens, Prime Minister of Belgium

Mr MØLLER

Representative of Mr Schluter, Prime Minister of Denmark

Mr PAPANTONIOU

Representative of Mr Papandreou, Prime Minister of Greece

Mr RIFKIND

Representative of Mrs Thatcher, Prime Minister of the United Kingdom

Mr RUHFUS

Representative of Mr Kohl, Chancellor of the Federal Republic of Germany

Mr VAN EEKELEN

Representative of Mr Lubbers, Prime Minister of the Netherlands

Preface ¹

After the Second World War Europe made a very promising start by setting up, firstly with the ECSC and then with the EEC, an unprecedented construction which could not be compared with any existing legal entity and which in its originality answered the complex and deeply felt needs of our citizens.

The Member States became caught up in quarrels which made them lose sight of the considerable economic and financial advantages which they would obtain from the realization of the common market and of European economic and monetary union.²

Although the partners had decided to complete this construction as from the Summit in The Hague in 1969, it is now in a state of crisis and suffering from serious deficiencies.

After 10 years of crisis, unlike Japan and the United States, it has not yet got back to a growth rate which would enable it to reduce the disturbing figure of 13 million unemployed.

In this state of affairs Europe is faced with ever more important challenges both in the field of increasing industrial and technological competition from outside and in the struggle to maintain the position of political independence which historically it has held in the world.

Faced with these challenges, Europe must recover its faith in its own greatness and launch itself on a new common venture — the setting up of a political entity — which, if a dogmatic approach is to be avoided, must be based on clearly defined priority objectives and must provide itself with the means of achieving them.³

¹ See Mr Møller's observations in Annex.

² Mr Papantoniou entered a reservation, stating that the overall gains from economic integration are unequally divided and could also disguise losses for the less prosperous regions.

³ Mr Møller felt that the difficulties facing the construction of Europe resulted from a failure to implement the existing Treaties fully and could be remedied by the strict application of the Treaties. He considered that the achievement of the European Union as already foreseen in existing statements was the objective.

I. A true political entity^{1 2}

It is not enough to draw up a simple catalogue of measures to be taken — even if they are precise and concrete — since such exercises have often been attempted in the past without achieving results. We must now make a qualitative leap and present the various proposals in a global manner, thus demonstrating the common political will of the Member States. In the last analysis that will must be expressed by the formulation of a true political entity^{1 2} among European States, i.e. a European Union:

- (i) with the power to take decisions in the name of all citizens, by a democratic process according to their common interest in political and social development, economic progress and security³ and according to procedures which could vary depending on whether the framework is that of intergovernmental cooperation, the Community Treaties, or new instruments yet to be agreed;
- (ii) in keeping with the personality of each of the constituent States.

¹ Reservation entered by Mr Papantoniou who suggested replacing 'A true political entity' by 'A true economic and political entity'.

² Mr Møller considered that the expression 'a true political entity' should be replaced by the expression 'the European Union'.

³ Mr Møller considered that the point security should be limited to the political and economic aspects of security.

II. Priority objectives

A. A homogeneous internal economic area

(a) *Through the completion of the Treaty*

1. By creating a genuine internal market

The aim is to bring about economic and monetary union and to create the fully integrated internal market envisaged by the Treaty of Rome and called for since 1972, thus allowing Europeans to benefit from the dynamic effects of a single market with immense purchasing power. This would mean more jobs, more prosperity and faster growth and thus make the Community a reality for its citizens.

This involves:

- (i) the effective free movement of European citizens;*
- (ii) pending the adoption of European standards, the immediate mutual recognition of national standards by establishing the simple principle that all goods lawfully produced and marketed in a Member State must be able to circulate without hindrance throughout the Community, and by introducing a single customs document as planned for 1987;
- (iii) the early introduction of a common transport policy;
- (iv) the creation at an early date of a genuine common market in insurance;¹
- (v) the opening-up of access to public contracts;¹
- (vi) an application of national and Community competition rules, adapted to the new industrial situation;
- (vii) the creation of conditions which will favour cooperation between European undertakings and in particular the elimination of taxation differences that impede the achievement of the Community's objectives;
- (viii) the strengthening of European financial integration, *inter alia* through the free movement of capital, hand in hand with the building up of a European monetary system;¹

* *To be dealt with further by the Committee for a Peoples' Europe.*

¹ Reservation entered by Mr Papantoniou who considered that the introduction of these policies should take account of the particular situation of national economies.

- (ix) the development, in close consultation with the Community industries and bodies concerned, of Europe's scientific and technological potential, at the level of the regions and of the Community.¹

2. Through the promotion of economic convergence²

- (i) the promotion of solidarity amongst the Member States aimed at reducing structural imbalances which prevent the convergence of living standards, through the strengthening of specific Community instruments and a judicious definition of Community policies;
- (ii) the effective pursuit of integration and the strengthening of Community institutions that underlies it, require positive action to counter the tendencies to inequality and promote the convergence of living standards.

(b) *Through the realization of the European Monetary System (EMS)*

The European Monetary System, which was created and set up pending restoration of the conditions for the gradual achievement of economic and monetary union, is one of the achievements of Europe over the last decade. It has enabled the unity of the common market to be preserved, reasonable exchange rates to be maintained and the foundations for the Community's monetary identity to be laid.

The time has come however, to forge ahead towards monetary integration through:

- (i) closer coordination of economic, budgetary and monetary policies with the aim of true convergence of economic performances;
- (ii) the promotion of the role of the ECU in transactions between central banks and the development of the use of the ECU in private transactions;

¹ Mr Møller stressed the following points:

The large number of national State aids which distort competition should all be removed with rigour and resoluteness.

All the measures in the agricultural area which have in recent years been introduced with the intention of renationalizing the common agricultural policy should be dismantled.

The necessary transparency in nationalized industries should be introduced in order to safeguard the principles laid down in the Treaties.

² Reservation of Mr Papantoniou who argued that the text should stress more explicitly the need to reinforce the policies aiming at economic convergence, and should give a more comprehensive definition of their scope.

- (iii) participation in the EMS by all the Community Member States and the opening up of the EMS to States applying for membership. This will include special financial measures for the benefit of countries with weak economic structure joining the exchange rate mechanism of a strengthened EMS, if they join;
- (iv) the strengthening of the EMCF by giving it effective powers, and the promotion of the ECU as an international reserve currency. Only by this route can steps be taken towards developing the EMS into a common independent central bank system and eventually the creation of a European Monetary Fund and a common currency.^{1 2}

Discussion will continue in the Committee on this point.

(c) Through mobilization of the necessary resources

Intensifying the efforts already undertaken, framing new policies and delegating new powers to the Community will often, but not always, entail additional expenditure which will necessitate transfers of resources. These transfers will only be feasible if they are subject to strict budgetary control and if the implementation of these new policies at Community level is reflected in savings in each Member State.³

B. Promotion of the common values of civilization

The European Union contemplated will not rest simply on an economic community. The logic of integration has already led European States to cooperate in fields other than economic ones and will continue to lead them still further along that path. Accentuating this essential process will give a European dimension to all aspects of collective life in our countries.*

** The Committee wishes to examine in greater detail a number of measures referred to here.*

¹ Reservation of Mr Papantoniou on the inclusion of references to 'effective powers', common independent central bank system, European Monetary Fund and common currency.

² Mr Rifkind entered a reserve on the reference to a common independent central bank system, to a European Monetary Fund and to a common currency.

³ Mr Møller considered that the increase in the VAT ceiling agreed by the European Council at Fontainebleau would scarcely be sufficient for the promotion of new policies.

To that end a number of measures must be undertaken, wherever possible in close cooperation with European countries which are not members of the Community and with the Council of Europe.

These measures are:

1. Measures to protect the environment through the harmonization of plans to combat pollution of the seas, rivers and air.
2. Gradual achievement of a European social area.
3. Intensification of European judicial cooperation.
4. Measures to combat organized crime and terrorism.
5. Protection of human rights throughout the world.
6. The promotion of European cultures, in particular through the European Foundation and the European University Institute. Common measures will have to be initiated, particularly to encourage transnational cooperation in the field of audio-visual communication.

C. The search for an external identity¹

Europe's external identity can be achieved only gradually, within the framework of common action and political cooperation in accordance with the rules applicable to each of these. It is increasingly evident that interaction between these two frameworks is both necessary and useful. They must therefore be more closely aligned. The objective of European political cooperation must remain the systematic formulation and implementation of common external policy.²

Similarly in the case of defence, although the aim of European Union is indeed the cohesiveness and solidarity of the countries of Europe within the larger framework of the Atlantic Alliance, it will only be possible to achieve that aim in

¹ Mr Møller entered a general reserve on all of this section. He considered that, instead of structural changes, it is necessary to have a new pragmatic development of European political cooperation on the existing base, which has already shown itself to be effective. Particularly in relation to security, it should be confined to political and economic aspects.

² Reservation entered by Mr Papantoniou.

a series of stages and by paying special attention to the differing individual situations, including the situations of the two nuclear powers which are members and of certain member countries facing specific security problems.¹

(a) External policy

It should first of all be noted that there already exist common policies provided for by the Treaties which have an external dimension, and external policies such as the development policy and the commercial policy.

In particular, Community development policy must be intensified, without prejudice to the traditional actions of the Member States.

On the diplomatic front several measures could be considered initially which might allow progress to be made towards finding a common voice:

1. Strengthening political cooperation structures by:

- (i) creating a permanent Political Cooperation Secretariat to enable successive Presidencies to ensure greater continuity and cohesiveness of action; the secretariat would to a large extent use the back-up facilities of the Council;**
- (ii) regularly organizing EPC working meetings at the Community's places of work, while meetings of Ministers should also be arranged in the Member States' capitals.**

2. Improving political cooperation activities by:

- (i) an explicit undertaking by the Member States to promote EPC by agreeing to a formalization of the commitment to a prior consultation procedure;**
- (ii) seeking a consensus in keeping with the majority opinion with a view to the prompt adoption of common positions and to facilitating joint measures;**
- (iii) adopting a common position in multilateral and inter-regional relations, particularly at the United Nations.**

3. Member States and the Community should examine on a case-by-case basis the desirability of a common representative at international institutions,

¹ Senator Dooge did not agree to the inclusion of this paragraph.

especially in the UN framework and in the countries where only a few Member States are represented.

4. Codification of EPC rules and practices.¹

(b) *Security and defence*²

The aim is to encourage greater awareness on the part of the Member States of the common interests of the future European Union in matters of security.

Any discussion of this question will need to take account of:

1. the frameworks which already exist (and of which not all partners in the European Community are members) such as the Atlantic Alliances and the WEU;
2. the differing capacities and responsibilities and the distinctive situations of the Community Member States.

Several measures could be considered, for example:

- (i) extending and strengthening consultations on political and economic aspects of security problems as part of political cooperation;
- (ii) a commitment by the Member States to design, develop and produce together the weapons systems necessary for their security and, more generally, high technology materials;
- (iii) the intensification of the efforts to define and establish common standards for materials.

¹ Mr Papantoniou entered a reservation on points 1, 2, 3 and 4 of the section on external policy.

² Senator Dooge did not agree to the inclusion of the text on this paragraph.

III. The means: efficient and democratic institutions ¹

European Union — like the Community today — needs institutions which are entirely at the service of the common interest. Their functioning and behaviour must clearly reflect the original nature of their purpose within the framework of their specific powers. It is in the first place for the institutions to comply with and apply the rules of the Treaties.

¹ Reservation entered by Mr Møller on this chapter. Mr Møller considers that the problems faced by the Community are not due to the failure or imperfections of the institutions of the Community system. On the contrary, it may be said that the gradual deviation and derogations from these fundamental principles together with a lack of political will to take decisions are the root of many of the problems of today. It is necessary to put the Community house in order in the sense that existing common policies and common actions are brought into line with the fundamental principles of the Treaty. New common policies are required and the necessary financial means should be put at the disposal of the Community. Following this the balance between the institutions should be re-established by respecting the distribution of competences between them as laid down in the Treaties.

A. Easier decision-making in the Council

which means primarily changes in practice and certain adjustments to existing rules:

- less bureaucracy within the institutions, as national authorities have, through their experts, gained too much ground over the last 10 years;
- adoption of new general voting principles:
 - the only decisions which must be unanimous will be those concerning new areas of action or new accessions;
 - other decisions will be taken by a qualified or simple majority;^{1 2 3}
- while introducing, in return, an appropriate procedure under which, for a transitional period, a Member State could plead a vital interest,⁴ provided it can objectively justify it to the Council which, in turn, must ensure with the help of the Commission that the vital interests of the Community as a whole are respected;^{1 2 3}
- in order to ensure the implementation of certain decisions, the use, in exceptional circumstances, of the method of differentiated Community rules, provided such differentiation is limited in time and based solely on economic and social considerations;^{5 6}
- The trend towards the European Council's becoming simply another body dealing with the day-to-day business of the Community must be reversed. The Heads of State or Government should play a strategic role and give direction and political impetus to the Community. For this purpose two European Council meetings a year should suffice.*

** It will now be useful for the Committee to discuss the practical implications of the above proposals and of other proposals which would improve decision-making in the Community.*

¹ Reservations of Mr Papantoniou on the second and third indents. He argued against the adoption of a new general principle for voting, and in favour of maintaining the right of each Member State to invoke a vital interest.

² Reservation entered by Mr Møller.

³ Mr Rifkind entered a reserve on this text, but accepted the principle of a more frequent use of majority voting, and of other reforms which would improve decision-making in the institutions.

⁴ Messrs Andriessen, Dondelinger, Herman, Ruhfus and Van Eekelen abstained from taking up a position on the recognition in this form of the invocation of the vital national interest. They are awaiting the final report.

⁵ Reserve entered by Mr Møller.

⁶ Reservation of Mr Papantoniou who proposed to add two further conditions for the utilization of the method of differentiation: namely that it does not apply to established common policies and that it excludes decisions having budgetary implications.

B. A strengthened Commission

The Commission guarantees autonomous representation of the common interest. Wedded to the general interest whose guarantor it is, the Commission cannot be identified with individual national interests.

If it is to carry out fully the tasks entrusted to it, which make it the lynchpin of the Community, its powers must be increased.

In the first place its autonomy must be confirmed so that it can be completely independent in the performance of its duties in accordance with the obligation specifically imposed upon it and on each of its Members individually.

To this end it is proposed that the President of the Commission be designated by the European Council.

The other members of the college shall be appointed by common accord of the governments of the Member States, acting on a proposal from the President-designate.¹

The Commission must not include more than one national from any Member State.

At the beginning of its term of office the Commission should receive a vote of investiture on the basis of its programme.²

Similarly, the Commission must now be acknowledged as an organ with full powers of initiative, implementation and administration.

¹ Mr Rifkind entered a reserve on this sentence, holding to the view that while the President designate should be closely involved, the responsibility for appointing Commissioners should rest with governments.

² Reservation of Mr Papantoniou who suggested replacing the text of the four (preceding) paragraphs by the following text: 'To this end it is proposed that the President of the Commission be designated unanimously by the European Council, and be consulted by the Governments of the Member States prior to the nomination of the Commissioners. The Commission should be composed of one Member per Member State.'

